

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

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## 1. The French proposals and the need to reinforce the Social Inclusion Process

The European Year for Combating Poverty and Social Exclusion in 2010 should be an opportunity to discuss and evaluate the efforts made, both at EU and National levels, to combat poverty and social exclusion in the last decades. In this context, the French proposals of defining clear targets and the formulation of a scoreboard of poverty indicators seems a very positive contribution to the discussion of methods and actions needed to reinforce policies that are able to make a decisive impact on the eradication of poverty and social exclusion.

Two key issues emerge from the French proposals. First, the need to raise political status and importance of policies ment to fight poverty and to build a stronger social inclusion process; secondly, the importance of improving the set of indicators to monitoring and evaluate the results of the policies implemented.

- **Raising the political status and importance of the policies to fight poverty.**

Making target setting a central feature of the policy to combat poverty should be stressed as a decisive step to improve the commitment of each Member State and of the Commission to the objective of reducing poverty. The definition of these targets, and the regular monitoring of the progress towards its achievement, should be the core of the National Action Plans for Inclusion.

The strengthening of governance in relation to social inclusion policies also implies the adoption of an integrated approach and the coordination of different policies involving several government departments. The concept of social protection as productive factor, as defined in the Lisbon Agenda, should be reinforced in order to make active policy targets in this sphere more integrated. The evaluation of the "costs of poverty" must also be highlighted.

- **Improving the set of indicators to monitoring and evaluate social policy.**

Introducing a much more rigorous approach to monitoring the progress made in achieving the objectives implies a redefinition and an enlargement of the indicators used to measure poverty. The process and the timing for obtaining the most important indicators should also be improved.

The measurement of relative poverty is conventionally based on monetary income. But standards of living are also affected by the availability of other resources. In some countries like Portugal a significant part of social policy to combat social exclusion is implemented by policies not based on cash-transfers and its effects aren't reflected on the traditional poverty indicators. Reducing the evaluation of social policy impacts to monetary indicators could underestimate the efficacy of the policies and overestimate the incidence of poverty and social exclusion.

The use of a poverty rate anchored in time (poverty line defined on the based base year, up-rated by the consumer price index) seems also a better benchmarking to evaluate the achievement of the different targets to reduce poverty in a certain period of time. The use of this indicator allows not only to monitor the progress of anti-poverty policies in a more "absolute" approach but also anticipate the value of the poverty threshold in the definition of different social policies. This indicator, complemented with the relative poverty rate estimated in a yearly base and with an indicator of persistent poverty could give a more detailed picture of the different dimensions of monetary poverty.

Indicators of material deprivation give a major contribution to our understanding of living standards and poverty and are usually seen as a complement or an alternative to more traditional measures of poverty based on monetary income. The evaluation of policies to reduce poverty should also be complemented with this kind of indicators but some additional effort must be made in order to obtain some kind of aggregation index that emerge from its utilization. The material deprivation rate actually used in the 'Laeken' indicators (Share of the population living in households lacking at least three of nine specified items) could be improved. The joint use of monetary poverty and material deprivation indicators in order to identify extreme poverty ('consistent poverty') should also be explored.

## 2. The French proposals and the Portuguese Experience

It is premature to formulate a solid opinion on the French Scoreboard, since it is a recent instrument implemented only in May of the current year and there is still work being done in the sense to establish targets related to main indicators as well as to extend the analysis to regional and local levels.

So far, our first impression of this ambitious instrument to combat poverty and social exclusion, in the way that tries to concentrate several fundamental tasks such as "observation, evaluation and partnership", is very positive. In particular, because it is grounded on secure legislative basis and political involvement.

However, the scarcity of detailed information about the French experience makes it difficult to accurately assess the relevance, similarities/differences and potential transferability of this policy to the Portuguese reality as it is expected.

Nevertheless, and according to the themes given for this Peer Review, follows our contribution based on the Portuguese strategy to fight poverty that is translated in National Action Plan for Inclusion (NAPIncl), one of the main instruments of the Portuguese Strategy for Social Protection and Social Inclusion, and the most similar in terms of goals to the French policy presented, since it has been designed, implemented and assessed through a process of co-ordination, sharing

responsibilities between the state, through its central, regional and local mechanisms, and diverse actors, namely private non profit and commercial entities.

- **Governance at national, regional and local level**

Portugal has been facing poverty and social exclusion mainly through a set of policies and measures in order to enable the promotion of social inclusion and at the same time to prevent and eradicate situations of poverty and social exclusion. These measures have been condensed and presented in the several editions of the Portuguese action plans for inclusion. The current NAPincl (2008-2010) incorporates a multidimensional strategy based on three fundamental priorities: combating and reversing situations of persistent poverty, especially among children and the elderly; correcting disadvantages at the level of education and training, preventing exclusion and contributing towards interrupting cycles of poverty and towards sustained and inclusive economic development, and actions to overcome discrimination and reinforcing the integration of specific groups.

