

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

Sian Jones
European Anti Poverty Network

1. Measuring the impact of active inclusion and other policies to combat poverty and social exclusion - Assessment of FR Good Practice

Summary

EAPN views the French case-study as an important attempt to use targets and indicators to help delivery on an integrated active inclusion strategy. The initiative clearly follows up the Recommendations and Guidelines established by the European Commission, establishing headline and sub-level targets and builds on the Laeken set of indicators, agreed at EU level. The initiative is underpinned by strong political will to deliver results and political leadership, through the role of the High Commissioner for poverty and social exclusion, with necessary powers to drive policy change. A clear attempt has been made to ensure effective horizontal coordination between government departments as well as to involve stakeholders – including NGO's.

This approach, is very relevant for EAPN, and supports EAPN's demands for the need for the use of targets (national and EU) to drive effective implementation of objectives to eradicate poverty in the Social OMC, as part of building a more social and sustainable post 2010 agenda.¹ However, besides the important questions raised by the discussion paper on the political and technical issues related to targets, EAPN would emphasize how targets can drive integrated policy delivery on poverty, including mainstreaming into the overall approach to economic performance and social progress; ensuring that the adequate indicators are chosen to measure poverty and inequality and reflect the complex, multidimensional experience of poverty. EAPN will argue that a key success factor is a well-functioning governance and participation mechanism involving grass-roots stakeholders (including anti-poverty NGOs and people experiencing poverty)..

Some questions for debate include:

What is the main role of poverty and social exclusion targets? How far do targets drive policy development and delivery? Are the mechanisms for coordination sufficient?

How can Governments' avoid 'creaming' and ensure choice of principal targets does not distort policy priorities?

Are they the right indicators? Or are others necessary? Why inequality targets are a **priority**

- How far measuring multidimensionality requires other types of assessment, particularly participative assessments?
- How can poverty targets be mainstreamed into overall measurement of progress?
- How far is good governance embedded in the process and is its full potential being developed? What is the quality of the engagement of anti-poverty NGO's and people in poverty (not just users)?

¹ An EU we can trust: EAPN position on post 2010.

2. Key concerns/ areas for discussion

2.1 Role of Targets, using Targets to improve visibility of poverty and accountability

In the Commission's,² and the World Bank's³ view, the main purpose of targets is to provide a highly visible mechanism for showing whether progress is being achieved, providing public and political accountability and providing a pressure on policy makers and practitioners to deliver. It is less clear, as the discussion paper points out, whether such tools are effective for stimulating *public support for policy measures*.

The French Government approach appears to provide a strong example of *increasing visibility and accountability*. However, more focus should be made on how to achieve and maintain visibility and to deliver accountability through stakeholder engagement and dialogue, including NGOs. (The latter point is developed further in 2.8.) The visibility is clearly improved with a limited number of headline targets, which focus the attention of the general public, but needs to be in an attractive and accessible form. The yearly review needs also to be subject of political debate – in the Parliament and for the broader public. It will also be vital to discuss results, not only on the indicators/targets themselves, but on the policy measures designed to deliver the targets through an open, transparent debate.

Examples from the National Level

- EAPN Ireland: highlight that Irish poverty targets, “helped to put poverty on the agenda”, and drive a more public monitoring process. However, they point out that when targets fail to deliver progress, the public can lose interest. Quality stakeholder involvement that enables detailed analysis of the results and follow up action is vital for better accountability. Key NGO's like the Combat Poverty Agency originally played a vital role in publicising the progress on the targets, analysing results and implications.
- EAPN Belgium: highlight the development of the Federal Barometer on Poverty, which provides a visible, graphic, internet- based mechanism for showing yearly progress on poverty, which provides an important focal point for media attention. However, the existence of several other target mechanisms at regional and national level, could undermine the effectiveness of the measure in this regard. (eg the Decennium Goals 2017 which establish 6 goals with targets to be met by 2017, the Pact 2020 – Flanders in Action (VIA) etc with regional targets on poverty.
- EAPN UK: highlights how the visibility of the UK Child Poverty Target (established in 1999) was considerably enhanced due to public outcry related to the murder of Victoria Climbié in 2003, which increased public pressure to deliver on the targets and led to the Children's Act in 2004 and the Child Poverty Review – on service delivery. NGOs like Child Poverty Action Group were able to use this public pressure to build public debate, monitor the real impact, and drive pressure for delivery.

