CHAPTER 8

THE LISBON PROCESS: A SUPRANATIONAL POLICY PERSPECTIVE

INSTITUTIONALIZING THE OPEN METHOD OF COORDINATION

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INTRODUCTION

While national Ministers of Education across Europe were joining the Bologna process and were addressing common structural issues in European higher education outside the setting of the EU, the heads of state of the European Union met in Lisbon in 2000 and agreed to embark on a strategy to make the European Union the most competitive and dynamic knowledge based economy in the world by 2010. With the launching of the Lisbon Strategy the University came to the centre of attention within the EU. In the Lisbon Strategy the University, as part of education and research systems in Europe, was envisioned as a core institution of "the Europe of knowledge." Unlike the Bologna process – a European level process unique to the higher education sector – the Lisbon process directed the attention to education and research much more broadly in making them means to reach the ambition of socially and environmentally sustainable economic growth.

The Lisbon Strategy signaled that this requires the EU to venture into nationally sensitive policy areas and areas with institutionally entrenched diversity. The Lisbon 2000 summit announced a method that could make this plausible. The Open Method of Coordination (OMC) offered the member states and the EU institutions a template for coordinating public policies within the EU that in principle would not upset the balance between the nation states and the supranational level. When the Lisbon Council launched the OMC it was portrayed as a mode of governance based on setting common objectives, establishing indicators and benchmarks for comparing best practices and performance, and translating the common objectives into national and regional policies. In principle it is a mode of governance that assumes that coordination can happen across levels of governance without transferring legal competencies and budgetary means to the European level. For European research and education systems it brings to the forefront essential questions that concern the possible repositioning of levels of governance and shifts in means of governance. From the perspective of the study of political organization, the introduction of the OMC can also be seen as an instance of political innovation that brought a new template for organizing political space in the EU. In this chapter the adoption process of the

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OMC as organizational practice within the EUs education and research policy is the main theme.

We address the issue of what the Lisbon Strategy and the method that it carries have implied for European level governance approaches to research and education policy, the two core policies areas that frame the European University. Has the application of the OMC created a new political space in these two policy domains? Did this application lead to the institutionalization of an organizational innovation? What forces shaped the inception of the OMC as organizational practices in the two policy areas? Which factors maintained, changed and moulded them?

We expect that the way in which the Lisbon Strategy and the subsequent implementation processes have been addressed as European education and research policy processes can unveil key elements in the dynamics of European integration relevant to European research and education, as well as change and stability in the policy spheres and actor constellations that currently operate within these spheres at the European level.

The actors in this story are the European institutions and their interrelationships, the member states' governments and their national administrations, transnational actors, but also actors that represent different institutional spheres. In the implementation of the Lisbon Strategy different institutional spheres met and were confronted with each other and the dynamics of such encounters came to the surface. Furthermore, the way in which EU institutions, member states and other actors responded to calls for innovation provided by the OMC template, should be understood as conditioned by existing institutional arrangements within the two policy arenas.

The University as a key European institution with two basic functions is in policy terms placed in the middle of two policy domains that are marked by different institutional structures and traditions. As policy domains at the supranational level the actor constellations and approaches to European integration are evidence of the differences between European integration with respect to the research function of the University compared to its educational function. This chapter will argue that these differences can also be divulged as the EU is embarking on its path to realize its ambition of becoming the most competitive knowledge economy in the world by 2010.

ANALYTICAL PERSPECTIVE

The exploration of how the OMC concept spread and became practice within the two political domains of research and education policy presented here might be seen as the micro level account of political innovation and institutional resilience at the European level. Focusing on the micro-processes that are in operation when new organizational forms proliferate and take root within such a cosmos, this chapter explores how diffusion patterns are affected by the existing institutional arrangements and established practices. This raises what has been described as the paradox of institutional theory of how actors that operate within established institutional settings manage to change the very institutional arrangements that constitute them (Holm 1995). In the context of this chapter this translates into the following question: Faced

with a new template for organizing political space such as OMC, how do actors respond?

Theoretically it is possible to assume that actors in a policy domain can ignore or reject new templates. Also a response to new templates will represent no or little spur for institutional change if actors construct symbols of application by re-labelling or subsuming the template into existing procedures and arenas. If this would be the situation in our cases, we will find processes that are empty or that are referred to as OMC, yet without these representing a novel political space.

If new templates are adopted, they can still be subject to different trajectories of institutionalization. The institutionalization of a political space can be seen as the process by which it emerges and evolves towards having a "widely shared system of rules and procedures to define who actors are, how they make sense of each other's actions, and what types of actions are possible" (Stone Sweet et al. 2001: 12). Institutionalization of political space would see the development of formal structure, conventions for handling everyday "business" and cultural dimensions such as norms, values and identities within an organization (cf. Bulmer and Burch 1998: 604). Following Olsen (2001b), institutionalization of political space implies establishing rules and repertoires of standard operating procedures attaching capabilities and resources to it. Further institutionalization would carry with it that practices and procedures come to be seen as appropriate and legitimate. This speaks to how enduring and autonomous organizational practices become. In our case the more the OMC as political space is being institutionalized the more one should be able to observe the following: (1) Actors developing standards of acceptable conduct, impersonal roles, rules and standard operating procedures downloaded from the template of OMC; (2) Development of organizational capabilities in as far as resources, such as staff and budgets, are assigned to uphold the OMC processes as a distinct political space; (3) The practices and procedures of the OMC are valued "beyond the task at hand," that is, that they acquire a self-legitimated and taken for granted character, where their existence is not continuously questioned or subject to cost-benefit calculation.

No a priori assumption of an even, steady and linear development towards full institutionalization is made here. Rather the possibility of non-institutionalization, de-institutionalization or partial institutionalization is taken seriously. Non-institutionalization includes cases where OMC practices are adopted but quickly abandoned following a faddish pattern of diffusion (Abrahamson 1991; Strang and Macy 2001). Also an organizational template and innovation can be subject to transformation during the process of adoption (March and Olsen 1989: 62–64) and often cannot be reproduced reliably from idea to practice in a uniform manner across different institutional contexts (March 1999b). Such a transformation includes institutionalization of parts and not the entire template. This is particularly likely when an item of diffusion is a theoretical construct and idea rather than a hands-on and specific object with complete and unambiguous practical references (Strang and Meyer 1993: 499), as is the case with the OMC template.

POTENTIAL DYNAMICS OF INCEPTION AND INSTITUTIONALIZATION OF NEW POLITICAL SPACE

The central assumption explored in this chapter is that the way in which an organizational template is picked up and processed in a political order depends on the nature of existing institutionalized practices. Such a link would be a gateway for gaining insight into the dynamics of a policy domain at the European level also beyond the case of the OMC. The more elaborated and dominating the extant official structure, the more likely that a new function and new activities will be absorbed by it in preference to the creation of new structures (Meyer et al. 1997). If that is the case, we would expect the speed and depth with which the OMC as a practice is established to depend on the density of institutionalized practices in the policy domain. In order to investigate such an assumption we will have to demonstrate that the policy domains under study are indeed varying in terms of institutional saturation. Furthermore it is not only a question of "thickness," but also of the nature of these institutional arrangements relative to the template for organizing political space offered by the OMC. To what extent does the template of the OMC represent a radical departure from existing practices and the nature of existing political arenas within these two policy domains?

