France 2009

Peer Review: Measuring the impact of active inclusion and other policies to combat poverty and social exclusion

Minutes

On behalf of the
European Commission
DG Employment, Social Affairs and Equal Opportunities

Measuring the impact of active inclusion and other social policies to combat poverty and social exclusion

The Peer Review was hosted by the Ministry for Labour, Labour Relations, Family, Solidarity and Urban Affairs/Ministry for Housing, France.

Day 1

Welcome address

Welcoming the participants, **Fabrice Heyries** (Directorate-General for Social Action (DGAS), France)[1] said the Peer Review should enable progress to be made on the tools for measuring poverty and on the quantified objectives that the EU Council had invited Member States to discuss (Council Conclusions on common active inclusion principles to combat poverty more effectively, 17 December 2008). Moving forward on measurement and quantification is a complicated business because the assessment of a policy cannot be reduced to figures alone. Quantification is a quite recent approach, but it is at the heart of the reflections on EU strategy in this field up to the year 2020. We all want that strategy to be more effective and understandable. 2010 will be the European Year for Combating Poverty and Social Exclusion, and this will be another opportunity to draw attention to the impact of this policy. In October 2008, during the French EU Presidency, the Member States decided to track the social impact of the crisis. These discussions were held within the Social Policy Committee. The most recent summary of its reflections was presented to the EPSCO (Employment, Social Policy, Health and Consumer Affairs Council) with an annex on the social indicators of the crisis.

Anne-Marie Brocas (Directorate-General for Research, Studies, Evaluation and Statistics (DREES), France)[1] recalled that the December 2008 Council Conclusions had invited Member States to "continue discussions on the relevance of determining national quantified objectives in the area of combating poverty and social exclusion that are appropriate to the situation of each Member State". While emphasising that decisions on this are up to each Member State, they had suggested that "the national strategy reports on social protection and social inclusion could serve as a basis for the choice of these targets and associated indicators". In shaping France's tools for monitoring progress on the targets set, the DREES and others drew on work carried out at the EU level. In 2007, the French President announced the target of reducing poverty by one-third in the course of five years. In 2007, France was in ninth position among 25 EU Member States as regards the number of people living below the monetary poverty threshold, set at 60% of median income. France had a poverty rate of 13%, as compared with an average rate of 17% across the EU-27. Some member States acknowledge better outcomes, showing room for improvement. Among the tools for France's anti-poverty strategy, a "scoreboard" of indicators was established, which fed into the report to parliament prepared by the High Commissioner for active solidarity against poverty. This report included a number of quantitative and qualitative measures of developments to which the DREES made contributions. The report drew on past national experience of tracking indicators, notably as regards social security, but also on the work of the

[1] The DGAS and DREES are part of the French Ministry for Labour, Labour Relations, Family, Solidarity and Urban Affairs/Ministry for Housing.

Indicators Sub-Group of the Social Protection Committee. The French scoreboard includes indicators that were produced within the EU's Open Method of Coordination (OMC). France also made use of the work on poverty determinants at the European level, particularly as regards child poverty but also the working poor. Alongside the indicators, the DREES and the INSEE (National Institute of Statistics and Economic Studies) had run a number of micro-simulations of current developments on various categories of individuals and households, both of developments in the general economic situation (e.g. the employment effects of the crisis) and of social provisions (e.g. the Active Solidarity Income or RSA). A third type of monitoring feeding into the report to parliament is the tools promoted by the National Observatory on Poverty and Social Exclusion (ONPES), which are early warning indicators of poverty and precarity.

Isabelle Maquet-Engsted (European Commission, DG Employment, Social Affairs and Equal Opportunities) thanked France for proposing this Peer Review on a topic that has generated great interest among the EU Member States. Within the OMC, the current feeling is that much has been done to develop indicators and to stimulate their use in defining and implementing policy. But how can we ensure that evidence-based policy-making really comes to fruition? Further progress on this at the European level can be made only if there is very active feedback from the Member States, where the policies are put into practice and the indicators are used. The Commission and the Member States are currently reflecting on the future of the Lisbon Strategy and indicators and quantified objectives have an important part to play here. The Commission also has to follow up on its Communication on strengthening the OMC, notably by reinforcing the OMC's analytical capacity. The Communication placed emphasis on quantified objectives. The aim is to maintain a high level of political commitment to the fight against poverty in general, and more particularly active inclusion and combating child poverty. But this is a complex undertaking. In particular, the indicators have to be linked to action on the ground. The crisis makes it all the more urgent to achieve up-to-date tracking of poverty and social exclusion. She had been pleased to learn that the French package includes micro-simulation. The Commission is actively promoting the European microsimulation model EUROMOD and intends to use this type of tool in its work. She hoped the Peer Review would come back to the Social Protection Committee with suggestions for drawing the maximum benefit from the indicators and analytical tools.

General introduction and presentation of the French tool for partnership, monitoring and evaluation (the scoreboard)

Catherine Lesterpt (DGAS, France) said the main aim in setting up the scoreboard had been to make the various forms of poverty more visible and carry the debate up to the political level. The second step was to make this ambition a reality by setting a government target for poverty reduction. That had been achieved through the policy mandate given by the President of the Republic and the government, particularly to the High Commissioner for Active Solidarity. That government objective then had to be translated into an inter-administration tool – the scoreboard of poverty reduction indicators. Finally, there had to be regular reporting back on the results – not only to the administrations but also to the elected representatives of the nation. This added a further dimension to the whole exercise.

The development of the scoreboard began in 2006 with a decision by the Inter-Ministerial Committee for Combating Exclusion (CILE), a forum chaired by the Prime Minister and attended by all ministers involved in the fight against exclusion. This forum drew up a short list of indicators and launched a process of setting quantified targets. In 2007, High Commissioner Martin Hirsch and every minister concerned received an assignment letter, setting the one-third reduction target and backing this up with an assessment tool that was to become the scoreboard. An inter-ministerial, inter-partner group was set up, bringing together the various stakeholders, such as associations, the social partners, representatives of the elected regional and *département*[3] bodies, experts and various ministerial advisers. Between September and December 2007, this group held seven meetings on seven major topics including housing, child poverty, employment, health and education. In parallel, at the beginning of 2008, the High Commissioner's office regularly brought together the associations and the social partners so that they could take part in the process - not only on the technical side but also in the decision-making. At the end of 2008, it was decided that the new law generalising the Active Solidarity Income (RSA) should include a clause giving legal status to the scoreboard process. In October 2009, the first report to parliament was published.

The main scoreboard indicator is the poverty rate measured against a fixed point in time. This is a monetary indicator. But this on its own, it would have been insufficient, given the multifactorial nature of poverty. So it was surrounded by complementary indicators, corresponding to the main poverty reduction challenges and the various basic rights enshrined in the French anti-exclusion law of 1998: employment, housing, access to social benefits, education, ending child poverty etc. Poverty is often due to an accumulation of various difficulties, so the secondary indicators take account of the rate of such difficulties encountered in everyday life – the poverty persistence rate. They also give a general overview, thus helping to avoid the risk that measures to reduce one disadvantage might actually increase another. And they help to ensure that poverty reduction does not adversely affect social cohesion by creating groups with special entitlements. Finally, they are beginning to take account of disposable income, but work on this has just begun. Also built into the scoreboard are the data-gathering and micro-simulation measures designed to overcome the statistical time lag and the regionalisation of the key scoreboard indicators. France has traditionally been a centralising country, and the indicators were first launched at the national level. But they are now being adapted to local situations, beginning with deprived urban areas.

Christiane El-Hayek (National Council of Politics for the Fight Against Poverty and Social Exclusion (CNLE), France) explained that the CNLE, established by law in 1988, is a 54-member council which can be consulted by the government about legislation and project of plans and measures on combating poverty and social exclusion. It can also take up issues on its own initiative. In April 2009, the High Commissioner sought its advice on the decree establishing the scoreboard. In an opinion, CNLE members expressed satisfaction that their request for complementary indicators had been taken into account. However, they emphasised the need for coherence among the various projects undertaken in this respect in France. Welcoming the commitment to report back to parliament each year, they stressed the importance of this for adjusting targets and improving the scoreboard. They felt that the scoreboard in its 2009 form does not include enough indicators on the situation of young people aged 16-25 and of elderly people, on whom the data are scattered across a whole series of regional health and social funds. The specific impact of poverty on women also needs better indicator coverage. Poverty among immigrants is difficult to assess, and there are no specific statistics. A clearer distinction should be made between part-time work and underemployment, and there should be better sector-by-sector coverage of employment trends, so that sectors with particularly precarious employment can be identified. The High Commissioner had taken the trouble to reply point by point to the CNLE's views, which does not always happen with advice to government.

[3] *Département:* Intermediate local government area roughly equivalent to a county.

Discussion, questions and answers

Didier Gelot (National Observatory on Poverty and Social Exclusion (ONPES), France) asked how local and regional poverty assessment has been progressing in France. Apart from the sensitive urban areas, are other localities becoming involved? **Brigitte Weinandy** (Ministry for Family and Integration, Luxembourg) recalled that her country has remained rather sceptical about quantified targets. So she would be using the Peer Review to learn more about the experience of countries that have opted for that approach. She asked if the multidimensionality of poverty can really be captured. If so, how? With a proliferation of indicators, there is a serious risk of not seeing the wood for the trees. She had been impressed by the breadth and depth of the consultation, although she did wonder about the resources this must consume. Involving the people directly affected by poverty is a particularly difficult task, and she would like to hear more about the French approach to this.

