

Studio Ricerche Sociali (SRS)

**The soft use of the Open Method  
of Coordination in the Italian  
social policies**

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## 1. Introduction

This paper examines the Italian way of the Social OMC, i.e. the Open Method of Coordination in social policy fields.

At the beginning, the paper summarises the OMC processes at a European Union (EU) level (Section 2) and presents the Italian institutional context relevant to them (Section 3). These introductory sections provide elements useful to understand developments of the Italian policy agendas associated with the Social OMC between 2000 and 2012.

The paper takes into consideration different policy orientations that influenced key documents in Italy (Section 4). It then examines specific aspects of the Social OMC: its impacts on the policy arena and general public (Section 5); vertical and horizontal coordination, i.e. between different levels of decision-making and between several policy fields (Section 6); involvement of relevant stakeholders (Section 7); mutual learning (Section 8); monitoring mechanisms (Section 9).

Eventually, the paper considers different points of views that characterise the debate on the relationships between the OMC and the Community Method in order to arrive at a main concluding remark (Section 10).

The paper utilises several sources of information. The analysis of the Social OMC starting phase (2000 – 2005) is based on literature relevant to that period. The analysis of the following period (2006 – 2010) is based on information acquired through interviews with relevant stakeholders. Documents produced by the Italian governments serve to analyse subsequent developments (2011 – 2012).

Interviews with relevant stakeholders were carried out in 2010 within a project (*Assessing the effectiveness and the impact of the Social OMC in preparation of the new cycle*) managed by the Public Policy and Management Institute (PPMI, Vilnius) and commissioned by the European Commission (DG Employment, Social Affairs and Inclusion). The interviews were 34 and included representatives of public authorities (e.g. state ministries, regional and local authorities), non-governmental organisations (NGOs), trade unions, as well as academics and experts. Obviously, the responsibility of how the results of the interviews were treated in the present report is attributable only to the author. Similarly, any consideration expressed in this paper does not necessarily represent the views of those who coordinated the mentioned project.

## 2. The EU OMC processes

The Open Method of Coordination (OMC) is a voluntary process for political cooperation between the EU Member States, as well as for domestic strategies: “a mutual feedback process of planning, monitoring, examination, comparison and adjustment of national (and sub national) policies, all of this on the basis of common objectives agreed for the EU as a whole. Through this peer review exercise (which involves the European Commission and all Member States), and thus the sharing of experience and good practices, all the countries can learn from one another and are therefore all in a position to improve their policies.” (Marlier E. et al., 2007).

Coordination in economic policies was already included in the 1958 Rome Treaty. OMC-type processes can be found in the Broad Economic Guidelines (introduced by the 1992 Treaty of Maastricht) and have interested several policy fields such as: employment, education, training, immigration, asylum, disability, health and safety, youth policies, environmental protection, research, innovation, information society, enterprise promotion, structural economic reform, fundamental rights (Radaelli C., 2003; Borra's S. and Jacobsson K., 2004; Zeitlin J. 2005).

Applied to social inclusion and social protection policies, the OMC (called Social OMC) relied on the following main components, generally in a three-year cycle:

- Common Objectives, agreed upon by the Member States
- Common Indicators, to support the common objectives and to show progress towards them
- National reports to translate the common objectives and indicators into domestic policies
- Joint Reports approved by the EU Commission and Council to assess both EU-level initiatives and national reports, while identifying challenges of each Member State
- Mutual learning process and dialogue between the EU Member States to stimulate innovation, debate among equals (peer review) and the sharing of good practices.

The Luxembourg process regarding the EU Employment Strategy, launched in 1997, was a main source of inspiration for the Social OMC (Rodrigues M. J., 2001). The official commencement of the OMC in social policies is attributed to the Lisbon EU Council of March 2000, which launched the Lisbon Strategy on growth and jobs. The EU Council stated that a new open method of coordination (OMC) would facilitate spreading best practices and achieving greater convergence towards the main EU goals. Specific attention of the Council was devoted to promoting social inclusion, but also to modernising social protection (including the financial sustainability of pensions and quality health services).

Following this strategic orientation (Box 1), the Göteborg European Council of June 2001 decided the application of OMC in pensions policy area, but this process was more “partial” than in social policies (Natali D., 2006).

Three years later, in October 2004, the EU Council of Employment, Social Policy, Health and Consumer Affairs Ministers (EPSCO) endorsed the application of the OMC to health care and long-term care, but only preliminary statements were produced in this policy field.

<b>Box 1: The Social OMC 2000 - 2005</b>	
<p>Three OMC processes:</p> <ul style="list-style-type: none"> <li>• Social Inclusion (2000)</li> <li>• Pensions (2001)</li> <li>• Health and Long Term Care (2004)</li> </ul>	<p>Documents produced by the EU Member States:</p> <ul style="list-style-type: none"> <li>• EU15 (old members): National Action Plan on social inclusion (NAP) 2001-2003 and 2003-2005; update report 2003-2005</li> <li>• EU10 (new members): NAP 2004-2006; update report 2004-2006</li> <li>• Pensions Reports in 2002 and 2005</li> <li>• Preliminary National Policy Statements on Health Care and Long-Term Care in 2005</li> </ul>
<p>Common Objectives for each policy strand without linkage between them (e.g. 4 for Social Inclusion)</p>	<p>Documents produced by the EU Commission:</p> <ul style="list-style-type: none"> <li>• Joint Reports on Social Inclusion 2002, 2003 and 2004</li> <li>• Joint Reports on Social Protection and Social Inclusion 2005</li> <li>• Report on Social Inclusion in Europe 2006 concerning the national updated reports</li> </ul>

The revision of the Lisbon Strategy (2005) streamlined the OMC processes according to the criteria of rationalisation, simplification, integration and synchronisation. In March 2006, the EPSCO Council endorsed the new OMC (Box 2). A National Reform Programme (NRP) constituted the framework plan to connect the economic, employment, social and environmental strands of the Lisbon Strategy. A new Social OMC was aimed at amalgamating the previously separated policy strands (social inclusion, pensions and healthcare) in a single National Strategy Report for Social Protection and Social Inclusion (shortly, NSR). The NSR messages and main findings were incorporated in the NRP. Thus, NSR and NRP were intended to be mutually reinforcing.

**Box 2: The Social OMC 2006 - 2010**

<p>An integrated Social OMC between the 3 policy strands: social inclusion, pensions, health and long term care</p> <p>3 Overarching Objectives (horizontal issues):</p> <ul style="list-style-type: none"> <li>• Social cohesion, gender equality and equal opportunities for all</li> <li>• Mutual interaction between the Lisbon objectives and with the EU Sustainable Development Strategy</li> <li>• Good governance, transparency and the involvement of stakeholders</li> </ul> <p>9 Specific Objectives: 3 each strand</p>	<p>Documents produced by the EU Member States:</p> <ul style="list-style-type: none"> <li>• EU25: National Strategy Report for Social Protection and Social Inclusion (NSR) 2006-2008; National Reform Programme (NRP) 2006-2008 with a section on social policies</li> <li>• EU27: NSR 2008-2010; NRP 2008-2010, with a section on social policies</li> </ul> <hr/> <p>Documents produced by the EU Commission:</p> <ul style="list-style-type: none"> <li>• Joint Reports on Social Protection and Social Inclusion 2006, 2007, 2008, 2009 and 2010</li> <li>• Thematic reports on child poverty (2007) and homelessness (2009).</li> </ul>
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The revision of the Sustainable Development (SD) Strategy (2006) stimulated a parallel OMC process to prepare National Progress Reports on the SD Strategy (NSDS). They included policies on public health, education, training, gender mainstreaming, employment and poverty reduction, social inclusion and migration policies, clearly interacting with the Social OMC (EC, 2007). By the end of 2010, it was clear that the OMC processes have been more effective in the Lisbon Strategy (NRP) with respect to the social inclusion and social protection policies (NSR), while it remained substantially voluntary in sustainable development (NSDS). The “policy weight” of these reports was in fact different. While EU country-specific recommendations and “points to watch” were systematically formulated for the NRP, only general comments concerned the NSR in terms of country-challenges and no comments were associated with the NSDS.