The argument above underlines the stickiness of institutions and their less than readiness to respond to impetus for innovation. However, institutional theory suggests both inter- and intra-institutional dynamics through which change and innovation occur (March and Olsen 2006b). Institutions exist within a larger institutional setting and order – as is indeed the case with EU institutions. The point here is that innovations and change can occur in the interface between different orders of institutions (Holm 1995) and when the balance between partly autonomous Institutional spheres is disturbed (cf. chapter 1). This can refer to balance between levels of governance (such as between EU institutions) and institutional spheres that run along sectoral lines. Friction may occur when different institutional spheres collide with each other thereby triggering institutional change (Olsen 2001b). Such interrelationships are highly relevant for the study of diffusion of organizational templates. Coercive spread implies imposition of organizational templates where institutional resilience to change or institutional inertia is trumped by hierarchy or by specific financial conditionality (DiMaggio and Powell 1991; Bulmer and Padgett 2004: 107–109). Such diffusion can also rely on the hegemonic status of one societal sphere over others (see chapter one).

Inherent tensions *within* a political arena can be conductive to innovation. As argued by March and Olsen (1989) there is no intrinsic need to assume that institutions represent perfect equilibriums and unambiguous and consistent frames for action in complex institutional settings. Also, political actors can reach the limits of existing procedures (Stone Sweet et al. 2001: 10–11), and can consequently be ripe for change and engage in search for other ways of organizing political space. "*Critical moments*" and system failure can provide opportunities for significant change (March and Olsen 1989). Such change may be induced by s*killed actions* of entrepreneurs that "create or manipulate frames that make sense of institutional or policy problems and offer

persuasive solutions" (Stone Sweet et al. 2001:12). We can thus expect to observe entrepreneurs that give voice to the translation of the OMC template and that are able to define crises and breakdowns and use them as opportunities to promote the template in the established order.[126]

OMC IN CONTEXT: THE LISBON 2000 SUMMIT AND THE KNOWLEDGE ECONOMY PARADIGM

At the Lisbon 2000 summit several partially interconnected developments seem to have crossed each other, including setting the agenda for the EU as an economic and as a social project, and rethinking governance issues in the European Union, hereunder the official sanctioning and labelling of the OMC. The Lisbon Summit did not carve the attributes of the OMC in stone, it identified at least four core markers of the OMC template that are contained by the following key concepts: benchmarks, indicators, peer review of policy, and iterated procedures (European Council 2000: §37). Yet, all of these elements are not necessarily carried into the processes that, following the Lisbon Summit, were referred to as OMC processes.

The Lisbon Summit announced OMC processes both in research and education. As such they are both among the "old" Lisbon OMCs. However, the Summit did not invent the EU's involvement in education and research. Both areas have long traditions as policy areas for the EU.

There have been two fluctuating tendencies in the history of research policy – between the intergovernmental means of cooperation[127] and Community action with the Joint Research Centres organized as part of the Commission (JRCs), and the Framework Programs from 1984 (Guzetti 1995). The research policy of the EU has gradually evolved to become a very dense area of activities covering a sizable share of the Community budget and a large DG for Research. The supranational executive and the set of committees and working groups in this policy area have strong established procedures for formulating, shaping and executing the RTD programs. They are primarily a "Framework Program machinery." The Council structure has most of its political energy attached to decisions about the level of funding and profile of the RTD Framework Programs. EU R&D policy has historically been fashioned as distributive policy anchored in the elaborate rules for the Framework Program procedures in the Treaty. The Treaty of Amsterdam, article 165, also allows for a

[126] The account of the development of OMC practises draws on document analysis and 15 semi-structured interviews conducted during 2005–2006 with people who have been involved in these processes at the European level. Second, I have analyzed the many reports and publications that have been produced by working groups and by the Commission. Third, I have consulted official documentary records from the EU Consilium for Minutes from Council and Council Committee meetings (especially CREST). Finally I have used notes and minutes from meetings, and e-mail messages, etc. that are not publicly available, but that I have been given access to by the interviewees.

[127] Notably institutions such as CERN, EMBL, ESA and intergovernmental programs, especially EUREKA and COST.

coordination of national and European research policies, but in practice this element of European research policies has been overshadowed by the distributive policies of the Framework Programs (Banchoff 2002).

The legal status of European policy is weaker in the area of education than in the research area. Education was first enshrined in the Treaties in 1992. Yet the article on education explicitly rules out "the harmonisation of the laws and regulations of the member states" (The Treaty of Amsterdam §149). Education has a more tense and hesitant history of European level activities than research (Wit and Verhoeven 2001). There is considerable national sensitivity attached to system diversity of European education, especially when education is seen in its socialising, cultural function, rather than in its social and economic role. Nevertheless, there has been a gradual institutionalization of the policy area (Beukel 2001), marked by policy entrepreneurship at the European level (Corbett 2005). The educational programs of the EU are quoted regularly among the major successes of the EU, even though financially they are not in the same league as, for example, the Framework Programs. In addition the education programs have a much more decentralized implementation structure compared to the Framework Programs and the allocation of funds is for the main part not decided on a competitive basis by the Commission.

The launching of the Lisbon strategy as political embodiment of a European knowledge economy policy implied a sharpened focus on knowledge policy areas such as education and research. All European summits from Lisbon 2000 and onwards have underlined the contribution of research and education to setting up the European knowledge economy, and becoming "… *the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion*."

As an expression of an underlying educational and research policy paradigm, the Lisbon Summit did at least three things. First it reasserted the role of R&D for economic competitiveness and growth. Second it underlined the role of education as a core labor market factor as well as a factor in social cohesion. Third it asked for a focus on *common* concerns and priorities (European Council 2000: §27), as opposed to taking as a point of departure the "celebration" of national diversity of education and research systems. The Lisbon triangle of employment, growth and social cohesion saw research as a major cornerstone of the Lisbon strategy, and education as a key element (Kok 2004a, b) in social policy, labor market policy and overall economic policy. The Lisbon agenda can be seen as the embodiment of a common model of socio-economic development, or a "world script" (Meyer 2000), with an emphasis on science-based innovation as the engine of economic development and education as a necessary investment in human capital. This script is contained in core political buzzwords such as "knowledge-based economy" and "the New Economy." The Lisbon strategy provides a practical-political expression of the way in which education and research as policy areas are defined and framed within a knowledge economy discourse. Yet this political expression is moulded and redefined continuously.

As an overall political project, the Lisbon strategy is open for various interpretations, and there are ongoing attempts to define what it represents (see, e.g. the reactions to the Work group report: Kok 2004a, EUobserver 3/11/04[128]). Several have suggested that the Lisbon strategy is embedded in neo-liberal ideology (Radaelli 2003; Chalmers and Lodge 2003).

