

Social monitoring and reporting: expectations, achievements and shortcomings, a policy makers view

Villa Vigoni, IT, 14 March 2013

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Outline of the presentation

- i) Developing social indicators at EU level – the role of the social open method of coordination (OMC)*
- ii) Current instruments for social monitoring*
- iii) Main challenges*
- iv) The contribution of the Social Investment package*

Developing social indicators at EU level (1)

- Policy coordination process between Member States

- based on common objectives, indicators, regular reporting, joint assessment and mutual learning
(Social Open Method of Coordination)

1975: Common definition of poverty:

- the poor are "***individuals or families whose resources are so small as to exclude them from the minimal acceptable way of life of the member state where they live***"

2000: Common "Laeken" indicators to monitor Lisbon and the EU social inclusion strategy

- **18 indicators of social inclusion including headline indicator "*at-risk-of poverty*" rate => strong focus on relative poverty**

Developing social indicators at EU level (2)

*-**2010:** Europe 2020 strategy for a smart, sustainable and inclusive growth.*

- **Ensuring that the "*benefits of growth are widely shared and that people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society*".**
- **New definition of people *at-risk-of poverty or social exclusion* based on 3 indicators**

Current instruments for social monitoring (1)

- quantitative – based on the set of commonly agreed EU indicators on social inclusion and social protection, including monitoring the Europe 2020 headline target on poverty and social exclusion*
- qualitative – based on country-specific surveillance of social policy reforms*

Current instruments for social monitoring (2)

Methodologies for quantitative monitoring:

Social Protection Performance Monitor (SPPM)

– designed by the Social Protection Committee and adopted by the Council in October 2013, focus is on identifying 'social trends to watch' triggering in-depth multilateral surveillance among MS

Joint Assessment Framework (JAF)

- A common EC-SPC-EMCO methodology for identifying country specific challenges in the areas of employment and social policies

SPPM (1)

- An instrument of the Social Protection Committee, endorsed by the EPSCO Council in October 2012
- aim: identify key social trends to watch and positive social developments to be communicated to the EPSCO Council
- structure: a short list of key social indicators (covering the areas of social inclusion, pensions and health) and monitoring statistically significant trends in the last year as well as in comparison to 2008 (Europe 2020 base year)

SPPM (2)

