

Policy Department
Economic and Scientific Policy

THE INCLUSION OF SOCIAL ELEMENTS IN IMPACT ASSESSMENT

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Short executive summary: results and suggestions

Main results

The methodology

Quite a few IAs do not consider, or only marginally consider social elements. The degree to which social elements are considered is not necessarily “proportionate” with respect to the policy content and its likely impact. Most of the IAs only arrive to the identification of impacts that in many cases are based on general statements and shared assumptions concerning the relations between a set of social and economic elements, without any identification of possible social indicators able to describe the impacts expected. The impacts described in the IAs analysed rarely appear “Specific, Measurable, Accepted, Realistic and Time-dependent” and statistical data, evaluation reports from previous or similar programmes are not systematically used by the IA: Impacts tend to be analysed with a much more ‘qualitative’ approach.

Several IAs have not envisaged any correlation with other policy domains or EU policies.

This identification and the analysis of the Impacts on existing inequalities has not been provided in most of the IAs evaluated.

Nature of the proposals assessed, format and monitoring of impacts

The analysis of impacts should be based on reliable data and robust analysis but this is not possible for “Broad policy-defining documents” such as Communications.

Monitoring and evaluation in the implementation process

Only a limited number of assessments set out procedures intended to *monitor and evaluate* and identify clear cut indicators to be used in this direction.

Internal organisation and transversal analysis

The new *transversal* approach of IA not always appears in the ones evaluated: we have found in depth analysis mostly concerning the specific issue of the document, and far more less detailed ones concerning other different issues

A selection of the most significant suggestions

Giving consistency and relevance to the assessments

1. the absence of social impacts should be stated and justified as much as its presence.
2. the exiting list of questions (the headlines) concerning the possible social impacts included in the Guidelines should be used as an actual checklist: a short description and justification of the answer should be provided.
3. a list of relevant and common indicators should be produced and introduced

Establishing the causes

1. The identification process of the potential effects should begin by reducing the variability, by focusing the attention on specific targets, on a specific territorial level, etc., and, at this level, try to put into evidence the possible effects.
2. we suggest to explicitly state the possible intervening variables (institutional and non institutional actors involved, criteria adopted for funding projects, and so on and so forth) in the implementation process of each specific measure

Focus on the territorial dimension

To evaluate the direct and indirect social impacts it is necessary to first consider the territorial dimension, where economic and social developments are interconnected.

Identification of the key players/affected populations

The identification of who is affected, and in which way, is a key to render the assessment more useful and ‘concrete’.

Selection of the type of proposal and differential evaluation

Our evaluation suggests that an IA on a Communication is at risk of being just a scholarly effort, although, also foreseeing possible impacts of Communications should represent a priority for the legislator: therefore, our suggestion refers to the realisation of actual IAs only for ‘binding documents’; for Communications and other ‘broad policy-defining documents’ we suggest to devise a different instrument able to describe the potential expected and desired social consequences in a very broad way

Monitoring and evaluation in the implementation process

The introduction of an “*observatory*” of social impacts could provide evidence in the comparison of foreseen and unforeseen effects, with actual consequences and would support and improve the IA procedures and more generally policy making. As monitoring represents a very complex and costly procedure, it could be foreseen as an experimental program limited to a selection of assessments, so to help the refining of the IA process.

Interdisciplinary approach and internal organisation of the assessment process

The interdisciplinary approach in the current system linked to the role of the Inter-Service Steering Group should be strengthened. Our proposal is to transfer the task of realising the IAs from the single DGs to an interDG commission composed of experts of different fields: economic, environmental and social ones.

Training

A suggestion is to introduce in these training procedures a particular attention to the use of shared social indicators, the importance to focus on the impact on specific territorial areas and social groups and actors as to provide an assessment nearer to the final beneficiaries and stakeholders, and the importance of using a much more empirically grounded approach, providing verifiable information and indicators, also in view of the introduction of a monitoring and evaluation system of the actual social impacts.

Executive summary: path, methodology, contents and organisation of the text

In the context of the renewed Lisbon Strategy, the Commission announced its intention to launch a comprehensive initiative to ensure that the regulatory framework of the EU meets the requirements of the twenty-first century. The Göteborg European Council, in June 2001, and the Laeken European Council, in December 2001, introduced two important political issues: first, to consider the effects of policy proposals in their economic, social and environmental dimensions; second, the simplification and improvement of the regulatory environment. One of the actions taken by the Commission to improve the way it designs policy is through the introduction of impact assessment.

The actual research stems from the perception that “at least at first view, the Impact Assessment Studies carried out so far do not seem to properly take into account the element of social impact”. The aim of the research is to prepare background material for the Members of the EP Committee on Employment and Social Affairs and on the features and characteristics of the Inclusion of social aspects in IAs carried out since 2003.

Chapter 1 gives an overall view of the 3 year process of Impact Assessment implementation and describes the methodology adopted for the present analysis.

Since 2003, the implementation process of the impact assessment procedure has gradually been introduced in all major initiatives provided that they have a potential economic, social and/or environmental impact. Between 2003 and 2005, 73 Impact Assessments have been carried out within 19 DGs. Communication is the most frequently adopted instrument in Impact Assessments, with a clear trend related to its use from 2003 to 2005. The Impact Assessments selected for evaluation are 59 out of 73: all regulations, decisions, directives (except one, with no social relevance), the action plan and all communications with a possible social impact or particularly relevant in their actual political context, have been evaluated. The selected IAs have been analysed through a common grid that has been partially parameterised while data have been analysed using the Statistical Package For The Social Sciences (SPSS).

Chapter 2 investigates the inclusion of social elements in the analysed IAs, the presence of different approaches in relation to the DG responsible for the document, the diverse policy areas, the different types of document and the trends over time. It also deals with the relationship between the selected IAs and the goals included in the Social Agenda and its relation to the “Lisbon strategy”.

The great majority of the selected IAs address the relationship between the adopted policy options and social aspects. Nevertheless, when grouping the DGs by policy areas it clearly appears that IAs lacking the consideration for social aspects tend to concentrate in the economic field. This happens for two main reasons: one is that some of the economic proposals really haven't got any social impact and the second one is that in all cases the most developed analysis of the potential impacts are the ones linked to the specific policy area the proposal belongs to. Assessments in the economic policy area tend to concentrate on employment outcome as the main or exclusive. When it was impossible to establish a direct link between the specific policy measure and employment, other possible social impacts have not been considered.

In several cases, when the social relevance of the measure is self-evident in the policy object, social aspects are widely considered and quite developed throughout the impact assessment document. In other cases, where social elements are not at the core of the policy proposal the impacts are less developed. Despite the fact that almost all IAs do include reference to social aspects, a smaller proportion refer to the Social Agenda.

Chapter 3 considers the methodology and key parameters used in the analysed IAs. The identification of social impacts is performed in different ways according to the nature of the documents. We may distinguish two types of proposals/instruments: a) explicitly dealing with social policy or clearly related social policy issues; b) considering social impacts of different policy domains.

In the first case, social impact refers, to a large extent, to the policy objectives. Therefore, impact assessment becomes an evaluation of the direct expected results of a given social policy. Therefore, impact assessment relies on the expected relation between a social policy measure and its products. In the second case, which relates to the proposals in different policy fields, impact assessment procedures take up the shape of a more or less developed evaluation of the side effects of policy options in the social domain. The most recurring issue tackled by the IAs is employment, considered by almost two thirds of the documents as a possible area of policy impact. Working conditions follow, as they are considered an expected impact area in more than one third of the cases. The third most recurrent issue is “social inclusion” (33%). Safety, health and gender equality follow, as they have been cited in one fourth of the IAs.

From the analysis of the IAs, it emerges that the methods used in order to assess social impacts are mainly qualitative and descriptive and rely on established knowledge acquired through several sources as indicated by the assessment guidelines. More than half of the IAs mainly rely on the established causal links between policies and social variables drawn from general policy statements and consolidated diffused knowledge. Further frequently used methods are stakeholders’ consultations and results from previous programmes.

Synergies and trade offs have been considered by 80% of analysed documents. Nevertheless, only a sub-group of documents provide an in-depth analysis of the likely relations between different aspects. The report provides an analysis of the types of synergies and trade-offs considered.

IAs have been analysed to comprehend whether the specific targets to which the proposals are addressed have been identified and which kind of targets relating to the specific issues are involved. From 2003 to 2005 more attention has been progressively paid to the identification of specific targets.

Chapter 4 concerns the generation of Social Capital and the integration between Policies. Literature demonstrates that the production of social capital is a strategic variable in the process of economic development and of social cohesion, but only 57,6% of IAs have considered (in depth or at least generically) the potential generation of social capital as a dimension to be assessed. In IAs the social capital possibly generated through a specific policy has been described in terms of the involvement in the problem-solving process, the local development, the enhancement of “trust” and reliability, cohesion growth, the construction of a closer Europe, the building of scientific networks and the enhancement of an inter-institutional dialogue.