It is also possible to read it as a marriage between a neo-liberal ideology and a social welfare model (Zängle 2004). At least it can be interpreted as an attempt of "horizontal integration," that is, linking the social and economic aspects of European integration (Borras and Jacobsson 2004: 186; Olsen 2004b: 4). There are some core assumptions concerning the primary factors that affect economic competitiveness and the kind of economic environment Europe is faced with. The European Council described the situation as a challenge stemming from globalization and a knowledge-based economy where education and research policy reform, along with employment and competition policy, are at the core of what is seen as the required "quantum shift" (European Council 2000). Yet, the Lisbon 2000 summit represents more an agenda than a full-fledged "theory of competitiveness and social cohesion." As such this agenda reflects the vagueness that is presumably necessary for reaching consensus on some overarching common goals for the member states.

The ideas that found their way into the text of the Lisbon conclusions have a long history. The OECD must be seen as a core international site where the idea of the knowledge economy has been pushed (cf. especially OECD 1996) and that has been conductive to identifying and quantifying "the New Economy" (Godin 2004). In Europe these ideas have been developed in interaction with a scientific and political agenda (cf. Rodrigues 2002). Also before the Lisbon Summit such concepts have been visible on the EU agenda as their ideational heritage can be traced back to at least to the early 1990s. A core reference in this respect is Delors' 1993 White Paper on Competitiveness, Growth and Employment. But also education has been a longstanding item on the agenda of the European Roundtable of Industrialists (ERT) (e.g. "Reshaping Europe" from 1991). For instance, the ERT's education policy group published reports, such as *Education for Europeans – Towards the Learning Society* (ERT 1995), that were reported to have been "enthusiastically acclaimed by the Commission" (Richardson 2000: 20).

To realize the ambitions agreed upon in Lisbon, the role of education and training is considered to be crucial. It is assumed that without a high quality education and training system it is impossible to make the transition towards a knowledge society and to further develop the knowledge economy. For reaching the Lisbon ambitions not only a "radical transformation of the European economy" is required, but also a "challenging programme for the modernization of social welfare and education systems" (European Council 2000: §1 and §2).

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[128] http://euobserver.com/?iad=1768&sid=9.

MAKING OMC INTO PRACTICE: TWO TRAJECTORIES

Education Policy – "a method for us"

Following the agreement upon the general Lisbon strategy a mandate was given to the Education Council to discuss what was referred to as the concrete future objectives for the education systems. The European institutions in the policy domain interpreted the signals from the Lisbon Council as the go-ahead for establishing a program for the "modernization of European education systems" and what at a later stage became the "Education and Training 2010" program (E&T). In the view of the Commission the Lisbon conclusions represented a landmark for the EU's involvement in education: "Never before had the European Council acknowledged to this extent the role played by education and training systems in the economic and social strategy and the future of the Union" (Commission 2003c: 3). Consequently it was the outcome of the meeting of the European heads of state that gave the initial push towards a modernization program for European education systems. Two years later at the Barcelona European Council they reiterated this ambition by stating that European education systems should become a world quality reference by 2010.

In the meantime the member states' ministers of education agreed on three very broad strategic goals for European education and training systems: to improve the quality and effectiveness of education and training systems in the EU; to facilitate access to education and training; and to "open up education and training systems to the wider world" (cf. Stockholm European Council March 2001). They were refined in 13 associated objectives adopted at the Education Ministers' Council meeting in 2002 that covered the various types and levels of education and training (formal, non-formal and informal) rooted in a broad definition of lifelong learning. Commission expert groups started working on a wide range of issues, such as teacher training, basic skills, ICT and efficiency in education, language learning, and access. This implied a shift in the attention towards primary and secondary levels of education, in contrast to the higher education and vocational training emphasis that characterised the European programs of the pre-Lisbon period.

In May 2003, the Education Council selected five benchmarks for the improvement of education and training systems in Europe up to 2010.[129] Of these five "Increase in the number of graduates in maths and sciences" is the only one that addresses European universities directly.[130] These benchmarks were established only after long negotiations in the Council, and they clearly touched upon issues of national sensitivity as benchmarks were seen as setting a glaring light on national performance. The Ministers could, for instance, not agree on setting a benchmark for investments in education, as suggested by the Commission (Commission 2002d). The status of a European benchmark was also a touchy subject and in its conclusions the Education

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[129] Council Conclusions of 5 May 2003 on "Reference Levels of European Average Performance in Education and Training (Benchmarks)" (OJ C 134, 7 June 2003).

[130] The other four refer to dropout rates in secondary education, increasing education attainment, better reading skills, and adult participation in lifelong learning,

Council underlined that these benchmarks were not concrete targets for individual countries to be reached by 2010, but "reference levels of European average performance." Yet, compared to the hesitation with respect to cooperation 10–15 years earlier, the political will to issue a common position had changed among European Ministers of Education.[131] The question was no longer if national policies *should* be coordinated but *how* they could be. The efforts were bundled into one package and being referred to as "OMC."

Initially the OMC process in education materialised as what was referred to as the "objectives process" and the work organization set up around the 13 objectives, but from early 2004 on other parallel processes were added to include the EU and its member states work with the Bologna process and the Copenhagen process[132] in the area of vocational training. From then on the OMC process in education was referred to as "Education and Training 2010" covering European cooperation in education and training as an integrated policy framework, which implied that higher education reform became a core object of the OMC process.

The absence of higher education from the OMC process in the beginning is explained through the non-EU Bologna process' "capture" of the higher education reform agenda in Europe. Although the OMC education had in this way left higher education to the Bologna process (see chapter 7), the Commission had prepared its higher education policy position through the work on the Communication "The Role of the Universities in a Europe of Knowledge" (Commission 2003a). As the Commission was increasingly linked to the Bologna process, the Lisbon agenda was explicitly linked to the accomplishments towards the European Higher Education Area.[133] So from 2004 higher education (and vocational training) joined the modernization program for European education that operated with OMC at its heart.

What Kind of Political Space?

An organizational apparatus was set up as part of the OMC process at the European level and Directorate-General for Education and Culture (DG EAC) had a core role in orchestrating the process. The role of the DG EAC was central, especially in the day-to-day running of these processes, and clearer in this OMC process, compared to other sectors. However, the DG did not operate as a free OMC agent – the OMC process was anchored in the continuous formal support of the Education Council.

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[131] "Ministers of Education had not been willing to make any type of Community decision – even the non-binding instruments used in education" (Hywel Ceri Jones, former Director in DG Education quoted in Corbett 2005: 132).

[132] Based on the Copenhagen Declaration from 2002, the Copenhagen process was set up to mirror the Bologna Process in the area of vocational education and training (VET) primarily for establishing "common currency" for qualifications and currency, common criteria and principles for quality in VET, common principles for validation of non-formal and informal learning. Contrary to the Bologna process this is an EU process where the Commission from the start has been a driving force backed by two core EU agencies in the area (CEDEFOP and ETF).

[133] This is very clearly expressed in the Commission's position paper for the 2003 Berlin meeting of "Bologna Ministers of Education" (Commission 2003d).