Catherine Lesterpt replied that the consultations had been a very important part of the French process. There had been a wish to consult the technicians, notably the statisticians and the policy technicians, but also the stakeholders on each theme. So a core group was established, and then surrounding around it were resource people who changed according to the topic. The meetings were first prepared by a very small group of people from the DGAS and DREES, then the working group met, and then consultations continued in an informal, lightweight way, for instance by e-mail and phone, so that in fact they were not a great drain on the administrations' human resources. But once a document had been drafted, both the High Commissioner's office and the administrations had devoted more time to concertation with the stakeholders. This had meant holding four or five meetings before arriving at a final text. So these are not co-drafted documents, but concerted documents. There are still weaknesses in the consultation process, notably as regards local involvement. She agreed that the number of indicators does need to be kept down. There are differences of view on this between the CNLE and the administrations. The scoreboard is not aimed either at setting or at assessing objectives of overall anti-exclusion policy. Rather, it is intended to highlight the points that are most difficult to tackle. Otherwise, there would have been hundreds of indicators and they would have kept on multiplying. That would not have contributed to achieving the ultimate objective.

Carlos Farinha Rodrigues (School of Economics and Management (ISEG), Portugal) felt that French work is a very positive contribution to improving indicators. But he asked how this new approach can be conciliated with the one pursued at the European level. For example, the main French indicator is tied to a particular moment in time. This is a good idea in itself, but it means that the indicator used by France is not the same as the one used by Eurostat and by Portugal. While it is technically possible to adjust for that difference, he wondered about its impact on the search for common European anti-poverty targets. He strongly agreed that indicators should reflect the multidimensionality of poverty, but situations vary. In Portugal, for instance, anti-poverty measures in recent years have been predominantly non-monetary. So how can non-monetary indicators be reconciled with a main indicator that is monetary? **Harrie van Onna** (Municipality of Rotterdam, Netherlands) asked if the indicators sufficiently reflect what is happening in some parts of our big cities. **Agata D'Addato** (EUROCHILD) felt that the indicators chosen might not provide an adequate understanding of the well-being of children and young people which is a multidimensional concept. Focussing as they do on income poverty and material deprivation, they do not tell us anything about children's sense of identity, relationships with peers, environment and involvement in society. **Sian Jones** (European Anti-Poverty Network, EAPN) welcomed the attention now being paid to targets. This is crucial to the visibility of progress. What is less clear is how the policy options are being reviewed. EAPN has some doubts about the main, anchored in time indicator, when the "at risk of poverty" level is the comparable indicator used at the European level and looks at participation in society, linked to inequality, which is crucial. A rate anchored in time can be going down when all other indicators of poverty are going up, so this does raise questions of credibility. She was not sure how indicators of the multidimensionality of poverty are put together, although France has clearly done more work on the qualitative aspects of this. The indicators should take more account of ethnic minorities, deprived urban areas, and inequality.

Didier Gelot explained that the ONPES, as an independent body, has its own views on the French indicators. The danger at the outset had been that the assessment of poverty would be based on one single indicator, so the ONPES had been pleased to see others added. While there was no real involvement of poor people themselves in designing the scoreboard, the ONPES had brought them and their associations into its efforts to create "alert" indicators that would overcome the time lag in the official statistics. On EUROCHILD's question about child poverty indicators, he commented that the measurement of processes cannot take place via the scoreboard alone, as processes cannot be assessed purely on the basis of quantifiable data.

Catherine Lesterpt said that a decision had been taken not to have a "public entrance" into the design process for the scoreboard. This was because the aim had been to concentrate on the points where action was most urgently needed. For example, the two immediately obvious indicators of child poverty in France are obesity and tooth decay. France had conducted major campaigns against childhood caries, including the provision of free dental care for all children. This had been very successful for all the social strata except one – the families that were in a difficult social situation. So tooth decay in children had been chosen as an indicator. Consideration had also been given to using childhood obesity as an indicator, but the idea had been dropped due to the difficulty of obtaining data. The availability of data must also be taken into account when choosing indicators. The scoreboard is not just an indicator of poverty. It is a pointer towards the policies needed to tackle poverty. For instance, if it finds that 10% of children have untreated tooth decay, this may prompt a government commitment to reduce that figure to 5% within five years, and to put in the funding needed in order to achieve that. Sometimes, the policy levers will not be national. They will have to be negotiated with municipalities, regions and so on. That takes time. The French process is still a work in progress.

Isabelle Maquet-Engsted noted that the French approach is to focus on areas of policy intervention (income support, Labour market support, access to services, etc) rather than on specific population groups, in the belief that the results will in the end reach everyone, including those who need them most. But, in the case of migrants for example, can it really be assumed that nothing extra is needed? This issue is also of relevance at the international level. Should EU social policy target specific groups or simply promote universal access? Perhaps other countries could share their experiences on this.

National expert's opinion on the governmental approach

Jean-Luc Outin (National Expert, National Centre for Scientific Research, Centre for Economic Studies, La Sorbonne, ONPES, France) said one aim of the French approach was to make the fight against poverty a more visible topic for public debate. The 1988 law, and the creation of the ONPES and the CNLE, contributed to this visibility, although more efforts are still needed. A second important aim is to report back on the action taken, by means of the annual report to parliament. How this report will be used in the public debate remains to be seen.

When the poverty reduction policy was launched, the financial crisis had begun but had not yet become an economic, still less a social crisis. In the French context, it should also be borne in mind that the poverty reduction objective appeared within the framework of an August 2007 law on work, employment and purchasing power. This set out the government's broad economic and social policy objectives and brought in the Active Solidarity Income (RSA), which is presented as a new, pivotal instrument of poverty reduction. It combines an incentive to find work with reinforced mentoring for job-seekers. The changed economic context makes the poverty reduction objective all the more necessary, but at the same time more difficult to achieve. How can the social effects of the crisis be apprehended? He suggested that three dimensions need to be covered: the broadening of poverty, the intensification of poverty for those who are already in it, and the reversibility of individual poverty situations.

As regards method, the French policy has been marked by a number of more or less complementary approaches, although the scoreboard has occupied an important place within the discussions. The scoreboard itself is quite complex, based as it is on 17 main indicators. These complement each other. Some are linked to a poverty reduction target, the importance of which will depend in turn on the indicator concerned. The core indicator is indeed anchored in time, although that choice gave rise to considerable discussion. By shedding light on various different aspects of poverty, the indicators also emphasise the complexity of the phenomenon, and it may be supposed that not all of the indicators will evolve at the same speed or in the same way. So deciding whether the 30% poverty reduction target has been reached will be a matter of nuances. It might be relevant to discuss whether there could in fact be one single indicator of the goal's having been achieved. The scoreboard is the fruit of a broad consensus-building exercise, and this also helps to explain its complexity.

The two complementary information-gathering exercises stem from the statistical time lag, which can hamper understanding with a certain number of social actors. The microsimulation model developed mainly by the DREES has indicated a decline in poverty and poverty intensity over the reference period 2007-2009. This is somewhat counterintuitive, but it may be due to the relativeness of the indicator set. The simulation exercise is an interesting one but it must be seen for what it is: a simulation. It is not an updating of the scoreboard, which must be done by more classic methods. It is quite possible that the scoreboard results for 2008-2009 will show a rise in poverty, in which case it would be difficult to justify a microsimulation that shows a decrease. The other complementary approach is the monitoring system put in place to pick up emerging trends. The various means include indicators linked to the management of national systems, such as the number and the characteristics of RSA recipients; pointers given by the activities or observation tools of charities; and a quarterly survey, by the statistical institute INSEE, of the budgetary and material constraints faced by households. These initial elements have made it possible to track the impact of the crisis, but not to discern emerging trends as clearly as had been expected, as there are also buffers such as social security benefits. Another monitoring method is to interview panels of actors on the ground. But it turns out that the question of emerging trends is more complex than had been imagined, notably because people living in poverty say that the crisis is something that they have been experiencing for a long time now and that it is therefore not linked to the recent downturn. The effects of public policies are also becoming apparent – for example, people living in poverty report difficulty in accessing healthcare services due to the mechanisms regulating health expenditure. So there is no immediate connection with the crisis. Similarly, older people are turning to charities because of pension reforms rather than the crisis as such.

In general, these follow-up methods certainly contribute a richness of description. What remains to be constructed is an interpretative framework that can demonstrate the interactions between individual factors and collective poverty-related processes, and the way in which they are evolving. So an analytical framework is also needed. The multitude of information collected will stoke the public debate but will also make it more complex. It will be seen that the fight against poverty has succeeded in some respects but not in others. The report to parliament must become an important factor in mobilising the socio-political actors, even if the number of indicators means that policy will be judged in a rather nuanced way. So this must not become a political football.

He wondered about the relevance of the scoreboard indicators to evaluating the spread, intensity and reversibility of poverty. Reversibility in particular does not seem to be addressed. There are continuing debates about the poverty indicator anchored in time. It offers certain advantages, but also has its drawbacks. In the recent report to parliament, this indicator seems to show some improvement in the poverty situation, while the indicators not anchored in time point to a stabilisation or even a slight worsening. In fact, €20 can make all the difference between a positive and a negative assessment of poverty trends, although it is doubtful that such a sum will do much to change people's real lives. We may also ask how the poverty threshold can be revalued in line with a general price index when that index only partially reflects price developments for the goods and services consumed by poor people. The report to parliament shows that non-discretionary spending rose much faster for the lowest income bracket, mainly as regards housing and insurance. Another issue of considerable concern to the ONPES is non-access to entitlements. This may affect pensioners, for example, or people who do not get the healthcare that is due to them. We need to look beyond the monetary aspects of social benefits and realise that they also create an identity and a social status. Some people may be refusing to claim their entitlements because of the status that is associated with them.