In the process of the elaboration of a policy proposal and later of the implementation of a policy, both the involvement of relevant stakeholders and the involvement of interested communities are essential for its success; this appears to be the definition given to the term 'Social Capital', which not only concerns social policies but also relates to the economic field, and, in particular, to the involvement of stakeholders in the problem-solving process, in local development, and in the social building of "trust" and reliability.

The final issue tackles the interdependence of policies as an essential key in the promotion of social cohesion, as highlighted in most of the IAs considered.

Chapter 5 contains the conclusions derived from the study concerning: a) The methodology, b) the nature of the proposals assessed, format and monitoring of impacts, c) the monitoring and evaluation in the implementation process, d) the internal organisation and transversal analysis. It contains also the suggestions that are focused on:

- the enhancement of the consistency and the relevance of the assessments,
- the reduction of the variability, through the focusing of the attention on specific targets, on a specific territorial level
- the identification of the key players and the affected populations
- the selection of the type of proposal and differential evaluation
- the format
- the introduction of an in itinere monitoring and evaluation process
- the enhancement of the interdisciplinary approach
- the internal organisation of the assessment process
- the training activity

Introduction

Over the years, the European Union has developed a sophisticated body of legislation for the delivery of economic development, environmental protection and improvements of social standards. On one hand and over the past years, it has become clearer that envisaging an inclusive society is more appropriate than introducing corrective measures in order to repair a dysfunctional system: in this sense, economic and social cohesion has become one of the European Union's priority objectives. On the other hand, it has also become clearer that the ways in which European regulations are conceived have considerable impacts on whether these objectives are efficiently met.

In the context of the renewed Lisbon Strategy, refocused on growth and jobs, the Commission announced its intention to launch a comprehensive initiative to ensure that the regulatory framework in the EU meets the requirements of the twenty-first century. The Lisbon European Council (March 2000) identified a set of challenges to be met in order to permit Europe to become 'the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion', highlighting the essential linkage between Europe's economic strength and its social model. The heart of the Agenda concentrates on the modernisation of the European social model. ***The key challenge is to move from an agenda tackling social exclusion to one that fosters social inclusion and mainstreams it into the heart of all policy making.***

In order to promote social cohesion and social inclusion, the Union is encouraging harmonious, balanced and sustainable economic development able to jointly consider the development of employment and human resources, environmental protection and upgrading, the elimination of discrimination and the promotion of equal opportunities. In this context, the Göteborg European Council in June 2001 and the Laeken European Council in December 2001 introduced two important political considerations:

- First, to consider the effects of policy proposals in their economic, social and environmental dimensions;
- Second, to simplify and improve the regulatory environment.

“Within the framework of the Better Regulation package and the European Sustainable Development Strategy, the Commission has taken several concrete actions to improve the way it designs policy. One of these is impact assessment, for which the Commission introduced a new method in 2002, integrating and replacing previous single-sector type of assessments. Impact assessment (IA) is a process aimed at structuring and supporting the development of policies. It identifies and assesses the problem at stake and the objectives pursued. It identifies the main options for achieving the objective and analyses their likely impacts in the economic, environmental and social fields. It outlines advantages and disadvantages of each option and examines possible synergies and trade-offs”¹. The new Impact Assessment process, which is set out in the Commission's Communication COM(2002)276 of 5 June 2002, integrates these aims.

The first approach adopted encompassed a single sector impact assessment system: existing tools covered impact on businesses, trade, the environment, health, gender mainstreaming and employment, small and medium enterprises assessment, etc. These impact assessments were, however, often partial and considering only specific sets of impacts.

¹ http://europa.eu.int/comm/secretariat_general/impact/index_en.htm

This partial approach has made it difficult for policy makers to assess trade-offs and compare different scenarios when deciding on a specific course of action.

The newly introduced impact assessment method integrates all sectoral assessments concerning direct and indirect impacts of a proposed measure into one global instrument. It provides a common set of basic questions, minimum analytical standards and a common reporting format.

The impact assessment process is an important step in the Commission's efforts to strengthen its evaluation culture. Methods and technical guidelines for their implementation have been issued since 2002 and updated in 2005, while an increasing number of staff have been centrally trained in the Impact Assessment method. Individual DGs have supplemented this by training their own staff. Moreover, there are plans to integrate Impact Assessment as a standard element into the compulsory induction courses for new Commission officials².

The research carried out for the production of the current report moves from the perception that “at least at first view, the Impact Assessment Studies carried out so far seem not to take properly into account the element of social impact”.

The aim of the research is to prepare background material for the Members of the EP Committee on Employment and Social Affairs on the features and characteristics of the Inclusion of social aspects in IAs carried out since 2003.

² Commission report on Impact Assessment: Next steps - In support of competitiveness and sustainable development SEC(2004)1377

Chapter 1 Three years of Impact Assessments

An overall view

“Introducing an integrated Impact Assessment process will help improve the quality and coherence of policy design. It will also increase transparency, communication and information on the Commission’s proposals: it is not therefore a substitute for the political decision. The new streamlined method will be introduced gradually, with the required flexibility to accommodate the difference between the various types of policy initiatives and will replace existing assessment tools in order to avoid duplication of work.”³

The implementation process of the impact assessment procedure has gradually been introduced since 2003 for all major initiatives, i.e. those presented in the Annual Policy Strategy or in the Work Programme of the Commission; the principle is that all Commission legislative initiatives and all other policy initiatives proposed for inclusion in the Annual Policy Strategy or in the Commission and Work Programme (as established in the context of the strategic planning and programming cycle) will be subject to impact assessment, provided that they have a potential economic, social and/or environmental impact and/or require some regulatory measure for their implementation.

Since the adoption of the Commission work programme for 2003, the impact assessment procedures have gradually been extended in order to ensure a regular phasing-in of the process:

- In 2003 the Commission has progressively identified certain proposals to be subjected to the extended impact assessment;
- The preliminary assessment has been required for all proposals submitted in the context of the Annual Policy Strategy for 2004;
- On the basis of the preliminary assessments, the Commission has selected the proposals needing extended assessments for the Annual Policy Strategy and the Work Programme 2004;
- The system has become fully operational in 2004/2005.

Given this gradual introduction, it is understood that the impact assessment statements in the first year of operation are not as comprehensive as in the following years. From 2004 onwards they can be considered fully developed.

Between 2003 and 2005, 73 Impact Assessments that have been realised:

Table 1.1 – IAs realised per year		
	Freq	%
2003	21	28,8
2004	30	41,1
2005	22	30,1
	73	100,0
Total		

³ Communication on Impact Assessment COM(2002) 276 final

The DGs involved are 19⁴: Most of the IAs concentrate in DGs ENV and EMPL.

Table 1.2 – DG involved in the IA process

	Freq	%
ENV	10	13,7
EMPL	7	9,6
EAC	6	8,2
DEV	5	6,8
FISH	5	6,8
INFSO	5	6,8
JLS	5	6,8
MARKT	5	6,8
ENTR	4	5,5
TREN	4	5,5
AGRI	3	4,1
JAI	3	4,1
SANCO	3	4,1
REGIO	2	2,7
RELEX	2	2,7
COMP	1	1,4
ECFIN	1	1,4
RTD	1	1,4
TAXUD	1	1,4
Total	73	100,0

Not all the policy proposals included in the Annual Policy Strategy or in the Work Programme of the Commission are subject to IA. Impact Assessments are only required for:

- regulatory proposals, such as directives and regulations, and
- in an appropriate form, other proposals such as white papers, expenditure programmes and negotiating guidelines for international agreements that have an economic, social or environmental impact.

We have also found several Communications for which an IA has been realised.

In the following table it is possible to see the types of instruments analysed through Impact Assessment: there are also two restricted IAs that have therefore not been analysed.

⁴ In the Annex 1 to this chapter it is possible to find the correspondence between the acronym and the name of the DG

Table 1.3 – Type of instrument

	Freq	%
Communication	28	38,4
Regulation	16	21,9
Directive	15	20,5
Decision	11	15,1
<i>Restricted</i>	2	2,7
Action Plan	1	1,4
Total	73	100,0

Communication is the instrument on which Impact Assessments have been realised more frequently. Whereas the expected impact of a communication is weaker than that of a directive or of a regulation, it becomes a very important instrument of pressure where UE has less competencies, such as in the social area. The question is whether IA is the right instrument to evaluate the potential impact of a ‘not binding instrument’ as it is the Communication.

For several DGs Communications are the main instruments for which IAs have been realised: in particular we can note INFSO, JLS and AGRI (a part from TAXUD and ECFIN with only 1 IA realised).

Table 1.4 – Type of instrument per DG

	Act. Plan Regulation		Communica-tion <i>restricted</i> Total	Decision	Directive	
ENV	4		3	3		10
EMPL	3		3	1		7
EAC	1	5				6
DEV	2			1	2	5
FISH				5		5
INFSO	5					5
JLS	4			1		5
MARKT	1		4			5
ENTR	1	1	1	1		4
TREN		2	2			4
AGRI	2			1		3
JAI	1	2				3
SANCO	1		2			3
REGIO				2		2
RELEX	1			1		2
COMP	1					1
ECFIN	1					1
RTD		1				1
TAXUD	1					1

As shown in the following table, there has been a strong growth in the recourse to IAs in Communications between 2003 and 2005: in 2005 63,6% of the IAs have been realised on this kind of instrument.