The way in which the OMC has been practiced in this sector brought the Commission close to national administrations in some of the sub-policy areas. The national experts serving on the OMC working groups were predominantly drawn from national Ministries of Education; only a few were from national agencies or expert/academic communities. Social partners and stakeholders from about 30 different European level organizations/associations[134] were also represented, and in some cases the secretariats of international organizations, most notably the OECD and the Council of Europe. All in all, in the first years of OMC education close to 500 experts participated in working groups; through the OMC practices they were brought together in iterative interactions at the European level.

The quantified aspects of the OMC process have been most deeply institutionalized. In 2002 a *Standing Group on Indicators and Benchmarks (SGIB)* was established to advice the Commission on the use of existing indicators and the development of new ones. After its establishment the SGIB has had internal acceptance by most of the member states' representatives, with a rather high level of attendance and also external recognition. The quantification is also an area that has been subject to skilled action from one unit within the DG EAC that has persistently pushed the need for quantitative indicators in OMC education. The focus should be on quantitative rather than qualitative indicators because of the demand for "strong policy relevant messages."[135] With the OMC, considerations surrounding statistical and indicator work were brought into an overt political setting. The significance attached to indicators was confirmed by the establishment of a centre (CRELL) as part of a Commission JRC in Italy in 2005 in order to support the EU's indicator development in the area of lifelong learning. This can be directly attributed to the OMC process. Furthermore, in 2005 the Education Council decided on new indicators in language learning and the following year the legal basis for EUROSTAT's education statistics was strengthened. With the instigation of OMC education, the EU entered an already established indicators' and statistical order, that encompassed national European and international cooperation in the production of educational statistics and indicators. Through the OMC process the EU was strengthened as a "centre of calculation," especially relative to the indicators the OECD provides in education.

In November 2003 the Commission came with a main assessing document that contained a serious and rather pessimistic picture of the progress made towards reaching the goals set for Education and Training systems in Europe (Commission 2003c). This document called, amongst other things, for member states to submit a consolidated report on all the actions taken to increase "the impact and efficiency of the OMC" (Commission 2003c: 17). The joint report of the Council and the Commission also contained similar references to the need for a more coordinated reporting in order to monitor progress and strengthen co-operation (Council and Commission 2004). The first four years of the process the OMC in education was very far from developing

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[134] European level associations such as UNICE, ETUCE/Education International, European School Heads Association, European Parent's Association and the European University Association (EUA).

[135] SGIB minutes from 3rd July 2002, first meeting: p. 5.

a routinized *national reporting system* similar to, for example, the National Action Plans of the European Employment Strategy. However, in 2005 all national Ministries of Education produced national progress reports on the implementation of the Education and Training 2010 program. This was envisioned as the first in a system of biennial national reporting. The reports followed a standard set up by the DG EAC. The E&T national progress reports devoted a substantial part to higher education and especially to how the Bologna Declaration was implemented in national policies. These documents and the Commission analyses of them signaled quite clearly how the national and European accomplishments towards establishing the European Higher Education Area were cashed as part of the education sector's delivery for Lisbon.

The organization and practices for *policy learning* and *peer reviewing* have lived in a tensile balance between institutionalization, experimentation and disintegration. At the European level the organized learning through peer review and exchange of good practice of the OMC was intended to find a home in the thematic working groups. Some of the reports included examples of good practices from various national settings. Referring to the OMC legitimised the work done by these groups. However, the thematic working groups did not immediately grasp what it meant to "do the OMC." The DG representatives were crucial in determining the content and working procedures of the OMC groups. Yet, especially in the beginning the national participants who were sent to Brussels for working group meetings described the experience as sitting there with the OMC "landing in their lap" or being part of political "extreme sport," not knowing what you were in for and where the work was heading. The viability of the working groups, and what later turned into "learning clusters,"[136] was predominantly determined by the informal assessment made by the DG EAC. For the thematic working groups "doing the OMC" 5 years after its instigation was partly still an experiment within its wider concept. This has in particular to do with the ambiguities of practicing organized policy learning and peer reviewing.

Key Conditions for Constructing Political Space Around the Concept of OMC

The Commission's Directorate-General for Education and Culture (DG EAC) had been very attentive to the message of the Lisbon Council and especially the messages given on the "new method": "It was **immediately** in the education field understood that this concerned us – 'this is a method for us'."[137] The DG EAC paid full attention to the Lisbon 2000 summit and with the resonance the message got in the DG EAC, there was a ready translator of the OMC concept. And on a more practical note, the Commission also found a budget line in the SOCRATES program to finance the OMC activities at the European level.

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[136] In 2005 the OMC structure was partly reorganized with the thematic working groups resurfacing as learning cluster whose predominant working methodology is so-called Peer Learning Activities, that includes site visits of good practice and in situ peer reviewing. The standing group on indicators and benchmarks was not affected by this reorganization.

[137] Interview December 2005.

Furthermore, the Lisbon Summit provided a "fitting" diagnosis of Europe – she was lagging behind her competitors in the transition to the knowledge economy. The DG EAC in its follow up activities to the Lisbon strategy used a dramatic language to accentuate the need for common action to modernize European education – it "hinges on urgent reform." The modernization of European education became linked to an overhaul of Europe envisaged in the Lisbon strategy. Similarly the DG EAC had watched the European Employment Strategy moving very close to the traditional educational policy area as an element of labour market policy. The Education ministers became aware that the interests and perspectives of the labour market policy sector, and its institutions were, through the EES, impinging on the core areas of educational domain, especially in the area of lifelong learning (Pochet 2005: 47). Also, European Ministers of Education had for some time been dissatisfied with the procedures and practices of cooperation – especially how the rotating presidencies biennially ruptured the policy agenda in the Council configuration. Consequently the launching of the OMC happened at a time when the education sector was in a situation of institutional defense (collision with the EES), with institutional self-assertion (having a rightful place in the Lisbon strategy), and EU institutions, that is, the Education Council and the DG EAC, being dissatisfied with their working procedure. To top it off – the education sector was defined as being in a performance crisis.

OMC Education Taking and Learning its Place

For the role of (higher) education in the Lisbon process the *Bologna process as political arena* has been a site of inspiration, competition and support. Just prior to the Lisbon 2000 summit the same ministers had been signing the agreement to establish a European Higher Education Area within 2010, an unprecedented experiment in European integration outside the EU. The development of the EHEA related directly to fundamental and sensitive issues, such as the structure of higher education systems and quality assurance, including the recognition of qualifications and degrees. The Lisbon process in education both feeds and feeds on the Bologna process. Even though the Commission has strengthened its role in the Bologna process, the Lisbon process and E&T, the Commission is acting as the orchestrating node and ideational centre. The rationale of the Education and Training 2010 program lies in its link to a greater order of the EU's Lisbon strategy and anchorage in the larger political order of the EU. This gives this process a different frame compared to the Bologna process. Competition between the two processes is also evidenced especially in the way the issue of the European Qualifications Framework (EQF) has been a bone of contention – the Bologna process has promoted a qualifications framework specifically tailored to fit higher education whereas the EU has promoted the EQF for a much broader conception of educational qualifications.