The relations between poverty and the labour market are important but complex. There are many forms of unemployment. There are also many forms of employment - some of which, notably in France, do not keep people out of poverty. That goes for compulsory short-time working and various types of insecure employment. That was why the RSA was brought in, but in a very different context. The back-to-work incentives built into the RSA cannot function properly if unemployment is high, so he doubted that it will make a major contribution to poverty reduction at this time. Moves towards a local application of the scoreboard are to be welcomed, as simply reducing poverty by 30% across the board would not address the problems of the worst-off areas.

Presentation of the discussion paper

Robert Walker (Thematic Expert, University of Oxford, UK) thanked the French colleagues for their openness, which in itself was a sign of good policy-making. The scoreboard is a tool of engagement, and it can function only in partnership with various groups within society. It is about monitoring, about keeping in touch with what is happening out in the world. It is also about evaluation: what is our policy doing in response to the world out there and how is our policy shaping that world? Key features of the scoreboard:

- It has a **target.** So it measures progress and links statistics to policy intent.
- It is **enshrined in law.** The scoreboard is published annually on 17 October, the International Day for the Eradication of Poverty, and there is an annual report to parliament. So it is about public accountability.
- There is a **central indicator of poverty, anchored in time.**

- This is complemented by a set of **multidimensional measures,** which help to interpret the central indicator.

The scoreboard analyses not only whether people fall below a certain line, but how far below it they fall. This is instructive for thinking about poverty targets. It measures inequality, by using the relative poverty rate, and it takes account of disposable income, net of overheads. This last aspect is an interesting instrument that has not been adopted in the "Anglo-Saxon" systems and which deserves further attention from them. So the scoreboard recognises that poverty is a process which exists in time and has depth. He suggested that the main indicators could be divided into four thematic groups: **poverty** (poverty and inequality; hardship and material deprivation); **demographic risk** (child poverty; youth poverty; old age); **employment risk** (poverty in work; access to employment); and **service access** (housing access; access to education and training; access to care; financial [banking] exclusion). These groups are different in kind, and this could be problematic when it comes to interpreting the results.

The French scoreboard indicators differ from the EU's Laeken indicators of poverty and social exclusion. The scoreboard gives priority to the anchored in time measure, which is merely contextual in Laeken. It was ahead of Laeken in terms of material deprivation and housing measures, although those were added to Laeken in September 2009. The scoreboard focuses on care and health and financial exclusion, which are not yet part of the European indicators. The scoreboard also includes some class-based aspects of inequality which also do not feature at the European level. It includes a relative poverty measure to capture inequality, but it omits direct measures of inequality such as the Gini coefficient or the 80/20 income quintile. And it omits two primary indicators from the Laeken set: the difference between the employment rates of immigrants and non-immigrants; and the rate of long-term unemployment. He was unsure whether these omissions are for practical reasons or are reflecting political aspirations. The French indicator set is high on multidimensionality and quite high in the absolute focus on measuring poverty rather than social exclusion. It focuses more on deprivation than on inequality, and more on economic efficiency than on social cohesion. The Laeken indicators take almost the opposite position on the importance of those dimensions.

The scoreboard combines politics with science. The political aspect is about stimulating interest in poverty and social exclusion and building support for reform. But is the scoreboard itself sufficient to unite society around a poverty reduction objective? The juxtaposition of the scoreboard with targets may work. Targets can motivate governments, but this requires very strong political leadership and mainstreaming across all levels of government. The British experience suggests that linking departments' budget allocations to their meeting the targets may be one way of achieving this. Involving civil society organisations, by publishing the data and stimulating discussion, has played a crucial role in keeping governments' attention focused on the targets set. The cases of Ireland and Canada show the importance of demonstrating success. Populations lose interest if progress is not being made. How can we use the targets to stimulate inter-agency collaboration? Processes need to take place that parallel those used for gender mainstreaming. We need to engage with the delivery agents – what is the interaction over the counter between the beneficiary and the bureaucrat? Are there ways of engaging, in this process, the people who are currently experiencing poverty at first hand? He felt there must be. Is it adequate to work through the organisations that represent them? The tone of the debate is almost as important as the content. Is the coverage of poverty in the media about dignity or lack of dignity? Is it about "the deserving" and "the undeserving"? How does that impact on people's understanding of the issue? We also need to engage with the people who are not currently poor. The dynamics of poverty helps here. In most European societies, within a ten-year window, over

50% of people experience a spell of poverty.

One risk is that the bigger picture may be lost when we focus on the targets themselves. So what criteria should be used for prioritising the targets? Laeken suggests that comprehensive coverage is necessary. But balance also has to be maintained. The scoreboard is linked to activation policies, which are a particular way of responding to the poverty problem. But policies are substitutable and cumulative. We should be looking at combinations of policies. However, there is a possibility that the different indicators in the scoreboard remain linked to the interests of particular departments, such that too little interest is paid to the way in which they intersect. Once the indicators have been chosen, some distortions may arise. If the tyranny of statistics drives policy, unquantifiable aims will tend to be overlooked. They become explanatory factors, rather than objectives in their own right. There is a risk of “creaming” – of focusing on those just below the poverty line, where the biggest immediate impact can be achieved. And yet, over time, reaching the people who are further below the line would have the greatest impact on reducing the poverty level. The anchored in time measure focuses attention on achieving a strong economy rather than on redistribution. The relative poverty indicator merely focuses attention on low income. It ignores what is happening elsewhere in income distribution. So how far will the French indicators contribute to social cohesion? The intention of the multiple indicators is to reflect the multidimensionality of poverty but also, explicitly, to counterbalance media attention on income poverty. This media manipulation component leads to a confusion between the science and the politics of the measure.

The scientific rationale is that multiple indicators are needed to reflect the multidimensionality of poverty, as single measures are inherently partial and so may be distorting. But then we have to ask if poverty really is multidimensional and, if so, whether it can be adequately captured and measured. People experiencing poverty tend to say that it is multidimensional, that it means personal failure, worthlessness, alienation, powerlessness and lack of choice. It is a life constrained, full of drudgery and struggle. Measures of these dimensions are lacking in the scoreboard. Scientifically, we need to distinguish between the measurement of multidimensional poverty and multiple indicators of poverty. They are not the same thing. The measurement of multidimensional poverty is difficult but is now possible, through the statistical techniques associated with structural equation modelling. But to do that, you need multiple measurements based on the same individuals and households. Multiple indicators are typically better than single ones. The multiple indicators convey some of the complexity and clarify some of the deficits in people’s lives, and they are helpful for policy development and targeting. However, they oversimplify measurement and divert attention away from causality. The scoreboard does not distinguish between causes and consequences of poverty in any meaningful way. And if all the indicators move in the same way, suggesting that there is redundancy, we may not need them all. Equally, we should not be too worried if different indicators move in different directions. The public are sophisticated enough to understand that.

The French scoreboard relates largely to poverty, rather than social exclusion. So do those two phenomena overlap? How do either of them relate to inequality? Are they amenable to the same policy solutions? Where, in the French scoreboard, are the measures of social capital, of political, cultural and ethnic exclusion? Where are the measures of victimisation, exploitation and discrimination, of substance abuse, crime, isolation, of poor infrastructure, of shame and stigma? Nor does it measure inequalities of wealth, influence and power, which are profoundly important. Yet there is scientific evidence that inequality causes poverty, and vice versa, and that inequality causes social exclusion, and vice versa. The scoreboard is linked to a particular strategy, which focuses on integrating people into the labour market. While he accepted that the scoreboard might to some extent help the French government to track the effects of a particular policy, this raises other questions. Are active inclusion policies likely to reduce poverty and if so, how? Will the scoreboard assist us in determining whether or not the policies work? The French President has given a clear indication of the implementation logic: the welfare system is to be reformed "in order to consistently reward work as opposed to government benefits" and "to ensure that work invariably provides a door out of, and protection from, poverty". How far does the scoreboard help us monitor the extent to which French policy is achieving those goals through that route? The scoreboard does include intermediate indicators on in-work poverty, jobless households etc. But it seems to omit a large number of interim outcomes to do with unemployment rates, unemployment duration, benefit replacement rates, labour market discrimination and other crucial elements.

Discussion, questions and answers

Vlad Grigoras (University of Bucharest, Romania) questioned the suggested thematic groupings of the main indicators. He would prefer a matrix of themes (housing, education etc.) and population groups (children, youth older people etc.) that could be analysed. He found the approach of analysing multidimensionality through structural equation modelling important but complicated. He could not imagine how targets could be set on this. It should also be borne in mind that different groups have different social dimensions – for instance, rural and urban populations. Structural equation modelling might also hide the causalities behind social exclusion. **Angela Abela** (University of Malta) wondered what the existence of different national indicator sets and structures would imply for the Open Method of Coordination. **Sian Jones** said that anti-poverty organisations were instrumental in keeping target-setting on the agenda in the UK. But the government had funded them to do so. So good governance in this field may entail financing civil society. Belgium is a good example of how people experiencing poverty can be involved in the policy-making process. Active inclusion is about more than activation. The monitoring of adequate minimum income and access to services is missing from the French model.