Table 1.5 – Evolution of the type of instruments between 2003 and 2005

	2003	2004	2005
Communication	8	6	14
	% 38,1%	20,0%	63,6%
Regulation	5	8	3
	% 23,8%	26,7%	13,6%
Directive	6	8	1
	% 28,6%	26,7%	4,5%
Decision	2	6	3
	% 9,5%	20,0%	13,6%
Restricted		2	
	%	6,7%	
Action Plan			1
	%		4,5%
Total	21	30	22
	% 100,0%	100,0%	100,0%

Finally, we have classified the DGs in four main areas of policy: ECONOMIC, SOCIAL CULTURAL AND INSTITUTIONAL, ENVIRONMENTAL, TRANSVERSAL.

Table 1.6 – Areas of policy involved in IA

	Economic	social, cultural and institutional	Environmental	Transversal
FISH	5			
DEV	5			
MARKT	5			
TREN	4			
ENTR	4			
AGRI	3			
COMP	1			
ECFIN	1			
TAXUD	1			
EMPL		7		
EAC		6		
INFSO		5		
JLS		5		
JAI		3		
SANCO		3		
ENV			10	
REGIO				2
RELEX				2
RTD				1
TOTAL	29	29	10	5

As observable from the following table 1.7, 29 IAs have been realised in the economic macro area, 29 in the social cultural and institutional one, 10 in the environmental, and 5 in the transversal.

Table 1.7 – Areas of policy involved in IA per year

	YEAR			Total
	2003	2004	2005	
economic	10	13	6	29
%	47,6%	43,3%	27,3%	
social cultural & institutional	6	12	11	29
%	28,6%	40,0%	50,0%	
environmental	4	4	2	10
%	19,0%	13,3%	9,1%	
transversal	1	1	3	5
%	4,8%	3,3%	13,6%	
Total	21	30	22	73
%	100,0%	100,0%	100,0%	100,0%

The methodology adopted for the analysis

For evaluation, we have selected 59 out of 73 Impact Assessments realised, according to the following rules:

1. the first selection criterion is the type of legislative instrument on which it has been realised: we have decided to give priority to instruments with likely stronger impacts such as regulations and directives, instead of communications⁵
2. the second criterion, in order to be selected in particular between communications, is the political relevance in the political agenda of the EU Parliament

⁵ *THE TREATY ON EUROPEAN UNION - Article 249*

In order to carry out their task and in accordance with the provisions of this Treaty, the European Parliament acting jointly with the Council, the Council and the Commission shall make regulations and issue directives, take decisions, make recommendations or deliver opinions.

A regulation shall have general application. It shall be binding in its entirety and directly applicable in all Member States.

A directive shall be binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave to the national authorities the choice of form and methods.

A decision shall be binding in its entirety upon those to whom it is addressed.

Recommendations and opinions (and Communications n.d.r.) shall have no binding force

3. the third criterion is to refine the selection and give priority to ones with a likely stronger social impact (even if concentrated in specific areas).

At the end of the path described we have selected:

1. All regulations, decisions, directives (a part from one, with no social relevance) and the action plan.
2. All communications with a possible social impact or particularly relevant in the current political context.

Table 1.8 – IA selected for evaluation

	Freq	%
yes	59	80,8
no	14	19,2
Total	73	100,0

Table 1.9 – IA selected per year

	<i>2003</i>	<i>2004</i>	<i>2005</i>
yes	18	23	18
%	85,7	76,7	81,8
no	3	7	4
%	14,3	23,3	18,2
Total	21	30	22
%	100,0	100,0	100,0

The impact assessments selected are 59,8% of the total. The list of the IAs analysed is found in the Annex 2 of this chapter.

Table 1.10 - Selection for evaluation per type of instrument

	yes	no	Total
Communication	17	11	28
Regulation	16		16
Directive	14	1	15
Decision	11		11
Action Plan	1		1
Restrict		2	2
Total	59	14	73

Table 1.11 - IA selected per area of policy

	economic	social, cultural and institutional	environmental	transversal
Yes	21	27	7	4
%	72,4	93,1	70,0	80,0
No	8	2	3	1
%	27,6	6,9	30,0	20,0
Total	29	29	10	5
%	100,0	100	100	100

Due to the selection criteria adopted, in the social and cultural area of policy most of the communications have been retained. Therefore, communications are the most recurrently assessed instrument in the environmental area. In the economic one the distribution between instruments is more balanced, as it is possible to see from the following table.

Table 1.12 – Type of instrument per areas of policy

	economic	social and cultural	environmental	transversal
Communication	8	15	4	1
%	27,6%	51,7%	40,0%	20,0%
Regulation	8	2	3	3
%	27,6%	6,9%	30,0%	60,0%
Directive	7	5	3	
%	24,1%	17,2%	30,0%	
Decision	3	7		1
%	10,3%	24,1%		20,0%
Action Plan	1			
%	3,4%			
Restrict	2			
%	6,9%			
Total	29	29	10	5
%	100,0%	100,0%	100,0%	100,0%

The selected IAs have been analysed through a common grid containing the following items:

Grid of analysis
Have social aspects been taken into account, including the field of the Committee of Employment and Social Affairs responsibility?
Which is the methodology adopted for the verification of a balanced approach among the various aspects (social, economic, environmental) in the conduct of this impact assessment?
What are the key parameters regarding social elements in impact assessment?
Is there an evaluation of possible <i>trade offs and synergies</i> of the policies undertaken in terms of socio-economic development and social inclusion/fight against poverty?
Is there an evaluation of the <i>social capital</i> possibly generated through this proposal?
How does the proposal intersect the social welfare goals included in the Social Agenda?
Is the proposal able to ensure integration of social aspects with other policy domains?
Are there any specific countries involved in the proposal mentioned in the IA? Which ones?
Which of the possible targets (such as poverty, unemployment, disability, immigration and ethnic diversity, and the most marginalised and excluded groups such as ex-prisoners, drug addicts, the homeless, street children or people discharged from institutions, asylum seekers) touched by the proposal are mentioned in the IA?

The grids have been partially parameterised and data have been analysed through the Statistical Package For The Social Sciences (SPSS) so as to understand the evolution in time within the DG and the areas of policy.

Concerning the geographical balance of the analysis we have also focused our attention on the number of IAs selected that paid particular attention to specific countries: most of the IAs evaluated refer to all EU Member States without any specific attention to particular countries:

Table 1.13 – Are there specific countries involved?

	Freq	%
Yes	14	23,7
No	45	76,3
Total	59	100,0

In some cases there are specific countries mentioned in the IA where the policies to which they refer to involve them specifically. They have either been described directly or by indirect referral:

Table 1.14 – Specific countries mentioned

Title of the IA	Specific countries mentioned
Communication on intelligent vehicles and road safety	The impact analysis made considers the case of Germany. Concerning the proposal, special attention is given to candidate countries
Council Decision establishing the European Refugee Fund for the period 2005 2010	Countries most affected
Council Regulation establishing a voluntary FLEGT licensing scheme for imports of timber into the European Community	Producing countries
Council Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund	Cohesion policy and more generally regional policy, draw a distinction between lagging regions, declining regions and the other EU territories
Decision creating the "Youth in action" Programme (2007-2013)	Candidate countries
Decision establishing the Culture 2007 Programme (2007-2013)	EU member states and new ones in particular
Directive amending Directive 2003/88/EC concerning certain aspects of the organisation of working time.	The IA shows that some countries will be more affected by the Directive, according to their present legislative situation. The UK, in particular, is often specifically considered since it is the only EU country where the individual opt-out is used so that enforcing collective agreement on it would imply significant changes. Other countries such as Germany, Spain and France that use the opt-out in the health sector would be more affected by the directive.
European Initiative for Democracy and Human Rights Regulations 975/1999 and 976/1999	Third countries
Framework Legislation on Chemical Substances (establishing REACH)	The four European countries (Germany, France, United Kingdom and Italy) in which the chemical industry is more developed
General Programme Solidarity and Management of Migration Flows	For border control: 6 specific countries due to their large coastal board; For return policies: countries that have been using regularization procedures in favour of illegal migrants
Proposal for a Council Regulation establishing measures for the recovery of the sole stocks in the Western Channel and the Bay of Biscay	France, and to a lesser extent Great Britain, Belgium, Holland and Spain.