The Social OMC continued in the framework of the Europe 2020 strategy. The EU Commission conceived the EU 2020 Strategy as “a European strategy for smart, sustainable and inclusive growth”, but the EU Council approved it in June 2010 as “a new strategy for jobs and growth” closely in line with the previous Lisbon Strategy.

The new strategy opened a new cycle of OMC to address five headline targets (one of them specifically addressed at reducing poverty and social exclusion) and ten integrated guidelines (the last of them aimed at promoting social inclusion and combating poverty). Main instrument was the National Reform Programme (NRP), produced so far in 2011 and 2012.

In June 2011, the EPSCO Council endorsed the Opinion of the Social Protection Committee (i.e. the Committee for cooperative exchange between Member States and the European Commission in the framework of the Social OMC) aimed at reinvigorating the Social OMC in the context of Europe 2020 (SPC, 2011). The SPC recognised that the 2006 common objectives remain valid in the new decade. All Member States were invited to succinctly report on progress towards the Social OMC (National Social Report, NSR) at the same time as the NRPs. The production of NSR was based on a voluntary commitment and only 16 Member States presented their NSR by the end of July 2012, i.e. three months after the NRP preparation. The EU Joint Report was downgraded to occasional thematic reporting. Other risks of reducing the importance of the Social OMC process can be found in the NSR succinct information, which might lessen the attention on multidimensional issues.

### 3. The Italian institutional context relevant to the Social OMC

By the end of the 1990s, a series of acts (starting with the “Bassanini” Laws No’s 59 and 127 in 1997) provided the basis for a significant reform of institutional mechanisms with the objective of modernising the State structure characterised by 140 years of administrative centralisation. The key aims were to bring institutions closer to citizens, to streamline delivery mechanisms and to simplify procedures. The key principles were subsidiarity, de-concentration, de-bureaucratisation, responsibility, diversity within institutional unity, administrative and fiscal federalism. The reform was endogenously determined, but it was indirectly favoured by the “European integration” (Bilancia P. et al., 2010) through obligations like those of the Stability and Growth Pact, the implementation of EU laws (Santi B., 2009) and the utilisation of the EU Structural Funds (Lion C. et al., 2003).

The reform provided a new institutional model for multi-level governance based on a strengthened role of regional and local authorities, as well as on their permanent cooperation with the central government (e.g. the Unified State-Regions Conference; Law No 281/1997, 3/2001 and 131/2003). This institutional model inspired a constellation of sectoral reforms, such as those in employment, social and health services.

Regions acquired a key programming role in active labour policies and to coordinate employment services managed by provinces in close collaboration with municipalities (Laws No 469/1997).

The framework reform of social policies and services (Law No 328/2000) supported regional and local welfare systems.

The reform was aimed, *inter alia*, at: promoting the principles of universalism (all citizens have the access to civil and social rights) and selectivity (different needs according to different conditions of life); reorganising fragmented measures in a national fund for social policies (NFSP, established by Law No 449/1997); implementing a minimum income scheme for social insertion (RMI, introduced by Law No 449/1997 on an experimental basis) as “a general measure to fight against poverty”; fostering horizontal, cross-sectoral and vertical coordination; defining basic levels of social services throughout the national territory. Unfortunately, this horizontal clause is still waiting to be defined depriving the reform of one of its essential aspects, a reduction in regional disparities (Sebastianelli S., 2009; Costa G., 2009).

The reform was recognised as one of the most comprehensive and open acts regarding welfare systems (Ferrera M., 2006; Gori C., 2004), as well as it demonstrated how domestic solutions have been in line with EU ideas and debate, rather than being directly influenced by EU obligations (Ales E., 2006).

Fiscal federalism (Laws No 446/1997 and 56/2000) was introduced in the national health system (created by Law No 833/1978), following a devolution process in health policies (Laws No 51/1997 and 229/1999) aimed at ensuring universal coverage according to the principles of human dignity, health needs and solidarity (Lo Scalzo A. et al., 2009). To this end, uniform levels of assistance to all citizens throughout the national territory have been defined by means of national health plans.

These reforming trajectories have provided a “new model” to connect social and health services through local plans, as experimented by some regions.

A certain degree of de-concentration and decentralisation of the pension system has been made through the introduction of supplementary occupational schemes, i.e. the so-called second pillar based on pension funds managed by social partners or by financial institutions both at national and sub-national level. These schemes complemented the state and mandatory pension system, i.e. the so-called first pillar based on social contribution and pay-as-you-go schemes.

In fact, a “permanent reform” (e.g. Laws No 503/1992, 124/1993, 335/1995, 449/1997 and 47/2000) has characterised the pension systems since the early 1990s (Guardiancich I., 2010), arriving at the most recent and significant reform (Law No 214/2011).

A Constitutional reform (Law No 3/2001, confirmed by a referendum) recognised regional and local authorities as autonomous governments at the same level of the State, while councils of local authorities were introduced to support regional decision-making. This reform presently serves as the framework for institutional competences that relate to Social OMC issues. The State has an exclusive legislative power in citizenship rights, immigration, social insurance (including pensions, disability allowances, unemployment benefits and so on), general norms on education policies and the identification of the basic levels of services according to civil and social rights that must be guaranteed throughout the national territory. The Regions have an exclusive legislative power in social, employment and vocational training policies and services. The State and the Regions have a converging legislative power in health, education, labour protection and security, supplementary and integrative pensions.

The Constitutional reform stated the principles of national solidarity and social cohesion that orient a fiscal decentralisation process aimed at providing local authorities with more autonomy in revenue and expenditure. This process (successively defined by Law No 42/2009) is still evolving and envisages that all funding functions will be attributed to regional and local authorities. In the near future, all the current allocations of financial resources from the State to the regional and local authorities will end. Non-earmarked equalising funds will be created to help regional and local authorities with a weaker fiscal capacity.

#### 4. The Italian policy orientations relevant to the Social OMC

Several changes characterised the Italian policy scenario between the 2000 - 2012 period, during which national governments produced important documents to comply with the Social OMC process and the EU Strategies ([Box 3](#)).

<b>Box 3: Key documents produced by national governments</b>	
Key documents	Italian national governments
National Action Plan on social inclusion (NAP) 2001-2003	Centre-left governments: May 1996 - June 2001
NAP 2003–2005 Pensions Report 2002	Centre-right governments: June 2001 - May 2006
National Strategy Report for Social Protection and Social Inclusion (NSR) 2006-2008 National Reform Programme (NRP) 2006-2008	Centre-left government: May 2006 – May 2008
NSR 2008-2010 NRP 2008-2010 NRP 2011	Centre-right government: May 2008 - November 2011
NRP 2012	“Technical” government: November 2011 - next scheduled elections in 2013

As noticed in EU studies (EU Parliament, 2010), differences in policy orientation were reflected in the contents of NAPs and NSRs.

The already mentioned reforms, promoted by centre-left governments four years before the beginning of the Social OMC (see Section 3), influenced the NAP 2001 that was a starting point to develop Law No 328/2000. The approach was open and comprehensive, identifying challenges, analysing existing policies and providing several guidelines, some of them translated into regional and local actions. However, targets and expected results were prevalently absent.

According to some experts, the centre-left governments had a clear agenda that encompassed both employment and social policies, while the centre-right governments had a clear agenda of labour flexibility disregarding social inclusion issues (Ferrera M. and Sacchi S., 2004).