Paul Morrin (Department of Social and Family Affairs, Ireland) felt that the time-anchored indicator sets a very good minimum standard for the performance of the social and welfare system. It is also a good consensual indicator, to which higher targets can be added. Ireland, which is now going through an economic crisis, has similar monitoring tools to those in France. The 2008 Irish income survey showed a fall of 2 percentage points in the risk of poverty, and the microsimulations for 2010 show a further fall of 5 percentage points. The poverty risk level would then be about 10%. That could be presented as a success for social policy, but it would not impress the economic ministries. So it is good to have the anchored indicator as well. For practical reasons, he would not favour an inequality target, as this would imply a level of involvement by the economic ministries that would be difficult to obtain, at least in Ireland. The focus should be on people with low incomes. **Rudi Van Dam** (Federal Public Service for Social Security, Belgium) pointed out that all simulations made before the crisis had, necessarily, produced results that do not reflect the current situation. Belgium has no great tradition of using indicators, microsimulation and other monitoring instruments in the sphere of social inclusion. But they are used in other policy fields and they suffer from the same difficulties. Belgium has some experience of relations with stakeholders and the public at large. Common understandings of a problem can be created, and people then adjust to that definition. This helps when explaining the complexity of the different indicators. In prioritising targets, the emphasis should be on achieving changes that can trigger changes in other domains. **Brigitte Weinandy** asked if governments really do need to be put under pressure in order to act against poverty. This had not been necessary in the case of Luxembourg's minimum income scheme, introduced in 1986. How are the targets set? Why did France decide on a one-third reduction? Why not half? Or why not the abolition of poverty? On the statistical time lag, **Frédéric Berger** (CEPS/INSTEAD, Luxembourg) asked if France might not be able to mobilise administrative data that are not necessarily available in other countries. Had any thought been given to the level of the poverty threshold? After all, a target of reducing poverty by one-third implies an assumption that the threshold is set at the correct level. Had there been any reflection on including a subjective indicator in the scoreboard?

Jean-Luc Outin did not know how the target had been fixed, but the ONPES had reflected on the setting of the threshold and had consulted foreign experts on this. The aim is to set a minimum social income, and this is still a work in progress. From an analytical point of view, poverty issues cannot be separated from issues of inequality. He did not think that multiple indicators are in themselves enough to capture the multidimensionality of poverty. The links between the dimensions have to be analysed. The French model defines exclusion mainly in terms of non-access to rights, but the ONPES wondered if relational elements, such as membership of groups, should not be brought into it. Otherwise, the approach could become too normative.

Robert Walker agreed that structural equation modelling is complicated, but it is better than what is being done at the moment. Calculations of the retail price index or of invisible exports are equally complicated. On the setting of the poverty line, he noted that a current process in the UK involves lay people in discussions of where its level should be. Sponsored by a charity, this process has been taken up by at least one government department. He thought the inequality issue should be included. To neglect it would suggest a lack of ambition in the policy process. Many microsimulation models assume an equilibrium. What we have experienced over the past two years is breakdown of equilibrium. So it is not surprising that the models have not worked. The real challenge is to harness recent experience in order to enhance the models in future. On target-setting, he agreed that it is very important to know which changes will trigger other changes, but he doubted whether science can tell us that. Equally, operating policy without a policy logic is dangerous and has caused enormous difficulties in the past. On the relationship between national measures and the OMC, he noted that the papers for this Peer Review credit the OMC with changing the way that national governments are doing things. But it cannot be denied that poverty is, in some respects, cultural and therefore variable.

Catherine Lesterpt said the reviewers' constructive comments would help France to make further progress on a policy that is still in its initial stages. France has, in recent years, included quantified indicators in its main financial policies. These have helped to shape the scoreboard indicators, along with those suggested by the ONPES. In future, the French policy would be placing increased emphasis on the relationship between poverty and social cohesion. In the interests of good public communication, there has been a deliberate effort to avoid indicators that were too complicated to be understood by lay people. She agreed that the relationship between the multidimensionality of poverty and the multiplicity of indicators requires further examination. While she accepted that people experiencing poverty should be involved in the policy process, this raises serious ethical issues. So France is taking the time to get this right. **Didier Gelot** said the multiplicity of indicators remains an open question. The ONPES had opted for a certain number of them because a single composite indicator would have raised issues of weighting.

Isabelle Maquet-Engsted was unconcerned about having a diversity of national measures alongside the OMC. This is exactly what should happen. The OMC is not about harmonisation. It is about *open* coordination. It is about providing a general framework for mutual learning and policy exchange while accommodating different policy contexts and cultural approaches. She found it encouraging that, when developing such a scoreboard, France refers to the OMC framework while nonetheless anchoring its measures in the realities of the French system.

Governance at national, regional and local level
Steering of the process, creation of partnership

Paul Morrin explained that anti-poverty strategies in Ireland are organised mainly at the national level. There are two parallel strategies: the NAP/incl (national action plan on social inclusion) and a strong social pillar within social partnership agreements. The social inclusion strategies are organised on a ten-year basis. The current one is for 2007-2016. As far as possible, it has been streamlined with the European reporting requirements and the European indicators. There is annual reporting, together with mechanisms to ensure that NGOs and people experiencing poverty are heard on an ongoing basis. The main organised event is the Social Inclusion Forum, which was the subject of a Peer Review. On the basis of the forum, annual reports are produced on whether social inclusion is progressing or not. The targets are set out in the NAP/incl. There are a high-level Cabinet Committee and a group of senior officials dealing with social inclusion. A national-level technical advisory group feeds opinions on targets and indicators into the Office for Social Inclusion, which coordinates the national strategies. The advisory group comprises some heads of NGOs, experts from government departments, experts from the Economic and Social Research Institute and academics. Targets are developed in close consultation with the government departments that will have to deliver on them. The government relies heavily on the Economic and Social Research Institute to provide the technical basis for the consistent poverty measure. This has caused some tension with the NGOs, and the Belgian example in particular suggests that there may be better ways of organising the production of indicators. There are also many input indicators, such as the level of social welfare or the level of new social housing. The aim is that the input indicators should support the outcome indicators. Within the last three partnership agreements (central wage agreements, generally signed every three years), there has been a very active social pillar. These have gone beyond the NAPs and have included extra commitments on social welfare incomes and various other social outcomes. So far, these two strands have worked reasonably well together.

Rute Guerra (Ministry of Labour and Social Solidarity, Portugal) said Portugal's strategy is contained in its NAP/incl, which is designed, implemented and assessed through a process of coordination, sharing responsibilities between the state, through its central, regional and local mechanisms, and the various actors. The current strategy adopts a multidimensional approach. To strengthen coordination, the previous follow-up structures have been replaced by the Platform for National Sectoral Plans for Strategic Planning and Sectoral Monitoring Focal Points. This is an effort to ensure the transversal integration of social inclusion into relevant public policies. The Platform includes the coordinators of the various relevant plans and programmes. The Sectoral Focal Points include experts on different thematic areas, regional and municipal representatives and a representative of the Non-Governmental Forum for Social Inclusion. One element of the French policy that could usefully be incorporated into the Portuguese approach is greater interministerial cooperation. The Portuguese NAP/incl is based on a monitoring system supported by structural indicators for social cohesion and primary and secondary Laeken indicators, which enable comparisons with other Member States; result indicators with regard to each of the priorities and goals; and indicators to monitor the implementation of policy measures and hence progress towards meeting the objectives. Follow-up studies of policy impact have been commissioned, including a microsimulation. A new model is being developed to bring together existing national and local information systems, including social networks. **Carlos Farinha Rodrigues** (School of Economics and Management (ISEG), Portugal) added that it is not sufficient to have organic coordination between ministries. There need to be clearly defined, quantified, verifiable objectives. In Portugal, parliament has become increasingly involved in the social inclusion process. Portugal lacks reliable local data on poverty. This information deficit hampers cooperation between the national and local levels.

Daniel Zielinski (National Union of Social Action Community Centres (UNCCAS), France) explained that the Borough Social Action Centres (CCAS) are a legal requirement, and are always chaired by the mayor of each borough. So each borough decides on the target groups for its social aid schemes. The CCAS run a range of social and medico-social facilities, such as retirement homes (with or without medical care) and shelters for homeless people. The boroughs, together with the *départements,* play a major role in French social provision. Half of the seats on the CCAS boards go to elected borough councillors and the other half to NGO representatives. So the boroughs and the NGOs together decide the shape of social action. There are 36,700 boroughs in France, 60% of which have fewer than 500 inhabitants. So most boroughs do not have the resources to implement a social policy worthy of the name. Part of UNCCAS's task is to group the smaller boroughs into joint social action centres (CIAS). The CCAS and CIAS are required by law to prepare a social needs analysis (ABS). These are not just a collection of indicators. The first step is to ask what problems the borough is facing, then to work out some indicators, then to get the associations, the social security funds and the family and senior citizens' services round the table and pull together a pluriannual social action plan. This is then put to the vote in the borough council, which adopts a budget. This is social observation from the bottom up. Just as there are national indicators that are being adapted to local circumstances, so there are local indicators that are being passed back up to the national level. The DGAS and UNCCAS will be meeting to facilitate that process. Achieving a consensus on an ABS is not easy, but the effort is worthwhile because it creates the conditions for better coordination of social action. Gathering together the data held by the various participants is not easy either, but in the end everyone benefits by it.