Title of the IA	Specific countries mentioned
<p>Proposal for a Council Regulation establishing measures for the recovery of the southern hake stock and the Norway lobster stocks in the Cantabrian Sea and Western Iberian peninsula</p> <p>Review of the European Employment Strategy</p> <p>Update of Europe 2005 Action Plan</p>	<p>Spain, Portugal and France.</p> <p>Candidate countries</p> <p>EU 25 and accessing countries</p>

Annex 1

DG involved in the process of Impact Assessment

<u>Agriculture and Rural Development</u>	AGRI
<u>Competition</u>	COMP
<u>Development</u>	DEV
<u>Economic and Financial Affairs</u>	ECFIN
<u>Education and Culture</u>	EAC
<u>Employment, Social Affairs and Equal Opportunities</u>	EMPL
<u>Enterprise and Industry</u>	ENTR
<u>Environment</u>	ENV
<u>External Relations</u>	RELEX
<u>Fisheries and Maritime Affairs</u>	FISH
<u>Health and Consumer Protection</u>	SANCO
<u>Information Society and Media</u>	INFSO
<u>Internal Market and Services</u>	MARKT
<u>Justice, Freedom and Security</u>	
Justice and Home Affairs	JLS JAI
<u>Regional Policy</u>	REGIO
<u>Research</u>	RTD
<u>Taxation and Customs Union</u>	TAXUD
<u>Transport and Energy</u>	TREN

Annex 2

Impact Assessments analysed

DG	IA	PROPOSAL	TITLE
AGRI	SEC(2004)931	COM(2004)490	Council Regulation on support for rural development by the European Agricultural Fund for Rural Development
COMP	SEC(2005)795	COM(2005)107	State Aid Action Plan - Less and better targeted state aid: a roadmap for state aid reform 2005-2009
7DEV	SEC(2005)454	COM(2005)133	Accelerating progress towards attaining the Millenium Development Goals - Financing for Development and Aid Effectiveness
	SEC(2005)452	COM(2005)132	Accelerating progress towards achieving the Millenium Development Goals - The European Union's contribution
	SEC(2004)977	COM(2004)515	Council Regulation establishing a voluntary FLEGT licensing scheme for imports of timber into the European Community
EAC	SEC(2005)442	COM(2005)116	Decision of the European Parliament and of the Council establishing for the period 2007-2013 the programme "Citizens for Europe" to promote active European citizenship
	SEC(2005)693	COM(2005)206	Communication on "Addressing the concerns of young people in Europe - implementing the European Youth Pact and promoting active citizenship"
	SEC(2004)954	COM(2004)469	Decision establishing the Culture 2007 Programme (2007-2013)
	SEC(2004)955	COM(2004)470	Decision concerning the implementation of the MEDIA 2007 Programme
	SEC(2004)960	COM(2004)471	Decision creating the "Youth in action" Programme (2007-2013)
	SEC(2004)971	COM(2004)474	Decision establishing an integrated action programme in the field of lifelong learning

EMPL	SEC(2005)177	COM(2005)33	Communication on the Social Agenda
	SEC(2005)689	COM(2005)224	Communication on Non-discrimination and equal opportunities for all - a framework strategy
	SEC(2004)482	COM(2004)279	Recast of the gender equality Directives
	SEC(2004)1154	COM(2004)607	Directive amending Directive 2003/88/EC concerning certain aspects of the organisation of working time
	SEC(2004)924	COM(2004)493	Regulation on the European Social Fund
	Communication	COM(2003)6	Review of the European Employment Strategy
	SEC(2003)1213	COM(2003)657	Directive on non-discrimination on the basis of sex (art. 13)
ENTR	SEC(2005)433	COM(2005)121	Decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007-2013)
	SEC(2004)1144	COM(2004)599	Regulation on medicinal products for paediatric use and amending Council Regulation (EEC) No 1786/92, Directive 2001/83/EC and Regulation (EC) No 726/2004
	SEC(2003)1295	COM(2003)716	Basic orientations for the sustainability of European Tourism
ENV	SEC(2005)439	COM(2005)113	Council Regulation establishing a Rapid Response and Preparedness Instrument for major emergencies
	SEC(2004)729	COM(2004)416(1) COM	Environment & Health Action Plan
	SEC(2004)980	COM(2004)516	Directive establishing an infrastructure for spatial information in the Community (INSPIRE)
	SEC(2003)785	COM(2003)403	Legislation on the Kyoto flexible instruments Joint Implementation (JI) and Clean Development Mechanism (CDM)
	SEC(2003) 1086	COM(2003)550	Directive of the European Parliament and of the Council concerning groundwater protection
	SEC(2003) 1171	COM(2003)644	Framework Legislation on Chemical Substances (establishing REACH)
	SEC(2003)1343	COM(2003)723	Directive on batteries and accumulators

FISH	SEC(2004)448	COM(2004)289	Council Regulation establishing a Community Fisheries Control Agency
	SEC(2004)965	COM(2004)497	Council Regulation on European Fisheries Fund
	SEC(2003)1480	COM(2003)819	Proposal for a Council Regulation establishing measures for the recovery of the sole stocks in the Western Channel and the Bay of Biscay
	SEC(2003)1481	COM(2003)818	Proposal for a Council Regulation establishing measures for the recovery of the southern hake stock and the Norway lobster stocks in the Cantabrian Sea and Western Iberian peninsula
	SEC(2005)426	COM(2005)117	Council Regulation establishing Community financial measures for the implementation of the Common Fisheries Policy and in the area of the Law of the Sea
INFSO	SEC(2004)608	COM(2004)380	Update of (e)Europe 2005 Action Plan
	SEC(2003)963	COM(2003)542	Communication on intelligent vehicles and road safety
	SEC(2003)992	COM(2003)541	Communication on the transition from analogue broadcasting to digital broadcasting: Digital switchover in Europe
JAI	SEC(2004)161	COM(2004)102	Council Decision establishing the European Refugee Fund for the period 2005 2010
	SEC(2004)491	COM(2004)328	Framework Decision on procedural rights in criminal proceedings
	SEC(2003)694	COM(2003)336	Communication on immigration, integration and employment
JLS	SEC(2005)216	COM(2005)45	Communication on a EU Drugs Action Plan (2005-2008)
	SEC(2005)434	COM(2005)122	General Programme on Fundamental Rights and Justice
	SEC(2005)436	COM(2005)124	General Programme Security and Safeguarding Liberties
	SEC(2005)435	COM(2005)123	General Programme Solidarity and Management of Migration Flows
	SEC(2004)1628	COM(2004)835	Regulation of the European Parliament and of the Council concerning the Visa Information System (VIS) and the exchange of data between Member States on short stay-visas
MARKT	SEC(2004)443	COM(2004)273	Directive on reinsurance

	SEC(2004)921	COM(2004)486(1) COM	Capital adequacy Directive
	SEC(2004)1097	COM(2004)582	Directive amending Directive 98/71/EC on the legal protection of designs
	SEC(2004)21	COM(2004)2	Proposal for a directive on services in the internal market
REGIO	SEC(2005)447	COM(2005)108	Regulation of the European Parliament and of the Council establishing the European Union Solidarity Fund
	SEC(2004)924	COM(2004)492	Council Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund
RELEX	SEC(2003)1170	COM(2003)639	European Initiative for Democracy and Human Rights Regulations 975/1999 and 976/1999
RTD	SEC(2005)430	COM(2005)119	Decision of the European Parliament and of the Council concerning the seventh framework programme of the European Community for research, technological development and demonstration activities (2007-2013)
SANCO	SEC(2005)549	COM(2005)171	Council Directive on Community measures for the control of Avian Influenza / Council Decision amending Council Decision 90/424/EEC on expenditure in the veterinary field
	SEC(2005)425	COM(2005)115	Health and Consumer Protection Strategy and Programme
	SEC(2003)724	COM(2003)356	Framework Directive of the European Parliament and of the Council on fair commercial practices
TREN	SEC(2004)236	COM(2004)139	Directive amending Council Directive 91/440/EEC on the development of the Community's railways
	SEC(2003)1060	COM(2003)564	Decision replacing Decision 1692/96/EC on the Community guidelines for the development of the transeuropean network in the field of transport (TEN guidelines)

TREN	SEC(2003)1368	COM(2003)740	Directive on Security of Supply for Electricity
	SEC(2003)1369	COM(2003)742	Decision laying down guidelines for Trans-European energy networks

Chapter 2: The inclusion of social elements in Impact Assessments

Questions

This chapter investigates the inclusion of social elements in the analysed IAs.

First, a relevant question is whether, to what extent and in which ways social aspects have been taken into account in the IAs. The analysis investigates the presence of different approaches in relation to the DG responsible for the document and to diverse policy areas, the different types of document and the trends over time. More specifically, an evaluation regarding the increase in the importance of social aspects within IAs since the introduction of this procedure in January 2003 should be realised.

Second, the analysis looks at the relations between the selected IAs and the goals included in the Social Agenda and its relation to the “Lisbon strategy”.

The inclusion of social aspects: difference between DGs, policy areas, types of decisions and year of approval

The present analysis looks at whether the selected IAs take social aspects into account, with specific reference to the fields of responsibility of the Committee of Employment and Social Affairs and namely:

- Employment
- European Social Fund
- Working conditions and work organisations
- Inclusive Society (Social inclusion, Social protection in the EU, Anti-discrimination and Relations with Civil Society, (Civil Society), Disability issues)
- Gender Equality
- Horizontal activities (Enlargement, Knowledge society, Evaluation, Socio-Economic Research)

The great majority of the selected IAs do address the relations between the policy options adopted and social aspects. Only 2, of the 59 documents considered, completely neglect social issues while 9 consider them marginally. More than half of the impact assessment documents consider social aspects in depth and one fourth at least partially (Table 2.1).

