

Social impact assessment

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Introduction

General remarks

The adoption of social impact assessment mechanisms at national and European level is a concrete solution to ensure that all policies will deliver positive results and will not be counter productive in terms of social progress. Since ageing is a cross-cutting theme affecting a wide range of domains, the social impact assessment can be a useful tool to evaluate not only the long-term impact on older people of any proposed policy measures, but also to reconcile broader economic and environmental interests with the social rights and expectations of this particularly vulnerable group.

AGE welcomes the idea of using social impact assessment to identify at an early stage the possible positive or negative effects or the potential misinterpretations of new legislative proposals. AGE would like to see social impact assessment mechanisms to be developed across the EU Member States to support the mainstreaming of social goals and fundamental rights across all policy areas. AGE considers social impact assessment as a guarantee to avoid the risk of proposing and implementing legislations or policy measures that do not take full account of the implications on vulnerable groups such as older people. An efficient and well implemented social impact assessment system can help assess the real impact of the ongoing policy reforms, such as liberalisation of services of general interest (in terms of their affordability, accessibility and quality); introduction of supplementary pension provision and/or private pension funds (in terms of adequacy of income and reduction of the risk of poverty) etc.

EU dimension

In the context of the ongoing EU integration process, AGE would like to see the Open Method of Coordination for social protection and social inclusion (OMC SPSI) be used as a framework to promote best practices with regard to impact assessment mechanisms. The recently published Commission's Communication on Reinforcing the OMC SPSI¹ – as a part of the broader "renewed social agenda package" – is a step in the right direction. Apart from the announced introduction of quantitative targets on poverty and social exclusion, AGE welcomes in particular the proposed strengthening of the social policy's governance through regular social impact assessment mechanisms and horizontal coordination between the objectives of the OMC SPSI and other policies.

¹ Communication from the European Commission "A renewed commitment to social Europe: Reinforcing the for Social Protection and Social Inclusion (COM(2008) 418).

Feedback from AGE members

Currently, there seems to be only few comprehensive social impact assessment systems used at national level, while those in place fall short of their full potential as they are mainly used to justify a narrow policy approach for legislative proposals, pursuing primarily economic objectives. The existing social impact assessment mechanisms usually fail to provide a wide analysis of the social impact of the proposed measures including from the perspective of demography and ageing. The poor assessment of the social dimension of national legislative proposals may be due to a number of reasons such as the lack of political will or the lack of a clear methodology on the conduct of quantitative and qualitative assessments, including the lack of appropriate data or insufficient knowledge of the needs of specific groups in society, such as older people.

AGE would like to recommend that an adequate methodology (in the form of guidelines) is developed at EU level in consultation with the Member States and relevant stakeholders (social partners and civil society organisations) to develop appropriate SIA tools. These would be used to assess the impact of policy proposals on the agreed objectives within the OMC SPSI (social inclusion, pensions and HLTC - Health and Long term Care) paying specific attention to identified vulnerable groups (children, women, youth, older people, migrants, ethnic minorities and disabled people).

For example, when reforms are proposed in the pension system (such as moving from 1st pillar to 2nd and 3rd pillars), an adequate social impact assessment system should help identify the impact this would have on retirement incomes of women and men, especially the long term unemployed, people employed in precarious jobs, the low paid, those working part time and long term carers.

When reforms are introduced in the criteria to access HLTC services, an adequate social impact assessment system should help check the impact that restrictions will have on those providing informal care for a dependent relative e.g. how will changes in access to HLTC affect carers' opportunity for full time employment and accumulation of pension rights of carers?.

Attention to the impact of new proposals on society at large, as well as to the potential harm they could bring to specific segments of the population, should help prevent problems before they arise.

At the moment, it is mainly NGOs representing these groups who raise awareness of the potential problems of proposals and who lobby for amendments. But NGOs are not always consulted and hence their concerns are often raised too late in the policy process, when the proposal is already tabled for adoption or has been adopted.