² E. Commission's Guidance Note for developing National Strategic Reports 2008-10, 2008.

³ Poverty Monitoring Guidance Note: Setting Poverty Targets: World Bank, July 2004.

Key success factors

- Ensuring high visibility and political impact by keeping the number of targets reduced
- Linked political debate – in national parliaments (regional if appropriate)
- Media/Communication strategy to ensure high visibility, including “people’s stories”
- Embedding follow up, with structured dialogue mechanisms involving all stakeholders
- Making use of NGO’s as “champions” to raise public awareness/ drive accountability

2.3 Targets as a driver of policy delivery

It is obviously too early to judge delivery in this way from the French case. It is clear that targets cannot do this alone, but have to be part of an overarching anti-poverty strategy embedded in an integrated policy delivery mechanism – at national, regional and local level.

The French case benefits from strong political leadership, particularly the role of the High Commissioner, driving cross-cutting coordination of government departments. The role of the Observatory also appears key. However, the link to the budget and local level is not so clear. Nor how far detailed action plans or delivery agreements are made with each government level or engage other stakeholders (including anti-poverty NGO’s and people in poverty) in the development/ delivery and evaluation of the strategy, including choice of indicators and targets.

National example

- EAPN UK highlights the effectiveness of the UK Child Poverty Target in driving more effective poverty delivery. The target was part of an overall Government Planning Tool – Public Services Agreements (PSA s), linked to the budget. These set out the Government’s high-level priorities, with performance indicators for each area. Each PSA is underpinned by a Delivery Agreement which outlines an implementation plan - how improvements will be achieved and who will be accountable for delivery. This integrated mechanism is widely credited with the decline in Child Poverty from 1999 to 2005. NGO’s are active in the Advisory Committees on the PSAs
- EAPN Ireland highlights the decision on which policy measures are chosen to deliver targets. The Irish NAP 2008 policy proposals to deliver on the consistent poverty target focused on reducing by 20% the numbers of those whose total income was derived from long-term social welfare benefits, whereas EAPN and other stakeholders had pressed for more supportive, integrated approaches, based on the three elements of active inclusion. (EAPN Assessment, 2008)

Key success factors:

- Strong political will and leadership – driven by high-level Government representatives with coordination functions and powers
- Targets used to drive policy development tied to budgets and with backing of the Treasury

- Cross-department coordination (including economic) with specific action/implementation plans or service agreements with different departments and levels of government to deliver on the specific policy elements, measured by indicators and targets.
- Ensuring stakeholder involvement at all levels, particularly in debates around the choice of policy measures to deliver goals, and assessment of implementation.

2.4 Avoiding policy distortion in choice of targets

The French government establishes the reduction of the anchored poverty rate as a key headline target and establishes broader thematic objectives, with 15 core and 17 other indicators. The broader set of indicators and priorities should guard against creaming, but specific indicators seem necessary to chart progress for people at 40/ 50% poverty threshold and to measure equal access to services as well as material deprivation indicators which make real this threshold.

Care must also be taken in the choice of the headline targets to ensure they do not distort policy priorities away from effective measures to reduce poverty and social exclusion. EAPN is concerned about the priority given to the anchored poverty rate, where it is only used as contextual data within the EU indicators. The at- risk of poverty rate (60% of median household income), would seem a better target to measure the capacity to “participate in society”, consistent with the EU Laeken indicators. The anchored poverty rate target tends to shift the focus to economic growth and the impact on general living standards rather than reducing poverty and inequality through redistribution mechanisms. This runs the risk of undermining the focus on effective redistributive policy measures to tackle poverty. As the Commission working paper highlights “The assumption that economic growth will raise the adequacy of standards of living of all, just as a tide lifts all boats together, is not often observed in practice”⁴. It further underlines the difficulty of establishing a causal link between growth and living standards for different groups,” if no mechanisms are established to improve the situation of those at the bottom of the income distribution (rise in low wages, income redistribution.)”