Table 2.1 – Does the impact assessment consider social aspects?

	N	%
yes, in depth	33	55,9
yes, partially	15	25,4
Marginally	9	15,3
No	2	3,4
Total	59	100,0

Given the low number of IAs not addressing or only marginally addressing social aspects, it is difficult to find a pattern according to the different DGs responsible for each proposal. Not surprisingly, *all of the proposals referring to the two DGs more directly concerned with social issues (i.e. Education and Culture; Employment, Social Affairs and Equal Opportunities) consider social aspects in their IAs.* The documents lacking consideration of social aspects appear dispersed in different areas of responsibility.

Nevertheless it is important to note that the principle underlying the implementation of the IA process is the one of proportionate analysis⁶; there is a possibility that many of the IAs not considering Social Aspects in depth may likely have weak social impacts to be assessed. In fact, *if we look at the impact assessment considering only marginally or not considering social impacts at all, they are not necessarily policy matters not referring or connecting to social issues. Some of these documents refer to clearly socially related issues.* Rather, a few of them are quite technical and instrumental decision, concerning procedures, modes of functioning of European institutions or guidelines for States' action. In other words there seem to be a difficulty in evaluating the likely social impacts even in socially related fields, when it comes to policy instruments rather than policy content or explicit object. In other cases an economic perspective prevails partly hiding the likely social impact.

⁶ “The impact assessment will be conducted according to the principle of proportionate analysis, i.e. varying the degree of detail to the likely impacts of the proposal. This means that **the depth** of the analysis will be proportionate to the significance of the likely impacts.” COM (2002) 276

**Table 2.2 – Does the impact assessment consider social aspects?
by DG**

DG	Yes (in depth and partially)	Marginally or not at all	Total
EMPL	7	0	7
EAC	6	0	6
ENV	6	1	7
JLS	4	1	5
MARKT	4	0	4
FISH	3	2	5
INFSO	3	0	3
TREN	3	1	4
ENTR	2	1	3
JAI	2	1	3
SANCO	2	1	3
REGIO	2	0	2
AGRI	1	0	1
DEV	1	2	3
RELEX	1	0	1
RTD	1	0	1
COMP	0	1	1
Total	48	11	59

Nevertheless, when grouping DGs by policy areas and distinguishing between (1) economic, (2) social, cultural and institutional, (3) environmental, (4) transversal, it more clearly appears that *IAs lacking consideration for social aspects tend to concentrate in the economic field. Here, one third of the IAs include social aspects only marginally or not at all.* These assessments represent 7 of the 11 documents lacking consideration for social aspects in the whole sample.

This happens for two main reasons: one is that some of the economic proposals really haven't got any social impact and the second one is that in all cases the most developed analysis of the potential impacts are the ones linked to the specific policy area the proposal belongs to.

As we will see later on, assessments in the economic policy area tend to concentrate on employment outcome as the main or exclusive . When it was impossible to establish a direct link between the specific policy measure and employment, other possible social impacts have not been considered.

Moreover, it is worth underlining that 3 assessments in the social, cultural and institutional field tackle social issues only marginally.

Table 2.3 – Does the impact assessment consider social aspects? by policy area

	Yes, in depth	Yes, partially	Marginally	Not at all	Total
Economic	10	4	5	2	21
Social, cultural and institutional	18	6	3	0	27
Environmental	1	5	1	0	7
Transversal	4	0	0	0	4
Total	33	15	9	2	59

The type of instrument does not show a clear relation with the inclusion of social aspects in the IAs. Apart from directives, that seem to perform better, all other instruments show a similar incidence of IAs lacking consideration for social aspects.

**Table 2.4 – Does the impact assessment consider social aspects?
by type of document**

	Yes, in depth	Yes, partially	Marginally	Not at all	Total
Decision	9	0	2	0	11
	81,8%		18,2%		100,0%
Regulation	9	3	3	1	16
	56,3%	18,8%	18,8%	6,3%	100,0%
Communication	9	5	2	1	17
	52,9%	29,4%	11,8%	5,9%	100,0%
Directive	6	7	1	0	14
	42,9%	50,0%	7,1%		100,0%
Action Plan	0	0	1	0	1
	0,0%	0,0%	100,0%	0,0%	0,0%

The documents examined refer to a three year time span (from 2003 to 2005). Whereas it can be hypothesised that, as a result of a broader implementation of the tool, the inclusion of social aspects in impact assessments should increase over time, a clear trend cannot yet be observed.

Since the first year, the share of assessments lacking consideration for social aspects was extremely low (2 in 18). Between 2003 and 2004 the situation remained somewhat stable (3 assessments out of 23 contain no indication or very little reference to social aspects).

**Table 2.5 – Does the impact assessment consider social aspects?
by year of reference**

	2003	2004	2005
yes, in depth	10 55,6%	15 65,2%	8 44,4%
yes, partially	6 33,3%	5 21,7%	4 22,2%
not so much	2 11,1%	3 13,0%	4 22,2%
not at all	0 ,0%	0 ,0%	2 11,1%
Total	18 100,0%	23 100,0%	18 100,0%

Qualitative aspects concerning the assessment of social impact

Up to this point, we have considered whether or not impact assessments examined refer to social aspects. We shall now look at the nature of such reference using a more qualitative approach.

When social aspects are included, there is a tendency to establish a link between the specific issue tackled by the policy proposal and the related social aspects.

In several cases, *when the social relevance of the measure is self-evident in the policy object, social aspects are widely considered and quite developed throughout the impact assessment document.* This is the case of instruments adopted in the field of citizenship rights, education and long-life learning, organisation of working time, employment strategy etc. These are usually related to social cohesion, social integration, employment quality, security, participation and identity, gender equality and non discrimination. What is worth stressing here is that *it is often difficult, given the nature and content of such proposals, to distinguish between likely social impacts and policy goals.*

In other cases social elements are not at the core of the policy proposal. Nevertheless, a link is established between a specific policy content and various social elements. Recurrent links are established, for instance, between:

- the rural development policy and (un)employment and population density in rural areas;
- the fishery policy and employment, training, equal opportunity in the sector;
- support of specific economic sectors (tourism, communication, culture) or development of new sectors and employment, working conditions and organisation;
- state aids and growth and employment;
- regulation of specific financial and service sectors and employment issues;
- competitiveness and innovation programmes and employment, working conditions, social inclusion and knowledge society;

- medical treatment policies and health conditions;
- internal market regulation and employment, working conditions, enlargement and social cohesion, consumers' rights;
- competitiveness and employment, working conditions, social inclusion;
- liberalisation/development of European network services and infrastructures, employment and consumers' rights.

The previous list suggests the centrality of employment issues in impacts assessments relative to proposals that do not have social issues at their core (i.e. economic, environmental and other policies).

In fact, also among the first type of proposals the employment issue is quite important and widespread. Through a qualitative overview, ***the employment issue clearly emerges as the most recurrent and stressed social consequence***, when applicable to the single policy measures, ***in all fields***. The link between economic policies aiming at the growth and employment issues is extensive and quite well established. Nevertheless, what seems to differentiate the first group of assessments from the second is the place of the employment issue with respect to other possible impacts. Whereas in the social policy area there seems to be a more systematic and complete consideration of social aspects, in many cases ***employment issues are the only or predominant element considered in other policy domains***. Especially within the area of economic policy, employment growth tend to be the only social issue considered, whereas other possible impacts are neglected or marginalised (see chapter 3 for a more detailed analysis).

The social agenda as a reference mark

The Social Agenda

“The Social Policy Agenda forms a part of the integrated European approach towards achieving the economic and social renewal outlined at Lisbon. Specifically, it seeks to ensure the positive and dynamic interaction of economic, employment and social policy, and to forge a political agreement that mobilises all key actors to work jointly towards the new strategic goal.

Up to now, social policy has enabled the European Union to manage structural change whilst minimising negative social consequences. In the future, modernising the European social model and investing in people will be crucial to retain the European social values of solidarity and justice while improving economic performance, to ensure a positive and dynamic interaction of economic, employment and social policy and the political agreement by mobilising all key actors to work jointly towards the new strategic goal: this is one of the main innovations of the Social Inclusion Strategy.”

Source: Dg Regional Policy – Inforegio *Evaluation of Socio-Economic Development, The Guide* – Publication Website, http://www.evaled.info/frame_themes_policy1_5.asp

Despite the fact that almost all IAs do include reference to social aspects, a smaller proportion refer to the Social Agenda. The bulk of the documents does not make any reference to it at all (39%). Some implicitly refer to the Social Agenda with reference to related objectives (15,3%) without citing the Lisbon strategy, while the remaining documents (45,8%) make a more or less detailed reference to it.

Table 2.6 – Does the impact assessment make reference to the Social Agenda?