The boroughs have had more and more new groups coming to them for help who are not the social services' traditional clients. New forms of precarity require new, specific indicators so that they can be tracked locally. We need to concentrate on disposable means rather than just income. So non-monetary indicators about feelings and perceptions are being put in place. Experiments with these have been conducted in three rural and urban *départements.* Two surveys on non-monetary indicators have been carried out: one on social service workers' perceptions of poverty in their locality, the other on beneficiaries' perceptions of themselves. In the latter survey, 15% of the respondents said that they were not below the monetary poverty threshold but that they felt poor. But some others, who were below the monetary poverty threshold, said they did not feel poor. For example, young people below the threshold tend not to feel poor, because they are in a period of transition towards vocational employment.

Indicators were prepared by topic (housing, health etc.), by population group (young, elderly etc.) and by locality. Conjunctural and structural indicators were also drawn up. The impact of the crisis was felt very rapidly by the CCAS, and this information had been passed on. Indicators of perception that were used included questions such as: Have you reduced your purchases of clothing? Are you cutting back on food purchases? Have you reduced your purchases of non-reimbursed medicines? The advantage of indicators of this kind is that they can be acted upon very rapidly. Useful quantified indicators can be gleaned from existing administrative sources: for instance, arrears on school meals payments. Others can be obtained by questioning social workers: for example, the number of people aged over 25 who have to be housed by friends. There are also watch indicators, such as the proportion of social workers' clients who are suffering from depression. Many boroughs have expressed interest in the concept of "watchers". Using a checklist, the "watchers" keep an eye open for signs of poverty around them. "Watchers" include social workers, associations, healthcare professionals, teachers, police officers, building wardens, public transport staff, firefighters and public service receptionists. Action can then be taken on the basis of their reports.

Brigitte Weinandy commented that in Luxembourg, which has 116 boroughs, each one has so far been responsible for organising social assistance. A law currently going through parliament would require boroughs with populations of less than 6,000 to group together in social aid centres, in the interests of greater effectiveness. She asked for more details of how the ABS are drawn up, and by whom. How had "social need" been defined? What arrangements are being put in place to ensure real synergy between the local and national indicators? Can each borough accept or reject each indicator at will? Does it have to give any reasons for its choices? **Harrie van Onna** (Municipality of Rotterdam, Netherlands) said his city uses indicators at the neighbourhood level. Rotterdam is divided into neighbourhoods of about 15,000 inhabitants each. Detailed information is available on the social status of each neighbourhood. This is known as the social index, and it is based on four groups of indicators – people's individual capacities, their social bonding, the way they participate in society and the environment in which they live. Within the individual capacity group, for example, there are indicators of language knowledge, income, health and education. Social bonding, to the city, the neighbourhood and the street, is an important indicator. The number of people who move out of a street is an indication of the stability of the neighbourhood. The participation indicators include how people perform at school or at work. What is their social context? Do they participate in social and cultural activities? The environmental indicators include housing, access to facilities and services, pollution and nuisances. There are also indicators of inequality, and of discrimination in the labour market and in general. These indicators are used for every neighbourhood. The data are 30% based on registrations and 70% on interviews. In each neighbourhood, 75 people are interviewed about their experiences of the neighbourhood. The data are sent each year to the municipal council, which can then see what measures are needed in the neighbourhood. For example, it may decide to increase the participation of migrant women by funding language training. In this way, the council can see they are investing in people. So there is no issue in Rotterdam about the need to tackle the situation in the poorer neighbourhoods. **Sian Jones** asked if the French local evaluations are based on contact with social service users. If so, how is the link made with non-users? Has any use been made of mixed focus groups of people on very low incomes and people on higher incomes to get an idea of what society accepts as being a relevant standard for a dignified life? **Agata D'Addato** noted that Scotland offers an interesting example of vertical integration. After the latest Scottish elections, a landmark Concordat was agreed between the Scottish government and the Convention of Scottish Local Authorities. This marked a significant change in the relationships between national and local government across the country. No more would central government require local authorities to submit data on a huge range of prescribed indicators, irrespective of how relevant these might be to one local context. "Ring-fencing" of funds for specific purposes would also come to an end. Instead, local authorities would agree local priorities, allocate their collective resource accordingly, and set locally appropriate targets. These were to be presented to the Scottish government in what was to be termed a "Single Outcome Agreement". These 32 Agreements – one per local authority – had to be consistent with "Scotland Performs", the national performance framework.

Daniel Zielinski replied that, by law, the CCAS is for all citizens, not only those in difficulties. For example, it is involved in childminding services and senior citizen services regardless of social status. The advantage of this broad responsibility is that no stigma is attached to the CCAS. The disadvantage is that service levels will vary according to the wealth of the borough concerned. But it does mean that the CCAS analysis of social needs will be a broad one, and will include people who are not CCAS users. Another means of contact with non-users is the follow-up on reports from the "watchers". Also, the CCAS are putting new tools in place, such as personal microcredit. This brings people into the CCAS who never used it before. He agreed with the Rotterdam approach of measuring participation. This is also a matter of empowerment. In France, the emphasis is more on grouping boroughs together than on breaking them down into neighbourhoods. But UNCCAS does make neighbourhood-based tools available to boroughs that have more than 10,000 inhabitants. These include participation indicators. The law says there must be an ABS, but says very little about the methods and tools to be used. So UNCCAS has produced some. The preparation of an ABS is a costly business and tends to be intuitive. There is a great need to train local officials to use the tools available. But it is true that the CCAS retains full freedom of choice as regards indicators, tools and action. In drawing up its indicators, UNCCAS has consulted the ministries and more particularly High Commissioner Martin Hirsch. The local authority federations have set up a European Local Inclusion and Social Network (ELISAN). The EU, rather than coming out with nonsense about eradicating poverty by 2010, to harmonise indicators and observation practices so that everyone can work better together.

Romas Lazutka (Vilnius University, Lithuania) said Lithuania has constructed indicators of social effort by each municipality. The municipalities allocate different proportions of their own resources for social protection, and the Ministry of Social Welfare would like to have a certain impact on this, through a process that to some extent mimics the OMC at national level. So statistics were collected on the demand for social protection at the local level, by counting the number of people in groups at risk of social dependency, and those in groups at risk of poverty. Then calculations were made of how much each municipality spends out of its own resources for each person in these groups. Another indicator was how many social workers a municipality has per 1,000 people at risk of dependency. These indicators have been published on a website and the Minister of Social Welfare expects that local politicians will start comparing their efforts with those of neighbouring municipalities. But naturally enough, some local politicians have questioned the structure of the indicators.

Jabco Vreugdenhil (Ministry of Social Affairs and Employment, Netherlands) said the dividing line between local and national responsibilities in this field is clearly drawn in the Netherlands. The national level handles income policy, such as social security rates. It creates the conditions for local authorities to do their job properly. The municipalities are responsible for anti-poverty policy. This means that national government receives only a limited number of indicators. An agreement between national government and local authorities lays down broad objectives, such as poverty reduction and debt counselling. The indicators used to evaluate the success of the national agreement are not only financial. They also measure the efforts made by the municipalities. For example, one indicator is how many municipalities have made agreements with the food banks that distribute food to those in need, the usefulness of such agreements being that they enable the municipalities to identify who is poor.

Mary Grace Vella (Ministry for Social Policy, Malta) emphasised that, due to the size of her country, targets and measures have tended to be set on a national basis. However, more attention is now also being paid to the regional aspects. There has been a major focus on the development of community initiatives, as well as on the provision of regionally based childcare services. Work is continuing on the development of indicators, and considerable emphasis here has been placed on the consultation process. This includes consultations with local councils on specific local needs.

Iliyan Iliev (Ministry of Labour and Social Policy, Bulgaria) said his ministry develops, coordinates and monitors anti-poverty and social inclusion policy, and has a Social Inclusion Unit. A broad spectrum of institutions is engaged in implementing the policy at national and local level. Recently, Bulgaria established a National Council on Social Inclusion Issues, reporting to the Council of Ministers. The council is chaired by the Minister of Labour and Social Policy and includes deputy ministers from all the ministries involved in the process, as well as chairpersons of all the institutions involved. It also includes representatives of the municipalities' national association, the social partners and the member organisations of the European networks, the chairpersons of NGOs with proven experience of social inclusion and a representative of the Bulgarian Council of Science. The Council is the body responsible for coordination, cooperation and consultation on the state's social inclusion policy. Some NGOs had experienced trouble in nominating their Council representatives because there were too many volunteers. There had also been some difficulties with governmental nominations. But these had been overcome. **Dragomir Draganov** (Ministry of Labour and Social Policy, Bulgaria) said three conditions should be in place in order to use a scoreboard as an instrument for creating partnership: a commonly accepted definition of poverty; specific initiatives with clear objectives addressing specific microeconomic causes of poverty and indicators which clearly show the changes needed in institutional behaviour (family, labour market, judicial system, banks etc.); and the generation of independent knowledge about poverty dynamics, as a means of checking the relevance of the definition chosen. Official definitions based on official statistics are not enough. We have to capture the difficult reality facing poor people if we want to make our policies more effective.