The NAP 2003 represented in fact an attempt to lessen the strategic role of Law No 328/2000, although providing information on its implementation at a regional level. The NAP presented principles and guidelines without clear objectives and specific targets.

Centre-right governments adopted an approach that limited the State to a passive role in social policies. The attribution of financial resources to regional and local authorities through the NFSP (national fund for social policies) was reduced by 43% between 2001 and 2005, after having doubled between 1998 and 2001. The experimentation with the RMI (minimum income scheme) was not refinanced after 2003 (Law No 289/2002), although it was inspired by the 1992 EU Council Recommendations No 441 and 442 (Mesini D. and Ranci Ortigosa E., 2004). While the experimentation was the epitome of a period orientated towards strategic reforms, its end marked the decline of endeavours in social inclusion policies (Sacchi S., 2005).

With the White Paper on Welfare State, presented by the Ministry of Labour and Social Affairs in February 2003, the centre-right policy orientation became apparent. Two basic issues were identified: demographic changes (e.g. low fertility rate and high rate of ageing); the centrality of legally married family.

Family was emphasised as a pillar of the Italian social model, a solidarity network and a powerful agency for social protection and social inclusion. The revamped familism-based approach went with the generic considerations and proposals of the White Paper and without timed-objectives (Giubboni S., 2003). The approach confirmed the marginal position of social policies.

More political continuity can be found in pension field, where financial sustainability was at the core of a new reform (Law No 243/2004). Following a ten-year reform process, Italy action was vital at a EU level. Italy was successful in developing adequate indicators, analysis and proposals concerning demographic change, ageing and employment perspectives, as well as horizontal and cross-sectoral co-ordination to prepare the 2002 National Strategy Report on pensions. The Italian political pressure on the pension OMC was mainly motivated by the will of a few policy makers and bureaucrats to demonstrate how domestic reforms could have been considered a “good practice” at the European level (Natali D., 2006). The necessity to speed up domestic reform motivated an Italian proposal towards a “Maastricht for pensions”, while the Italian Presidency of the EU Council (in the second half of 2003) supported the pension OMC but without a coherent strategy (Sacchi S., 2007).

As a whole, by assessing the Italian NAPs, the EU Joint Reports on social inclusion (EC 2002, 2004, 2005 and 2006) identified the following challenges for Italy:

- to reduce regional disparities, especially by developing the South
- to ensure co-ordination and adequate resources to regional and local authorities;
- to increase the provision of social services (e.g. child care) to remove obstacles to women employment
- to improve care systems (e.g. long-term care)
- to reform “shock absorbing” systems in order to have a uniform unemployment benefit system while reducing the risk of creating a two-tier labour market

- to reduce undeclared work
- to reduce the risk of labour precariousness
- to increase social inclusion of immigrants
- to tackle pension expenditure by increasing the volume of social contribution and supplementary social insurance schemes.

Therefore, it was expected that the Italian policies would decisively tackle these issues by effectively implementing the streamlined Social OMC process, inaugurated in 2006.

The first policy document was the NSR 2006, through which the centre-left government restored the policy orientation towards re-launching and strengthening the framework reform of the welfare system (i.e. Law No 328/2000).

Policy uncertainty affected the NSR 2008. Some interviewees (e.g. NGOs and members of experts' networks) declared that this NSR used EU key words and messages to justify contradictory measures in social inclusion policies and gaps in long-term care and pensions policies.

In parallel, the centre-right government initiated a consultation process that resulted in the White on the Future Model of the Social Model approved in May 2009, five months after the preparation of the NSR. With the White paper, policy orientation became clear in terms of principles that restored the familism-based approach already envisaged in the 2003 White Paper on Welfare State. According to some experts (Pizzuti F. R., 2009; Giovanazzi F., 2009), the ideological focus of the new White Paper was on the role assigned to adult men as a pillar of the household livelihood, and to family (legally married couples) and its closed networks as key components of social inclusion. The emphasis on personal responsibility showed a tendency to shift the burden of major types of risks to individuals, households and their networks while progressively reducing the role of the state and institutions (Pizzuti F. R., 2008).

Indeed, the family has historically acted as the primary "shock absorbing" mechanism and provider of social services in Italy (Alesina A. and Ichino A., 2009; Ascoli U., 2011). For instance, pensions are still a key resource for households to support unemployed young people. Women are main caregivers for children and other dependant components. Thus it is not surprising that low employment rates for women are combined with gender segregation in household.

The 2009 White Paper emphasised "welfare of opportunities", according to which an increase in individual capacities is necessary to reduce poverty risks. The latter were in fact understood as consequences of low capabilities of the concerned people to tackle difficult problems, to seize opportunities and to build self-organised paths from cradle to grave aimed at developing relational projections from the family to social networks. This approach would substitute for inefficiency in social spending and in welfare systems, while weak institutional social protection mechanisms are in place for individuals in extremely poor conditions and who remain outside the family system (Ocmin L., 2007).

Despite these contrasting policy orientations, both NSRs presented common weaknesses. Many interviewees underlined that the NSRs gave only a formal response to key policy issues of the EU strategic approach. They lacked clear targets and precise information on financial resources and responsibilities allocated for the implementation of the envisaged policy measures.

In fact, the NSRs have maintained a similar characteristic to the previous NAPs. They presented legislative measures to be implemented by subsequent acts and courses of action instead of constituting a plan conceived and managed by objectives, expressed in expected results and clear targets, both quantitative and qualitative. Even though thematic areas and issues were distinguished, the inventory of measures often appeared to be generic, confusing, overlapping and without benchmarking with respect to the EU best performing countries.

While the EU common objectives were considered to clarify important concepts, it was very difficult to recognise key messages and effective strategic courses of action, as well as to make comparisons with other Member States.

Some temporal and political factors influenced the preparation of the NAPs and the NSRs. They were generally submitted to the EU Commission before the yearly national financial law. This combined with a general lack of political and organisational stability as continuous changes within ministries and departments made it difficult to co-ordinate social, health and pensions policies. Changes in the public officers responsible for the preparation of these documents hampered continuity between strategic reports. These factors have weakened the role played by state (ministerial) officials in the preparation, implementation and monitoring of NAPs and NSRs with respect to policy makers who determined policy orientation, aims and scope.

Several interviewees (e.g. national experts, NGOs, trade unionists and state ministerial officials) identified distinctions between the NAPs and the NSRs. Prior to the 2006-streamlined process, social inclusion issues were analysed independently from the other policy strands and received more attention from the relevant ministries. For this reason, the NAPs allowed public administrations to increase their institutional capacity and involve stakeholders in consultations, fostering potentials for action also at a local level. The 2006 reform led to loss of policy weight in the social inclusion strand, but also in the pension strand where the previous national report (2002) was collaboratively prepared by the ministries of labour and social security and economy. As an overall comment, the interviewees found the unification between the three strands more nominal than actual due to different policy orientations, administrative branches and territorial chains.

Some interviewees (e.g. representatives of regional authorities, members of expert networks, NGOs and trade unions) identified shortcomings regarding the mutual reinforcement between the NSR and NRP during the period 2006 and 2010. The Lisbon Strategy remained in the hands of “insider” decision makers and technicians. Notwithstanding the Lisbon Strategy ambitions, nationally important problems have not been reduced (e.g. precariousness and segmentation in the labour markets). Insufficient collaboration between public authorities resulted in a lack of mainstreaming the OMC three strands in other domestic policy fields (e.g. education, culture, employment). Policy segmentation and sectoral decision making processes resulted in poor linkages in key areas (e.g. active inclusion and employment plans).

