



France 2009

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

Short Report



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



Held in Paris (France) on 3-4 December 2009, the Peer Review was hosted by the French Ministry for Labour, Labour Relations, Family, Solidarity and Urban Affairs/Ministry for Housing. In addition to the host country, ten peer countries took part: Belgium, Bulgaria, Ireland, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal and Romania. Also participating were stakeholder representatives from EUROCHILD and the European Anti-Poverty Network (EAPN), together with representatives of the European Commission's DG Employment, Social Affairs and Equal Opportunities.

1. The policy under review

France is committed to reducing poverty by a third by 2012, and the government is required to report to parliament each year on progress towards that goal. The first report was presented on 17 October 2009. Monitoring is based on a "scoreboard" designed in consultation with a wide range of government departments, stakeholders and experts (including EU representatives). Annual publication of this scoreboard is intended to promote transparency and dialogue on social inclusion. A large part of the scoreboard indicators draw on those developed within the EU's Open Method of Coordination (OMC).

At the start of the measurement period, the **financial poverty threshold** is set at 60% of median household income in France. For 2007, this threshold was €910 a month. The threshold will be inflation-adjusted for each of the following five years. However, poverty is not just a matter of income. The scoreboard also measures progress on **access to a wide range of everyday requirements such as employment, housing, health, education and training**. In each of these areas, an indicator measures access to fundamental rights. Two further indicators are brought in to track the **rate of difficulties with living conditions** – or material deprivation (a score based on a series of measured hardships) and the **poverty persistence rate**. The intention is also to monitor **poverty rates at lower thresholds** (40% and 50% of the median income) and **poverty intensity** (in this case, the difference between poor households' median income and the 60% threshold). **Indicators of inequality** are included, for example a measure of the rate of relative poverty (at-risk-of-poverty rate). A further concern is to arrive at a more realistic assessment of **disposable income** by factoring in the proportion of household income spent on overheads.

The EU Council meeting of 17 December 2008 invited Member States to continue discussing "the relevance of determining quantified objectives in the area of combating poverty and social exclusion that are appropriate to the situation of each Member State". In that light, the French hosts asked the Peer Review participants to focus on three topics in particular:

- The **governance issues** involved in designing, coordinating and using a measurement tool such as the scoreboard, in partnership, at the national and local levels
- The **role of indicators** in the monitoring and assessment of social exclusion, both nationally and locally
- The **participation and role of beneficiaries** in this process. How can citizens' involvement in policy formulation and implementation be improved? How can that participation be put to good use? What are other countries' experiences of user involvement in social policy?

2. Key lessons and aspects of transferability

Among the main points to emerge from the Peer Review:

- **Indicators are a means to an end.** Tracking indicators without ensuring the appropriate follow-up action on the ground will not reduce poverty. Indicators may need to take greater account of the **current overall economic context**, particularly during downturns. The need for **multiple indicators of poverty** was generally recognised. Some sub-indicators may be chosen for their implication for outcome indicators (eg. Jobless households for poverty).
- The **legal underpinning** of the French policy is an important element that might usefully be taken up elsewhere. In France, both the use of the scoreboard and the goal of reducing poverty by one-third within five years have been enacted into law. The **annual reporting requirement** is an important means of interesting the population at large in the fight against poverty. It could be one approach to increasing accountability at the national and European levels.
- **Partnership** is a central element of the French strategy, during both formulation and implementation. Widespread consultation of stakeholders and experts, as well as broad interministerial involvement, is crucial to the identification and application of the best indicators. It also helps building popular support for anti-poverty action, so encouraging politicians to take bolder steps.
- **Involvement of people with direct experience of poverty** is essential to good policy-making in this field. But this implies greater effort by policy-makers and experts to listen to them and engage with them. People living in poverty also need to be equipped with **advocacy skills**.
- **Targets** should be challenging but attainable. They should stretch society's organizational capabilities, but at the same time be informed by past experience of what policy can and cannot achieve. The **risks of quantified target-setting** should also be recognised. It can lead to the downplaying of poverty aspects that are not immediately quantifiable and can tempt administrations to concentrate on action that appears to meet goals rather than actually doing so ("gaming").
- **Recognition of success** in combating poverty, such as awards or websites that rank local authorities in terms of performance, can be an important motivator.
- While much has been done within the EU's Open Method of Coordination to develop social inclusion indicators and encourage their use, the **choice and application of indicators is a national and local matter**. Poverty levels and social contexts vary widely across the EU.
- **Data collection and interpretation**, particularly at the local level, can pose problems. Consideration should perhaps be given to a simpler set of indicators for local use. The skills and infrastructure for asking the right questions need to be in place. This may entail government support for civil society organisations. **Predictive data** are also needed in order to keep anti-poverty action up to date. Official statistics often do not reflect the current situation. Internet-based data gathering, continuous monitoring panels and citizen panels may be means of rectifying this.
- **Microsimulation** models, such as EUROMOD, may be of assistance in calculating the effects of taxes and benefits on household incomes and work incentives.