Rudi Van Dam recalled that Belgium had created specific governmental monitoring structures within the framework of its NAP/incl. Two working groups were set up: one on actions, which discusses policy priorities and policy measures; one on indicators. The groups include experts from federal and regional government, academia, NGOs and organisations representing the poor. These working groups have been very useful because they have created a common understanding of poverty and social exclusion, of the tools currently available, of the weaknesses and challenges, and of the possible policies based on the indicators. However, the organisation of the working groups has been rather organic, depending on the initiatives of the administrations running them. It has not been backed by a legal framework, as in France. Such a framework could ensure more structural consistency, rather than leaving it up to the person who happens to be in charge at any given moment. It could also broaden and deepen the involvement of the regional governments, the various departments and the social partners. In 2009, for example, the Belgian Secretary of State for the Fight against Poverty and Social Exclusion created a poverty barometer, based on the French scoreboard. The Secretary of State's commitment to that had brought further partners into the working groups.

Diana Roxana Capătă (Ministry of Labour, Family and Social Protection, Romania) emphasised that the French model is based on a political commitment. This is extremely important in any country. She wondered how the sustainability of the project could be ensured if that commitment were to be lacking in future. As France has always been a model for Romania, her country is also setting up a national observatory which is to take over from the Ministry of Labour the responsibility for monitoring social inclusion, thus creating an independent body with a more realistic approach. Romania has a National Commission of Social Inclusion, which involves members of all ministries and is coordinated by her ministry. In parallel, there are County Social

Inclusion Commissions, which involve representatives of decentralised services and of NGOs. They are responsible for monitoring and analysing local needs and establishing county-level priorities. These were transmitted to the ministry, which created the NAP/incl.

Catherine Lesterpt said the scoreboard was devised as an instrument for piloting policy. So it is an attempt to set quantifiable objectives, at least for certain indicators. This had certainly not created unanimity in France, but the indicators are also an instrument of governance. They remind all ministries to take poverty issues into account. For instance, the scoreboard indicator on access to healthcare will make it possible to ask other ministries what they have done to ensure that the most vulnerable people are not unduly affected by any cutbacks.

Elina Alere-Fogele (Crisis Centre “Skalbes”, Latvia) reported that coordination between NGOs and Latvia’s Ministry of Welfare is excellent. There is a Coordination Committee for Social Inclusion, on which she sits as an NGO representative. The committee includes representatives of all ministries and parliamentarians as well as relevant institutions such as the police, the probation service, trade unions, disabled people’s organisations etc. It meets four times a year, or more often if needed. But she complained that the committee members from the other ministries and parliament never show up. The Committee approves the NAP/incl and forwards it to the Cabinet. The NGOs have ample opportunity to express their opinions, but many of them lack the skills needed to work on legal texts. The Latvian NAP/incl sets a number of priorities. Indicators are being used to gather the facts, but so far it is unclear what is going to be done about those facts. The action plans are based on data from 2007, which was before the crisis and was a time of rapid development in Latvia. So they do not reflect the real needs and wishes of people living in poverty. The action plans are often excellent, but the minutes of ministerial decisions always say that they are to be “implemented within the available budget”. And that is meaningless. If no money is made available, nothing will be done. To be recognised as a “deprived person” in Latvia, which entitles you to various types of support, you must have an income of less than 60% of the minimum wage. That minimum wage is currently 180 lats a month, or about €240. So to qualify for social assistance, you have to have an income that is not enough to survive on. The “crisis survival minimum” calculated each month by the Central Statistical Bureau is currently about €200 per person per month, but is based on a regulation dating back 16 years. It takes no account of technological change – for instance, poor people’s need to have mobile phones. The statistics are out of date. Also, they look only at income, and not at expenditure.

Brigitte Weinandy recalled that Luxembourg set up, in 1986, an Interministerial Committee to ensure an integrated approach, and a High Council for Social Action was established, with a composition ranging from representatives of ministries to anti-poverty NGOs. The Council is responsible for identifying social action needs and proposing measures. It is legally required to report to parliament every three years. At the time of the first NAP/incl, an Inclusion Plan Group was set up. This consultative body brings together about 40 social actors. It can propose priorities, although the final decision rests with the government. NGOs have a major impact on the social inclusion discussions in Luxembourg and are a highly effective lobby on behalf of people experiencing poverty. The report on the strategy is drawn up by the Ministry for Family and Integration, which is also responsible for implementing active inclusion policies. Participative Meetings for Social Inclusion are held, in which people living in poverty can discuss whatever they wish with parliamentarians and policy-makers. At the end of each meeting, a list of desiderata is sent to Ministers, and this list is always read very attentively. Luxembourg uses the Laeken indicators and its NAP/incl is orientated towards them.

Sian Jones felt that the discussion had not focused enough on how to drive the implementation. Coordination with economics ministries and departments is particularly important. Meetings with people experiencing poverty need to have a properly structured role within the process. Otherwise, they tend to become parallel events. **Robert Walker** commented that clear lines of responsibility are needed as to who is driving the policy and who sets the mechanisms in place to ensure horizontal delivery. The private sector has a contribution to make in this respect. He asked how far we should focus resources on geographical high-poverty areas. That can lead to the neglect of many impoverished people living outside those areas.

Day 2

Objectives, targets and indicators
Monitoring and evaluation

Local indicators

Michèle Mansuy (DREES, France) said the French National Council for Statistical Information (CNIS) is a meeting point between producers and users of statistics. Its role is to make recommend priorities for the development and distribution of statistics. At the request of the Assembly of Départements of France, it set up a working group on *département*-level social inclusion indicators, with representatives of local government *(*the *départements)*, government statistical departments and other producers of social statistics, notably the social security services. There are 100 *départements,* which are responsible for minimum income and social assistance. The smallest has just under 80,000 inhabitants and the largest has more than 2.5 million. Their poverty rates (at the 60% threshold) range from 7% to 21%.

The scattering of the poverty data has meant both that the *départements* have an inadequate basis for their decisions and that the national level has been receiving insufficient data from the *départements*. The cooperation is currently in its initial phase of defining a core set of 70 common indicators at the *département* level. Quantified target-setting will follow at a later stage. Priority has gone to indicators that can be closely linked to public action. The approach is a comprehensive one, with four dimensions: description of the local context; individual and household needs (vulnerability to social risks – e.g. young people with reading difficulties; number of benefits applicants; number of benefits recipients); public policy and service provision; and results. A number of negative choices have also been made at this stage. Priority has not gone to financial indicators, which would involve the delicate task of assembling expenditure data from a number of sources. So that will be dealt with at a later stage. Local poverty variations within each *département* are another refined measurement issue that has been postponed for the present. Where possible, preference has gone to indicators that have already proved their worth at the European or national level, notably the Laeken, ONPES and French scoreboard indicators. Atkinson’s quality criteria were also found to be highly relevant. However, the national indicators often lack the fineness of detail needed for use in the *départements.* A further difficulty is that each *département* is responsible for its own IT systems, so the data are not always compatible. Also, indicators that are important at the *département* level may be less so at the national and European levels. By December 2009, work had been completed on some 20 contextual indicators and 12 indicators per topic. One aim is that the statistical zoning of areas should correspond more closely to poverty levels. Another is to measure wage gaps at the local level. This is particularly important in the case of the under-25s, who are not entitled to the RSA. The CNIS has also been working on guidelines for better data exchange between the organisations concerned, on a “win-win” basis. It is important to be selective about the data collected, and to train the people who input them, so that they understand the objectives. The next steps will be to field-test the indicators, collect and analyse the data, and persuade all the *départements* to take part. There will also be work on additional topics such as the links between income and housing quality, on health, on promoting local ownership of the indicators, and on regular online public dissemination of the statistics. This project is all about networking, and is likely to be a long haul.

Jabco Vreugdenhil pointed to a Dutch website (www.waarstaatjegemeente.nl) which gives comparative data on municipalities, including on poverty-related issues. This encourages local authorities to improve their performance. **Paul Morrin** said Ireland has two problems in using administrative data at the local level: there is no population register and social inclusion services tend to be highly centralised. So local poverty data are mainly drawn from censuses, which happen every 5 years, and from proxy data such as whether people are employed. Tax and social welfare data are well integrated, but those on housing, health and education much less so. **Frédéric Berger** reported that Luxembourg is currently examining whether administrative data can be used for other purposes. There are problems of comparability between survey data and administrative data. The unit of analysis is not the same. Administrative data often do not enable reconstruction of “households” that match those covered in surveys. And the income figures shown in administrative data tend to be more narrowly drawn than those in surveys. **Dragomir Draganov** said Bulgaria’s national statistical institute prepares an annual publication which captures all the information available at the municipal level. Unfortunately, there are big gaps in those statistics, but in 2008, the institute set up a working group to prepare indicators of the impact of policies at the regional level. That work is still in progress, and the information provided by the French hosts will certainly feed into it. He asked how the French statistics are used to shape policy on social inclusion. **Michèle Mansuy** replied that the French National Statistical Institute coordinates all the statistics from the various ministries. There are no statistical bodies at the regional and *département* levels. Converting administrative data into good-quality statistics is indeed a problem. That is why current efforts concentrate on a limited number of indicators.

Didier Gelot noted that both the scoreboard indicators and the *département* ones have a strong political underpinning. But the *département* indicators emphasise contextual description. Does this mean that the *département* indicators will be more concerned with causality? Does that also go for the indicators in some other countries? **Michèle Mansuy** agreed that political support had been very important for the *département* indicators. Without the push from the Assembly of Départements of France, the level of collaborative effort achieved would not have been possible. That push will also be needed in what follows. Between six and ten *départements* will be involved in the field-testing, but after that there will need to be a broader take-up and the *départements’* own information networks will need to be tapped into. The contextual descriptions are not really about causality, but context is certainly needed if disparities are to be interpreted correctly.