National experts also pointed out that a more balanced governance structure would have improved the linkages between the three strands: at a national level with a reduction in institutional division between the competences attributed to the State (e.g. pensions) and the Regions (e.g. social, health and long-term care policies); at a EU level with a similar “policy weight” assigned by the Lisbon Strategy to the NSR and the NRP.

For these reasons, some interviewees (mainly academics and NGOs) recognised that the new Europe 2020 Strategy presented both risks (a reduced visibility and role of social inclusion policies) and opportunities (e.g. a more balanced policy weight of the employment, growth, social and environmental pillars, more synergies among policies, more procedural co-ordination).

All the interviewees agreed that a renovated Social OMC should avoid the key weakness of the post 2006 process, a secondary role with respect to employment and growth policies.

Unfortunately, further developments fell short of expectations while the global financial and economic crisis exacerbated the vulnerabilities of the Italian situation, as well as it increased difficulties to work out domestic policies within an inefficient national welfare system.

The Italian NRP 2011 dedicated a one-page section to the fight against poverty. More impressively, policies against poverty and social exclusion were marginal, as well as their interaction with the overall strategic architecture of the NRP.

Compared with the 2011 NRP, the NRP 2012 appeared to be more attentive to poverty and social exclusion issues. The programme anticipated a main reform of labour legislation (Law No 92/2012) aimed at increasing employment, overcoming labour market segmentation and rebalancing the shock-absorbing mechanisms. Expectations of this reform were also in reducing poverty, given that the latter was understood as mostly associated with exclusion from the labour market. The government was committed to reprogramming policy measures to tackle social and economic hardships of most vulnerable groups. Unfortunately, the government budget constraints and limits in the social assistance system made it difficult to introduce measures that follow a universal approach necessary to reduce poverty in the short-term. Moreover, Italy did not elaborate the NSR 2012 so far.

As a conclusion, policy priorities of centre-right governments marked eight out of the twelve-year period of the Social OMC. It is questionable whether these policy agendas really corresponded to a welfare state aimed at meeting the multiplicity and diversity of social needs (Gorrieri E., 2002), while ensuring equal rights for all, migrants, ethnic minorities (e.g. Roma), homeless included. The principles of universalism and selectivity would require a policy-mix of income support, quantity and quality of services (Brandolini A. and Saraceno C., 2007), while any reform of the Italian welfare system should consider the role attributed to the State rather than to the family (Alesina A. and Ichino A., 2009).

The centre-left governments attempted the definition of basic levels of quality services (LIVEAS) throughout the national territory (a priority included in the NSR 2006, as recognised by the interviewees) and provided additional financial resources to the NFSP (national fund for social policies). While the definition of LIVEAS was not reached, the NFSP share devoted to regional and local authorities was increased by 78% between 2005 and 2007. On the contrary, centre-right governments reduced the NFSP by 79% between 2007 and 2011.

A “passive subsidiarity” vision emerged in institutional models, where the State devolves social responsibilities to other actors without providing them with adequate financial resources (Kazepov Y., 2009). The other vision was hampered. It is the vision of “active subsidiarity”, where the State plays an active role in financing services provided by the civil organisations and sub-national public authorities through the definition of criteria and quality levels of services in order to guarantee human and civil rights and to pursue social justice for all citizens.

## **5. Policy impacts of the Social OMC in Italy**

Lack of information supplied by the principal media and a scarce institutional dissemination were among the main causes that have determined a very limited awareness of the Social OMC processes in Italy.

Information on the NAPs was nearly inexistent contributing to an insufficient impact on public opinion. The OMC processes passed quite unnoticed by policy makers, while the ownership of the OMC processes was concentrated in “inner circles” of persons who elaborated the reports (Sacchi S., 2006). Access to information, key documents, mutual learning and exchange of good practices have been limited to few experts, academics, policy makers and other stakeholders involved in the EU social policies. Scientific journals have published related research, but this has not expanded beyond academic circles. More in general, the interest of national leaders, political parties and electoral programmes in EU strategies was minimum and accompanied by a low involvement of the Parliament and the regions (Giuliani M., 2006).

Similar conditions can be found in the NSR processes that remained mainly confined to a small circle of persons responsible for preparing the related documents and to the most active NGOs.

Very limited debate, analysis and investigation were accompanied by reduced capacity to connect policy fields and to link the policies to local situations as well as to implement policy measures. Moreover, different values were assigned to the three policy strands, as pensions were considered a priority with respect to the other two strands for public expenditure reasons.

The prevalent opinion of the interviewed persons was that the NSR process was not able to stimulate a genuine policy debate among a wider public. The process did not produce top-down impacts into relevant policy fields, and did not mobilise multi-level actors to generate bottom-up impacts into policy planning.

Dissemination of the NSRs was low and information did not filter significantly from the national to sub-national levels. As explained by a member of expert networks, even regional ministers who were responsible for co-ordinating all Italian Regions in the health and long-term care policy fields were not well informed of the Social OMC.

The NSRs were rarely mentioned or used as reference documents in public debates, weakening positive aspects of the Social OMC that included the possibility of citizens to express their opinions and evaluations. The level of visibility of the Social OMC decreased and the Italian media occasionally focused on specific thematic issues (e.g. child poverty in 2008, summarising results of the related EC Joint Report).

The reporting process revealed that NAP (especially the second one) was viewed as “a mere administrative report to Brussels” rather than a strategic action plan (Ferrera M. and Sacchi S., 2004). As it was commented, “what is done for Brussels and what is done in Italy remain two separate and not communicating processes” (Saraceno C., 2005).

Similarly, according to the interviewees (especially NGOs, trade unions and experts), the preparation of the NSRs was a “paper” or “copy and paste” exercise to collect separate documents produced by elites, substantially bureaucratic.

As an interviewed expert commented, “they did not try to work out a general outline”. Adding other comments (e.g. those of ministerial officials), the NSRs were considered: as “technical documents” and therefore limited to professional, specialists and experts; as “political documents” and therefore influenced by changes in the government orientation following national elections (i.e. in April 2006 and April 2008).

The interviews showed a common opinion that limited resources and time were dedicated to the NSR process. Also those responsible for the NSR preparation (namely representatives of state ministries) acknowledged that the process was discontinuous, although time and resources were sufficient.

Both the NSR 2006 and NSR 2008 were submitted two months after the EU official deadline and did not follow the structure of the EC guidelines. However similar problems were also present in the NRP preparation (Villa P. and Smith M., 2009).

Several NGOs underlined the low impact of the NRS process on the policy arena in specific publications of their European networks (EAPN 2008; FEANSTA 2008).

All interviewees (including ministerial officials responsible for the NSR preparation and representatives of regional and local authorities) provided comments and examples that demonstrate a lack of direct connection between the NSR process and the real policy decisions at national, regional and local levels.

The NSRs were never utilised as a reference document for regional programmes, which usually refer explicitly to a series of strategy documents and key messages such as those concerning the utilisation of the EU structural funds and those concerning the Lisbon Strategy for employment.

The NSRs played a less important role compared to the NRPs, to which the domestic policy makers devoted more attention and for which the EU Treaties stimulated more strategic coordination.

The NSRs did not have the same economic and financial planning value as the annual financial law, which determines public spending on social protection, social inclusion and health policies. The NRPs were, on the contrary, more explicitly associated with objectives and measures already included in economic and financial documents.

The limited influence of the NSRs was linked to a scarce interrelation between domestic issues and EU strategies, as commented by NGOs and trade unions. For instance, programmes of the major political parties (e.g. those involved in the 2008 electoral competition) contained few considerations of EU strategies and nothing about the Social OMC. Political messages on EU policies were often confused, misleading and biased.

As a consequence, citizens had a very limited understanding of the EU strategy orientations, while Euroscepticism has grown in the last decade and was further aggravated by the global financial and economic crisis.

