

Comment on “Evaluation of social impact of policies in the Slovak Republic”

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1 Introduction

The Open Method of Coordination in the field of Social Protection and Social Inclusion (OMC SPSI) integrates substantial aims of reduction of poverty and improvement of social coherence on the one hand and formal aims like transparency and participation in governmental action (“good governance”) on the other hand. In the context of improvement of social inclusion, the government of the Slovak Republic (SR) has developed a standardised method for ex-ante-evaluation of law proposals, the so-called “Social impact assessment”, which requires an obligatory assessment of all policy-proposals concerning their expected impacts on SPSI. In detail, impacts shall be assessed concerning

- public finances (financial impact),
- social situation of the population and employment (social impact),
- business entities, functioning of the markets, the environment (environmental impact),
- informatization of the society (informatization impact).

(SR preparation paper, p. 1; see also: Government of SR: The uniform methodology for the assessment of selected impacts, May 2008).

Especially the second aspect of the assessment method is of direct relevance for SPSI. It contains the estimation of consequences on the social situation of the population and on the employment system and is described as (SR preparation paper, p. 3):

1. the economy of households (income and expenses),
2. the access to rights, goods and services, in particular for vulnerable groups (i.e. on their social inclusion),
3. equal opportunities and gender equality,
4. the employment.

In general, the proposed method is rather part of formal strategies in order to achieve a “good governance” than part of improvement of social inclusion.

This procedure has been seen ambiguously in SR and shall be discussed in the Peer Review against the background of international experiences. In a discussion paper from Ides Nicaise two poles of the discussion have been pointed out: On the one hand resistance against lavishness of the procedure is named, “because they may imply a substantial cost and slow down the decision making process” (Nicaise 2008: 9, esp. taking into account, that the EC roadmap calculates with an “overall duration of at least 7 months (and up to 2 years depending on the duration of the

'analysis' period)" (Nicaise 2008: 10; noticing the demand of clarification of estimated duration of the procedure). On the other hand, it is mentioned, that – similar to gender mainstreaming – a general obligation may be useful in order to initiate a process of awareness that considers social inclusion aspects as self-evident and gives them more importance: "mandatory social impact assessment procedures provide a buffer against single-minded economic interests" (Nicaise 2008: 5). Concerning lavishness of the procedure, the SR proposal distinguishes between a screening method ("quick test") containing an impact assessment in a short form and a more elaborate "social impact analysis", which is to be adopted only in relevant cases, i.e. if the screening results show that the proposal in all probability might have an impact on social inclusion.

2 Answering the questionnaire

The discussion of the social impact assessment will be imbedded in a mutual exchange of experience, where the participating countries report on comparable approaches of ex-ante evaluation of law proposals. To clarify this experience, a questionnaire has been developed which may be guideline for the structure of this report (1). In this context, it is asked for proposals, among what policy areas this kind of assessment might be useful (2). Finally, it is asked for key issues that should be discussed during the Peer Review (3).

2.1 German experience with standard procedures in the preparation of policy measures

In Germany exists an obligatory assessment procedure concerning impact analysis of every law proposal, which is comparable to the "quick test" proposed by SR. In general, the aims and expected impact of the proposal, its further non-intended consequences and its costs have to be estimated (see § 44 internal regulations of the federal government). The financial implications of public budgets have to be differentiated on the levels of state, Laender and communities. Further on it has to be mentioned, if alternatives are known, and if so, what kind of impacts they might have. Finally, it should be assessed, if and after what period an evaluation has to be carried out, whether the new regulation has been as effective and efficient as expected (summative evaluation).

The instruction cited above also regulates the involvement of actors and stakeholders (§§ 45-47 Geschäftsordnung der Bundesregierung). Within the government, every concerned ministry has to be involved as well as the Commissioner for Efficiency in Administration and the Ministry of Justice for formal assessment. Furthermore, Laender and communities as well as experts and stakeholders should be involved as far as they are concerned by the content of the proposal. In a booklet published by German government, this method is exemplary explained.