Robert Walker asked how France has addressed the issue of asking the right questions of the data. Are the interpretative skills being acquired? And how are the data being used to improve policy? **Carlos Farinha Rodrigues** said that in Portugal, there is a clear quality gap between national and regional data on poverty. Given the differences between administrative structures, it is also difficult to use administrative data to make up for regional data deficiencies. Some proxies, such as the labour survey, can be used to glean information on poverty. **Agata D’Addato,** while accepting that negative indicators are needed to stimulate action, suggested that positive indicators of well-being need to be incorporated in the monitoring process, so that they can develop policies and programmes to increase the incidence of positive behaviour, relationships, social connections, skills and competencies. Naturally, it is easier to achieve consensus on what is negative (such as death, disability, depression, school dropout, drug and crime) than on what is positive, and the media always find disasters sexier than successes. Nevertheless, it is worth thinking about positive indicators. **Isabelle Maquet-Engsted** asked who will be in charge of implementing and coordinating the *département* indicators and where the funding will come from. **Michèle Mansuy** agreed that statistics are a means and not an end. Interpretation of the figures will be up to each participant at each level. It is not for the CNIS to decide who will do what. Its job is to propose statistics solutions when asked to do so.

National indicators

Christiane El-Hayek suggested that illiteracy rates are an example of a good indicator which can also have a major media impact. Sometimes, one single figure have a big effect. **Paul Morrin** commented that the relationship between welfare and income poverty is almost mechanistic. Finding out why some people remain dependent on benefits for longer is much more complicated. **Frédéric Berger** asked about the significance of the 60% poverty threshold. Has it been confronted with the subjective indicators? **Angela Abela** asked what are the indicators for the process of staying in poverty. What are the dynamics of poverty traps? **Carlos Farinha Rodrigues** emphasised that an indicator of poverty intensity is needed, as well as of the poverty rate. There is also a need for non-monetary social indicators that have a major impact on poverty. **Sian Jones** pointed out that a lot of work on benchmarking has been done at the global level, for example the participatory appraisal techniques used by the World Bank/OXFAM and other entities. Why are these not used more at the EU level? She also wondered who is going to do the interpretation of the results. That is a political rather than a technical exercise. How far are stakeholders involved in it?

On the capacity of multiple indicators to capture the multidimensional nature of poverty, **Michèle Lelièvre** (DREES, France) pointed to a report by the French national statistical institute INSEE which shows that the different approaches to measuring poverty overlap only very partially. Only 5% of the French population is poor in terms of money *and* living conditions. On the other hand, one-fifth of the population is poor if the criterion is *either* money *or* living conditions. Clearly, a number of different approaches need to be taken into account. A composite indicator would have complicated the French exercise, raising the question of what weight society assigns to different inequalities and difficulties. The preference is for a plural approach to poverty, with each element represented by the appropriate indicator - the more so as research of the French national statistical institute INSEE suggests a causal link between different indicators. For example, monetary poverty becomes apparent relatively late, whereas health problems show up earlier. While causality has not been formalised in the scoreboard, it is covered to some extent in the report to parliament. This aspect will no doubt be improved as experience grows. **Angela Abela** suggested that indicators are needed on crucial aspects of poverty, such as the intergenerational poverty trap. **Isabelle Maquet-Engsted** underlined the value for policy making of strong analytical capacities within national administrations, as is the case for the French social affairs administration. This helps making the link between administrations and academic research and to develop "evidence based policies".

European NGOs' statements

Sian Jones explained that the European Anti-Poverty Network (EAPN) is an independent network of NGOs committed to the fight against poverty and social exclusion. Poverty is more than monetary. It is an absence of full participation in society. It is a violation of human rights. The structural causes of poverty are rooted in inequality, so the two have to be tackled together. Distribution and redistribution are part of the issue, and this is lacking in the debate. More equal societies are better not only for poor people but for everybody. The Nordic societies do better on all the ratings of well-being, happiness, health, crime and social capital. The participation of people experiencing poverty is key not only to effective policy but to building the society we want. The key success points in the French model are the amount of political backing, the governance mechanisms, the very visible yearly scoreboard and the parliamentary review. EAPN does have some questions about the appropriateness of the policy solutions and how far discussion of those solutions is part of the stakeholder process. The number of key targets must be kept down and they must be simple and understandable. At the same time, there needs to be a full set of quantitative and qualitative indicators. Political will is required if the targets are to drive policy delivery. But budgets are also required, and here the French example is perhaps less clear. Horizontal coordination is vital. It is not clear how far the economic actors are involved in delivering the French targets. The main French target is contextual. If any main target is to be set, it should be the key target agreed at the EU level, which is a more credible indicator of participation in society and inequality. There need to be more inequality indicators in the scoreboard, such as the Gini coefficient or 20/80%. The modelling element in the French example also needs to be made more credible. Multidimensionality must be reflected. Among the indicators missing from the French model, some of which are included in the Laeken set, are discrimination (notably against ethnic minorities and migrants), inequality, gender inequality and the pay gap, specific groups (homeless people, for example), quality and security of work, and well-being. Participative poverty assessment techniques could help to capture multidimensionality. Poverty ambitions need to be mainstreamed in governments' priorities. NGOs and people in poverty should be used as “champions” to improve ownership of policy and keep delivery on the boil. They are also a useful reality check. Effective engagement is needed at all stages, as is learning from other countries' examples. She advocated a percentage poverty reduction target for the EU as a whole. This is technically feasible, and a recent Eurobarometer poll showed that 64% of EU citizens want an increased EU role in delivery of social rights.

Agata D'Addato said EUROCHILD is a membership organisation working on child well-being and children's rights. Members include NGOs, but also national umbrella organisations, ombudsmen, researchers, regional and local authorities, and statutory bodies. An annual scoreboard on child poverty and well-being and quantified targets are important and must be strengthened within the social OMC. Evidence-based targets should represent a country's commitment to move towards the EU's overall objectives of making a decisive impact on the eradication of poverty and social exclusion in general, and child poverty and social exclusion in particular. EUROCHILD is calling for a 50% reduction in child poverty in each Member State by 2020. The legal status given to the French scoreboard is important. She cited the example of Wales, which has recently made a lislative proposal to establish a clear legal duty on all devolved public bodies to tackle child poverty. It is a crucial time: 2010 will be the European Year against poverty and social exclusion. Apart from raising awareness and visibility of the extent and impact of poverty, 2010 will be crucial in achieving a political legacy of a stronger Social OMC, which should include targets against poverty. This Peer Review was indeed very important in terms of gaining consensus across Member States on how targets can be used to reduce poverty and social exclusion. . Despite some progress, there are still huge gaps in relation to child poverty and well-being. Indicators used by France in relation to children and young people are insufficient to reflect child well-being in a broader, multidimensional sense. More child-centred indicators where the child is the primary unit of observation and subjective measures of well-being are needed. Household indicators exclude the most vulnerable groups, notably children in public care system. A first attempt to fill this gap has been made through the EUROCHILD network to collect existing data from official sources in each Member State. The French approach makes no reference to the United Nations Convention on the Rights of the Child. Taking that into account would automatically lead to a child rights perspective which recognizes children as stakeholders in policy making and evaluation. Indicators for child well-being are not an end in itself. They are tools for monitoring and improving the situation of children and young people in which they are actors as well. An outcome-focused approach is crucial to monitoring and evaluation. What is the difference between monitoring indicators of well-being and evaluating policy impact on well-being? Monitoring indicators of well-being provides a national benchmark, highlights key trends and provides a picture across key areas of children's lives. It raises awareness of the issues and prompts action. Evaluating policy impact on well-being does something different but obviously connected. It demonstrates efficacy and value for money. It captures impact linked to policy. It increases knowledge about how to affect change. It provides evidence for accountability. National, regional and local integrated strategies to tackle poverty, and partnerships across all levels of governance, are crucial. Stakeholders' involvement increases popular support and visibility for targets and anti-poverty strategies. But it should include the involvement and empowerment of children and young people as well. Obviously, their evolving capacities should be taken into account. Innovative and age-appropriate strategies to engage with them should be employed. Whilst we recognize that it is difficult to monitor participation, surveys do exist and this should an area of further exploration at the EU and national levels. Structured mechanisms for consulting children and young people on a regular basis should be created, backed by a legal basis for their involvement at the various levels. It is also important to involve the most vulnerable children, including those in public care, those with migrant backgrounds and Roma children, whose voices are underheard. The involvement of children's rights organisations should be promoted, as well as their cooperation and coordination at the national level. How far have children's organisations been involved in the French experience? And to which extent the different regional or local approaches have led to a coordinated action at national level?