Representatives of NGOs argued that the limited “policy weight” of the Social OMC (e.g. a “soft” method without binding recommendations and sanctions) weakened both the general awareness of its main components and the impact on key government acts and schemes. Representatives of national ministries were less pessimistic and noted that some influence of the Social OMC was present in the pensions legislation.

However, relevant actors and practitioners made important efforts to follow the OMC concepts and methods, since they were considered as an important basis for raising awareness in the policy arena.

According to the prevalent opinion of the interviewed stakeholders, essential components of the Social OMC (e.g. common objectives, common indicators, guidelines and guidance notes, Joint Reports, country-fiches, Commission staff working papers and the thematic reports) constituted a useful EU framework for domestic issues. These components had a potential for: covering key objectives and challenges for Italy; stimulating new domestic approaches and analyses (e.g. homelessness, child poverty, local “observatories” on poverty and social exclusion); invigorating decision making processes at regional and local levels (e.g. those concerning childhood and adolescence rights); providing a sense of direction for policies and policy reforms; and allowing key trends to be considered in the comparison between the Member States.

As commented by a NGO representative, the Social OMC was “a dynamic mirror” of the EU policies. It provided a “common framework that allowed a complex process to go on throughout specific foci, territorial dimensions and decision making levels”, while the coordination of social policy between the Member States has improved and favoured a shared debate on key issues of the three policy strands (as commented by ministerial officials).

However, most interviewees agreed that the EC Joint Reports and the associated documents did not have a significant influence on any amendment or revision of the existing national legislation. As commented by a NGO member, these EC documents were “at the same time useful and ineffective”.

According to some interviewees (e.g. the ministerial officers involved in the NSR preparation), the Joint Reports and the associated documents became more accurate following the debate and the negotiation within the SPC (the Social Protection Committee). However, the negotiation activities often revealed a protective attitude of the Italian authorities (as commented by NGOs), while the impacts of the results on domestic strategies were limited. Only the negotiation process concerning the NRPs was seen to have had impacts in Italy due to the different role and profile supported by the Treaty provisions.

These considerations should be viewed in the context of the challenges identified for Italy by the EU Joint Reports on social inclusion produced after 2006 (EC 2006a, 2007 and 2009). They remained substantially the same as those related to the previous period of time (see Section 4). They can be divided by the three policy stands of the Social OMC.

In the social inclusion strand: to reduce regional disparities by developing the South, strengthening co-ordination between national and sub-national measures and through an adequate allocation of resources; to increase participation in the labour market, especially for young people, women and older workers to meet future challenges arising from demographic trends; to provide a more comprehensive coverage of the “shock absorbing” system.

In the health and long-term care strand: to increase efficiency (rational use of resources) and to improve service organisation and co-ordination in order to reduce geographic difference in provision; to focus on community and home services as an alternative to residential and hospital care by means of an integrated approach between regional and local levels.

In the pensions strand, to ensure adequacy of pensions and long-term sustainability of public finances.

## **6. Policy coordination of the OMC processes in Italy**

The already mentioned reforms of institutional mechanisms (see Section 3) should favour the OMC processes in the Italian policy scenario. This is the case of the reform of social policies (Law No 328/2000) and, more in general, of the Constitutional reform (Law No 3/2001) that modified responsibility sharing between government levels. This reform looked for equity between territories and individuals, fiscal federalism and compensation funds in favour of less favoured geographical areas, access to civil and social rights without any discrimination and limit due to territorial boundaries and their local governments. The reform combined the principles of vertical subsidiarity between small (e.g. municipalities) and large dimensions (e.g. Regions and the State) with those of horizontal subsidiarity that favour the autonomous initiative of the citizens, both as individuals and in association, to implement activities of a general interest. The reform fostered top-down and bottom-up approaches to integrate policies and actions carried by several levels of decision making.

It was however commented that, because of the responsibility decentralisation, the Constitutional reform caused a lack of national coordination necessary to follow the EU Social OMC process, as well as to reduce territorial disparities (Ferrera M. and Sacchi S., 2004). According to other points of views, the real cause was the limited political will of the national governments (Mattioni A., 2003; Saraceno C., 2005). They were entrusted to develop national programmes and given an exclusive responsibility in determining basic levels of welfare services. The EU OMC process attributed to them the responsibility in preparing national reports (e.g. NAPs) as strategic documents with the involvement of regional and local authorities and through the mobilisation of other relevant stakeholders. Unfortunately, the EU OMC in social inclusion policies was weaker than more binding procedures and institutional agreements applied in employment policy (Ferrera M. and Sacchi S., 2004). This reflected in the way in which the associated NAPs were prepared. The exercise with the NAPs employment allowed ministerial bodies to increase co-ordination and elaboration capabilities, the role of ministerial departments increased under the co-ordination of the offices of the Minister of Labour and Prime Minister, while the EU recommendations' system constituted a tool to incorporate EU guidelines in Italian policy planning. On the contrary, the exercise with NAPs inclusion did not established stable mechanisms to favour horizontal, cross-sectoral and vertical coordination.

The situation did not improve with the 2006-streamlined Social OMC. The NRS 2006 underlined a renewed commitment to institutional collaboration between national and sub-national governments as a means to improve the overall quality of the social policies by improving co-ordination of regional and local plans, dissemination of good practices, and a common platform for evaluation and monitoring.

The NSR 2008 copied the text of the NSR 2006 (same words and paragraphs), while explaining the necessity of a better vertical co-ordination following the objective of “fiscal federalism”.

A general framework was enforced (Law No 11/2005) to create permanent structures and transparent procedures in order to ensure a coherent Italian participation in the EU policy processes.

The permanent structures consist in a single body that involve all Ministers responsible for the concerned policies (CIACE, Inter-ministry Committee for European Community Affairs) and a single technical committee (composed of high ranking officers in the different ministries), both open to the participation of representatives of regional and local authorities.

Main procedures regard relationships between the national government and: social partners through CNEL (National Council of the Economy and Employment, an advisory body of constitutional rank to the Parliamentary Chambers and the Government on economic and social issues); regional and local authorities through the Unified State-Regions Conference; the national Parliament and its working commissions through debate on relevant issues, acts and programmes.

CIACE came into operation in July 2006, while initiating the preparation of 2006 Implementation Report of the NRP, which was presented to the Parliament Commissions and at the Unified State-Regions Conference. Similar procedures were followed to prepare the 2007 Implementation Report on the NRP. The CIACE technical committee wrote both the 2006 and 2007 documents with the concerned national and sub-national institutional parties. The NRP 2008 affirmed that the regional governments cooperate with the national government in preparing the report, but details on this collaboration were not provided.

Interestingly, in June 2007, the CIACE and its technical committee, with the collaboration of the Ministry of the Environment, prepared also the first national report on the implementation of the EU Strategy for Sustainable Development (NSDS). Several administrations have been involved, including departments and ministries (e.g. Equal Rights and Opportunities, Family, Labour and Social Security, Social Solidarity, Health) responsible for SPSI (Social Protection and Social Inclusion) policies. Regions and local authorities participate in preparing the report through their national bodies. Social partners were consulted through CNEL (National Council of the Economy and Employment). Three national public agencies provided contributions for monitoring and sustainability indicators, e.g. the agency for environmental protection (APAT), the agency for the energy, environment and new technologies (ENEA) and the institute of statistics (ISTAT).

However, the effects of the CIACE were limited to the NRP process. The experience with the NSDS was occasional, low and irregular levels of coordination were determined in preparation of the NRS, although its connection with the NRP was made within the CIACE.