The strategy outlined for the period 2008-2010 seeks to respond to diverse areas of the most severe poverty and social exclusion, both at the level of individuals and families, as well as at the level of particularly vulnerable groups, or impoverished institutions or even less favoured territories. These guidelines seek to be consistent with the multidimensional nature of the problem, since combating these problems will require numerous and diverse agents and actors as important parts of an integrated and multifaceted strategy.

NAPincl for 2008-2010 was entrusted to the Ministry of Labour and Social Solidarity. An Inter-Ministerial follow-up Commission was constituted by Cabinet Resolution No. 40/2006, with representatives from diverse ministries (14), the regional governments of Azores and Madeira and the Non-Governmental Forum for Social Inclusion (as an observer). All the participants gave important contributions to the following stages.

### **Political coordination and Implementation**

The reinforcement of the co-ordination, articulation and integration of policies was promoted by replacing the Inter-Ministerial Follow-up Commission and the Working Group with the Platform for National Sectoral Plans for Strategic Planning (Platform) and by Sectoral Monitoring Focal Points. This is an effort to ensure the transversal integration of social inclusion in relevant public policies, especially economic, employment, educational, social, cultural, environmental and health policies.

The Platform includes the co-ordinators of the following Plans and Programmes: the National Plan for Equality, Citizenship and Gender Issues; National Plan Against Domestic Violence; National Plan Against Human Trafficking; Plan to Integrate Immigrants; National Plan for Youth Affairs; National Programme for Territorial Organisation Policies; Strategic Plan for Housing; Action Plan for the Integration of People with Disabilities; National Initiative for Children and Adolescents; National Health Plan; National Plan for Mental Health; National Plan for Drugs and Drug Addiction; National Anti-AIDS Plan; Plan for Cultural Development; National Strategy for Sustainable Development and the National Employment Plan.

In their turn, the Sectoral Focal Points are constituted by representatives from the following areas: Internal Administration; Finance; Gender Equality; Immigration and Ethnic Minorities;

Youth Affairs; Justice; Housing and Urban Rehabilitation; Economy; Transport and Communications; Social Security; Employment and Vocational Training; Rehabilitation; Health; Education; One representative from the area of Science and Technology; Culture; the regional Government of the Azores; the Regional Government of Madeira; National Association of Portuguese Municipalities and the National Association of Parishes and a representative from the Non-Governmental Forum for Social Inclusion.

These representatives are fundamental in terms of co-ordination as well as the decentralised implementation of the strategy for social inclusion, along with the Multi-District Platforms for Social Networks and the Social Networks themselves, which are privileged instruments for the "operationalisation of the NAPincl".

In addition, we can mention under the process of coordination two recent Parliamentary Resolutions that will undoubtedly contribute towards reinforcing political co-ordination in combating poverty.

i) The first resolution was issued on 19/03/2008, in the wake of a petition that collected a significant number of signatures. In this resolution, the Portuguese Parliament felt that it was important, "To undertake the specific mission of permanently monitoring the situation of poverty in Portugal, within a parliamentary framework (...) and to request the government to present an annual report to Parliament about the implementation of the National Action Plan for Inclusion" (Parliamentary Resolution No. 10/2008, Diário da República No. 56; Series I dated 2008-03-19); ii) The second resolution was published on 23/07/2008 and recommended: "The definition of a poverty line according to the level of national income and the standard living conditions in our society; the regular evaluation of public policies to eradicate poverty; (...) the poverty line established shall official serve as a reference for the definition and evaluation of public policies aimed at eradicating poverty."(Parliamentary Resolution No. 31/2008, Diário da República No. 141; Series I dated 2008-07-23).

▪ **Objectives, targets and indicators. Monitoring and evaluation.**

In Portugal, the choice of priority objectives for the NAPincl 2008-2010 was based on various available sources and elements. These included existing systems for statistical information, academic studies, the evaluation of the 2007 Joint Report, the process of monitoring and accompanying the 2006-2008 NAPinc and, likewise, consultations with various entities involved (institutions or acknowledged individual experts) in the field of social exclusion/inclusion.

On the other hand, an assessment of the progress achieved with the implementation of the NAPincl, according to the priorities defined and the common objectives, is absolutely essential to ensure the effectiveness and efficiency of the strategy for inclusion. This is especially relevant because the strategy must have a real impact on the improvement of the quality of life in Portugal, especially for more vulnerable individuals and social groups. The Cabinet for Strategy and Planning (GEP) under the Ministry for Labour and Social Inclusion, is the organism responsible for the planning and evaluation of policies. It has been involved since the beginning in the several strategic planning instruments, such as National Action Plan for Inclusion, National Strategy on Pensions, National Strategy for Social Protection and Social Inclusion. On the other hand it is being representing Portugal in the Social Protection Committee Indicators Subgroup.

GEP has been developing and promoting different studies in order to understand the implementation logic of policies and to support this implementation. In this context, some measures were submitted to a modelling process and to a microsimulation, in order to construct a tool that allows us to measure the policy impact.

