



Peer Review in Social Protection and Social Inclusion and Assessment in Social Inclusion

Slovak Republic 2008

Social impact assessment

Short Report



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



Representatives from several European countries and stakeholder organisations met in Bratislava, Slovak Republic, on 6-7 November 2008 to examine the issue of **social impact assessment**. The Slovakian Ministry of Labour, Social Affairs and Family hosted the meeting within the framework of the Peer Review programme on Social Protection and Social Inclusion.

Joining the host country participants were experts and government representatives from six European Union Member States: Austria, Belgium, Bulgaria, Germany, Ireland and Romania, plus Norway, together with two stakeholder organisations: the European Anti-Poverty Network (EAPN) and the European Older People's Platform (AGE). Also taking part in the Peer Review were representatives from the European Commission Directorate-General for Employment, Social Affairs and Equal Opportunities, from the Centre for European Policy Studies (CEPS), and from the Evaluation Partnership (TEP), a UK-based evaluation and public sector consulting organisation.

1. The policy under review

This Peer Review meeting offered the opportunity for a wider debate on the question of social impact assessment: collecting views and exchanging opinions on its relevance and effectiveness, how best to carry it out, and which countries have already taken initiatives in this field and have lessons to share.

EU policy objectives place as much emphasis on social as on economic or environmental goals. While social policies have a prominent role in all Member States in, for example, ensuring equality of opportunity for all sections of the population, decisions taken in other policy areas can also impact, both positively and negatively, on overall progress.

Thus, there is recognition at both European and national level of the need for policy coherence between the three main pillars of the EU's Lisbon Strategy: economic, social and environmental. Furthermore, the focus on growth and jobs since 2005 should not mean that social objectives are relegated to second place.

Reliable methodologies for impact assessment, not merely after the policy has been applied but more importantly before it gets underway (*ex-ante*), can help to ensure that new measures in one area do not produce unintended, counter-productive side effects in another. At a time of budgetary constraints, social impact assessment also avoids the cost of dealing with social problems that could subsequently arise.

In the framework of the Open Method of Coordination on Social Protection and Social Inclusion (OMC) social impact assessment has increasingly come to the fore and Member States are more and more interested in the benefits of it.

A brief definition of social impact assessment is *a legal commitment for systematic ex-ante assessment of the likely social impacts of policy measures in any area, with the participation of all relevant stakeholders*.¹

¹ See I. Nicaise, *Social Impact Assessment. Discussion paper*, Leuven: HIVA, 2008, p. 2 for a more precise definition.

It is particularly relevant to the Social OMC in that it implies a more rigorous approach to decision-making, combining:

- Mainstreaming of social (protection and inclusion) policy and awareness raising among policy-makers;
- Greater transparency, through the involvement of all stakeholders;
- Higher quality social policies.

The Slovak Republic is currently developing a unified assessment methodology. While it is up to each Ministry to decide on the most suitable method of assessment, it must be able to identify and quantify the financial impact on households (both income and expenditure), and the impact on social inclusion and social inequality (vulnerable groups, access to goods and services, equal opportunities, employment, regional differences etc.). A pilot project is underway and will be evaluated in March 2009.

Ireland is the only EU Member State with any long-term experience of implementing social impact assessment. So-called 'poverty-proofing' was first introduced in 1998, aimed at developing better policies for the more vulnerable in society and those experiencing or at risk of poverty. Following a review in 2006, the guidelines were revised in March 2008 and the process renamed Poverty Impact Assessment, to emphasise its status as an integral part of policy development.²

The **European Commission** has its own integrated impact assessment system. Lately some initiatives have been taken to strengthen the assessment of social impacts. Several studies have been launched and DG Employment has produced a *Toolkit to Assess Social Impacts*, designed to offer minimum standards to help Commission services to evaluate the social and employment impacts of initiatives across different policy areas.³

2. The key issues

The meeting identified and discussed six key issues relating to social impact assessment:

- Political capital: a legal framework does not guarantee effective evaluation, and political will is needed to make it more than a 'paper' exercise.
- A shared vision of social inclusion: outcomes will depend on the reference framework selected. How can the different actors involved reach a consensus?
- Stakeholder relations: what steps are needed to build confidence between policy-makers, experts and NGOs, and ensure that assessment is transparent, democratic, and takes account of the views of all groups, including the excluded ones?