Only a small group of interviewees (those directly responsible for preparing the NSRs and some NGOs) recognised that, without the NSR, there would have been fewer opportunities for horizontal co-ordination between different policy fields and ministerial departments. The efforts made to involve public administrations in systematising their contributions constituted important occasions of policy interaction. One example was given (by a state-ministerial official) regarding an improvement in vertical co-ordination and it concerned 15 municipalities where bottom-up approaches are followed to promote local projects financed by a National Fund on Childhood and Adolescence (created by Law No 285/1997).

Other interviewees declared that the degree of coordination was very low. Horizontal coordination between ministerial departments was generally limited to crucial phases of the NSR preparation and mainly between departments of the same ministry. Vertical coordination between the NSRs and regional programming was lacking, while the ESF Regional Operational Programmes were influenced more by regional experiences and decision making processes consolidated over time (including the Unified State-Regions Conference).

CIACE assessment was more effective on the connection between the economic and employment pillars of the revised Lisbon Strategy (i.e. within the NRPs).

The analysis of “feeding in” and “feeding out” relationships between social, employment and economic policies was totally missing. As affirmed by a NGO, the “feeding in” and “feeding out” process was probably the most evident failure in the linkage between the NRP and the NSR.

According to the interviews, differences between the NRPs and the NSRs were also found in the availability and utilisation of financial resources. The NRPs’ priorities were associated with the priorities of the 2007 – 2013 National Strategic Framework for the utilisation of the EU funds. This programming document represented an advanced experimentation in the mechanisms for multilevel governance based on an increased collaboration between national and regional authorities, networking and partnership, coherent monitoring and evaluation systems. On the contrary, the NSRs were poorly connected with this strategic document that played a key role in the social cohesion and social inclusion services and plans, as representatives of regional authorities underlined. The NSRs provided only limited information on the utilisation of available resources such as those of the already mentioned national fund for social policies (NFSP), while the missing definition of basic levels of rights and services made it difficult to define nationally valid targets in the NSRs.

Some studies confirmed that the NSR “does not have the power to shape regional plans and it does not allocate resources, so it loses the possibility to catalyse the attention of the stakeholders” (Kazepov Y. and Saruis T., 2010).

The situation did not improve with the EU 2020 Strategy. Procedures followed to finalise the NRP 2011 were not clear. According to available information (e.g. by the media and brief interviews with relevant stakeholders), the Minister of Economy and Finance prepared the final NRP without involving the ministry of labour and social policies. There is no evidence that Regions participated in the NRP process, while CIACE prepared the initial NRP draft the year before.

The new “technocratic” Cabinet restored a close collaboration with CIACE to prepare the NRP 2012 through a contribution from national and regional authorities. The media publicized the NRP contents fairly intensively both previously and after the Parliamentary approval. However, Italy did not prepare the NSR 2012 so far.

## **7. Stakeholders’ involvement in the Italian OMC processes**

Approved in June 2001, the NAP 2001 was prepared in four months by the Department of Social Affairs with the attention of the Prime Minister and the collaboration of several dedicated officers and experts. The NAP listed 34 stakeholders consulted through five meetings: 18 national agencies and ministries; 3 representative bodies of regional and local authorities; 3 trade unions; 6 NGOs; 4 technical assistance agencies.

Approved in July 2003, the NAP 2003 was prepared in less than two months by a limited number of people including external consultants, under the coordination of the Ministry of Labour and Social Policies and with the consultation of other ministries. The NAP did not provide a detailed list of the consulted stakeholders.

A main consultation meeting was held at the end of the NAP elaboration process, reportedly with less than 10 relevant stakeholders. The three main trade unions (*CGIL, CISL and UIL*) stated their complete disagreement on the NAP contents and *Cilap* (the Italian section of the European Anti Poverty Network) declared that consultation was only symbolic.

The involvement of stakeholders was largely limited to consultation, especially during the preparation of the second NAP (Ferrera M. and Sacchi S., 2004). This practice continued also during the preparation of the NSRs, which did not sufficiently address the governance process recommended under the Social OMC.

The preparation of the NSR 2006 included: one meeting held in July 2006 with national ministry departments, representatives of Regions, Provinces, Municipalities, social partners and NGOs; the collection of contributions from different stakeholders; the examination of these contributions; co-ordination between the ministries of Social Solidarity, Labour and Health to prepare a final draft; the presentation of this draft to the stakeholders; the final debate in a consultation meeting with relevant stakeholders.

The NRP 2008 did not provide any information on stakeholders' involvement in preparing the report. More information concerned the preparation of the NSR 2008, which included: two meetings held in July 2008 (one with the national ministry departments and one with representatives of Regions, Provinces and Municipalities); one meeting held in August 2008 with NGOs and social partners; the collection of contributions from different stakeholders; the examination of these contributions; the preparation of a final draft; and the presentation of this draft to the stakeholders.

The NSRs did not provide detailed information on number and type of stakeholders involved, nor on the actual impacts of their contribution to the decision-making.

As commented by several interviewees (NGOs, trade unions, academics and experts), the consultation meetings were reduced to a formal exercise and a ratification ex-post process of the orientation taken or a ratification of reports already submitted to the EU Commission. Time was too short for participation and deliberation. The "emergency" to submit the NSRs to Brussels allowed some inputs of the stakeholders to be included in the NSRs by extending their texts and to demonstrate that participation occurred. These contributions did not clearly appear in the final report and, when accepted, were not assessed in the consultation process to examine consistency with the EU guidelines and the national context. The extent of involvement was conditioned by the fact that the process was totally voluntary, based on a kind of candidacy by the Ministry of Labour with respect to associations deemed competent in specific thematic fields. In other words, "the contribution of NGOs was appreciated but not fully utilised" (as commented by a representative of these organisations).

The interviewed ministerial officials acknowledged the importance of involving NGOs in the NSR. They requested to be involved in decision making processes, but their expectations needed to be combined with those of other stakeholders. NGOs were considered agents to promote new initiatives and to focus the attention of policy makers on issues related to the three policy strands. In fact, NGOs are important services providers and contribute to the implementation of regional and local plans (as affirmed by some regional officials).

The interviewed NGOs felt that the OMC process has increased their skills and capacities to interact with institutional partners in social policy issues. They appreciated the efforts made by the EU-umbrella networks to influence the EU Social OMC, also by means of campaigns throughout the EU and within the Member States. However, they do not feel that they influenced policy decisions to a large extent.

Similar considerations were made by trade unions. Since they have historically participated in initiatives regarding national policies on these matters, the Social OMC did not significantly influence their policy behaviours or their achievements.

In addition, the NSR process did not stimulate the creation of joint organisations or forums between non-state actors to oversee the implementation phases of the NSR.

Knowledge and competence of stakeholders were considered by all the interviewees to be of a high level and contributions were useful to the debate, enriching the NSRs considerations and aims. This depended on their respective activism, willingness and capacity to get involved in the policy processes. As suggested by *Fio.PSD* (the Italian Federation of Organisations Working with the Homeless; *Fio.PSD*, 2006), the expected uniform basic levels of social services (LIVEAS) and the need of a national minimum income scheme were included in the NSR 2006 along with the issues concerning homelessness. The latter were included also in the NSR 2008, but renewed demands for defining the LIVEAS and a national minimum income scheme, as suggested by NGOs (*Fio.PSD*, 2008; *Cilap*, 2008), the trade unions (CGIL, CISL and UIL 2008) and the co-ordination body of regional authorities on social policies (CTIPS, 2008), were not taken into account, along with other key proposals. They regarded: a decentralised utilisation of monetary support (e.g. a social card to purchase food products and similar basic goods) within regional minimum income schemes based on a universal approach; a clear assessment of negative future impacts of employment precariousness (e.g. fixed-term labour contracts, temporary and atypical jobs) on pension systems.