Within the EU institutions the OMC process seems to appropriate existing cooperative structures found within this policy domain (such as the education programs). In addition it generates new activities in other areas and policy development where the DG EAC can draw on the work done within the framework of the OMC. For example, the new generation of programs prepared for the period from 2007 will

be more closely integrated with the overall objectives of the EU. It is clearly the ambition to integrate the EU's traditional incentive based educational programs with the coordination process that the Lisbon strategy has activated and also to use legal means in the Lisbon related reforms.[138] Also important initiatives coming from the Commission in the education sector – the development of a European Qualifications Framework, initiatives in the area of European quality assurance and accreditation of higher education, and most recently the initiative to establish the European Institute of Technology – have been actively liked to and argued on the basis of the Lisbon process and the Education and Training 2010 program. Most notably when the Bologna process and the Copenhagen process were latched on the Education and Training 2010 program, it became evident how much the OMC process had become a magnet for policy initiatives that the Commission had been working on prior to the Lisbon process as well as those that were spurred by it.

COORDINATING RESEARCH POLICIES

The Lisbon conclusions encouraged "the development of an open method of coordination for benchmarking national research and development policies" (European Council: Lisbon conclusions §13). It packed the use of the OMC into the ambition of developing a European Research Area (ERA)[139] that in turn was framed as part of the instruments of the 2010-Lisbon target. In the area of research the OMC is set in a complex web of various efforts and means of co-ordination within the framework of the ERA.[140] Identifying the OMC process in research is not a straightforward task as several processes especially linked to the ERA activities are referred to as "OMC." In the year following the Lisbon Council, the Commission worked on several versions of OMC processes related to research (Commission 2000c), including what was later referred to as "o.m.c. light" (CREST 2003a: 2) and "activities that contain elements of omc" (CREST 2003b: 7). A benchmarking exercise of national research policies was launched already in 2000 with the European Research Area as framework for "voluntary policy co-ordination," and to pave the way for the application of OMC to R&D policy, even though this exercise was probably more inspired by the EU's attempts of developing benchmarking technology in the 1990s than directly inspired by the OMC template (Bruno et al. 2006: 527). The benchmarking exercise that lasted until January 2003 included a High level group especially directed at

[138] For instance, the directive that was adopted on the recognition of professional qualifications was seen as part of the "legislative roadmap" of the Lisbon strategy (European Parliament and Council 2005)
[139] The Commission paved the way for the ERA through its Communication "Towards a European Research Area" of 18 January 2000 (Commission 2000a). The Council made the official resolution "on the Creation of a European Research and Innovation Area" 15 June 2000. The Draft Constitutional Treaty also included a direct reference to the ERA.
[140] This comprises the Community Framework programs (including Networks of Excellence and Integrated projects), technology platforms, coordination of national research council programs (ERA-NET) and the establishment of a European Research Council (see Kuhlmann and Edler 2003; Gronbaek 2003).

indicators collection and development in human resources in RTD, scientific productivity, RTD investment and indicators for RTD impact on economic competitiveness and employment, altogether a list of 20 indicators, of which 5 had to be developed (see Commission 2000c: 12–15). The Directorate-General for Research also established working groups for the analysis of national policies in the same thematic areas. These groups were of a very different nature than found in the OMC education. The groups comprised some of the top *academic* expertise in the area of research and innovation policy and thus the benchmarking managed to enlist certain segments of the European academic community, but not the member states' sector ministries.

Meanwhile, the heads of state agreed in their Barcelona European Council in 2002 on the very ambitious goal of increasing investments in R&D to 3% of EU GDP, from the 2000-level of 1.9%, with private sector investment representing 2/3 of this investment. That was the first time a commitment was made to a quantitative objective for research at such a high level (Caracostas 2003: 36) and officially all member states have identified their national R&D target for 2010 or beyond as part of their Lisbon Reform Program (cf. Competitiveness Council 2006: 18). The investment target could also be measured by the existing, well-established R&D indicator for investment as a percentage of GDP. Such an ambition would, if realized, have strong consequences for the funding of European universities as well as for the national R&D investments.

The Commission started working out the plans for how this objective could be realized, but procedures for how to apply the OMC were weakly described (Commission 2002b). The Commission staff working paper "Investing in Research – an Action Plan for Europe"), proposed "open processes of co-ordination" for R&D investment and for human resources in science and technology as two among the many new actions outlined (Commission 2003d: 8–9). Soon after that, the Competitiveness Council[141] accentuated the need to push the use of the OMC forward and invited COREPER to "examine the concrete use of an open method of coordination" (Council 2002: 4). The result was that the Scientific and Technical Research Committee (CREST) was charged with a key role in the organization of the "3%-OMC process." From then on the OMC became a permanent item of the monthly CREST meetings.

Given the mandate and composition of CREST the orchestration of the OMC was thus placed not in the hands of the Commission, even though the DG Research has the chairmanship of this committee, but in this permanent, *advisory* committee that comprises member states' representatives at the level of senior civil servants from national research ministries. Especially in the beginning of the OMC for the 3% target the Commission's representatives were important in defining the themes and the methodology of OMC. Yet, they clearly stated that the 3% OMC was to be seen as an operation driven by the member states where the Commission is "offering assistance as a facilitator" (CREST 2003c: 8), The OMC process evolved into a test case for the role and function of this committee on a more general level (CREST 2004a: 4). After all, the coordination of national research policies was part of the

[141] Further underlining of the role of research for economic competitiveness could be read from the decision to change the configuration of the Council in 2002 to a Competitiveness Council consisting of the previous Internal Market, Industry and Research Councils.

official mandate of this committee (CREST 1995). In this respect the application of the OMC revitalized a function of CREST to which its 30 years of existence has not produced much result (Guzetti 1995). The Commission did not take on an orchestrating role in the OMC procedures, and the burden of keeping this OMC organization alive was left to the member states' representatives in CREST. Consequently redefining and reorganizing the OMC process has been in the hands of the member states.

In fall 2003 CREST appointed five expert groups[142] to work on tasks related to the 3% target and whose chairperson reported to CREST.[143] Each subject area was headed by CREST members from national ministries that volunteered to take the lead in the organization of CREST's expert groups, that is, this OMC process had (at best) part time staff of national administrators assigned to these processes. The OMC for the 3% objective had a different participatory structure compared to the Commission's "Benchmarking R&D" process: the academic experts had practically all been replaced with representatives from member states' ministries or implementing level such as national agencies, research councils, technological transfer offices, and so on. The Commission moved more backstage. Somewhat to the surprise of CREST-members DG Research also instigated parallel activities within the 6th Framework Program (FP6-RTD-OMC-NET),[144] under the label "OMC" (CREST 2005a:9). They were presented as the Commission's "bottom-up" supplement to the OMC process run by CREST. The DG Research continued to organize other areas for "mutual learning" and also monitor the ERA development amongst other through R&D indicators (ERA key figures/ERA STI), ERAWATCH, and scoreboards.

In addition to the different role of the Commission in this process, the *participatory structure* in this OMC process is narrower compared to the OMC education. Especially the transnational or international level organizations and other stakeholders have barely been present in the working organization of the 3%-OMC practices (cf. Conference on OMC and CREST 2006: 307th meeting: 4). The lack of regional representation is obvious (see Kaiser and Prange 2005), but that also applies to the OMC education.