- focus on *statistically significant* trends

Member States

			EU27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	Trend to watch	Positive trend		
At risk of poverty or social exclusion (total pln)	in %	2010	23,4	20,8	41,6	14,4	18,3	19,7	21,7	29,9	27,7	25,5	19,2	24,5	23,6	38,1	33,4	17,1	29,9	20,6	15,1	16,6	27,8	25,3	41,4	18,3	20,6	16,9	15,0	23,2				
		y-to-y change in pp	~	0,6	-4,6	~	0,7	~	-1,7	4,2	~	2,1	0,7	~	~	~	3,9	-0,7	~	~	~	~	~	0,4	-1,7	1,2	1,0	~	-0,9	1,1	YES			
		change to 2008 in pp	~	~	3,4	~	2,0	~	~	6,2	~	2,6	~	~	~	1,2	4,3	5,8	1,6	1,7	1,0	~	-2,0	-2,7	~	-2,8	~	~	~	~	~	YES		
At risk of poverty rate (total pln)	in %	2010	16,4	14,6	20,7	9,0	13,3	15,6	15,8	16,1	20,1	20,7	13,3	18,2	15,8	21,3	20,2	14,5	12,3	15,5	10,3	12,1	17,6	17,9	21,1	12,7	12,0	13,1	12,9	17,1				
		y-to-y change in pp	~	~	~	~	~	~	-3,9	~	~	1,2	~	~	~	~	-4,4	~	~	~	~	-0,8	~	0,5	~	-1,3	1,4	1,0	-0,7	~	~			
		change to 2008 in pp	~	~	~	~	~	1,5	~	-3,7	~	~	1,1	~	~	~	-4,3	~	1,1	~	~	~	~	~	~	-2,3	~	1,1	~	~	-1,6			
at-risk-of-poverty riskthreshold for a single person	in pps	2010	10.398	3.528	5.793	10.713	10.635	4.490	9.705	7.559	7.995	10.711	9.119	11.308	3.580	3.615	16.049	4.012	8.007	11.294	11.451	4.540	5.839	2.122	8.228	4.984	10.276	10.897	10.238					
		y-to-y change in %	~	~	~	~	~	~	-6,3	-8,1	~	~	~	~	~	~	-18,5	-17,5	~	~	~	~	~	~	~	~	5,8	~	~	~	~			
		% change to 2008	~	~	23,4	~	~	~	~	~	-11,0	~	~	~	~	~	~	-17,8	-13,3	~	~	~	~	~	~	~	15,5	~	22,8	~	~	-8,0		
Severe material deprivation rate (total pln)	in %	2010	8,1	5,9	35,0	6,2	2,7	4,5	9,0	7,5	11,6	4,0	5,8	6,9	9,8	27,4	19,5	0,5	21,6	5,7	2,2	4,3	14,2	9,0	31,0	5,9	11,4	2,8	1,3	4,8				
		y-to-y change in pp	~	0,7	-6,9	~	0,4	-0,9	2,8	1,4	0,6	0,5	~	~	~	~	5,5	4,4	-0,6	1,3	1,0	0,8	~	-0,8	~	-1,2	~	~	~	-0,3	1,5	YES		
		change to 2008 in pp	~	~	3,5	~	~	-1,0	4,1	2,0	~	1,5	~	~	~	1,0	8,4	7,2	~	3,7	1,7	~	-2,1	-3,5	~	-1,9	~	~	~	~	~	~	YES	
Share of the population (0-59) in very low work intensity households	in %	2010	10,0	12,6	7,9	6,4	10,3	11,1	8,9	22,9	7,5	9,8	9,8	10,2	4,6	12,2	9,2	5,5	11,8	8,4	8,2	7,7	7,3	8,6	6,8	6,9	7,9	9,1	5,9	13,1				
		y-to-y change in pp	1,0	0,3	1,0	0,4	1,8	~	3,3	3,1	1,0	2,8	1,5	1,4	0,8	5,5	2,3	~	~	~	~	~	0,4	1,7	-0,9	1,3	2,3	0,9	~	~	~	YES		
		change to 2008 in pp	1,0	~	~	~	2,0	~	3,6	9,3	~	3,6	1,0	~	~	~	7,1	4,1	~	~	~	~	~	~	2,3	-1,4	~	2,7	1,8	~	2,7	YES		
Relative median poverty risk gap (total pln)	in %	2010	23,2	18,0	29,6	21,1	21,6	20,7	23,2	15,2	23,4	30,6	20,2	24,5	18,0	29,4	32,6	18,6	16,5	16,6	16,2	17,2	22,2	22,7	30,6	20,2	25,7	13,8	19,7	21,4				
		y-to-y change in pp	~	~	2,2	2,3	3,2	~	6,2	-1	~	2,9	2,0	1,9	~	~	9,5	1,0	~	~	~	~	~	~	~	~	-1,4	~	2,5	-1,3	~	~	YES	
		change to 2008 in pp	1,5	~	2,6	2,6	3,6	-1,5	2,9	-2,5	-1,3	7,0	5,4	1,5	1,5	~	~	6,9	2,0	~	-3,8	1,3	1,9	1,6	~	-1,7	~	7,6	-1,9	1,7	~	~	YES	
S80/S20 (total pln)	ratio	2010	5	3,9	5,9	3,5	4,4	4,5	5	5,3	5,6	6,9	4,5	5,2	4,4	6,9	7,3	4,1	3,4	4,3	3,7	3,7	5	5,6	6	3,4	3,8	3,6	3,5	5,4				
		y-to-y change	~	~	~	~	~	~	~	1,1	~	~	~	~	~	~	1	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~		
		change to 2008	~	~	~	~	~	~	~	~	~	1,5	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~		
At-risk-of-poverty or social exclusion (0-17)	in %	2010	27,0	23,2	44,6	18,9	15,1	21,7	24,0	37,6	28,7	29,8	22,6	28,9	21,0	42,0	34,3	22,3	38,7	24,4	16,9	18,8	30,8	28,7	48,7	15,2	25,3	14,2	14,5	29,7				
		y-to-y change in pp	1,0	2,7	-2,7	1,7	1,1	1,3	~	6,2	-1,3	3,6	1,4	~	~	~	4,0	3,3	-1,4	1,5	-1,1	~	1,3	~	~	-3,3	~	1,6	~	~	2,3	YES		
		change to 2008 in pp	~	1,9	6,2	~	2,4	1,6	4,6	11,0	~	3,5	1,2	~	~	~	8,8	4,9	1,4	5,3	~	1,4	-1,6	-2,1	~	-2,5	~	1,0	~	~	~	~	YES	
Impact of social transfers on poverty risk reduction (total pln)	in %	2010	36,7	45,3	23,6	50,3	54,3	35,5	36,5	60,1	15,5	26,3	47,2	21,9	32,2	26,8	36,5	50,2	56,7	32,3	51,2	49,8	27,9	32,2	23,3	47,5	39,4	51,5	51,7	44,8				
		y-to-y change in pp	~	~	6,2	~	~	~	~	12,6	~	~	6,3	~	~	~	11,6	6,5	5,4	~	~	5,3	~	~	5,9	~	~	~	~	~	~	~		
		change to 2008 in pp	~	~	~	~	~	~	~	15,5	5,7	~	7,7	~	~	~	11,6	10,0	7,0	~	~	~	~	~	6,5	~	~	~	~	-5,5	9,5			
At-risk-of-poverty rate for the population living in very low work intensity households	in %	2010	56,9	55,4	76,2	57,6	44,4	67,3	69,9	38,8	39,1	57,1	54,7	54,9	51,6	71,7	65,0	45,9	52,8	62,9	36,7	53,7	56,6	57,9	44,6	56,1	61,5	60,0	61,6	57,3				
		y-to-y change in pp	~	-2,2	-2,6	~	~	~	-3,6	-7,2	3,3	~	4,7	6,2	2,9	-10,3	-7,7	-1,2	4,0	5,7	-10,3	6,5	2,0	1,4	-4,0	7,0	2,5	-3,8	4,1	-4,5	YES			
		change to 2008 in pp	1,1	~	-1,6	2,2	2,9	3,1	-12,4	-7,8	-1,2	1,9	4,6	1,9	-4,5	-11,3	-1,4	-3,5	4,3	1,8	-3,0	3,5	7,4	4,7	-5,8	1,1	8,4	3,7	10,2	-5,8	YES	YES		