Role of the users/beneficiaries within the whole process

Brigitte Weinandy suggested that Luxembourg's Participative Meetings for Social Inclusion High Council for Social Action should feature on EAPN's good practice list. If people experiencing poverty are to participate in evaluation, the first step must be to empower them and build their capacities of self-expression. Fighting poverty is not a matter for governments alone. There must be a commitment by society as a whole. **Rute Guerra** said Portugal's anti-poverty action needs to be improved. A focal point for its NAP/incl is the Non-Governmental Forum for Social Inclusion, on which a number of NGOs including EAPN-Portugal are represented. In 2007, seven workshops were held with people experiencing poverty, NGOs, ministries and NAP/incl officials in order to tap into people's experience and wishes regarding social policy. There is also a manifesto for people on the minimum income, which was evaluated in a seminar. Evaluation studies have been made of the population groups receiving income support, and of its impact, and a microsimulation is to be conducted. **Angela Abela** reported that Maltese research in which she took part had shown that teachers are often unaware that they have poor children in their classes. The researchers had suggested to a parliamentary committee that poor people themselves should be involved in training professionals on this issue. As a result, the President of the Malta Professional Bodies' Association invited her to help build professionals' awareness during 2010. Professionals need to be taught how to interact with poor people, particularly as regards non-verbal behaviour. **Mary Grace Vella** felt that Malta has gone quite a long way with consultation processes under its NAP/incl. A series of focus groups have involved both service users and service providers. They have focused on particular vulnerable population groups, such as people with mental health difficulties and children and young people at risk. Geographical aspects have also been taken into consideration, by running parallel focus groups in the sister island of Gozo. This consultation process for the drafting of the NAP, is envisaged to be turned into an ongoing process.

Rudi Van Dam said a distinction needs to be made between participation by NGOs representing the poor and participation by poor people themselves. Belgium had some of experience of this when developing an indicator on over-indebtedness. An effort had been made to engage people living in poverty, but this had been a difficult experience for both parties as the discussion had by its nature often been technical. So there needs to be some thought about the stage at which it is useful to involve people living in poverty, and on the ways of preparing them to dialogue effectively. **Harrie van Onna** said his social department has 30,000 clients, and organises regular meetings with them to analyse their well-being. There is also some Dutch national research on improvements for social service clients. However, most of such research concentrates on the organisational aspects rather than on the well-being of the clients themselves. Eurocities has conducted a form of peer review of problematic aspects of urban life. One of its conclusions is indeed that the target group must be involved in the delivery process. The Eurocities report provides a lot of useful material for national and local indicators. He offered to send it to those interested. **Didier Gelot** described a French experiment with the participation of people experiencing poverty in improving knowledge of current and emerging poverty phenomena. One resulting insight had been that phenomena regarded as new by the experts may in fact be pre-existing but hidden. They then become apparent during periods of crisis. Another had been that non-take-up of entitlements is likely to increase further. France is pondering an approach under which there would be more quantitative surveys among social service professionals and more qualitative surveys among people living in poverty. Consideration is also being given to consulting the people directly concerned about the setting of the minimum income. **Isabelle Maquet-Ensted** emphasised that the French are setting out to capture experiences rather than features. **Michèle Lelièvre** pointed out that the involvement of beneficiaries is written into France's RSA legislation. **Catherine Lesterpt** felt more thought should be given to *how* these people will be involved. They must not just be tokens. This is an ethical issue, and therefore far from simple. It could perhaps be the subject of a future Peer Review.

Relevance and key learning elements

Robert Walker said the French policy is a very visible statement of commitment. It is a mix of:

- **astute politics,** recognising that poverty tends to be a minority interest among voters, seeking to build support for reform and pressurising the political actors to work together to achieve the goals
- a **target**, which enables good policy-making, meaningful allocation of resources, and evaluation of success, efficiency and effectiveness

- a **sophisticated use of science,** as manifested in the indicators, some of which have been inherited from at least ten years of thinking at the European level, but adapted to French circumstances and the French political process.

On the **political** side, the discussions had shown the importance of strong leadership from the very top. The legal underpinning of the French policy is critical here, but so are partnership and engagement – with civil society, the delivery agents and people with direct experience of poverty. A common understanding enables politicians to take chances, and so supports policy advance. Policy-makers must ensure that people with direct experience of poverty are provided with advocacy skills. But this does not mean training them to become policy-makers. The policy-makers must learn to listen to them. Engaging people who are not currently in poverty is equally necessary. The annual reporting is important in this respect.

The policy aspects include the criteria for the choice of **targets.** Targets need to stretch organisations, but they also need to be attainable. So they should be informed by past experience and a clear implementation logic. Indicators may also be chosen on the basis of their implications for sub-indicators. In other words, the goals should have knock-on, cumulative effects. The risks of quantified target-setting should be recognised. It can lead to the downplaying of aspects of poverty that are not immediately quantifiable and can tempt administrations to concentrate on action that appears to meet goals rather than actually doing so ("gaming"). We need to be clear about what we want to do. For example, the anchored in time indicator may lead to an emphasis on economic growth rather than redistribution. That might be the correct approach, but we should be sure that it is what we want. Selling utility is an important part of the process. It must be demonstrated that both the targets and the statistics collected are of practical benefit. Celebration of success, such as awards or websites that rank local authorities in terms of performance, can be a good motivator. A technical problem is the limited availability of local data. Are there substitute measures that can be used at the local level? Has an intellectual infrastructure been created which enables people to ask questions of the data and find the answers? Civil society also needs these skills, and government may need to help fund NGOs if it wants a well-articulated response from them. Means had been suggested of overcoming the time lag in poverty statistics. He had not entirely understood the French concept of "watchers", but expert informants could be available who could take the pulse of society on a regular basis. Internet polling is now being used for this in the UK. Despite the limitations of such instant statistics, they do seem to be useful predictors of what people feel and are likely to do. Continuous surveys and panels may be able to gather data on a monthly basis. Whether the data can be analysed and got on to policy-makers' desks within a month is less certain, but it is a good aspiration to have.

The **science** centres on the indicators. Everyone had recognised the importance of multiple indicators. They help to explain why any given statistic is moving in a particular direction. Public engagement in the interpretation of those statistics is important. He still felt a need for a multidimensional measure of poverty, but did not think he had convinced most of the peer reviewers of this. We are dealing not with poverty but with different types of poverty. If we fail to make that distinction, this can lead to inappropriate policies. It is important to focus on absolute poverty, but as Europe has recognised for a long time, it is also important to think in relative terms. Those who are currently poor are of course concerned about material needs, but also about the barriers to their participation in society and the effects on their status. Measures of wealth and power are missing from the scoreboard. This is worrying, as is the comparative lack of qualitative measures of poverty, such as feelings of powerlessness and of personal failure. More measures of that sort could help to shift the policy debate. What is the theory of change underpinning some of the indicators? What policy levers are we expected to move in order to bring about measurable change in those indicators? He was sure that the French colleagues have driven the indicators with an implementation logic, but he would like to see that expressed in more detail. We need intermediate outcome measures, so that we can move away from monitoring towards evaluation of performance.

The French colleagues recognise that their policy is a starting point and not an end point. This is an attitude that we all need to think about. Could 2010 be an opportunity to celebrate targets at the European level? Would we go for a single European target? It would be more sensible, he thought, to go for a range of targets, according to national circumstances. Targets are about good governance. They are a mechanism for accountability and a means of building support. Many people think that poverty is the poor's problem. In fact, it is society's problem.

Jean-Luc Outin said many contributions had emphasised that a scoreboard, even with many indicators, cannot take full account of the multidimensionality of poverty. That involves thinking about the process that engenders that poverty and which manifests itself in various aspects of society, ranging from the world of work to housing to healthcare. It had also been noted that national indicators do not take full account of local realities, but that data-gathering at the local level is a difficult business. Better linkage between administrative data and survey results is no doubt needed. On the involvement of people experiencing poverty, two questions arise. Who are the poor? Participants selected on the basis of income would not necessarily be the same ones as those, for example, selected in consultation with the social services. And what are to be the modalities for moving from an individual testimony to a deeper understanding of the poverty phenomenon? In ONPES's experience, you cannot simply call people to a meeting. You need intermediaries who can help to extract and distil the knowledge. ONPES will be continuing its experiments with such consultation, but more by focusing on specific topics, such as an adequate minimum income and the items that should go into the basket for calculating it.

Closing remarks

Ronan Mahieu said that no single indicator on its own can provide a satisfactory description of poverty. To achieve that, mechanisms such as the French scoreboard must have recourse to multiple indicators. It had been rightly emphasised that multiple indicators do not necessarily reflect the multidimensionality of poverty, but they are a requirement for doing so. The development of local indicators is important in the French context. The strong decentralisation of social provision over the past decade is a break with French administrative traditions, and the production of local indicators will therefore require a major effort. The administration used to be criticised for not knowing what was happening about poverty. Now that there are indicators, the criticism is that the figures are out of date. One response currently envisaged is a greater emphasis on surveys of local informants.

Isabelle Maquet-Engsted recalled that in its 2008 Communication on how to strengthen the OMC, the Commission made a proposal to reinforce the strategic use of Peer Reviews. The present topic is a good example of how that can be done. She hoped that the material from this Peer Review, which will be posted on the website, will be a source of inspiration to all national administrations within the EU and beyond. Perhaps the Peer Review will stimulate bilateral discussions on the implementation details. At the end of 2010, the Commission hopes the EU will make a major declaration of commitment to the fight against poverty. Targets are among the ideas under discussion. One way of strengthening the OMC is to increase its visibility and analytical capacity. The material from this Peer Review will be very useful to the Commission and all the actors in achieving that. In 2010, the EU will be reviewing its own governance, so it is important to learn from each other about how to set good targets, scoreboards and indicators, and how to analyse and report on the results. We all want to achieve truly sustainable accountability.

Catherine Lesterpt thanked all the participants, and encouraged them to stay in contact. All the comments and constructive criticisms had been taken on board. The aim of the scoreboard is to help people who are in difficulties, and the French authorities will continue to work towards that goal.