	N	%
yes, in depth	19	32,2
yes, generically	8	13,6
not explicitly	9	15,3
not at all	23	39,0
Total	59	100,0

When grouping the IAs by DG of reference, **it clearly emerges that the Social Agenda has been a point of reference especially for DGs dealing with social and economic development.** Nevertheless, even in these cases the Social Agenda has often been neglected. In the case of sectoral issues, there seems to be less attention given to the Social Agenda. In fact, if we group DGs by policy areas, **we find the lowest incidence of the Social Agenda as a point of reference in the IAs in the environmental one.** By contrast, in the social and economic policy areas, the incidence is relatively high, despite being around or lower than half of the cases.

Table 2.7 – Does the impact assessment make reference to the Social Agenda? by DG

DG	Yes	No	Total
EAC	6	0	6
EMPL	6	1	7
TREN	3	1	4
INFSO	2	1	3
ENTR	2	1	3
REGIO	1	1	2
SANCO	1	2	3
RTD	1	0	1
JAI	1	2	3
AGRI	1	0	1
COMP	1	0	1
MARKT	1	3	4

DG	Yes	No	Total
FISH	1	4	5
RELEX	0	1	1
DEV	0	3	3
JLS	0	5	5
ENV	0	7	7
Total	27	32	59

Table 2.8 – Does the impact assessment make reference to the Social Agenda? By policy area

	yes	no	total
Economic	9	12	21
	42,9%	57,1%	100,0%
Social, cultural and institutional	16	11	27
	59,3%	40,7%	100,0%
Environmental	0	7	7
	0%	100%	100,0%
Transversal	2	2	4
	50%	50%	100,0%

What is quite striking is that 40,7% of IAs realised in the area of social, cultural and institutional policies do not make a clear reference to the Social Agenda.

Similarly to what has been previously observed in relation to the inclusion of social aspects, a clear time pattern concerning reference to the Social Agenda does not emerge. In the three years considered, the proportion of documents referring to the social Agenda has remained considerably low.

Table 2.9 – Does the impact assessment make reference to the Social Agenda? by year of reference

	yes	no	Total
2003	7	11	18
	38,9%	61,1%,	100,0%
2004	12	11	23
	52,2%	47,8%	100,0%
2005	8	10	18
	44,4%	55,6%	100,0%

It is important to note which issues of the Social Agenda have been considered in the analysis; employment and working conditions represent most of the possible impacts in relation to the Social Agenda objectives identified.

Table 2. 10 - The objectives and actions of the Social Agenda considered in IAs: how many IAs have included them and % on the evaluated IAs

	freq	%
FULL EMPLOYMENT AND QUALITY OF WORK		
Towards more and better jobs, Anticipating and managing change and adapting to the new working environment, Exploiting the opportunities of the k-b economy, Promoting mobility, Exploiting the opportunities of the knowledge-based economy		
Employment	38	64,4
Working conditions	21	35,6
Safety and health	15	25,4
Knowledge Based Society	5	3,4
Corporate Social Responsibility	1	1,7
QUALITY OF SOCIAL POLICY		
Promoting social inclusion, Promoting gender equality, Reinforcing fundamental rights and fighting discrimination, Modernising and improving social protection		
Social Inclusion	20	33,9
Gender Equality	15	25,4
Better Governance and participation	12	20,3
Integration and intercultural dialogue	10	16,9
Education and Training opportunities	9	15,3
Social Cohesion	8	13,6
Information and rights of consumers	7	11,9
Social rights	7	11,9
Access to services and social protection	6	10,2
Security, terrorism, crime	6	10,2
Reconciliation	2	3,4
Disability	2	3,4

Chapter 3: Methodology and key parameters

An overall view

The new **Impact Assessment** process was introduced to ensure high-quality legislation. Such a system was aimed at integrating and substituting the previous single-sector assessments in order to improve the effect on the quality of policy making of the previous non-integrated analyses. The Commission is required to assess, on a systematic and equal basis, the likely economic, environmental and social implications of policy proposals and to highlight their potential trade-offs and synergies (COM(2005) 97).

According to the impact assessment guidelines issued by the European Commission (SEC (2005)791) impact assessments should follow six key steps:⁷

1. What is the problem?
2. What are the objectives?
3. What are the policy options?
4. What are the likely economic, social and environmental impacts?
5. How do the options compare?
6. How could future monitoring and evaluation be organised?

Whereas the first three steps constitute a preliminary analysis of the proposal, steps 4 through 6 represent the core of the social impact assessment procedure.

According to the above cited impact assessment guidelines, the likely economic, social and environmental impacts (step 4) of each of the policy options presented in the document should be made clear. Information should be provided on likely impacts across the three main policy dimensions (economic, environmental, and social), as well as potential trade-offs and synergies. In other words, the impact analysis should make information available on the potential impacts of the various policy options, which can then be used as a basis for comparison of those options.

The social (together with economic and environmental) consequences of each policy option should be identified and qualified through qualitative and quantitative methods. In this section we shall specifically concentrate on the ways in which the assessment is made, looking at the procedural and methodological issues, the parameters that have been used and the relations between social impacts and other policy objectives.

The IA Guidelines specify that the depth and scope of the assessment should follow the principle of proportionate analysis, according to which Impact Assessment resources will be allocated to those proposals that can be expected to have the most significant impacts. The principle of proportionality is also connected to the need for a differential approach to the IA procedure, depending on the expected social impact of the measure. Therefore, the above outlined scheme of analysis may be highly simplified in relation to the issue object of the policy measure.

The implementation of the IA strategy was accompanied by an investment in training and organisation. Training on IA methods has been provided both by the Commission's central training services and by several DGs.

⁷ These steps, as clarified by the same guidelines, are likely to be iterated in order to enable the reconsideration of earlier steps in the light of the subsequent steps undertaken.

Expert groups and services were created, together with framework contracts and expert lists for consulting and out sourcing of IAs activities. Finally, a first evaluation process of the IA system was carried out by single DGs. According to such evaluations “*while initial experience shows that the methodology used is sound, there needs to be a more systematic application of the current methodology across Commission services. When applied correctly, the current method addresses many of the points raised by Council and Parliament as needing more emphasis, including coverage of impacts in all three dimensions – economic, environmental and social*”. (SEC(2004)1377). More specifically, the same document, while confirming the overall procedure, underlines the need for improving several aspects:

- *the centrality of the Social Agenda and Sustainable Development in the IA process should be enhanced;*
- *the IA methodology should benefit from a more standardised procedure in order to define the likely impacts, from the quantification and monetisation of impacts to trade offs and synergies;*
- *procedures should enhance transparency, simplification, coordination and involvement of the different services concerned;*
- *further investments should be made in order to provide the IA procedure with sufficient human resources, to improve assessment skills and to access external expertise.*

The identification and specification of social impacts

According to the IA guidelines for social impact assessment a set of issues should be defined and, for each one of these, a set of relevant questions (see table 3.1). As underlined by the Commissions’ guidelines, the proposed scheme represents more of a guide for the assessment procedure rather than an actual checklist.

Table 3.1: Social impact assessment according to the Commission’s guidelines: Specific social areas and key questions

Employment and labour markets	Job creation and job loss Negative consequences for particular professions, groups of workers, or self-employed persons? Effects on the demand for labour Impact on the functioning of the labour market
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Standards and rights related to job quality	<p>Job quality</p> <p>Access of workers or job-seekers to training</p> <p>Workers' health, safety and dignity</p> <p>Workers' and employers' existing rights and obligations</p> <p>Protection of young people at work</p> <p>Minimum employment standards across the EU</p> <p>Impact on restructuring, adaptation to change and use of technological innovations in the workplace</p>
Social inclusion and protection of particular groups	<p>Access to the labour market or transitions into/out of the labour market</p> <p>Directly or indirectly greater in/equality</p> <p>Equal access to services and to goods and services</p> <p>Public information about a particular issue</p> <p>Impact on specific groups of individuals, firms, localities, the most vulnerable and at risk of poverty</p> <p>Impact on third country nationals, children, women, disabled people, the unemployed, the elderly, political parties or civic organisations, churches, religious and non-confessional organisations, or ethnic, linguistic and religious minorities, asylum seekers</p>
Equality of treatment and opportunities, non -discrimination	<p>Impact on equal treatment and equal opportunities for all</p> <p>Gender equality</p> <p>Different treatment of groups or individuals directly on the grounds of e.g. gender, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation</p> <p>Indirect discrimination</p>
Private and family life, personal data	<p>Privacy of individuals and their right to move freely within the EU</p> <p>Impact on family life or the legal, economic or social protection of the family</p> <p>Processing of personal data or the concerned individual's right of access to personal data</p>

<p>Governance, participation, good administration, access to justice, media and ethics</p>	<p>Involvement of stakeholders in issues of governance. Equal treatment of all actors and stakeholders Impact on cultural and linguistic diversity? Autonomy of the social partners Impact on public institutions and administrations, for example with regards to their responsibilities. Individual's rights and relations with the public administration, access to justice. Better information to the public about a particular issue and public access to information Media pluralism and freedom of expression. (Bio)ethical issues</p>
<p>Public health and safety</p>	<p>Health and safety of individuals/populations, including life expectancy, mortality and morbidity, through impacts on the socio-economic environment. Impact on the likelihood of bioterrorism Impact on the likelihood of health risks due to substances harmful to the natural environment. Effects on health due to changes in the amount of noise or air, water or soil quality in populated areas? Effects on health due to changes in energy use and/or waste disposal. Impact on lifestyle-related determinants of health such as use of tobacco, alcohol, or physical activity. Effects on particular risk groups (by age, gender, disability, social group, mobility, region, etc.)</p>
<p>Crime, Terrorism and Security</p>	<p>Security, crime or terrorism. Impact on the criminal's chances of detection or his/her potential gain from the crime Impact on the number of criminal acts? Enforcement capacity? Impact on the balance between security interests and the rights of suspects. Rights of victims of crime and witnesses</p>

