

Social impact assessment

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1 Introduction

For the European Anti Poverty Network, good social impact assessment is a vital tool to:

- promote and defend social rights at a national or EU level, by evaluating the positive or negative impact of legislative proposals; and
- enhance basic forms of participation of people experiencing poverty and other vulnerable groups and their organizations

with the aim of supporting a more social and sustainable society.

For EAPN 'good' social impact assessment means: adequate organizational design, participative methodology and involvement of a range of participants and stakeholders, capable of engaging people who are most distant from the political process of decision making (that is people experiencing poverty and social exclusion), to have a voice when choosing the social impact assessment 'objectives' and in influencing the assessment process.

Social impact assessment and 'mainstreaming social objectives'

Effective social impact assessment is closely related with and depends on 'mainstreaming social objectives'. Without 'mainstreaming social objectives', social impact assessment could be easily transformed into a technical exercise, while staying seemingly neutral. Without social impact assessment, 'mainstreamed social objectives' could not be implemented in practice.

However both concepts should not be confused.

Social impact assessment will take as its starting point a specific significant policy proposal which is in the pipeline, assessing its possible impact prior to the finalization of the legislative or policy proposal. It is, therefore, by its nature a reactive tool (a response), and should not replace the decision to develop new policy and legislation initiatives in the social policy and other policy fields.

Mainstreaming social objectives, is the necessary accomplice to social impact assessment, being a pro-active instrument whereby social objectives are deliberately introduced in a cross-cutting manner into all other policy areas in an overarching fashion.

In our view, good social impact assessment should aim to prevent negative policy impact and enhance positive policy impact. To be effective it should go hand in hand with positive policy proposals which are actively mainstreamed throughout other policy fields aiming to build a social, sustainable and equal society.

2 Key concerns

Clarify the vision and objectives of social impact assessment

Social impact assessment needs to be based on an explicitly stated vision of a socially sustainable society with specific objectives based on fundamental rights. This should centre the process on the likely impact of proposed legislation/policy on access to rights, resources and services and on promoting social cohesion, eradicating poverty and social exclusion and reducing inequalities. The aim should be to reduce or avoid the negative impact of policy proposals and enhance the positive impact. It should also encompass the prevention of poverty and social exclusion. EAPN is of the view that the specific objectives of the OMC SPSI must be at the heart of any impact assessment focusing on the aim to eradicate poverty and social exclusion and promote access to rights, resources and services and full governance.

The Irish Poverty Impact Assessment sets out the aim to assess policies and programmes at design, implementation and review stages in relation to the likely impact that they will have or have had on poverty and inequalities which are likely to lead to poverty, with a view to poverty reduction.¹

Focus on the impact on fundamental rights

It is vital that a commitment to fundamental rights underpins the social impact process. The opening section of the impact assessment needs to spell out the key reference documents in terms of an over-arching fundamental rights framework, to which the assessment process makes reference and attempts to deliver on.

E.g.:

- The EU Charter of Fundamental Rights and International Human Rights instruments - EU sustainable development strategy.
- The specific aims and objectives of the EU social inclusion strategy (Open Method of Coordination on social protection and social inclusion).
- The transversal clauses of the Lisbon Treaty on social objectives, equality, gender, environment and Services of General Interest.

The specific rights listed should serve as a checklist which can be evaluated i.e. how far the proposed policy measure impacts negatively, positively or not at all.

¹ www.socialinclusion.ie/pia.html

Assess the impact on poverty and social exclusion and the prevention of poverty

It is important to assess the specific impact on poverty and social exclusion on target groups as well as on the general population and to look at short, medium and long-term effects. We would expect references to be made:

- *Impact on income and expenses.* It is vital to assess accurately impact on individual as well as household income and the impact of the costs of main household services, which will affect purchasing power and disposable income.
- *Numbers, level, depth and persistence of poverty.* It is necessary to make projections on the impact on the numbers of people likely to be at risk of poverty as well as other characteristics, particularly the deepening of poverty or social exclusion.
- *Multidimensional facets of poverty.* Poverty should not be assessed only in terms of lack of income, but all interlinked aspects, including access to services, cultural, social and community life, political rights and civil participation.
- *Effect on specific target groups (agreeing list).* As well as assessing the impact on the general population it will be important to assess the specific impact on key target groups identified as at risk of poverty and social exclusion and through the life-cycle e.g. older, young people, lone parents, working poor, homeless, low-income families, ethnic minorities, immigrants.
- *Inclusive quality employment* – the impact on employment only will not be enough, but also on the nature of employment i.e. how far it will lead to an improvement in the access to quality employment in terms of pay and conditions, with particular reference to employment security (i.e. precarity of contracts). Assessment must also be made on those who are already working with a view to assess whether the impact improves or undermines their conditions of work and leads to better, more sustainable employment.
- *Short, medium and long term impact.* A balance may have to be paid between recognizing the trade offs between short term benefits or weaknesses and the longer term impact.