NGOs provided (similarly to the regional authorities) comments more in the social inclusion strand and the health and long-term care strand. Trade unions provided contributions to all three policy strands. The contributions of employers' associations was very sporadic (according to state ministry officials) or absent (they were not mentioned at all by other interviewed persons). Institutional reasons explain these different participatory behaviours.

Having a direct responsibility in social and health policies, regional authorities used a specific "channel" (the Unified State-Regions Conference) to negotiate policy and financial measures with the national government. Social partners played the most relevant role in collective bargaining and negotiations with the national governments. This parallel decision making process allowed consultation to occur at a higher level than in the NSR process (as observed also by a NGO representative). Thus, real negotiation on the pensions, health and long-term care strands occurred outside of the NSR process (*Busilacchi G. et al.*, 2009; *Fargion V.*, 2009) and NGOs were excluded from these nationally based decision making processes. NGOs therefore turned their attention to the only national "channel" through which their voices would be heard: the NSR process.

Among the social partners, trade unions used the NSR to represent the needs of workers (as well as pensioners, unemployed and the poor), while employers' associations were typically more interested in economic and fiscal incentives for business growth and were less attentive to the NSR process.

The participation of other important institutional actors was considered low. In particular, the involvement of regional parliaments or assemblies was absent, while that of the national Parliament very scarce. As underlined by a NGO representative, only one Member of Parliament requested that the national government debate the NSR 2008, but without a positive feedback.

No significant changes happened with the EU 2020 Strategy.

The Italian NRP 2011 was prepared without any consultations with social partners and non-governmental organisations (NGOs) involved in the fight against poverty and social exclusion. The national Parliament approved the NRP by recommending the government to intensify relationships with social and economic stakeholders, as well as to favour a wider public debate on the NRP contents.

By preparing the NRP 2012, the new "technocratic" Cabinet recognised the importance of involving political parties, regional and local authorities and social partners through consultation meetings. Most of them were not summoned to directly debate the NRP, but to tackle policies converging on issues treated by the NRP.

The above-mentioned process was on one hand constructive and on the other unsatisfactory. The preparation of the NRP showed an improved participation of national, regional and local authorities that are also expected to play a key-role in implementing the related strategies. However, the involvement of social partners was very limited. NGOs involved in social and anti-poverty policies were not consulted, as well as people experiencing poverty and social exclusion. The national Parliament debated the NRP, but the resulting remarks were not included in the document submitted to the EU Commission. Regional parliaments did not debate any document related to the NRP.

## 8. Policy learning in Italy through the Social OMC processes

One of the significant aims of the 2006 streamlined Social OMC was strengthening mutual learning mechanisms. The general opinion stemmed from the interviews was that the Social OMC has positively stimulated the learning processes through EU conferences and peer reviews, Joint Reports, Commission Staff Working Papers, country-fiches and the thematic reports. It has “opened the mind” of many domestic social policy players.

Criticism was concentrated on: the generic contents of some events while thematic events were more focused on key issues; the scarce dissemination of the results (generally circulated only among restricted circles of motivated persons); the low impact of these results in the policy arena and on the activities of professionals and practitioners; the limited number of Italian participants; the limited time allotted for mutual learning.

NGOs and experts linked to EU-umbrella networks were particularly active and interested in these events since they were searching for good practices, opportunities to exchange experiences and to carry out joint projects. Some regional authorities were sensitive to strengthening and disseminating the Social OMC as demonstrated by the OPEN project managed by the Marche Region, the Saxon State Ministry of Social Affairs and Customer Protection (Germany), West Midlands Councils (UK) and the Aragon Federation of Municipalities and Provinces (Spain) between 2009 and 2011 within the EU PROGRESS programme.

An empathy-effect between the Social OMC and the approach promoted by Law No 328/2000 should also be considered. Without knowing where some key concepts came from, local groups of practitioners, local and regional authorities prepared and implemented integrated social plans through coordination between different departments and policies, a wide involvement of actors and so on. This can be seen in initiatives launched in the Basilicata Region (e.g. a plan for the most vulnerable groups and a plan for redundant workers and unemployed), where the activism of a regional NGO (member of the *Cilap* network) was fundamental in promoting the Social OMC principles.

Many interviewees (public authorities, NGOs, trade unionists) affirmed that key ideas and concepts of the Social OMC were becoming familiar in the domestic debate on social policy, although policy makers use EU terminology often without a complete knowledge of its meaning. Examples (provided by those responsible for preparing the NSRs and NGOs) demonstrated a transposition of experiences from other countries to Italy. ISTAT, the Ministry of Labour and Social Policies and some NGOs (e.g. *Fio.PSD* and *Caritas*) carried out a survey on the homeless conditions and services for social insertion of the most vulnerable people (ISTAT, 2010). A NGO (*Cilap*) attempted a feasibility study to create a network of local “observatories” on poverty and social exclusion through a fieldwork developed in consultation with the Ministry of Labour and Social Policies and with the involvement of other NGOs (e.g. *Caritas*), regional and sub-regional authorities.

Interviewees cited other sources of policy learning on the OMC processes, such as academic and scientific studies, as well as research carried out by EU networks of experts.

## 9. Monitoring of the OMC processes in Italy

Although statistical capacity increased between the two NAPs 2001 and 2003, both them demonstrated how monitoring systems in Italy were insufficient and not homogeneous across regions. NAP 2003 showed an improvement in statistical capacity, through a group of experts from national ministries and statistics institutes. However, the lack of targets resulted in a descriptive utilisation of indicators and an inventory of legislation, which were not integrated into a coherent and stable monitoring system.

The interviewed NGOs (e.g. *Cilap*) mentioned the so-called “monitoring-tables”, which consisted in meetings with the stakeholders. These “tables” were inaugurated during the first NAP and they coincided mostly with the consultation meetings: a meeting during the NAP 2001 and another meeting during the NSR 2006, but not during the NSR 2008 implementation. The Italian programme concerning the 2010 European Year for combating poverty and social exclusion restored the “monitoring tables”, which were summoned to evaluate the initiatives carried out at a national level.

The NSR 2006 stated that a monitoring and evaluation system should be based on: the intensive collaboration between national authorities, sub-national authorities and other relevant stakeholders; the co-ordination of a series of existing “observatories”; the activities developed by the “commission of inquiry on social exclusion” (CIES) created by Law No 328/2000. The NSR 2006 identified the 2005 Monitoring Report on the NAP 2003 as a good practice since it allowed several agencies to work together in an “ad-hoc” survey.

The need to create a permanent inter-institutional system was also echoed in the NSR 2008. Leading NGOs further underlined this need while suggesting a permanent body to be summoned quarterly with the participation of relevant stakeholders (Fio.PSD, 2008).

Several interviewees (those in charge of the NSR preparation, some NGOs and trade unions) clearly recognised an improvement in the analysis of trends through a more systematic collection and processing of available data thanks to the Social OMC indicators. For instance, the General Director of the Ministry of Labour and Social Policies (being a member of the EC Social Protection Committee - SPC) was chairman of the Task Force on the interaction between social cohesion and growth and jobs within the SPC - Indicator Subgroup. The resulting report (SPC, 2009) provided an important background for debate in the 2010 European Year for combating poverty and social exclusion.

ISTAT, in close collaboration with the national institute of social insurance (INPS) and the Ministry of Labour and Social Policies, published specific reports on social cohesion policies (ISTAT 2010a and 2011), as well as it created an internet-portal dedicated to the associated indicators.

However, a systematic “social impact assessment” of policies does not still exist in Italy. Instead, separated mechanisms of monitoring and evaluation are, for instance: regional and provincial “observatories” on local welfare systems; national “observatories” on childhood and family; the national commission of inquiry on social exclusion” (CIES); the national office against racial discrimination (UNAR).