Access to and effects on social protection, health and educational systems	Quality and access to services. Education and mobility of workers (health, education, etc.). Access of individuals to public/private education or vocational and continuing training Cross-border provision of services. Financing / organisation / access to social, health and education systems Universities and academic freedom or self-governance?
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Source: adaptation from (COM(2005) 97), pp.29-32

As anticipated in chapter 2, the identification of the social impacts is performed in different ways according to the nature of the documents. We may distinguish two types of proposals/instruments:

- proposals dealing explicitly with social policy or clearly related social policy issues;
- proposals considering social impacts of different policy domains

In the case of social policy measures, identified social impacts refer to a large extent to specific policy objectives. The impact assessment therefore becomes an evaluation of the direct expected results of a given social policy. Quite often in these cases, and due to this configuration, social impacts are discussed in relation to the different policy options. Therefore the impact assessment relies on the expected relation between a social policy measure and its products.

In the case of proposals in different policy fields, the impact assessment procedures take the shape of a more or less developed evaluation of the side effects of policy options in the social domain.

The most recurring issue tackled by the IAs is *employment*, considered by almost two thirds of the documents as a possible area of impact of the policy. *Working conditions* follow, as they are considered an expected impact area in more than one third of the cases. The third most recurrent issue is “*social inclusion*” (33%). Safety, health and gender equality follow as they have been cited in one fourth of the IAs.

Table 3.2 - Social impacts considered by the IAs

	N.	% on the evaluated IAs
Employment	38	64,4
Working conditions	21	35,6
Social Inclusion	20	33,9
Safety and health	15	25,4
Gender Equality	15	25,4
Better Governance and participation	12	20,3
Integration and intercultural dialogue	10	16,9
Education and Training	9	15,3
Social Cohesion	8	13,6
Information and rights of consumers	7	11,9
Social rights	7	11,9
Access to services and social protection	6	10,2
Security, terrorism, criminality	6	10,2
Knowledge Based Society	5	8,5
Reconciliation	2	3,4
Disability	2	3,4
Corporate Social Responsibility	1	1,7

In Annex 1, the connections between social issues included in each of the IAs evaluated are shown.

In the following tables it is possible to see the weight of the different impacts in relation to the different areas of policy to which the proposal belongs to.

When separately considering assessments referring to different policy domains, it can be observed that the weight and significance of the employment issue is not exactly the same across the policy area.

Not surprisingly, and confirming the qualitative analysis proposed in chapter 2, ***in the economic policy area employment*** – and to a limited extent working conditions - ***is by far the most relevant element considered in the assessment***. In these evaluations other aspects are far less crucial. For instance social inclusion concerns less than a fourth of the assessments (Table 3.3).

Table 3.3a - Social impacts considered by the IAs per area of policy

Area of policy: Economic	N of Impacts	% on the evaluated IAs
Employment	17	81,0
Working conditions	7	33,3
Safety and health	5	23,8
Social Inclusion	5	23,8
Information and rights of consumers	4	19,0
Social Cohesion	3	14,3
Gender Equality	2	9,5
Better Governance and participation	2	9,5
Access to services and social protection	2	9,5
Education and Training	1	4,8
Knowledge Society	1	4,8
Disability	1	4,8
Corporate Social Responsibility	1	4,8
Social rights	1	4,8
Security, terrorism, criminality	1	4,8
N. of IAs evaluated	21	

In the social and cultural field the situation is somehow different. Even if employment remains the most recurrent element in the analysis, social inclusion is only slightly less important. Other issues, such as gender equality and integration are similarly important in the evaluations. The inclusion of expected impact appears more encompassing in this policy area.

Table 3.3b - Social impacts considered by the IAs per area of policy

Area of policy: Social cultural	N of Impacts	% on the evaluated IAs
Employment	16	59,3
Social Inclusion	14	51,9
Working conditions	12	44,4
Gender Equality	10	37,0
Integration and intercultural dialogue	10	37,0
Safety and health	7	25,9
Better Governance and participation	7	25,9
Education and Training	6	22,2
Social Cohesion	5	18,5
Social rights	5	18,5
Security, terrorism, criminality	5	18,5
Knowledge Society	4	14,8
Access to services and social protection	4	14,8
Reconciliation	2	7,4
Information and rights of consumers	2	7,4
Disability	1	3,7
N. of IAs evaluated	27	

Similar considerations can hardly be put forward in the other two policy domains, considering the limited numbers. It is only worth underlining *the limited consideration of social impacts at all and of employment in particular in the environmental policy area.*

Table 3.3c - Social impacts considered by the IAs per area of policy

Area of policy: Environment	N of Impacts	% on the evaluated IAs
Employment	3	42,9
Safety and health	2	28,6
Working conditions	1	14,3
Better Governance and participation	1	14,3
Information and rights of consumers	1	14,3
N. of IAs evaluated	7	

Table 3.3d - Social impacts considered by the IAs per area of policy

Area of policy: Transversal	N of Impacts	% on the evaluated IAs
Gender Equality	3	75,0
Employment	2	50,0
Education and Training	2	50,0
Better Governance and participation	2	50,0
Safety and health	1	25,0
Working conditions	1	25,0
Social Inclusion	1	25,0
Social rights	1	25,0
N. of IAs evaluated	4	

Confirming the qualitative elements described in chapter 2, these data show that *a wide range and systematic consideration of social impacts is to a great extent limited to social policy area measures*. It is true that in the economic area proposals showing social impacts worth to be evaluated are much fewer, but, as previously stressed, in any case there tends to be a smaller attention to social elements, and when a social assessment is actually provided it tends to concentrate only on the relations between economic growth and employment growth leaving other issues such as:

- First, *the likely impacts of an employment growth or reduction could be evaluated in terms of effects on specific populations*. This has rarely been done in assessments belonging to the economic area (see below). *A more precise consideration of the social groups or territorial areas affected by changes in labour demand or in labour market regulation would require to address also issues such as social inequalities, inclusion or exclusion, cohesion and so on*.
- Second, employment growth and employment conditions could be usefully linked in considering employment-related social impacts of a given measure. In fact *only a few IAs do combine considerations on changes in the labour market and connected changes in working conditions for specific professional profiles*. This approach, relative to measures dealing with a few sectoral support measure, is far from being widespread. A specific attention to this issue tends to be concentrated on assessments in policy areas having at their core the development of an economic sector and the regulation of its specific labour market. By contrast, *employment is often considered as a general macroeconomic category, without specifying the level of qualification, the nature of the employment relation* and so on and so forth.
- Third, employment might be fruitfully linked to other consequences that go beyond the working conditions strictly speaking. *The participation/non participation to the labour market and its internal and external conditions (remuneration, stability, working hours, presence or absence of relevant social services) do affect and are affected by broader social elements that are rarely considered in the analysed IAs*: economic conditions of individuals and families, availability labour supply, care needs and supply, with differential patterns across gender, age, social groups and so on.

In sum, particularly in the economic field, *whereas employment has become a crucial issue it is often treated as an economic variable instead of a socially grounded element*.

Sources of information on causal links between policies and their effects

In order to establish causal relations between a given measure and social aspects and to provide a qualitative assessment, the IA guidelines suggest relying on several sources⁸:

- knowledge and expertise of Commission officials;
- external experts;
- existing research, studies and evaluations;
- consultations with stakeholders.

⁸In order to improve transparency, the circulation of information, participation and dialogue, the Commission has also adopted a set of “Minimum standards for **consultation** of interested parties”, to be considered as an integral part of the impact assessment system. Furthermore, guidelines were adopted for collecting and using **expert advice**, aimed at providing effective policy making effective expertise and transparency in the access to external advice (COM(2005) 97).

Furthermore, in order to implement an advanced analysis of impacts (above mentioned Step 3) additional qualitative and quantitative data should be gathered again through:

- stakeholders' consultation (addressees, civil society, national governments, etc.) using a variety of techniques such as interviews, focus groups, questionnaires, etc;
- readily available data from statistical agencies and databases;
- collection of ad hoc data;
- use of quantitative models or adapting existing ones.

The guidelines stress the appropriateness of a combination of qualitative and quantitative approaches in estimating the social impact of the instruments.

From the analysis of the IAs it emerges that *the methods used in order to assess social impacts are mainly qualitative and descriptive and rely on established knowledge acquired through several sources* as indicated by the assessment guidelines.