Assess impacts on wealth and inequality

An effective social impact assessment needs not only to assess the impact on poverty, (i.e. who loses) from a particular policy proposal, but also who gains (i.e. what will be the impact on wealth of individuals, companies and interests) This needs to be set within the overall explicit objective of reducing inequalities in order to promote social cohesion. Assessments therefore can be made on how far inequality has been reduced, promoted or remains the same and in what way.

Ensure that gender/equality and discrimination concerns are effectively tackled

A target group approach will not be enough to ensure that equality concerns are adequately taken on board. The new Lisbon Treaty also provides for equality mainstreaming for grounds mentioned under Article 13. However, currently more tools, instruments and expertise are needed to ensure that the fight against discrimination and in favour of equality and diversity is adequately

mainstreamed. It will be necessary to ensure a cross-check therefore of a specific impact checklist on gender and equality.

Give particular weight to assessing access to affordable, quality services for all

One of the most crucial areas in terms of impact of people experiencing poverty is to ensure the right of access to affordable quality services of general interest. In recent years, the focus of the EU has been to strengthen the internal market and increase competition in the field of Services of General Interest, supported by the EU instrument of the Services Directive. The current dominant paradigm of de-regulation, liberalization and privatization of services, has in our member's experience had a negative impact on people's access to quality services. In EAPN's view any impact assessment must give a strong priority to assessing adequately the impact of any policy proposal on defending/improving the affordable access to all Services of General Interest in terms of:

- accessibility (i.e. geographical coverage, physical access and possible discriminatory criteria),
- affordability (prices/costs and modes of payment),
- sustainable (impact on the long-term viability, continuity of services and prospects for equal access for all),
- quality (impact on the level and standard of services delivered to the general population and to specific groups).

Whilst access to social services are particularly crucial: (housing, education, social and employment services, health and long-term care), access to all basic services need to be assessed e.g. network services – particularly energy, transport and water.

Put effective consultation and participatory assessment involving all stakeholders at the heart of the process

Most impact assessments stress the need to involve stakeholders – to ensure transparency and ownership of the policy decision-making process. However, EAPN would stress that more emphasis should be given to the need to reinforce participation and better governance, in order to improve the policy making process itself. The dependency on quantitative data and assessment needs to be supplemented by direct assessment of the likely impact of key proposals by the groups likely to be negatively affected. This process not only improves the policy input, but reinforces the rights of citizens and people most affected, to be involved in any decision-making regarding planned interventions that will fundamentally affect their lives, thereby strengthening the credibility of the governments' decision-making process. It could as well improve the balance, providing opportunities for groups and citizens who have less lobbying and negotiating capacity.

In this area, more reference should be made of the extensive experience of participatory impact assessment methodologies, that have been utilized in relations between donors and the Development world, including the World Bank, Oxfam, Action Aid etc which involve

representatives from target groups and the NGOs that support them at each step of the Impact Assessment process.²

Some key considerations to make such participation successful:³

- Ensure that NGOs who work with target groups and people experiencing poverty and social exclusion get adequate support and funding;
- Make sure that the involvement is meaningful and seems so, for the participants;
- Put effort into ensuring a positive methodology that encourages active participation, promotes empowerment and increases the security and confidence of the participants;
- More effort put into transparency and accountability – knowing what happens to their inputs and how the final decisions were made;
- Seeing results.

Strengthen the data source and methodologies – qualitative as well as quantitative

A key concern will be the consideration of available data and research. One of the key problems is the lack of sufficient current quantitative indicators and data, for many of the key areas, particularly relating to all target groups. It will therefore be necessary to invest in new data sources and collection, but also to ensure that qualitative data is given equal weight, by drawing on survey material – or developing new surveys, case-study material or scenarios based on real household or target group situations, and making more use of focus groups and participative input.

Ensure transparency and accountability

Many impact assessment procedures are too secretive. Credibility will only be enhanced if the process, the results and the impact are widely publicized and made easily accessible through the internet and other methods. All stakeholders have a right to know how and why their views have been taken on board or not. This should be seen as a positive opportunity to publicise the policies and process, create better transparency and accountability as well as raise awareness.

Implementation

The results of the impact assessment are crucial. But these should not only be judged on the question of the individual policy that is screened. The overall aim should be to ensure that all Government policies take actively in consideration a social inclusion checklist – including the potential impact on poverty and social exclusion when designing and delivering new policies. As

² http://siteresources.worldbank.org/INTPSIA/Resources/GPN_August08_final.pdf
<http://www.oecd.org/dataoecd/46/39/38978856.pdf>

³ Drawn from comments made by EAPN Ireland in respect to the Irish Poverty Impact Assessment Procedure.

we have said at the beginning: The matching partner to social impact assessment must be mainstreaming social objectives and delivery in all policy fields.