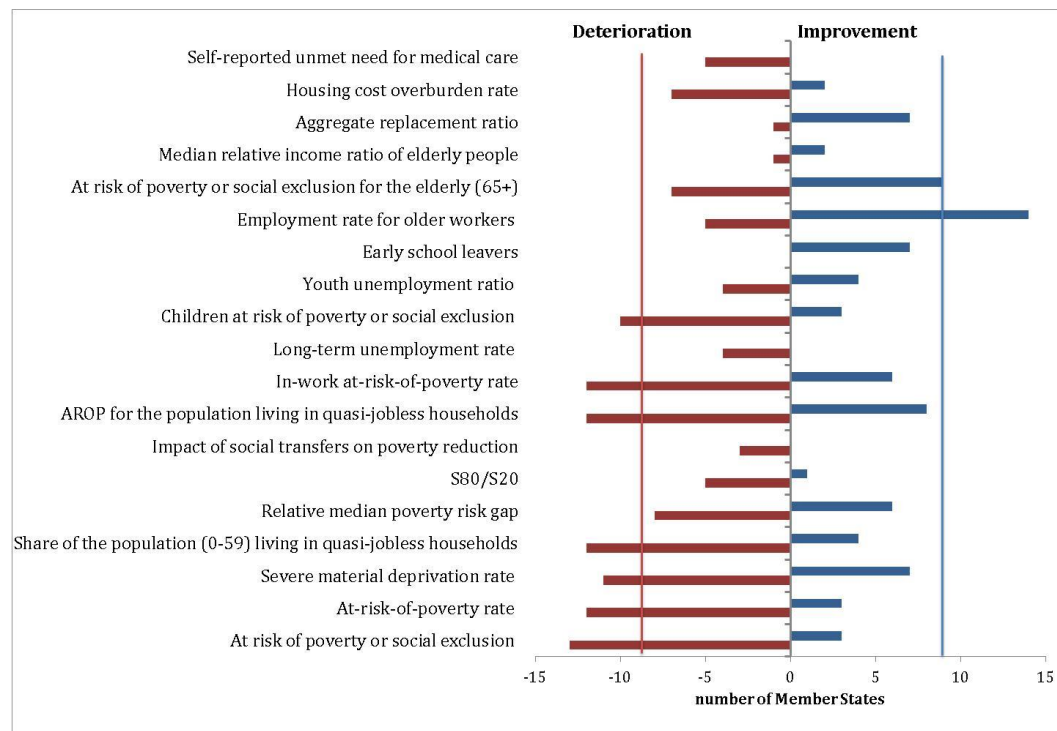
Indicators

■ = positive change
■ = negative change
~ = remained stable

SPPM (3)

- focus on a critical mass of countries in order to identify 'social trends to watch'

Number of Member States showing significant improvements or deterioration in key social indicators over latest year (2011)



Reading note: the vertical lines are set at 9 Member States or 1/3 of all Member States in order to give an indication of widespread trends

Joint Assessment Framework (1)