In some cases of proposals with a wider range, evaluations have been practised. Ex-ante evaluations of expected impacts as well as ex-post-evaluations of empirically evident impacts have been realized. E.g. before introducing Social Code Book IX "Rehabilitation and Participation of Disabled People", a detailed analysis of expected costs had been conducted. After the introduction of the law, practical experiences with its new regulations were evaluated in various studies (see publications on the website of German Ministry for Labour and Social Affairs, www.bmas.bund.de).

Often the decision about detailed evaluation is made parallel to the legislation process, but in many cases the need of an evaluation is directly integrated in the law, either as "experimentation clause" (e.g. § 101a Bundessozialhilfegesetz or § 6c Social Code Book II "Basic Security Benefits for Job-seekers") or in form of a continuous effectivity research (as in § 55 SGB II or in § 282 Social Code Book III "Promotion of Employment").

The form of evaluation and the involvement of stakeholders is generally processed by a public tender. Then, an independent research institute with the best and most efficient bid is mandated to carry out the evaluation. Often this evaluation study is accompanied by an advisory board of experts and stakeholders.

As a difference to the social impact assessment proposed by SR we see firstly the fact, that it is not obligatory to carry out a detailed evaluation on every law proposal, and secondly in the formal character of the assessment that concerns costs and contents of the respective area, but does not prescribe social inclusion aspects.

2.2 Policy proposals that could benefit from social impact assessment

To answer the question, in what cases an obligatory social impact assessment could be useful, we firstly would like to distinguish between the following policy areas:

- policy areas with direct social concerns (social policy, labour market policy);
- policy areas with indirect social inclusion concerns (economy, finances, health, education, urban planning etc.);
- policy areas without social inclusion concerns (that may be in case of transport, environment protection, animal protection, technical regulations etc.).

An obligatory social impact assessment of law proposals could be discussed especially in the second area, but less useful in the first and the third area. In the first area of proposals with direct social concerns, the regular assessment of aims, unintended consequences, alternatives, costs etc. already covers what is intended by social impact assessment, so that a separate and additional procedure does not seem necessary. If e.g. a proposal contained an elevation of social benefits, and a possible contradiction between improving living standard and disincentives with regard to motivation for job search was discussed (see the example of Nicaise 2008: 9), this would be a direct component of the regular legislation process, and an additional social impact assessment in this case would be redundant.

On the other hand there may exist policy areas with certain social aspects, but without an impact on social inclusion. This might generally be the case for regulations of technical or natural scientific matters.

A general, obligatory social impact assessment could however be useful in such areas that are not directly concerned with social policy or employment policy, but might have indirect impacts on social inclusion. This is the case, where the peculiar logic of a subsystem may conflict with social inclusion. Examples are:

- Economy – social matters (e.g. unemployment as a consequence of production replacement);
- Ecology – economical/ social matters (ecological constraints burdening companies resp. the labour market);
- Finance policy – economical/ social matters (advantage and disadvantage of regulations of the finance market);
- Health – social matters (accessibility of all population groups to medication and health treatment);
- Education – social matters (elite promotion versus promotion of general education).

Concerning law proposals in these areas, an obligatory assessment of social inclusion impacts may be discussed, but you have to bear in mind the benefits and costs of such proceedings..

The existing handling of the assessment of laws and regulations accompanied by the participation of the persons and groups concerned allows a flexible assesment of social inclusion impacts.

2.3 Issues to be discussed

We suggest the following issues to be discussed during the Peer Review in Bratislava on 6th/7th Nov 08:

- Determination of the assessment in form or in content: For a formal assessment of law proposals, certain criteria should be obligatory, as pointed out by Nicaise (2008: 6-7): Problem definition – policy objectives – alternatives – appropriate measures – expected consequences (effectivity, efficiency, coherence). It should be discussed whether an additional qualitative assessment on social inclusion will be necessary and useful, considering the advantages and disadvantages mentioned above (higher importance of social matters vs. lavishness of the procedure).
- If a clearly defined social assessment was considered as useful, it should be discussed, whether this method should be limited to certain areas like suggested in 2.2. Could that typology be helpful for such a limitation?
- The linkage between the two stages of the assessment (screening/quick test on the one hand, detailed social impact assessment on the other hand) should be explained: On what factors, decisions, actors etc. does it depend, whether a certain proposal will be processed to a deeper analysis or not? What roles do time pressure, cost pressure and stakeholder groups play in this context?