3 Reflections on discussion papers

In this section we set out some short EAPN responses to the two discussion papers.

Host country report

We welcome the proposal put forward by the Slovak Republic which sets out a comprehensive and concrete approach to tackling social impact assessment. We particularly support:

- The legislative steps and the elaboration of the methodology for the impact assessments, especially with regard to the “social situation of the population and employment” (social impact),
- the overarching aims and objectives focussed on the impact on deterioration on living standards,
- the focus on 4 key criteria (economy, access to rights, resources and services, equal opportunities and gender equality and employment),
- the commitment to consultation with affected groups.

Our main concerns would be:

- The need to broaden the approach to consider positive impacts – and how far the measures actively work towards promoting social inclusion and eradication poverty, not just to negative impacts.
- The need to broaden the aims and objectives to include the prevention of poverty and social exclusion.
- The importance of focussing also on the impact on rising inequalities within the overarching aim of promoting a more equal and socially cohesive society (including assessing impact on wealth).
- The need to root the assessment more clearly in fundamental rights – this would be improved by the explicit quoting of the Rights reference frameworks and an explicit list and checklist.
- The importance of considering as the starting point the access to affordable, quality services – which should include key basic services of general interest as well as social services (e.g. energy, water, transport, financial services, as well as housing, social and employment services, education, health and long-term care, childcare ...).

- The focus on access to quality employment – to include an assessment of the impact on wages and conditions, with particular focus on precarity of employment contracts, and low wages, and to the impact on those in work as well as the unemployed e.g. working poor.
- The need to broaden the circle of actors taking part in the social impact assessments at both stages: in the preparation of the documents and of the policies implemented in practice.
- Much greater detail on the objectives and methodology to be followed on the involvement of key stakeholders, and particularly the potentially affected groups and the NGOs that support them.
- Transparency, accountability and follow up: ensuring that the whole process is transparent and publicised widely with information on follow up and results.
- Link to mainstreaming social objectives – the individual impact assessment must form part of a larger frame and process of more pro-active policy development which aims to mainstream social objectives in all policy fields.

Thematic expert discussion paper

The discussion paper clarifies the background, setting and definition of social impact assessments, making references to key references at EU and global level. It clearly highlights the relevance of social impact assessment to the particularly reference framework of the OMC SPSI and its importance to promote quality social policies and reduce the potential damage caused by economic policies.

At the same time, the roadmap, scenario building and the paradigm dependency outline some limits in social impact assessment and the fact that vital choices are made prior to the assessments.

However in the section on methodological framework we would highlight some additional queries:

- The framework highlights the role of impact assessment in the logical sequence of steps between problem definition and final decision. However the example quoted focuses more on specific problems and therefore policy solutions identified within the frame of the OMC. We would consider that it is more useful to consider how to make social impact assessment effective in the context where the definition of problems and proposed policy solutions are made in overriding “jobs and growth” and promotion of an unregulated market which is the basis of the current revised Lisbon strategy.
- The reference to the assessment of the impact on different groups, is clearly vital, but a social impact assessment is not an objective listing of interests. A hierarchy of political priorities should underpin this assessment linked to its overarching objectives to promote social inclusion and a more socially cohesive society, which gives greater importance to the impact on people experiencing poverty and social exclusion or at risk.
- The focus on methods – although useful, appears to focus exclusively on quantitative methods, rather than qualitative methods, which are so crucial when assessing real impacts

on ordinary people and to understand the interplay between different factors, which underlines the multidimensionality of poverty.

- The mention of stakeholders appears rather as an afterthought, and is defended in terms of fostering “acceptance and ownership” of policy decisions. Although these objectives are crucial, we would further emphasize the aspect of civil and political rights – for citizens and other people who are to be directly affected by a policy decision to have a direct say and input. Participation is also vital to clarify and improve the quality of the assessment process in terms of highlighting unforeseen consequences and in confirming other hypothesis concerning likely negative or positive impacts. It can also play a vital role in awareness-raising, particularly if linked to a well coordination communication strategy.
- Last, but not least, the arguments supporting the comprehensive approach could also consider the current weakness of social impact assessment especially with regard to other types of assessments, e.g. environmental ones that are more developed in three important dimensions: as a methodology, in terms of levels of intervention (EU, national and local) and in the question of stakeholders involvement. Social impact assessment could profit from deriving lessons from these more advanced areas, but should first strive to overcome the above shortcomings in order to reach ‘balanced political decisions’.