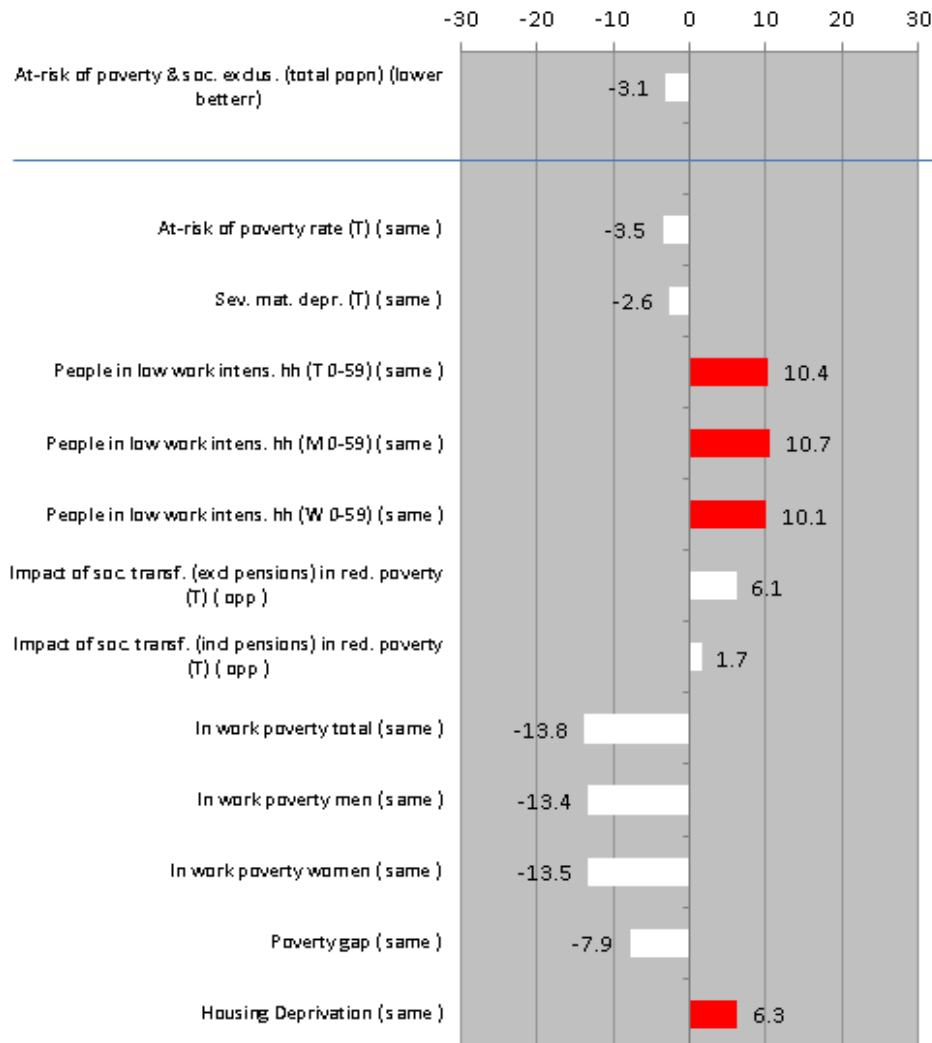
- **analytical tool** in the dialogue between the Commission and the Member States to support the identification of key challenges and help Member States establish their priorities
- value added - EU cross-country comparative dimension, which can, for instance, help MS evaluate the relative magnitude of their challenges
- the quantitative assessment is based on a selection of main indicators per policy area. Its objective is to give an indication for spotting possible challenges which will then, in a second step, be complemented and completed by a qualitative analysis.

Joint Assessment Framework(2)

The quantitative step of the JAF has the following general properties:

A simple and transparent standardisation method that is applied to all main indicators (centred on the EU weighted average).