Experimentation and Institutionalization

The first years of the OMC for the 3%-target did not follow clear procedures and that left those participating in the process in a state of role confusion.[145] CREST revised the OMC's operational set-up (CREST 2004b and 2005) to deal with the "teething

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[142] These expert groups worked on the following themes: national policies for public research spending and mix of national research policy measures, public research organizations and their links to industry, fiscal measures to support R&D, and intellectual property rights and policy to strengthen the research links of small and medium-sized companies.

[143] All expert groups produced their final report to CREST in June 2004 and all of them clearly identified their work as part of the OMC 3% Action Plan.

[144] SEC (2005) 1253.

[145] One expert group stated this outright referring to the ambiguities associated with the application of the OMC itself [...] "In particular in the beginning it was unclear if (a) the Expert Group was asked to formulate real recommendations and for whom, (b) if quantitative or qualitative data should be tackled,

problems."[146] A main disturbance of this OMC process was the practical work load it placed on national administrations that were put under pressure to produce and deliver information to working groups (CREST 2004b: 11). This is a rather prosaic element in the dynamics of institutionalization – yet an aspect consistent with an institutional account. When the OMC reporting requirements were disturbing daily bureaucratic lives, the concept of OMC was resisted, not because of ill will or resistance to the idea of European policy coordination, but as a result of reporting fatigue of national ministries and agencies. There were several unsettled issues within this process. When CREST entered a second cycle it aimed at creating a "clearer and lighter model" for the OMC process, implying voluntariness and a less capacity demanding process (CREST 2004b: 11 and CREST 2005a and 2005: 3–5). A contested element was the extent to which recommendation should be issued by CREST and how specific it would be (CREST 2004d: 11). The OMC expert groups also identified this as a problem of context dependency of good practice (CREST 2004c 295th meeting: 3). Also in this OMC process peer learning and best/good practice methodology is the least well-established part of the OMC. Collecting data and information was deemed as useful to gain an overview of policy measures taken in the member states, yet a *review* of policies was made difficult by the practical workload (CREST 2004c 295th meeting). CREST has been hesitant in giving country-specific recommendations in their overall report from OMC.

On the other hand, the overall idea of having an OMC for the 3%-target seems uncontested and legitimate. There is agreement within CREST, and thus the representatives of the member states' research ministries that continuing the OMC process is a worthwhile endeavor. The attention to OMC research has not dwindled; there are signs of rekindling and rethinking of the OMC research, as demonstrated when the Commission organized a conference on "Improving research policies in Europe through the OMC" under Austrian Presidency (Brussels 18 May 2006). Even though the thematic agenda of the OMC for the 3% target has been shifting, having an OMC process has become an institutionalized part of the CREST agenda.

OMC Research and its Place in a Larger Order

The CREST organization of the OMC 3% investment target had several unspecified interfaces to ongoing activities in the coordination of research policies. This concerned Commission led activities, such as the ERAWATCH (cf. CREST 2004c 295th meeting: 3), or OMC as a Framework Program project. CREST's role in the coordination of research policies has also been affected by the general reorganization of the Lisbon strategy after the new Commission took office in 2005 – the discussion here is how CREST and its OMC activities can be part of the overall Lisbon National Reform Plan and general national reporting for the Lisbon strategy and how that should be organized (CREST 2006: 5–6). The OMC as practice(s) in the research

and (c) if new or existing R&D indicators should be used" (CREST expert group on SME and research (final report June 2004: 14).

[146] Report from the CREST expert group on SME and Research (Final report June 2004: 14).

sector has become a recognised method for working towards what has been identified as a common goal for increasing investments in R&D, yet in this sector it is one element in a much broader setting and cannot be seen as the mainframe of the European approach to research policy comparable to the way the OMC process has evolved in the education sector.

First of all it is the broad ERA concept that is the overall ordering frame, and this concept with its diverse set of instruments can be accomplished largely without the interference of national policy makers, if research institutes, universities and industrial actors engage in the kind of network based cross-border collaboration beyond the national reach that is envisioned by the ERA instruments (Edler 2003: 118). Also the investment target which has been seen as primarily in the sphere of the national governance level, is worked at from many different angles, some of which have elements of the OMC template, and some not. In the communication "More Research and Innovation, A Common Approach" (Commission 2005c) the position of the OMC is spelled out – the methodology of the OMC is one element of the research policy of EU, but the display of the battery of approaches envisaged in this action plan clearly indicates how legal integration (state aid regulation, intellectual property rights, the directive for third country researchers) and funding mechanisms at the Community level are the heartbeat of the EU approach to research as a policy domain. The OMC template's focus on policy learning and improved national level policies is but one, yet not neglected, element of this battery of Community level measures.

CROSS SECTORAL COMPARISONS: EXPLAINING COMMUNALITIES AND DIFFERENCES IN OMC AS PRACTICE

Institutional Saturation and the Construction of New Political Space

In research and education as policy domains the OMC as a template for organizing European co-operation has made an impact. The OMC processes are not phantom processes in either of the cases, yet they have followed different trajectories for developing the OMC template into practice. These differences are consistent with our initial contention on the role of what we termed institutional saturation in a policy domain with respect to shaping the responses to the call for innovation.

Research policy at the European level is filled with complex sets of standard operating procedures, established rules for participation and decision-making that all together constitute a machinery for distributive policy in the shape of the Framework Programs. In the research policy domain the OMC elements are spread across many activities and there OMC seems more important for giving a label to procedures that were already there than for tailoring new political arenas and establishing new standard operating procedures. In the research policy domain, actors did not ignore or reject the idea of OMC, but the OMC has not been the magnet that has attracted and enrolled other coordination processes. The latter has been the role assigned to the OMC in the education sector. OMC practices have been spread across and experimented with in different sub-arenas. This does not imply that the OMC is unimportant

to the research sector – especially CREST is now engaging in new working methods and activities in the name of OMC. Nor does it imply that EUs research policy has been at a standstill since the Lisbon 2000 summit. The former Commissioner Busquin's initiative to establish the ERA has seemingly triggered a number of innovations especially *within* the coming 7th Framework Program. Also the attempts of building a European institution for the funding of basic research represents a significant change in the EU research policy domain, but this can hardly be attributed to the application of the OMC template.

Even though the education policy domain was far from institutionally empty, there were certain conditions that were conductive to the embrace of OMC as a template for change. Ministers of Education and DG EAC who were frustrated over their working methods and were already experimenting with changing established cooperation procedures formed one main element in leaving a space open that could be filled by the OMC. In the education sector, the concept of OMC has opened up a distinct new political space and has been turned into practice, and there are signs of an institutionalization of the kind of political space that carries the label "OMC." Actors within this policy domain have developed shared rules of procedure for what it means to practice the OMC, what kind of actors are to be involved and what kind of actions are acceptable and appropriate within this setting. So far it has attracted attention and energy. Permanent staff within the DG EAC has been assigned to keeping the OMC alive, reporting procedures have been established at least between the EU institutions and there is a budget item for which it is acceptable to finance OMC activities. National Ministries send their civil servants to Brussels in order to participate in activities that are legitimised to themselves and to outsiders by the reference to OMC. Not all elements that are possible to download from the template of the OMC as coined in Lisbon show signs of durability, autonomy and "taken for grantedness." OMC education does not represent full blown institutionalization of the entire OMC concept. Yet, OMC education represents one package and one program, and the OMC practices can be identified as new and autonomous political space that did not exist prior to 2000. It has enabled the European agenda to move in areas of education that did not have an established history of cooperation and coordination at the European level. The OMC template has implied so far a radical change in European level involvement in the education policy domain.