As the OMC SPSI provides opportunities for people confronted with poverty and social exclusion to be included within policy debates at national level, progress in social inclusion can be achieved faster and more effectively by listening to ordinary people. Their voice needs to be heard as part of the policy debate both to avoid policy mistakes and to encourage an emphasis on human dignity and human rights.

It is also crucial to develop tools that will enable qualitative as well as quantitative assessment of policy proposals on the OMC SPSI agreed objectives broken down per age groups, gender and

identified vulnerable groups (single households, unemployed, people with broken careers, migrants, ethnic minorities, disabled etc.).

Comments to the Peer Review background papers

AGE would like to comment on the two background documents submitted to the present Peer Review.

Paper “Evaluation of social impact assessment in the Slovak Republic”

AGE agrees with the overall approach proposed by the Slovak Government to set a systematic impact assessment mechanism at an early stage of policy making prior to the final approval and practical implementation of legislation and policy measures. Looking at the outlined principles for social impact assessment, we agree with a number of issues and postulates identified in the Paper, crucial to ensure professional and effective social impact assessment, in particular:

- The importance given to living standards factor (across different groups of population in particular the most vulnerable groups e.g. low-income pensioner or older women) within the overall thematic approach to social impact assessment. In line with national and EU goals on social inclusion policy and the eradication of poverty and social exclusion the Slovak proposal rightly identifies the living standards as one of the most crucial elements to take into consideration. Recognising citizens' rights and needs can further strengthen the overall acceptance and efficiency of policy-making.
- The necessity to ensure the “uniformity” of the overall impact assessment mechanism through a joint elaboration of the working methodology among the concerned ministries. AGE agrees that one common procedure for all selected areas to be covered by the impact assessment (financial impact, social impact and environmental impact) will reinforce the method's efficiency. The proposal to designate a ministry to coordinate the impact assessment according the main focus area of the impact assessment can also strengthen the consistency of the assessment exercise e.g. the Ministry of labour, Social Affairs and Family leading the social impact assessment.
- For AGE, the promotion of a broad stakeholder consultation including “... experts or interested entities which may be affected by the policy under consideration ...” is the necessary recognition of the role that relevant actors play in the entire impact assessment process, providing necessary input to the preparation of methodology, implementation and evaluation of the exercise. This is in line with the International Principles for Social Impact Assessment² according to which social impact assessment “... *should take a proactive stance for social development rather than be limited to the identification and amelioration of negative outcomes. The new model considers that assisting communities to identify development goals and maximising positive outcomes is more important than minimising harm from negative impacts.*”

² SOCIAL IMPACT ASSESSMENT International Principles; Special Publication Series No. 2, may 2003; International Association for Impact Assessment www.iaia.org

However, we would like to express some concerns with regard to the proposed general methodology principles:

- There is a risk of an unbalanced structure within the proposed impact assessment guidelines between different policy areas, often driven by contradictory priorities i.e. economic versus environmental or social goals. From the perspective of the EU social inclusion policy, AGE would like to warn against a too extensive focus on macro-economic objectives at the detriment of what should be the overarching goal, i.e. to promote greater social cohesion. This is particularly true with regard to specific groups such as people experiencing poverty and social exclusion. Therefore, we ask to ensure a cross-cutting approach when preparing methodology for impact assessment of different policy areas that will guarantee a full consideration of the needs and request of all vulnerable groups.
- Considering that social policy is implemented mainly at regional and local level, it is vital to ensure participation of those sub-national levels in the design, implementing and evaluation of the impact assessment procedure including in the social area. This should help address the local realities and take full account of the potential impact on the level that is the closest to citizens.
- If the involvement of all relevant stakeholders is recognised in the paper, it would be useful to strengthen the necessity to start consultation at the earliest possible stage. Impact assessment mechanisms, not only in the area of social policy, have to be an ex-ante exercise based on extensive and “on-time” consultation of all relevant actors.
- When defining SIA from the perspective of older people, the following elements should be also considered: acknowledgement of older people’s fundamental rights to access quality services; broader definition of active ageing with regard to employment and professional activation policy; inclusive/holistic definition of social inclusion when assessing the efficiency of anti-poverty measures; the gender dimension of ageing e.g. individual pension right; and the informal caring role fulfilled by many older people.