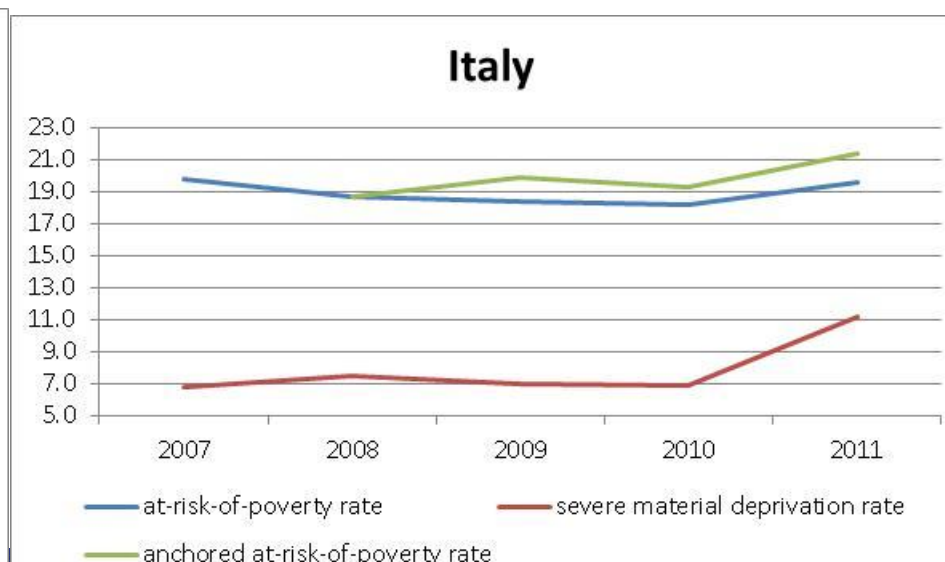
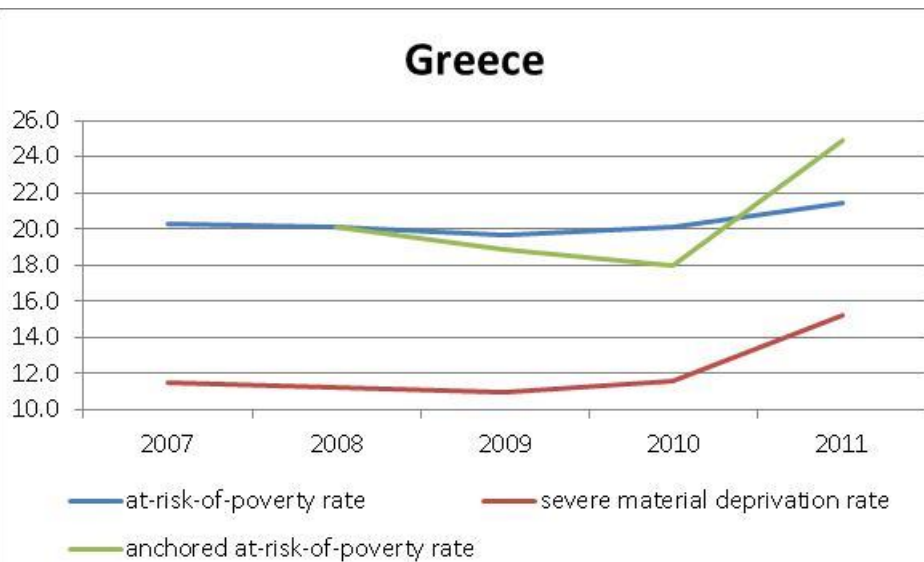
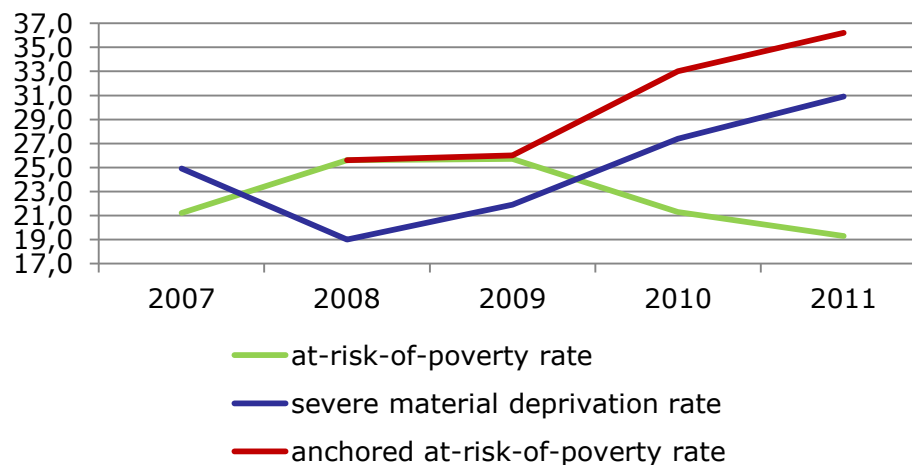
Determine per country and indicator whether the outcomes are favourable or less favourable.