² See: www.socialinclusion.ie

³ See: http://ec.europa.eu/governance/impact/docs/key_docs/080425_toolkit_for_assessment_of_social_impacts_revised.pdf

- Producing quality: a number of conditions must be fulfilled to ensure successful impact assessment, e.g. appropriate assessment methods, transparency of procedures, availability of resources (also for capacity building).
- Keeping the process manageable: participants looked at how to distinguish policies requiring full-scale social impact assessment, compared with those that can be adequately addressed through 'quick test' procedures.
- Role of the European Commission: what support is needed at EU level to help Member States carry out useful social impact assessment?

Peer Review participants heard that the Commission has just commissioned a new research study on *Social impact assessment as a tool for mainstreaming social protection and social inclusion concerns in public policy in the EU Member States*. The Evaluation Partnership will carry out the work, to be completed by early 2010. Representatives from TEP outlined their objectives and methodology, which are still at the preliminary stage, and welcomed input from Member States.

3. Lessons, conclusions and recommendations

The meeting identified the following essential messages:

- Social impact assessment can be defined as a specific tool based on a detailed set of guidelines, but the concept can also be understood in a broader way as a democratic transparent way of policymaking whereby policy proposals are made public early on in the policy process and there is an enabling broad public debate. In the field of social protection and social inclusion, its aim is to mainstream social objectives and strengthen coherence between social policy and other areas of policy-making.
- On the basis of peer countries' and stakeholder networks' experiences it was concluded that social impact assessment is currently not well developed and that there is a lot of room for improvement. Although legal frameworks are in place in many countries, often too little is being done in practice. Methodologies may be demanding and proportionality should apply: it is better to carry out a limited evaluation than nothing at all. Even a 'light' assessment is worthwhile, as long as it is not merely confined to ticking boxes on paper, but promotes a critical reflection on the objectives, risks and potential impacts of the policy in question and consultation of stakeholders.
- Social impact assessment can be found in many shapes. Often it is part of broader impact assessment arrangements like a sustainable development test.
- In order to ensure quality, ex-ante social impact assessment should be followed by ongoing and ex-post assessment of the policy/measure in question.
- The effective involvement of stakeholders is essential. In this context the quality of consultation/participation was discussed. Time constraints can be an important obstacle to quality participation. There is a need for capacity building and financially supporting the participation of stakeholders.

- In the National Reports on Strategies for Social Protection and Social Inclusion 2008-2010 several Member States have indicated that they have adopted minimum standards for consultation (e.g. the United Kingdom, Austria, Estonia ...). The European Commission also has minimum standards⁴. EU stakeholder networks have developed toolkits on how to involve stakeholders in the policy process (e.g. AGE on how to involve the elderly). These standards are a good basis for mutual learning.
- It was mentioned that for policymakers it is not always clear whom they should consult. There are often several NGOs active on the same issue and their representativity is not always clear. NGO umbrella organisations can be part of the answer, but broad consultation and direct consultation of people experiencing poverty was considered to be necessary.
- Social impact assessment arrangements can only be effective if the necessary resources and capacity are available. This means that a substantial investment in human resources, training, data sources, tools and analytical capacity is necessary.
- There is a need to explicitly mention the agreed social objectives that should be referred to as criteria for social impact assessment in the impact assessment guidelines.
- When assessing social impacts it is not sufficient to only look at impacts on the general population. One should examine impacts on a broad range of vulnerable/target groups.
- In assessing social impacts apart from quantitative also qualitative analysis is very important.
- The question of the actors that should be involved in social impact assessment, and in particular whether the assessments should be carried out by public authorities or by independent experts was discussed. It was agreed that independent expertise is important and should be used for supporting the process, but on the other hand policymakers should have final responsibility (accountability).
- It is not always easy to demonstrate that social impact assessment has really made a difference in the sense that the policy that was finally adopted was clearly better than the one that would have been adopted without the impact assessment. Some examples were given.
- Parliament has a crucial role to play. It can insist that legislative proposals can only be submitted if they are accompanied by a social impact assessment.
- Thanks to a very practical discussion, the meeting identified five ways for the European Commission to support Member States in carrying out social impact assessment:
 1. Fund and disseminate research, like the TEP study about to get underway. Participants looked forward to seeing the results in 15 months' time.
 2. Disseminate existing methodologies and tools, some available online.
 3. Foster the quality of stakeholder involvement by encouraging mutual learning (e.g. through training, funding, capacity building).

⁴ COMMUNICATION FROM THE COMMISSION Towards a reinforced culture of consultation and dialogue - General principles and minimum standards for consultation of interested parties by the Commission. COM(2002) 704 final (11-12-2002).

4. Recommend to Member States that they should apply social impact assessment to specific reforms proposed in their National Reform Programmes for Growth and Jobs.
5. Disseminate micro-models and step up research in this field through the EU Framework Programme for Research and Development.