National example

EAPN France, supports the current initiative, but highlight the risk of creaming, wanting greater priority given to the 40/50% threshold as well as the 60% and the need for more indicators that measure effective access to rights, resources and services. They also query the focus on the anchored rate as the key target to measure progress on poverty. Whereas the anchored rate reduced from 13,1% in 2006 to 12,5% in 2007, relative poverty increased from 13, 1 to 13,3% together with the intensity of poverty, young people at risk of poverty, children, in-work poverty, access to health and over-indebtedness. The focus on the anchored rate compared to the other indicators risks a certain “distortion” of the overall figures, and could drive inappropriate policy measures.

⁴ Commission SWD: Monitoring progress towards the objectives of the European Strategy for Social Protection and Social Inclusion, 6 October 2008.

Key Success Factors

- The choice of a limited number of explicit headline targets would seem necessary to drive political visibility and commitment, with priority to relative poverty indicator – 60% threshold
- Ensure attention to indicators which measure equal access to rights, resources and services
- Recognition of the role of inequality as a key structural driver for poverty could be better emphasized by a target based on accepted measures of inequality (gini coefficient or the 20/80% indicator)

2.5 Multidimensionality and multiple indicators

Poverty has long been accepted in the EU as a multidimensional phenomena. The European People Experiencing Poverty meetings coordinated by EAPN with the Presidency and the Commission, continually affirm this reality from the perspective of people in poverty⁵. The French Scoreboard brings together 38 indicators, divided by thematic areas/ and groups. Many of the indicators are built on the Laeken indicators, with useful additions particularly in the area of health (relative rate of withdrawal from care for financial reasons), housing (share of proportional income spent on housing), work (underemployment rate and average number of paid weeks per year) and financial exclusion (number of indebted households, bank account holders and filings to the Debt Commission). However, the rationale for the choice of indicators is not always clear, nor how far they achieve an accurate picture on the complexity and causal links.

Missing indicators:

- The most obvious gap are indicators measuring discrimination, in particular, of ethnic minorities and migrants. These are recognized by the Commission and EAPN networks⁶ to be a key priority group.
- Indicators are needed to measure poverty and inequality rates, persistence, severity etc but also discrimination in access to rights, resources/ services.
- Gender inequality and particularly gender pay gap – eg UK: pay gap between low-paid women and male median earnings, but also access to affordable childcare resources.
- More specific indicators on homelessness⁷ – eg Finland: measures long term homelessness and provides a target to half long-term (ie over 6 months) homelessness by 2011, also Ireland – measures the long-term occupation of emergency homeless facilities, number of rough sleepers and sets the target of eliminating long term occupation of homeless accommodation by end of 2010. Giving more prominence to the European Parliament's call in its written declaration on ending street homelessness by 2015.
- Access to energy services/energy poverty eg UK indicator: Households in fuel poverty (10% of disposable income on heating home to an adequate level - to WHO standards).

⁵ Reports of People Experiencing Poverty meetings: 2001-9.

⁶ EAPN Report on National Action Plans 2008-10.

⁷ FEANTSA report on homelessness in the National Action Plans 2008-10.

- More focus on quality and security of work: length of time in employment/ security of job contracts, wage levels.
- Well being and quality of life. (eg child well being indicator)

Other methods of assessing multidimensionality

The discussion paper highlights difficulties with composite indicators and quantitative analytical techniques, such as factor analysis, and highlights the usefulness of structural equation modeling, as a useful tool to more directly capture multidimensionality. However, it seems clear that more qualitative methods may be necessary to capture the multidimensional dimension and the real objective of poverty monitoring - to track progress over time in reduction of poverty. More benchmarking of poverty monitoring techniques could be carried out with global poverty reduction strategies and tools – particularly in the area of participative assessment techniques and participative impact assessment. For example Participative Poverty Assessment⁸ (PPA), used widely in poverty monitoring systems, using qualitative research methodologies with people in poverty to gain a comprehensive analysis of the complexity of poverty.

2.6 Clarifying and mainstreaming poverty/social exclusion and inequality target

The discussion paper raises vital questions about the definitions of poverty and social exclusion. However of greater concern is the lack of priority given to inequality. The discussion paper highlights the legacy of the Combat Poverty Programme underlining that “poverty is inherently relative, shaped by the society in which it occurs” (p.2) linked to inequality which “is difficult to eradicate without a positive redistribution of resources”. New studies, highlight that not only are income inequalities increasing, but that this has damaging consequences for the whole of society, not just the poor. Most unequal societies are bad for almost everyone, with significantly higher rates of ill health, lack of community life, violence, drugs, obesity, mental illness etc.⁹

In the French case study, a specific inequality indicator is lacking, although it includes indirect indicators on access to dental treatment for young people and access to continuing education. It would seem important that the EU Laeken inequality indicators (Gini coefficient and the 20/80% income quintile ratio) should be included. A further area, would be to measure trends in higher incomes and wealth, as well as re-distributory role of taxes in reducing income inequalities.