Joint Assessment Framework(3): an example

Main challenges (1) the crisis and the measurement of poverty and social exclusion

Latvia



Main challenges (2)

Measurement of poverty and social exclusion (contd)

- Review of material deprivation items in EU-SILC
- Redistributive impact of in-kind benefits
- Better measure « extreme » poverty (homelessness, Roma)

Capturing better access to services

Timeliness

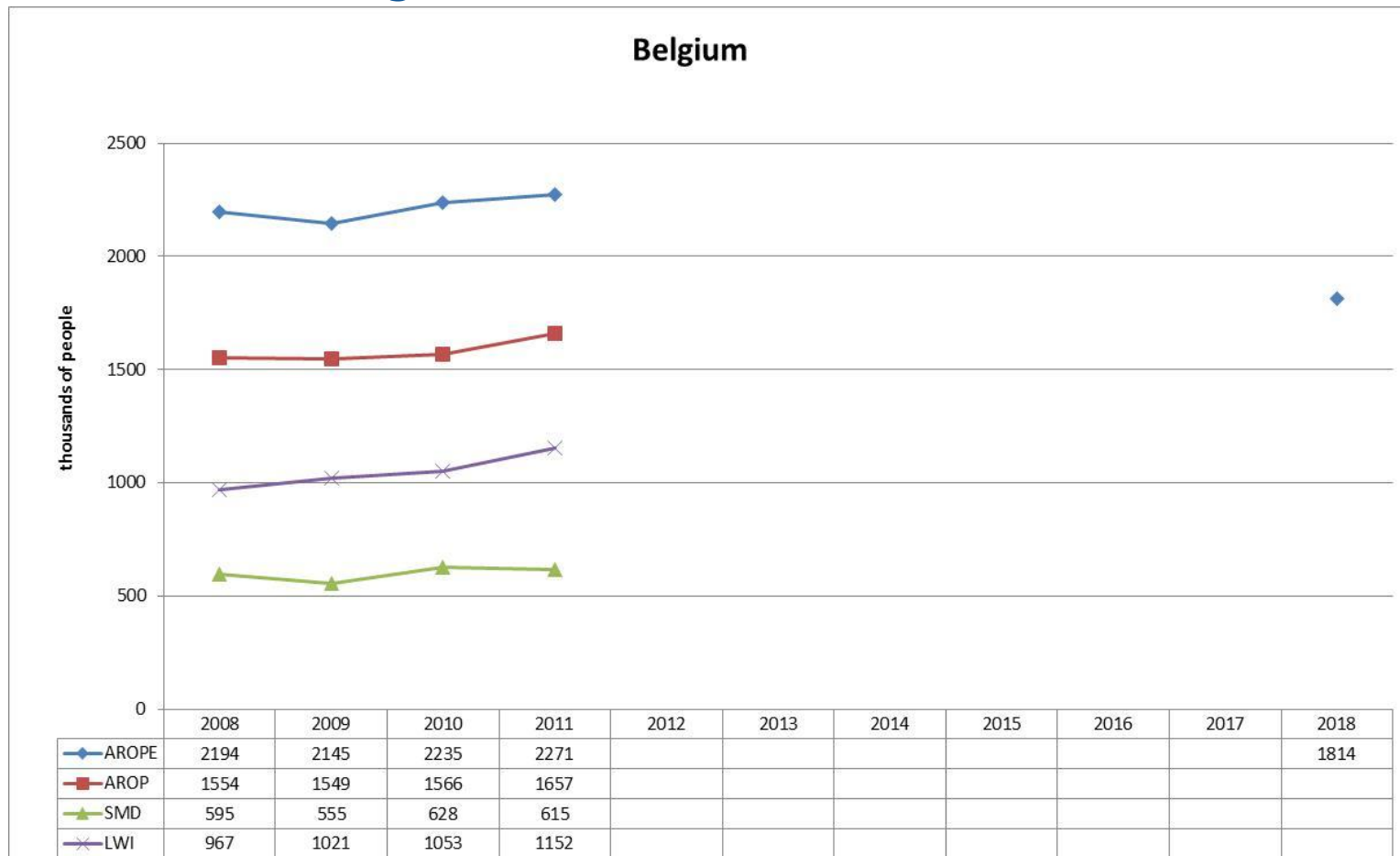
- Commission strategy to address the timeliness problem in social data