Discussion paper by Ides Nicaise

The explicit reference made in the Discussion Paper to the EU process of OMC SPSI rightly underlines the role and potential the European levier can play in promoting a more comprehensive social policy-making across 27 Member States. This is particularly true considering the usual difficulties in reconciling economic and social policy objectives. Mainstreaming social goals into the Lisbon Strategy has not proved so far to be an efficient tool in this respect. Therefore, AGE agrees that social impact assessment mechanisms, providing a systematic assessment in advance, can be stronger and more efficient instruments to support overall policy making which respects the social dimension.

With regard to the first step of the proposed social impact assessment “roadmap”, namely the definition of the *problem*, we feel that it is important to agree on an overall final objective which will “guide” the evaluation of impacts across more specific areas such as standards of living, people’s well-being, disposable income etc. The same logics should apply to the follow-up monitoring process where the agreed final objective will be used to evaluate the overall efficiency, effectiveness and coherence of the implemented measures.

AGE is very much in favour of promoting social impact assessment as a tool taking a more focussed approach on specific target groups. From the perspective of older people as a whole and, its most vulnerable members, such as older women, isolated older people or low-income pensioners in particular, it is obvious that a precise and comprehensive ex-ante impact assessment would bring valuable information to policy makers and enable them to make an informed choice. Measuring the potential impacts on the quality of life of older persons, or other communities, whose environment is affected by proposed legislation should be a goal per se in developing social impact assessment mechanisms.

Looking at the proposed methodological framework, AGE finds that relatively little attention was paid to qualitative methods at the proper stage of impact measurement stage. However, we are convinced that this element is essential to take full account of the citizens' perspective when proposing new legislation that affects them. Direct involvement of people and their organisations is obviously crucial in this qualitative assessment and should be organised to ensure a vivid civil dialogue in the framework of the OMC SPSI. This direct involvement should be a general precondition for the development, implementation and monitoring of any social impact assessment mechanisms.

Final Recommendations:

- AGE asks Member States and the European Commission to set up, within the Social Protection Committee (SPC), a reflection group to develop and promote a cross-European methodology for social impact assessment as an integral part of the OMC SPSI framework. The group should be open to other stakeholders such as social partners and NGOs active in the EU process on social protection and social inclusion e.g. EAPN, AGE, FEANTSA, Eurochild, Youth Forum etc.
- AGE suggests that an appropriate methodology will identify factors necessary to assess both the impact on social cohesion among vulnerable groups (e.g. migrants, children, older people etc), and also the impact on specific areas (pensions, employment, poverty and social exclusion, HLTC). The social impact assessment methodology should also include a breakdown on target sub-groups within each vulnerable population (e.g. older women/men, older single households, unemployed older workers, older migrants etc.).
- AGE asks Member States to support and facilitate direct involvement of vulnerable groups, including older people and those working with them on the ground, in policy-making and social impact assessment. The design and use of 'participatory' tools, such as AGE/inc tool-kit³, should be valued at national and European level to strengthen participation of all relevant stakeholders, in particular ordinary people affected by policies.

³ The AGE/inc tool-kit is a guide to planning, organising and running participatory workshops of older people experiencing poverty or exclusion. It is not an instruction manual. It provides guidance on the philosophy behind these meetings and the reasons for holding them, as well as concrete organisational advice and suggestions for follow-up and the monitoring of outcomes. It can also be used to advise those seeking to work with groups experiencing poverty other than older people. Full version of this tool-kit is available in 20 languages at AGE's website: http://www.age-platform.org/EN/article.php3?id_article=353