However the impact of these targets depend also on effective mainstreaming into the governments’ overall priorities. This debate is characterized by the beyond GDP debate, strongly progressed by the French Presidency and subject of the Commission’s Communication¹⁰ and Stiglitz Commission report. We would like to know how far the indicators and targets have been integrated into a broader assessment of progress by the French Government, with impact on economic and other policy fields.

⁸ PPA Evaluation and Recommendations for the Poverty Monitoring System in Tanzania. Final Report, Social Development Direct, London. 2006

⁹ The Spirit Level: why equal societies almost always do better. RG Wilkinson and K.E. Pickett. Allen Lane. 2009.

¹⁰ Report by the Commission on measurement of economic performance and social progress. Stiglitz J, Sen A. et al. 2009.

National examples

- EAPN Ireland highlights some concerns with the consistent poverty target, as there was no prior debate or consensus on the selection of this as the priority target, highlighting the credibility problems, because of lack of international comparability, and the growing divergence between consistent and relative poverty rates.
- EAPN Scotland highlights the Solidarity Purpose Target which aims to increase overall income and the proportion of income earned by the 3 lowest income deciles as a group by 2017.¹¹ . However, insufficient attention was given to the income inequality gap.
- Canada – A recent study ¹²highlights the usefulness of more detailed tracking of patterns and impact of income inequality. Using statistics drawn from Statistics Canada and the National Survey of Labour and Income Dynamics (SLID), the income situation of the top and bottom 10% decile families are tracked, through annual data, at provincial as well as national level. Specific attention is paid to comparisons between earnings inequality and after tax inequality, to test the efficiency and effectiveness of the tax system in redistributing income.
- Canadian Well-being Index; was launched in 2008 and tracks changes in 8 quality of life domains (living standards, healthy populations, educated populace, vital communities, ecosystem health, civic engagement and time use, arts and culture). The domains are measured separately then blended into a composite index which provides a quick snapshot of whether overall well-being is changing for better or worse.

2.7 Governance – national, regional and local coordination

The issue of how the national, regional and local levels are integrated into the policy delivery process, is clearly crucial to the effectiveness of the strategy. However, the issue of how the governance partnership is developed, which partners are involved, how they are chosen and their role is also central. There is a clear division between the responsible partners for delivery (public authorities at national, regional and local level) and/or other NGO or private designated service deliverers, and other stakeholders (like people in poverty and anti-poverty NGOs that may be involved in an advisory capacity. (See UK example on PSA's)

2.8 Engagement of NGO's and people in poverty

Whilst user involvement in service delivery is crucial, as part of quality frameworks for effective management, a broader approach is advisable to ensure that not only existing users, but future or even currently excluded users can participate, and to provide more accountable assessment by local communities. A more structured on-going dialogue with people in poverty and anti-poverty NGOs is vital for an effective integrated governance process and more effective policies. Mechanisms need to ensure that all groups are engaged - including migrants and ethnic minorities eg Roma.

¹¹ Poverty and Income Inequality in Scotland: Scottish Govt Publication. 2007/8.

¹² BC's Growing Gap – Family Income Inequality 1976-2006. Ivanova I, March 2009, Canadian Centre for Policy Alternatives.

The value-added of engaging NGOs and people in poverty is to:

- give a voice to people in poverty, prioritize empowerment and democratic governance.
- improve ownership at grass-roots level and visibility of the strategy.
- monitor and evaluate implementation from the perspective of people in poverty.
- identify difficulties or gaps, make new proposals.
- as “champions”, creating external pressure on government to deliver on targets.

However, this can only happen when the NGO’s and people in poverty are directly involved in all stages of the process (design, delivery, monitoring and evaluation), as part of a regular structured dialogue. Such participation also requires financing, recognizing NGO’s crucial advocacy and support role for the direct participation of people in poverty, as well as as service providers, particularly at the moment when this funding support is increasingly under threat.