Need for tools for ex-ante evaluation and social impact evaluation

- EC/OECD tax benefit models
- Euromod microsimulation

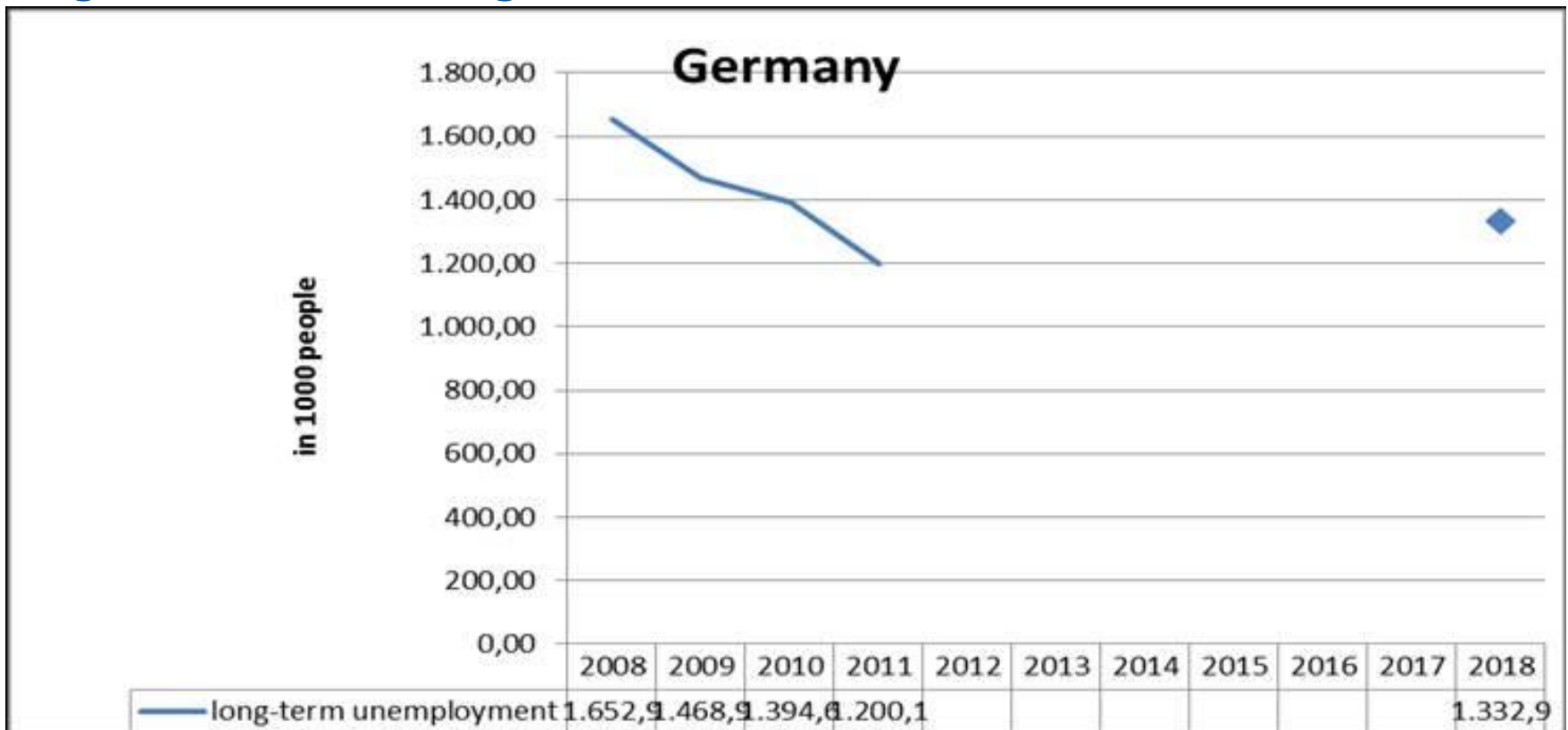
Main challenges (3)

Monitoring the national 2020 targets – a need for a good governance arrangement



Main challenges (4)

Monitoring the national 2020 targets – a need for a good governance arrangement



Main challenges (6)

- Stronger political request to address better in the monitoring process:
 - the link between inputs and outcomes,
 - effectiveness and efficiencies of social policies,
 - the balance between universalism and targeting
 - the balance between cash and in-kind benefits

Main challenges (7) – some concluding remarks

On the positive side

- Substantial progress towards stronger evidence-based policy making in the social field
- Important achievements related to consensus reached on measurement, common indicators, regular monitoring, clearer messages to Council
- a concrete EU target on poverty and social exclusion
- an extensive peer learning experience which has seen new monitoring tools being taken up in national policymaking (ex. Irish poverty monitor)

For future work

- Our information is still lagging behind
- The intrinsic complexity in the measurement of income distribution makes the messages coming from some of the indicators unrealistic to common people
- Still difficulty in measuring the most extremes forms of poverty
- Credibility of Europe 2020 target is sometimes questioned due to the difficulty in reconciling different national targets

The contribution of the Social Investment Package

- *adopted by the European Commission in February 2013*

- *the approach focuses on:*

- i) Developing human capital by giving people the skills and capabilities to participate in society*

