

Learning how to use indicators as policy tools.

Rudi Van Dam
FPS Social Security
DG Strategy and Research

Introduction

This comment paper will first focus on the use of indicators in social inclusion policies in Belgium in general. In a second paragraph it will present a specific instrument, the Poverty Barometer, which is closely linked with the French Scoreboard. A third paragraph will highlight a specific feature of the construction and use of indicators in Belgium, the participation of stakeholders. A fourth paragraph concludes.

The use of social inclusion and social protection indicators in Belgium

The use of social protection and social inclusion indicators in policy preparation, and *a fortiori* in policy making, is a relatively recent phenomenon in Belgium. However, over the last decade there has been a clear proliferation of the use of indicators. The increased availability of indicators, their methodological underpinnings, and the participative approach (cf. par. 3) developed in the framework of the Open Method of Coordination Social Protection and Social Inclusion (OMC) very probably contributed to this in an important way.

Analysing the use of indicators, it can be argued that they have been used to a different degree in the different stages of policy-making: reviewing the social situation, agenda-setting, policy framing and benchmarking.

Reviewing of the social situation

Indicators are used at different levels of government. Both federal and regional governments have developed anti-poverty strategies, which are regularly updated. All of these strategies are complemented with a rather extensive monitoring component, which has in the first place the objective to monitor the general situation of poverty and social exclusion.

It is interesting to note that there also seems to be an increasing tendency to use social inclusion indicators in other government and semi-government reports outside the context of the poverty strategies.

Agenda-setting

Recently indicator based instruments have been created which have the explicit objective of keeping poverty and social exclusion on the policy agenda. One of these instruments is initiated by Flemish ngo's (Armoedebarmeter Decenniumdoelen). Another is created by the federal government (cf. par. 2). Both instruments are to an important degree overlapping (although the geographical reach is of course different), and both draw mainly on the OMC indicator set. Both are also rather new (2008 and 2009), so it is not yet possible to which extent they succeed in reaching their objective.

Policy framing

Although the impact of indicators on policy and politics should not be overestimated, arguably on some policy domains, the role of indicators has gone further than mere description. It is probably safe to state that on these policy domains they gave direction to policy measures and policy measures were even linked to indicators. The clearest example here is pensions. It seems likely that policy measures to increase the lowest pensions during the last years have, at least to some extent, been inspired by the reviews of pension indicators (at risk of poverty rates of elderly, replacement rates, relation of minimum pensions to the at-risk-of-poverty threshold). One of the measures was the increase of the guaranteed minimum income for the elderly (social assistance) to the level of the at-risk-of-poverty threshold in 2006. In a similar way, the prioritisation of activation and diversity in the framework of the NAPincl. was probably to some extent inspired and accepted by a number of social inclusion indicators pointing at a difficult accessibility of the labour market for some groups.

Benchmarking

A rather modest form of benchmarking was used in the NAPs inclusion. Some indicators in the NAPincl. are targeted. These targets are fixed on the basis of an internal benchmarking, where for each indicator, the best performing region in Belgium is used as the benchmark and targets are thus defined.

The Federal Poverty Barometer

Content

On a proposition of the Secretary of State responsible for the fight against poverty, the Belgian Government approved on the development of a 'Federal Poverty Barometer'¹ in 2008. This initiative was to a large extent inspired by the French scoreboard. Thus it is evident that the French initiative is directly relevant for the Belgian situation.

A first version was launched during the beginning of 2009. The Barometer also shares the same 'multidimensional design' with the French Scoreboard. It covers the domains: income and debts, health, work, education, housing and participation. The indicators included in the Barometer draw largely on the OMC indicators, with some national additions.

¹ To be consulted at following link: <http://www.mi-is.be/Webapplicatie%20Armoedebarmeter/index.html>

An overview of the indicators used is presented in annex. It seems interesting to draw the attention to some of the national additions. First it contains some national developed indicators on the dept situation of households, on the basis of EU-SILC:

- the percentage of households that drops (further) below the at-risk-of-poverty threshold due to the payment of consumer credits;
- the percentage of people that lives in a household with at least two overdue debt repayments for utilities linked with basic necessities (electricity, water, gas, housing rent, health care).

Secondly and importantly, an indicator on the level of social assistance, minimum social security allowances and minimum wage as a percentage of the at-risk-or-poverty threshold is included.

Thirdly, an indicator on the participation on social cultural and sportive activities and an indicator on subjective health are included.

It might be noteworthy that the actual number of indicators contained in the Barometer, is considerably larger than the initial idea. This partly reflects the complexity of the poverty and social exclusion phenomena, but can also be considered as a result of the consultation process.

Similarities/differences with the French initiative

Although the Poverty Barometer is inspired by the French initiative, there are important differences. Most importantly, the objectives of the instrument are considerably more limited than is the case for the French Scoreboard.

The Barometer is intended to serve as an informative instrument towards the Government, towards stakeholders and towards the general public. The objectives are in the first place of an informative and agenda setting nature. To some extent the instrument also tries to introduce accountability for poverty results into general government policy. These goals are probably shared with the French Scoreboard, of which the discussion paper states that it is *'viewed as an instrument of observation, evaluation and partnership'*. Furthermore, like in France, the design and use of the instrument falls under the responsibility of a 'junior' Minister (Secretary of State), who is responsible for anti-poverty policies.