## 10. Conclusions

The July 2001 White Paper defined the key principles of European Governance (EC, 2001): openness, participation, accountability, effectiveness, coherence, proportionality and subsidiarity. Embedded in these interconnected principles, the OMC is “a way of encouraging co-operation, the exchange of best practice and agreeing common targets and guidelines for Member States”. The OMC “must not dilute the achievement of common objectives in the Treaty or the political responsibility of the Institutions”, while it “should not be used when legislative action under the Community method is possible”. In other words, the OMC is an instrument of “soft law” to orient governance mechanisms and planning development through a voluntary process for political cooperation between the EU Member States. This instrument is complementary to the Community Method, which is the main instrument of “hard law” such as the Charter of Fundamental Rights, the Treaties and all the other legislative and budgetary acts associated with the EU strategies.

The Charter of Fundamental Rights of the European Union, which has the same legal value as the Treaties, placed the principle of human dignity as its first Article and Title, through which all other rights are formulated and pursued: freedom, equality, solidarity, citizenship and justice. Human dignity includes also the right to: social security benefits, social protection and services, social and housing assistance, sufficient resources for a decent existence in order to combat risks of social exclusion and poverty (Art. 34).

Three important “Horizontal Clauses” of the Treaty on the Functioning of European Union steer the definition, implementation and assessment of policies and activities towards: elimination of inequalities and promotion of equality between men and women (Art. 8 - Equality Clause); adequate social protection, health protection, high level of employment, education and training (Art. 9 - Social Clause); the fight against discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation (Art. 10 - Anti-discrimination Clause).

The tenth and last Integrated Guideline of the EU 2020 Strategy was devoted to “Promoting social inclusion and combating poverty” through: 1) equal opportunities, anti-discrimination, gender equality, people empowerment, opportunities at different stages of people’s lives; 2) close attention to vulnerable groups, e.g. one-parent families, minorities, including the Roma, people with disabilities, children and young people, elderly women and men, legal migrants, homeless; 3) access for all to high quality and affordable services (e.g. social field, housing and health care); 4) labour market participation and lifelong learning to prevent in-work poverty; 5) benefit systems to ensure income security during transitions and to reduce poverty; 6) social protection systems (pensions, health and long-term care) to ensure adequate income support, access to quality services, while encouraging participation in society and in the labour market; 7) full use of the European Social Fund (ESF) and promotion of social economy and social innovation.

Within the above-mentioned EU legal and strategic frameworks, the principle of subsidiarity rules the relationship between the OMC and the Community Method.

The principle of subsidiarity (Art. 5 of the Treaty on European Union) states that “in areas which do not fall within its exclusive competence, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level”.

This is the case of social policies, where the “Commission shall act in close contact with Member States by making studies, delivering opinions and arranging consultations both on problems arising at national level and on those of concern to international organisations, in particular initiatives aiming at the establishment of guidelines and indicators, the organisation of exchange of best practice, and the preparation of the necessary elements for periodic monitoring and evaluation. The European Parliament shall be kept fully informed” (Art. 156 of the Treaty on the Functioning of European Union).

Thus, in policy fields where the Member States have an exclusive competence, the OMC allows coordination between them as far as they recognise that coordination is an added value at the EU level. In this governance architecture, OMC and Community Method should be mutually reinforcing. However, individual Member States can use the subsidiarity principle to defend their own autonomy and to avoid interference of the EU (i.e. inter-national dimension) on domestic issues (intra-national dimension).

An intensive debate between “optimistic” and “pessimistic” scholars has accompanied the OMC processes (Borrás S. and Radaelli C. M., 2010). Also the interviewees considered in the present paper expressed different opinions, partially explained by their different roles in the preparation of the NSR. For instance, the opinions of ministerial officials appeared to be more “optimistic” than those of representatives of NGOs, trade unions, regional and sub-regional authorities.

According to the optimistic views, the OMC was a means of facilitating transnational learning, connecting EU and domestic policies, addressing common European concern while respecting national diversity, enhancing vertical coordination between different policy making levels as well as horizontal integration of independent policy fields, improving national steering and statistical capacities, increasing involvement of non-state actors in domestic policy making, and so on (Zeitlin J., 2003, 2005 and 2010). The OMC was described as: a dynamic compromise between domestic prerogatives due to national autonomy and institutional and legislative integration at a European level (Hodson, D. and Maher I., 2001); a flexible and promising instrument, notwithstanding its initial low impact on domestic policies (Ferrera M., 2006a); a crucial device to develop policy programming and monitoring (Versan P., 2006).

Conditional criteria were also recognised. The OMC could be: an adequate way of facing the “challenge of diversity” if synergy is developed between it and the fundamental values and rights of the EU social model (Bellavista A., 2006); an instrument for social federalism if the integration of decision making respects vertical and horizontal subsidiarity principles (Ales E., 2006).

Additional measures were suggested to avoid the OMC weaknesses in social policies (Ferrera M. and Sacchi S., 2007) such as common frameworks in labour law (e.g. atypical jobs), labour and social rights (e.g. social security and access to general services), common rules (e.g. minimum wage mechanisms and minimum income schemes, social protection for migrant workers) and practices (e.g. collective labour bargaining to avoid social dumping).

According to the pessimistic points of view, the OMC could weaken the process of law harmonisation in the EU social model because “soft law” tends to prevail on “hard law” (Barbera M., 2006). The OMC was considered as: inadequate to avoid deregulation in basic rights and to tackle social diversities (Giubboni S., 2012); ritual and inefficient to influence domestic policies and decision making processes, notwithstanding important and innovative results in mutual learning, common understanding, development of common indicators and language at a EU level (Sestito P. and Torrini R., 2012).

Since the early beginning of the OMC processes, an approach suggested a combination of differentiated "framework directives", which would have the status of European law, and OMC processes within groups of countries facing similar economic and institutional challenges, while allowing different types of welfare states to maintain and develop their specific institutions in response to different understandings of social solidarity (Scharpf F. W., 2002).

More recently, it was recommended (EU trio.be. 2010) that the Social OMC should: maintain an independent reporting process; strengthen stakeholder involvement; enhance ownership, visibility and policy legitimacy; reinforce mutual learning and peer reviews; support a stronger interaction of the economic, employment, environmental and social pillars of the Europe 2020 Strategy.

In parallel, it was recognised (EESC, 2011) a diminution in the Community Method's momentum in recent years, in its ability to persuade countries to make common cause, in its capacity to deal with the global financial and economic crisis. Although providing significant achievements in making EU a promising project, the Community Method was hampered by the fact that the Member States have retained very considerable or exclusive competence in key policy fields. National interests prevailed on European identity and general interest, while Europeans are becoming less and less convinced of the EU project. Thus, the Community Method must be renewed and relaunched within an ambitious participatory governance and a democratic decision making process with the involvement of citizens and civil society.

The present report acknowledged that the combination between the EU strategies and the Italian policies led to reciprocal influences on ideas, concepts, governments' agendas and governance mechanisms during the 2000 – 2012 period. However, several examples demonstrated main weaknesses of the Italian way of the Social OMC. One for all can be added concerning immigration policies. Notwithstanding the principles inspired by the Social OMC, Italy introduced a series of discriminatory restrictions against immigrants and ethnic minorities (e.g. Laws No 189/2002, 125/2008, 133/2008 and 94/2009). Only the application of EU Directives (e.g. 2003/109/EC concerning the status of third-country nationals who are long-term residents and 2009/52/EC reinforcing measures against undeclared work and immigrant workers' exploitation) allowed social conditions to be improved, while several sentences of the Italian Constitutional Court allowed restrictions to be amended.

As a result of these considerations, main conclusion of the present paper is that the Social OMC should not substitute for Community Method, but it should be complementary. This means to recommend reconciliation between the OMC (soft law) processes and the Community Method (hard law).

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