- ii) Empowering and supporting people in crucial stages of their lives, starting in childhood*

- iii) Prevention keeps larger economic and social costs from arising in the future*

Social Investment Framework: 3 Integrated Pillars

1. Increase the sustainability and adequacy of social systems through simplification and better targeting
2. Pursue activating and enabling policies through targeted and more effective support
3. Social Investment throughout the individual's life

Overall areas for data and indicators' development (1)

A) Improving timeliness

1. **Early estimates of material deprivation** (and possibly subjective poverty, monthly income) based on faster treatment of SILC data

2. **Alternative early warnings of deterioration in social trends:**

- The financial distress indicator
- Monthly current income
- Nowcasts of the poverty rate
- behavioural response of households in reaction to an income shock
- Trends in the disbursement of social benefits
- trends in the number of clients of social services

Overall areas for data and indicators' development (2)

B) Improving the measurements of social outcomes

- **Integrating non-monetary income components into cash-based income measures (benefits in kind, imputed rent,...)**
- **Improving the measurement of material deprivation**
- **The dynamics of poverty and social exclusion**
- **Capturing the gender dimension of poverty**
- **Capturing the situations of children and youth (e.g. alternative care, health status,...)**
- **Measuring the most extreme forms of poverty and social exclusion (homelessness, ROMA,...)**

Specific areas for improving the monitoring and the knowledge-base in policymaking (1)

Longitudinal data

Better capturing situations across the life course

Data disaggregation based on relevant characteristics

Better capturing inequalities based on gender, migrant status, etc.

Reference budgets

Ensuring adequate livelihoods

Specific areas for improving the monitoring and the knowledge-base in policymaking (2)

**Capturing information from those most
excluded from society**

Poverty maps

Simulating the impacts of social policies

EUROMOD

Improving monitoring of thematic policy areas - Child poverty and well-being

More efforts are needed as for data on:

- **status of children in the most vulnerable situations, outside traditional households and health social gradient**
- **affordability and quality of childcare**
- **issues peculiar to the 18 to 24 age group**

The Commission has identified a set of indicators for monitoring children's situation in the Recommendation on Investing in Children

Improving monitoring of thematic policy areas - Active inclusion

Lack of up to date, harmonised and cross-country comparable data point to the need for:

- **Further improving the set of indicators used to monitor country-specific challenges and progress in the active inclusion strategy and its evaluation in the context of the European Semester**
- **Better data collection to make more data available including indicators for access to quality services, healthcare, child care, access to quality housing, coverage of benefits and services.**

Improving monitoring of thematic policy areas - Homelessness

Further work is needed on developing adequate measures of the different forms of extreme poverty

Comparative data on homelessness and data collection methodologies to measure homelessness are few and far between at both European and national levels

The Commission promotes a harmonised nomenclature of situations of homelessness and housing exclusion (ETHOS), to facilitate the compilation of data from different sources. It also advocates for further involvement of national statistical institutes in the collection of data

EU-SILC revision

The revision is dealing with content, timeliness, methodology, the longitudinal component, and modes of data collection

Content: *Housing (housing cost, housing quality); Health; Child care; Labour market variables*

Timeliness: *Study on feasibility of micro-simulation for timely social indicators (adaptations in and use of SILC for fitting the needs of micro-simulation tools in particular Euromod)*
Action plan on timeliness (Social Investment Package)

Methodology:

Longitudinal component: *Possibility for lengthening the longitudinal component from a 4-year to a 6-year or 8-year rotating panel, for better analysis of dynamics; Best practices for reducing and controlling for attrition bias*

Modes of data collection: *annual data collection through a nucleus of variables (Relationships within the household; Housing conditions; Health; Labour; First wave module (incl. Migration)) and a set of rolling modules (to be collected every 2-4 years)*

Ad hoc group on efficiency and effectiveness of social spending and financing arrangements – Main tasks

- **Develop a framework for assessing effectiveness and efficiency of both in kind and cash social protection benefits.**
- **Present in 2014 a final report on efficiency and effectiveness of social spending and financing arrangements**

The social dimension of the EMU

- *December 2012 European Council – agreement that the EMU needs to be strengthened in order to ensure a highly competitive social market economy and the preservation of the **European social model***
- *request for a series of proposals and a roadmap for:*
 - a) *closer **ex-ante coordination of major economic policy reforms** in the context of the European Semester;*
 - b) ***measures to reinforce the social dimension of the EMU**, including social dialogue;*
 - c) *the feasibility and modalities of mutually agreed contracts for competitiveness and growth;*
 - d) *a solidarity mechanism to enhance these efforts.*

Thank you!