Inter-sectoral Communalities

OMC in education is not a replica of what has been going on in other sectors, research policy included. It does not have identical participatory structures, OMC's reporting procedures are not identical and the anchor is different (DG Research versus CREST). Nonetheless, *common* to the post-Lisbon Summit development for both the research and education sector is how policy makers emphasise common challenges in these sectors and a common diagnosis of the predicament of the European knowledge economy. Concomitantly, there is a stronger legitimacy for using quantified objectives as a point of departure for European cooperation in these policy domains, as can be read from the Council's and European Council's decisions on benchmarks and

common goals and the predominance of statistical and indicator work. The monitoring of education systems' performance in Europe through quantitative indicators is the most institutionalized practice within OMC education and shows the signs of a new activity in the EU's education policy domain, with stable and accepted procedures and practices. There is some evidence of external domain contestations, especially with respect to alternative venues of international indicator development. However, it does not seem to be at immediate risk of de-institutionalization with both a strengthened legal basis for EUROSTAT's educational statistics and the establishment of a centre within the Commission's JRC system. On the research side the picture is murkier – not that R&D indicators are less established – but it is less clear if the quantified approach to European integration is something that is downloaded from the OMC as a template, or whether the OMC confirmed the EU's role in R&D indicators. Also the EU's relationship with the OECD's R&D indicator work was settled already before the Lisbon process rejuvenated its political saliency (cf. Godin 2002, 2004).

Similarly, there is a common underlining of the need for "mutual policy learning." Although, OMC research and OMC education have not organized such learning exercises in the same way, it is quite striking that the ambiguities of undertaking peer review, and defining criteria of best practice are common to both sectors – on the whole it seems that defining rules and standard operating procedures for the organization of policy learning is in both policy domains problematic. The European organization of policy learning is in a much less stable position than the reliance on R&D and education quantified indicators, as EU institutions are testing out different organizational solutions and measures. That member states' research and education policies should benefit from mutual learning is taken for granted as appropriate; how to do it is not.

Inter-institutional Tensions and Dynamics of Change

Dynamics of inception and institutionalization of OMC as political space should also be understood in terms of "interaction and collisions among competing institutional structure, norms, rules, identities and practices" (March and Olsen 2006b: 14). In the case of OMC education this took the shape of an inter-sectoral collision of ideas. This has came to the fore especially when in the EES education policy was defined and understood as an appendix to labor market policy and European coordination efforts in this area. The "collision" that contributed to creating new political space in the case of OMC education was between the cognitive and normative understanding of "education and learning" as part of the institutional sphere of labour market policy, rather than as education policy. Education ministers and the DG EAC headed the defense of the sectoral logics by the opportunity provided by the concept of the OMC. Such a collision meant a collision over appropriate "rules of engagement" for employment policy versus the education sector, since under the employment article European recommendations with respect to this policy area can be issued to member states, whereas for education this would be stepping over the remits of the Treaty. On the other hand the interaction with the larger political order of the European Union must be seen as a very important factor for the education sector making the most

of the OMC template. In education the OMC became the arena that actively linked this policy domain to the larger European agenda. The way the OMC was put into practice also reflected the institutional defense, not so much of its distinctiveness, but of the sector's rightful place in European integration. The expansion and dispersion of the education agenda in Europe is sought to be coordinated within this organizational setup and as part of a translation of the Lisbon agenda. The OMC became an acceptable and recognised procedure and a signal of appropriate behaviour.

Similar triggers of change and construction of new political space could not be seen in the research policy arena with respect to the application of the OMC. For research policy there was no apparent institutional collision present – the research policy paradigm was already well embedded in a competitiveness/innovation oriented understanding and an understanding of the so-called European paradox, that is, the conjecture that EU member states play a leading global role in terms of top-level scientific output, but lag behind in the ability of converting this strength into wealth-generating innovations.[147] The ideas promoted in the OMC research were very much geared towards better extracting the University's potential for industrial innovation and contribution to economic growth in Europe. Institutionally also the research sector is embedded directly in internal market and industrial affaires as the member states' Research Ministers in the Competitiveness Council co-legislate on these matters (Davies 2004). Certainly, a fierce sectoral defense was going on in the EU budget negotiations concerning the proposed major increase in the R&D budget to the detriment of the agricultural subsidies. But in the Lisbon strategy's research policy has been linked to innovation and had an undisputed place as a core element in competitiveness. The normative and ideational underpinnings of the EU's existing research policy and policy instruments were not radically challenged by the Lisbon agenda in this respect.[148] A more overt collision of the understanding of the University's research function and its links to the European level we see in the discussions concerning the European Research Council – where the role of University as site of basic research is much more the subject of competing visions.

Yet, we need to acknowledge that the responses found in the research sector should not be regarded as a case of complete institutional inertia. Consider, for example, the hierarchical order within the EU institutions, and especially the hierarchical legitimacy of the European Summit *vis-à-vis* the Council sectoral configurations and with

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[147] An earlier version (Commission 1995b, 7) of this *European paradox* claimed that "the limited capacity to convert scientific progress into marketable products and services is not due to a lack of resources devoted to R&D. From a European perspective this innovation deficit originates primarily from a limited coherence of R&D and innovation policies conducted at the regional, and European levels" (Kaiser 2003: 290). Apparently, the Commission's interpretation of the causes underlying the "innovation deficit" has shifted from a lack of policy coherence in a multi-governance system (Commission 1995b), to an underperformance of European universities (Figel 2006; Commission 2006b).

[148] There are on the other hand some indications of inter-institutional tension between the DG research and the DG enterprise that has had as a consequence a demarcation of innovation versus research policy. The term European Research and Innovation Area has been tried out but "lost" against the term European Research Area (Edler 2003: 123).

respect to the sector DGs. The “Lisbon coining of the OMC” represents some measure of a hierarchically legitimated source of diffusion that seems to have carried some weight in defining it as appropriate to have at least a minimum of practices that could represent the sector’s “OMC.” There has been a definite proliferation of the use of the OMC also within the research sector and that may indicate the value attached to the OMC as symbol and signal of appropriate behaviour, and as seen here such symbols are not necessarily merely ceremonial, but can develop a life of their own. There are no indications suggesting that EU institutions coerced the implementation of OMC practices – although the advisory body of CREST might have felt some pressure of social sanction had it failed to respond to the call for organizing the OMC for the 3%-target.