National Examples

- EAPN France: welcomes the involvement of NGO experts in the current approach, but highlights the need to establish a special inter-ministerial group to regularly evaluate progress on the indicators, involving more grass-roots actors who work with people experiencing poverty and decentralized institutions¹³.
- EAPN Belgium: highlights the good practice of the Belgium Anti-Poverty strategy, which explicitly sets out the governance framework, underpinned by a legal framework at Federal and Regional level. (1994, at the Federal level: the General Report on Poverty; at the regional level - the 2003 Flemish Anti-Poverty decree). This framework establishes the legal position of anti-poverty organizations as partners in the government’s anti-poverty strategy process and provides financing, specifies mechanisms for coordination and organization including the development of the national action plan, horizontal coordination between departments and structured dialogue meetings with anti-poverty organizations with people in poverty, at least twice a year. In 2008, 14 meetings were carried out. Currently the Flemish Action Plan – Pact 2020 VIA (Flanders in Action), has been pacted between all key stakeholders including social partners, different levels of government, academics and anti-poverty organizations of people in poverty, including the agreement on indicators and targets. The same mechanisms are used to monitor delivery and decide on new policy initiatives, indicators and targets.

Key success factors

- Providing a legal basis for enabling the direct participation of people in poverty and NGO’s that support them, in the development and delivery of anti-poverty strategies and instruments.
- Planned coordinated stakeholder involvement at all stages of the process: design, delivery, monitoring and evaluation.
- The systematic involvement of people experiencing poverty through direct involvement in regular structured dialogue sessions and focus groups.
- Specific attention paid to methodology – including use of technical language, but also where the final decisions are made, the lack of input to other policy areas that influence poverty – including economic/employment spheres.

¹³ Building Security, Giving Hope. EAPN Assessment of National Strategic Report (2008-10).

3. Bibliography

ATD Quart Monde (2009) Communiqué de Presse – *le tableau de bord de l'évolution de la pauvreté en France*.

Beyond GDP website: www.beyond-gdp.eu

EAPN, (2009) *An EU we can trust: EAPN Proposals on a new EU post 2020 strategy*.

EAPN (2008), "*Small Steps – Big Changes: Building participation of people experiencing poverty*."

EAPN, (2008) *Building Security, Giving Hope: EAPN assessment of the National Strategic Reports on Social Protection and Social Inclusion (2008-10)*

European Commission Communication (2009) "*GDP and beyond. Measuring progress in a changing world*" COM (2009) 433

European Commission (2008) *Guidance Note for preparing National Strategy Reports on social protection and social inclusion (2008-10)*

European Commission Communication(2008); A renewed commitment to social Europe: Reinforcing the Open Method of Coordination for Social Protection and Social Inclusion (COM/2008/0418 final)

European Commission (2008) *Staff Working Document: Monitoring Progress towards the objectives of the European Strategy for Social Protection and Social Inclusion*.

European Commission: *Reports of People Experiencing Poverty Meetings* (2001-9)

European Parliament (2008) Written Declaration on ending street homelessness

World Bank, (2004), *Poverty Monitoring Guidance Note: Setting Poverty Targets*

FEANTSA Web site (2009): *National Strategies on homelessness*

Governance and Social Development Resource Centre (2009): *Help Desk Research Report: Monitoring Poverty and Vulnerability*.

Hadden P (2001) "*Monitoring poverty: from donor policing to citizen's empowerment. Learning lessons between poverty monitoring in North and South*". DFID Cross-departmental seminar series.

Ivanova I, (2009), *BC's growing gap – family income inequality 1976-2006, Canadian Centre for Policy Alternatives*

Marlier, E; Atkinson, A; Cantillon B; and Nolan B (2007). *The EU and Social Inclusion*, Bristol Policy Press.

Social Development Direct, (2006): *PPA Evaluation and Recommendations for the Poverty Monitoring System in Tanzania, Final Report*.

Stiglitz J, Sen A. et al (2009) *Report by the Commission on measurement of economic performance and social progress*.

Scottish Government Publication (2007/8): Poverty and Income Inequality in Scotland

Wilkinson R.G and Pickett K.E.(2009) : *The Spirit Level: why equal societies almost always do better*". Allen Lane.