However, beyond these similarities, there seem to be three important differences:

- The French scoreboard is embedded in a strategy of active inclusion;
- The French strategy seems to be actively supported by the highest political level (President);
- An appealing target is based on one of the indicators of the Scoreboard.

Furthermore, the discussion note points out that the Scoreboard, *'is operational with a secure legislative basis'*.

The Belgian Barometer, on the other hand, is part of an anti-poverty plan, which contains a large set of concrete measures on different domains, but which do not form an integrated strategy, comparable with the French approach. Furthermore, it was decided not to use targets. The main reason being possibly that, as pointed out in previous point, the Anti-poverty plan was in the first

place conceived to allow progress on a number of concrete points, a number of them with a limited impact on the indicators. It was probably considered unlikely that these measures would contribute to overall poverty targets. The Barometer was adopted by the Federal Government, but the follow-up entirely remains in the hands of the Secretary of State and the administration. There is also no legal framework organising the functioning and follow-up of the Barometer.

An aspect that seems to be more developed in the Belgian instrument is the involvement of stakeholders in the construction phase. From the discussion note it appears that the Scoreboard was developed by a 'working group'. For the development of the Barometer a consultation seminar was organised where a proposal of a set of indicators was extensively discussed by a wide range of stakeholders. Within a vision that the instrument should be appropriated by the relevant actors and stakeholders, it was decided to involve them at an early, as soon as the construction, stage (cf. also par. 3).

Overall, when comparing the French Scoreboard and the Belgian Barometer, it appears that the major difference between the two is the fact that the French instrument is considerably more integrated in an elaborate strategic approach.

Effects of the poverty barometer

So far, the most important merit of the Poverty Barometer probably is the fact that it made the (selected) indicators more visible. Furthermore, being a policy instrument with a higher political profile than the (larger) indicator set of the NAPincl. it allowed to involve experts from institutes not yet involved in the NAPincl. process.

As the Barometer was only launched this year, it is too early yet to evaluate the more substantive effects concerning its role as a communication and accountability instrument.

On the role of stakeholders in indicator construction

A special feature of the Belgian situation seems to be the involvement, from the beginning of the NAPs inclusion, of stakeholders in the definition of indicators and the composition of the set of social inclusion indicators.

Within the framework of the National Action Plan for Social Inclusion, a special structure was set up to guide indicator development and use: the working group on Indicators of the NAPincl. This working group brings together experts from academia, administration of different levels of government and stakeholders. It was also the Working group that was given the task of developing a first draft of the Poverty Barometer, before it was subjected to a broader stakeholder consultation.

The involvement of stakeholders in the definition of indicators and in the composition of an indicator set to monitor social inclusion has proven to be very useful. Although it is not possible to determine this with certainty, it seems likely that this involvement has led to a common understanding of what are the strengths and weaknesses of the available indicators, of why they are used and how best to monitor poverty and social exclusion given the current availability of basic data. Or, put differently, it has contributed to the adoption of a common 'core' set of indicators by different levels of government (federal and regional) and even by stakeholders.

Involvement of stakeholders also stimulated a common understanding of the remaining challenges and has initiated initiatives to complement the set of available indicators, thus contributing to the complementarity of efforts. Furthermore, it has also contributed to the distribution of information and knowledge of the mutual work and initiatives.

Although the systematic involvement of stakeholders is at certain moments more demanding in terms of resources and above all time, it appears now to be an important strength of the monitoring system.

Challenges and questions

The assessment of the role of indicators and the development of the Poverty Barometer should be seen against the still young tradition of government production of social inclusion indicators and their actual use in policies. It is safe to state that their role has become more important during the last decade. Indicators have played a role in different stages of the policy process: description of the situation, agenda setting and to some extent the framing of policies and (internal) benchmarking, sometimes this happened in a more or less experimental spirit.

The use of indicators for describing the social situation and agenda setting is probably comparable with the French situation. However, the policy context in which the indicators are used differs substantially. The French policy is appealing because of its thorough and integrated approach. The possibility of transferring a similar policy strategy to Belgium would of course depend in the first place on the political context and the policy priorities. However, it seems likely that two types of information could contribute to the preparation of such an approach.

In the first place, it would be useful to broaden the knowledge base on the use of targets. If policy makers could be informed on a number of characteristics of an adequate target, their use could be enhanced. There is little experience and little clearness on the question of what is the best way to set targets: which (combination of) types of targets are (is) desirable? How best to determine the level of targets (have other countries used extensive simulation of the feasibility of different target-levels or is it predominantly a political decision with a view to motivating and mobilising)?

On the second place, it would seem useful to increase knowledge on which policies are effective in reaching targets. It seems unavoidable that a social inclusion strategy includes a vision on the policy measures that are going to be used to reach the targets. Although the choice of policy instruments will be influenced by the national context, learning from other countries experiences, complemented by analytic work, can show what types of measures and what policy efforts are needed to realise the desired changes.

A specific issue concerns the timeliness of the indicators. For a number of important indicators there is a significant time-lag. For policy makers it would be interesting to learn how this time-lag is dealt with in other countries strategies.

In a context of limited experience, making the use of targets and policies more concrete for policy makers may enhance their use, thus contributing to more effective active inclusion policies.