External Shocks and Institutional Change

The Lisbon Summit and the hyping of the OMC concept came at a moment that succinctly defined the performance of education and research systems in Europe as in a critical situation. The Common European level diagnosed a *gap* in the sense that research and education were lagging behind in the transition to the knowledge economy in comparison to its competitors, the lag was identified in terms of investment deficits in research and “human resources,” brain drain to the USA, and low performance of basic skills in many European countries. Through the Lisbon Summit the overall performance crisis was publicly announced. This diagnosis underpinned the whole of the Lisbon strategy and the method that was launched to make probable the success of “Lisbon.” The Lisbon strategy’s ambition was presented as an exceptional challenge demanding exceptional measures. When European research and education systems are lagging behind in the knowledge-based economy, one would need to boost coordination in a way that does not get entangled in the traditional turf fights between the national and supranational level, was the argument. The two policy domains show varying responses to the identification of dire straits. The diagnosis was just as profiled for European research systems (underinvestment in R&D and the failure of European universities to deliver their research potential and the “European paradox”) as for the European education systems. This gap would become broader when the new member states were to be counted as belonging to the Europe of Knowledge.

Actors in the education policy domain have persistently promoted this diagnosis and a language of urgency permeates the Commission’s documents of the Education and Training 2010 program. In education policy the crisis was not identified as massive failure of existing EU institutions, as education still was a national prerogative, but it was turned into a common challenge. The OMC concept’s set-up that compared the performance of European education systems with each other and the USA especially undercut the traditional cooperation modus among Education ministers who would come together and celebrate the uniqueness and assets of their respective education systems. In the case of research policy this diagnosis was not the spur of an autonomous “OMC-space,” but was captured by the urgency with which the ERA concept was promoted, implying that the OMC became practice as an “added touch”

to existing policy arenas and a boost to policy measures at the European level that could be argued as excellence and innovation enhancing.

Robustness and Autonomy of the OMC as Practice

Acknowledging that the use of the OMC has served as an enabling device for European integration efforts in an area where the EU's legal basis for policy coordination was weakest, one should be quick to add that the enabling of the EU in education also was dependent on the legitimation not only of a method but of a world view. The discourse of the knowledge economy permitted the EU to legitimately take a stronger interest in the knowledge sector and to set concrete and quantifiable targets for collective achievements in relevant policy areas. It may be hard to separate the introduction of the OMC from the activities that were generated by the specific political ambition that was agreed upon in Lisbon 2000. It has, for instance, been argued that if the overall Lisbon ambition fails it might disrepute the OMC as a viable new approach to governance in the EU and imply an ideological crisis of the idea of new governance (Zängle 2004: 13). In the case of education the legitimacy for further coordination of educational policy in Europe might suffer from it, as some sort of guilt by association. Education as an object of policy coordination might be more at risk to the possible failure or fatigue and consequent loss of legitimacy in the Lisbon process.

Some of the core actors in this process see the embrace of the OMC not only as an enabling action of the EU in education, but as an opportunity for the education sector to prove itself as a "high performing" sector within the European integration project. Doing well as a sector, that is, contributing to the success of the Lisbon strategy, would establish education in its rightful place according to a sector logic that links national ministries, European institutions and stakeholder organizations in education. What has been observed, however, is that in non-economic sectors there has been a gradual decoupling of the Lisbon strategy from its instrument, the OMC (Laffan and Shaw 2005) which supports the argument that the method and the strategy of Lisbon are not symbiotic. When political space has internal defenders then the external attacks are less likely to lead to de-institutionalization. So far OMC education has had its full-time staff defenders at the European level. The policy framework for European research policy has had other strong institutional pillars to rest on.

CONCLUSIONS

This chapter represents a brief part of the long-term development of European level action in the areas of education and research. It has explored how small parts of the European political space emerged and evolved. It has focussed on the establishment of rules, practices and organizational capabilities that came under the name of OMC in two policy domains at the European level triggered by the Lisbon process. It is a story of which the end has not yet been written – as it is not clear yet whether the political arenas will be sustained over time. Nonetheless, so far these are not

empty processes: they are definitively in the making and under construction. These two cases juxtaposed indicate how existing institutional orders impact on dynamics of change (cf. March and Olsen 2006: 16). Dynamics of change as seen from inside these processes is not consistent with environmental determinism nor is it an example of how actors by way of design or political imposition construct new political space unencumbered by the frictions of existing institutional arrangements.

If we grant that the OMC represents potentially a novel element in European integration, then the study of how it evolved in practice can tell us how political institutions change and how they innovate, and what characterizes the dynamics of change inside the small pockets of policy areas. In practice the OMC processes evolve in ways that deflect from and reflect existing webs of procedures and governance modes at the European level. In education policy the existing practices were traditionally less dense and the application of the OMC has implied that new political space has been added to the existing ones. In research policy the OMC processes are lighter and more at the margins.

The two policy domains have responded to the introduction of OMC – but in different ways. The research policy domain has experimented in search for an appropriate set-up and has dispersed the OMC process into several different settings and modes of operation. Here the OMC template has largely been blended with existing procedures and has been used for diverse sets of purposes. Elements of the OMC template have been used to support and strengthen the role of benchmarking, quantitative indicators and monitoring of national performance, and the use of the OMC as a working procedure has been a channel for the common ambitions of increasing R&D investments in Europe. These are not insignificant aspects of the European approach to research policy, but the existing procedures in this policy domain were already well developed in the shape of the Framework Programs and the concept of ERA, implying that the OMC in the research policy domain has had many different and already institutionalized elements to build on.

The education policy domain, on the other hand, has erected new political space based on the OMC template as the centrepiece of the European approach to education, and this has so far lived on and entered an (incremental) process of partial institutionalization. The OMC process has been framed as the European program for modernizing education systems, and this process and the larger Lisbon processes within which it has been embedded have acted as a magnet for other initiatives. The OMC in education has implied a strengthening of the European dimension in national Ministries of Education through their participation in working groups and national reporting. These actors met on a regular basis with the DG EAC and representatives of interest groups and European stakeholder associations. The Commission has through the OMC established a significant extension of its capacity for policy making. National governments still hold the legislative power and the funding levers for their education systems, but we have made the argument that with the OMC as practiced in education a political space of ideational convergence has emerged, at least in terms of the setting of the agenda and the development of quantitative indicators that compare

performance. How this percolated into national agendas and what the policy transfer effects are at the national level remain unspecified.

The Lisbon strategy contains loud demands for reform of a wide range of social institutions. This process and the method that dovetailed it have announced particularly strong demands for radical reform of the European University. These demands have been uttered directly towards the University as a research institution that in particular needs to step up its interaction with industry, and as an institution for lifelong learning. Also importantly the processes instantiated with the help of the OMC show how European level processes may affect the University indirectly and as part of a much larger policy framework that mixes innovation policy, economic policy, labour market and employment policy, training policies, and so on. This chapter has shown how the dynamics of policy sectors have different starting points at the EU level. Overarching political processes that have ambitions of grand scale horizontal policy coordination, such as the EU's Lisbon strategy, cannot be properly understood unless the histories and traditions of political organization within different policy areas are taken into account.