

1. General description of the extent to which and how the social impact of policy proposals is assessed in your country

To what extent is the social impact of policy proposals in your country assessed? Is this done routinely (formalised) as part of the policy process (e.g. in the context of an integrated or specific ex ante impact assessment system) or more ad hoc? Is the assessment of social impacts mandatory or is it done on a voluntary basis? Which policy proposals are being assessed (please also consider policy proposals which would not normally be characterised as “social policy”)?

The extent to which and how policy proposals are assessed in Cyprus takes different forms regarding the subject under consideration. Consequently we could assume that more usually is done as an ad hoc process and usually on a voluntary basis.

For example, in the field of social assistance programmes for vulnerable groups of the population it is usually an informal assessment taking into consideration relevant statistical information from either national or / and European databases. Sometimes we commence assessment studies for specific subjects, which may involve stakeholders, people who may be affected by policy changes, or practitioners etc. However, we must note that in the cases of Projects co-financed by the European Union, ex ante assessments which include an analysis on the socio-economic impact of co-financed programmes are compulsory under the Regulation (EC) 1083/2006 regarding the general provisions of the structural funds.

If the policy proposals have a social impact on income then it is a common practice and is systematically undertaken in a quantitative manner an impact assessment.

What is understood by social impact(s)? Is it defined in any official guidance?

We don't have a definition of social impact.

To what extent is social impact assessment a closed or an open process? (transparency, involvement of stakeholders through public consultation, publication of results).

Usually is an open process with the participation of stakeholders and often the results are published.

How do you evaluate the impact of SIAs? Is there any evidence that they have improved (or even affected) the policymaking process?

We have noted that such assessments clearly contribute to policymaking processes.

2. General description of the capacity for social impact assessment

In developing capacity for social impact assessment, one can choose, broadly, between developing capacity within public administration (institutional embedding) or outsourcing to research centres and academic institutions. Please briefly describe the options that have been chosen in your country and the underlying rationale.

There is no rule of thumb. In certain cases outsourcing is used and in certain cases is done within public administration resources. Outsourcing is usually used when there is no relevant expertise at public administrations or the assessments have a wider perspective.

Where social impact assessments are outsourced, briefly discuss the relationship between the external research centres (or other bodies carrying out the SIA) and the commissioning government departments. Is there a tension between academic freedom and political responsibility?

When outsourcing is used is not about academic freedom or political responsibility but more of sufficient documentation so that political commitment can be taken.

To what extent is there a long term strategy aimed at developing expertise/ human resources, methods, tools and databases?

In the area of minimum income provision there is a strategic decision to develop a set of models (microsimulation and macro-aggregate). These models will depend on data retrieved from a set of administrative databases which are electronically linked to each other. This approach will then be expanded in other social policy areas. This initiative is led by the Actuary of the Ministry of Labour and Social Insurance.

3. Strengths and weaknesses of the capacity for social impact assessment

Please describe briefly the strengths and weaknesses of the capacity for social impact assessment in your country. Consider separately a) human resources (experts - researchers), b) methods and tools and c) data sources.

- a) Human resources (experts – researchers): expert capacity building in public administrations as well as in research centres has improved over the last years but however, can be characterised as limited in certain fields / policy areas.
- b) Methods and tools: weaknesses may mainly rise for some areas in quantified assessments where data sources may be limited necessitating the conduct of surveys prior to the assessment which takes more time and resources. One of the strengths however of the methods and tools used in Cyprus is the stakeholder participation for certain fields (such as family policies).
- c) Data sources: often the data is available but is fragmented. Also, in certain fields data sources are very limited for example in administrative databases which as a consequence limit the quantitative assessment made. However, because for certain areas data is derived from the public administration concerned it is easier / quicker to retrieve it. The number of available surveys has increased over the years which facilitate the conduct of impact assessments.

4. Please, provide examples to illustrate the use of methodologies, tools and data sources in your country that could be presented / examined during the Peer Review.

Could you provide us with a short description of some (approx. 3/5) ex ante social impact assessment cases that can illustrate the use of tools, methodologies and data sources?

See Annex 1.

5. Key issues for discussion

Please indicate which key issues (related to methodology, tools and data sources for ex ante social impact assessment) you consider most useful to discuss during the Peer Review.

Annex 1: Social impact assessment case studies

Case study 1

Country: Cyprus
Short description of the policy area / context, the issue under consideration, the proposal that was assessed. Introduction of the minimum income support scheme for low income pensioners
The exact policy question to be answered. Contribute towards the reduction of old-age poverty through the provision of means-tested cash benefits
The timeframe for providing the answer. 4 weeks
The decision taken on how to do the analysis. A political decision was taken by the Minister of Labour and Social Insurance to undertake a quantitative impact assessment of the enhancement of household income - measure cost implications and impact on old-age risk-of-poverty rates
The type of impact(s) examined. Financial assessment and social assessment as measured by poverty rates
Methodologies – tools – databases used. Quantitative analysis using: <ul style="list-style-type: none"> ▪ a macro-aggregate actuarial cohort-based pension model – projected demographics and financials; ▪ SAS software – data manipulation, consolidation of data extracts from social insurance and social welfare services databases, data quality/validity tests and quantitative analyses/calculations; and ▪ Linkage analysis of SAS output and EU-SILC survey data on households - determination of eligibility rates to the new scheme.
Any examples followed (source of inspiration)?
Resources availability / constraints (general). Small team. Constraints included the fragmented data and difficulties in determining for all pensioners the characteristics of the households they belong to by matching pensioners' data from the household survey (EU-SILC) with that of social insurance/social welfare services administrative databases.
Evaluation: pros and cons of the use of methods, tools and data sources in the case examined. Provided that matching household survey with data from social insurance/social welfare services administrative databases, a micro-simulation model could have been used.
Follow up: validation – ex post evaluation? Yes, at the end of Year 1. There was an overestimation of the eligible persons and underestimation of the household income from sources other than social insurance and social assistance benefits, due to the data constraints mentioned above. This resulted to an overestimation of the Scheme's expenditure in year 1
Written material available:

Case study 2

Country: Cyprus
Short description of the policy area / context, the issue under consideration, the proposal that was assessed. Assessment of the impact of VAT imposition on foodstuffs and medicine on groups of the population
The exact policy question to be answered. The social impact of this measure on the incomes of the vulnerable groups of the population - The increase in the cost of living of households by income category.
The timeframe for providing the answer. 1 month
The decision taken on how to do the analysis. It was a decision of the minister of finance. Resources were used from the Ministry of Finance.
The type of impact(s) examined. Income
Methodologies – tools – databases used. Quantitative analysis-databases used were the Family Budget Survey
Any examples followed (source of inspiration)? Standard application of the Cost of Living Index calculation methodology.
Resources availability / constraints (general). No resources or other constraints faced.
Evaluation: pros and cons of the use of methods, tools and data sources in the case examined. The advantages were that we could use already available data and thus was quicker. Only disadvantage is the lack of real data on the transmission of VAT increases on prices in the economy. Analysis was based on certain assumptions and sensitivity tests.
Follow up: validation – ex post evaluation? Not yet.
Written material available: Not publicised