In March 2007, the National Commission for the Social Integration Income launched a "Strategy for Active Inclusion", a proposal meant to renew the initial philosophy of the program 'Social Integration Income (RSI)' which highlighted the social integration dimension meanwhile sidelined, stressing the need to link the income component with an negotiated and agreed insertion program with all the household's elements, namely in three key-areas: access to health care, social equipments and services, qualified school trajectories and support to family day-life, particularly addressed to families with children; development of actions expected to promote future professional integration such as inclusion training (development of personal, social and relational competences) , individualised job plans, etc; reinforcement of participation and follow-up in intervention with families by the families themselves, by the case worker, by the social partners and other social actors considered relevant in the community.

In fact, in Portugal RSI is considered to be one of the most innovative measures in recent years because it ties cash benefits to programmes aimed at social and professional integration, providing an organized response to vulnerable groups such as working poor, poor working-age unemployed, elderly and children at risk of poverty, other inactive people at risk of poverty and exclusion such as families facing health problems (chronicle diseases, accidents and dependency), ethnic minorities (mainly Gypsies and Africans), families with young people at risk (drug addiction, delinquency/aggression), people over 55 years living alone (isolated people with difficulty to enter the labour market; ill people – physical diseases associated with mental illnesses making difficult regular insertion in the labour market), feminine single parental families (single mother; separated women; widow)!

Using a microsimulation model and data from 2007 Portuguese EU-SILC, Rodrigues<sup>ii</sup> had presented some studies in order to evaluate the impact of this measure, which has contributed to clarify some misleading interpretations about the real effectiveness of the measure in the fight against poverty,

Being aware of the multidimensional nature of poverty it has some years ago develop some methodological studies ('Measures of poverty) in order to give evidence to other indicators besides the monetary ones. GEP is also responsible for giving support the NAPincl monitoring.

The process of monitoring and evaluating the 2008-2010 NAPincl is based on a Monitoring System<sup>iii</sup> supported by: (i) structural indicators for social cohesion and (primary and secondary) Laeken indicators, which enable comparisons with other Member-States; (ii) result indicators with regard to each of the priorities and goals established in the Plan and (iii) indicators to monitor the implementation of policy measures, used to measure progress towards meeting the objectives of these policy measures.

In terms of organization, a new model is being developed in order to articulate existing information systems at a national and local level, maximising the strategic position of existing local structures such as the Social Networks and the partnership and planning efforts already developed.

The implementation of Local Social Networks and, since 2007, of the Multi-District Platforms for Social Networks (28 up till now) is decisive in the way they enable a regional vision of the main problems facing the country and facilitate more integrated interventions, identifying the main problematic areas in each region and the most vulnerable groups.

From 2007, qualitative and quantitative data has been collected into a DATAMART, managed by the Social Security Institute but partly uploaded by these Social Networks, particularly concerning qualitative information, and being used by a wide range of social actors engaged in design, administration and application levels of the different policies.

This database of the Social Network Programme represents a crucial role in the future of poverty monitoring and policy assessment, as well as in the fostering of effective articulation between national and local entities.

The registers from DataMart collected between May 2007 up till September 2009, show 8844 entities enrolled in these local partnerships, organized in 577 task force groups, having noticed 3169 problems and proposed 4968 action plan activities.

- **Role of users/beneficiaries within the whole process.**

The Non-Governmental Forum for Social Inclusion has been along the years an active and valuable partnership, providing major contributions to the assessment of the previous 2006-2008 NAPIncl and to the design and implementation of the current one, NAPIncl 2008-1010.

Their contributions reflect NGO experiences of working with individuals living in situations of poverty and social exclusion, their needs and expectations with regard to their rights and access to goods, services and facilities in key areas to resolve their problems of poverty and social exclusion.

In this context, we recall an important experience that took place in 2007: seven decentralised workshops were held to collect contributions, within the framework of the transnational project "This Includes Me: From Participation to Inclusion"<sup>iv</sup>. These workshops were promoted by diverse entities, NAPIncl and included the participation of individuals living in situations of poverty and exclusion, technical experts from state entities, Portuguese Social Solidarity Institutions (IPSS) and NGO.

Relating to a concrete measure, the Social Integration Income (the Portuguese last resort scheme regarding minimum income), in March 2009 it was presented a *Manifesto for the Constitution of a Forum of SII Beneficiaries*. This forum intends to be the voice of those who receive the support, being constituted as a formal group of consultation and active participation in the drawing and application of the measure.

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<sup>i</sup> According to "Impact Evaluation of the Guaranteed Minimum Income", a publication from 2002. They also stated that the majority of beneficiaries came from family contexts of permanent poverty (2002:10)

<sup>ii</sup> Rodrigues, C.F (2009), *Efficacy of Anti-Poverty and Welfare Programs in Portugal: the joint impact of the CSI and RSI*. Paper presented at 7<sup>th</sup> ESPAnet Conference 2009, Urbino, 17-19 september

<sup>iii</sup> The Technical Team providing support for the NAPIncl co-ordinating committee is responsible for permanently monitoring the implementation of the NAPIncl, in close co-operation with the Focal Points and the Plan Platform.

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<sup>iv</sup> This project was financed by the European Commission, the Community Action Programme to Combat Social Exclusion and by the Institute for Social Security, IP/ MTSS (VP/2006/012/741) and took place between 2006 and 2007.