More than half of the IAs mainly rely on the established causal links between policies and social variables drawn from general policy statements and consolidated and diffused knowledge, such as the link between growth and employment, policies in favour of a given economic sector and working conditions in the sector, economic efficiency and advantages for consumers and citizens, improvement in human capital and social integration, and so on and so forth. A further frequently used method is that of stakeholders' consultation (47,5 % of considered IAs). The results of previous programmes have been explicitly described as a source of information in 28% of the cases. On one hand this figure can depend on the fact that the issue is a new one, and no previous evaluations were available and, on the other, that this source has been used, but not mentioned, as evident.

The results from existing research, the analysis of available statistical data and surveys and the evaluation of previous programmes, as a source of information and identification of social impacts, account for a smaller proportion of the IAs (each of the items account for 10% to 15% of all IAs). The recourse to original research and primary quantitative data analysis is as well quite limited (8,5%).

Finally *a relatively small proportion of the IAs rely on predictive methods: simulation of macro and micro economic scenarios (19%), estimates of job losses and job creation (15%), cost benefit approaches (8,5%) and indicators of achievement (8%)*. It is worth observing that such quantitative methods tend to concentrate either in economic related issues and in the prediction of economic developments, or in relations to employment growth, in terms of numbers of jobs created or lost in relation to a specific measure. Social impacts other than the creation of jobs tend to be treated almost exclusively in qualitative, discursive and descriptive terms.

Table 3.4 - Methods used in order to establish social impacts

	Freq	% on the IAs evaluated
qualitative assessment, descriptive	31	52,5%
comparison of policy scenario	19	32,2%
stakeholder consultation	28	47,5%
evaluation of previous programs	8	13,6%
statistics and existing survey analysis	6	10,2%
existing studies	9	15,3%
original quantitative surveys and research	5	8,5%
macro micro economic scenarios	11	18,6%
cost benefit approach	5	8,5%
indicators of achievements	5	8,5%
estimates of job losses-job creation	9	15,3%

In most cases *the established causal relations remain at the level of a general policy statement*. Following are some examples.

EU rural development policy 2007-2013

Investment in the broader rural economy and rural communities is vital to increase the quality of life in rural areas, understood as improved access to basic services and infrastructure as well as a healthier and diverse environment. Making rural areas more attractive also require promoting sustainable growth and generating new employment opportunities, particularly for young people and women, as well as facilitating the access to up-to-date information and communication technologies.

Council regulation establishing measures for the recover of the sole stocks in the Western Channel and Bay of Biscay

The proposal leads directly and indirectly to a loss of jobs and will have specific negative consequences for particular professions and groups of workers, but also for ancillary activities. The negative social and economic impacts can be compensated using financial incentives to temporary cessation of activities (...)

State Aid action Plan

The impact assessment stresses the potential employment effect in less favoured EU regions (less and better targeted aids should generate more growth and employment), also helping to fight social exclusion and increasing the cohesion at the EU level. In addition consumers will benefit greatly from a better preserved competitive environment and more focussed on aids targeting market failures and/or cohesion objectives.

More precise and detailed expected impacts are present in a few cases, particularly when social aspects are at the core of the measures' objectives.

Creating the “Youth in action” programme

The programme will have a significant impact on numerous fields of activities of the European Union, among which:

- 1) Education and training (lifelong learning; informal and non-formal education; complementary skill and knowledge necessary for developing social citizenship; the European Voluntary service;*
- 2) Employability through training and the development of an entrepreneurial spirit*
- 3) Social inclusion through participation, exchanges, (...)*
- 4) Economy through the inclusion of the youth work as an important economic force*
- 5) Culture*
- 6) Sport*
- 7) Environment*
- 8) Civil protection*
- 9) Gender equality*
- 10) Solidarity*

Key parameters

The most recurring parameters in order to assess social impacts refer to employment policies:

- Overall level of employment
- Level of employment of women and young people
- Jobs loss and gain in specific sectors

Furthermore, more specific work related aspects are sometimes referred to, such as:

- Working conditions (i.e. safety, health in the workplace)
- Work stability

Finally, a set of broader social issues are included among the socially relevant key parameters

- Narrowing the digital divide
- Corporate social responsibility
- Consumer rights
- Development of human capital
- European identity, cultural diversity and intercultural exchange and dialogue
- Health, security and safety of citizens

- Active citizenship (Participation in social, cultural and political life)
- Equal opportunities and non discrimination
- Fight against poverty

As it emerges quite clearly from the previous set of items, *the identified parameters represent more policy goals than social indicators as such. This reflects the above described tendency to develop IA strategies based more on qualitative statements rather than on quantifying the impacts through the identification of indicators.*

The inclusion of social elements in terms of synergies and trade offs for the socio-economic development

One of the main concerns of the impact assessment procedure is the identification of synergies and trade offs between policy objectives and means, with specific reference to socio-economic development. The analysis of synergies and trade offs should provide information on the likely interactions between economic, social and environmental aspects in the frame of a given policy objective and measure.

Synergies

“Indeed, better regulation, which is about ensuring the quality of the regulatory framework, offers win-win opportunities. Better regulation will help make the European Union a more attractive place not only to invest in but also for citizens to work in since it has a significant positive impact on the framework conditions for economic growth, employment and productivity by improving the quality of legislation. This creates the right incentives for business, cuts unnecessary costs and removes obstacles to adaptability and innovation. It also ensures legal certainty and by that efficient application and enforcement throughout the European Union. In addition, it allows that social and environmental objectives are attained without disproportionate administrative costs. As a complement to EU action, Member States should also pursue their own better regulation initiatives.

From: Communication From The Commission To The Council And The European Parliament: Better Regulation For Growth And Jobs In The European Union (COM(2005) 97)”.

“For example, social expenditure on health and education represents an investment in human resources, with positive economic effects. As a result, there can be a positive correlation between the scale of such expenditure and the level of productivity in the countries concerned. Social transfers have also a macroeconomic role by automatically stabilising private consumption during periods of economic recession. And by protecting people against social risks social security make them more eager to face challenges raised by structural change”.

Source: Dg Regional Policy – Inforegio *Evaluation of Socio-Economic Development, The Guide* – Publication Website, http://www.evaled.info/frame_themes_policy1_5.asp

Synergies and trade offs have been considered by 80% of all analysed documents. Nevertheless, only a sub-group of documents provide an in-depth analysis of the likely relations between different aspects.

Table 3.5: Have synergies and trade offs been considered?

	Freq	%
Yes, in depth	22	38,6%
Yes, generically	14	24,6%
Only trade offs	2	3,5%
Only synergies	8	14,0%
No	11	19,3%
Total	57	100,0
Missing	2	

As detailed in Table 3.6, *the trade offs considered* by the IAs mainly deal with the relations between:

- Competitiveness and social cohesion or job loss;
- Growth and geographical (un)equal gains;
- Environmental protection and employment or economic activities;
- Female employment and gender segregation in the labour market;
- Security and protection of privacy;
- Security and environmental problems.

Moreover, **synergies** have been established in particular between:

- Sector stability and economic sustainability;
- Sector stability and better working conditions;
- Growth and employment;
- Competitiveness and social cohesion;
- Development of infrastructures and economic efficiency;
- Security and social cohesion;
- Female employment and growth;
- Female employment and social inclusion.

Table 3.6: Synergies and trade offs considered by single IAs

TITLE OF IA	SYNERGIES	TRADE OFFS
EU rural development policy 2007-2013	Competitiveness and economic performance	
Council regulation establishing a community fisheries control agency	Sector stability and economic sustainability	
Council regulation on European fisheries fund	Quality of work and living conditions and contrast of depopulation	
Council regulation establishing measures for the recovery of the sole stocks in the Western Channel and Bay of Biscay		Environmental protection and employment
Council regulation establishing measures for the recovery of the Southern hake stock and the Norway lobsters stocks in the Cantabrian Sea and Western Iberian waters		Environmental protection and employment/existing economic activity
Council regulation establishing Community financial measures for the implementation of the Common fisheries policy and in the Area of the Law of the Sea	Enforcement of the CFP and trust. Improvement of fish stocks and economic and social improvement in the fishing industry	
State Aid Action Plan		Competitiveness and cohesion
Directive to the taking up and pursuit of the business of credit institutions	Citizens' well being and socio-economic growth	
Directive on services in the internal market	Growth and social development (job creation and better choice for consumers)	Economic development and job loss in non competitive firms
Competitiveness and innovation Framework Programme		Growth and geographically uneven distribution of gains

TITLE OF IA	SYNERGIES	TRADE OFFS
Regulation on medicinal products for paediatric use		Increase in the cost of medicine and improvement of health conditions; wins and losses for different sectors
Communication on basic orientations for the sustainability of European tourism		Development of tourism (economic growth) and consumption of environmental resources
Trans European transport network	Integration of national economies through improved transport networks and economic efficiency; decrease in transport costs and competition; economic growth and increase in households' income (especially in new member states)	
Trans-European energy networks	Growth and general social and economic benefits	
Citizens for Europe	Strengthening civil society and (1) economic development; (2) economic integration of new member states; (3) economic innovation	

TITLE OF IA	SYNERGIES	TRADE OFFS
New cultural programme (2007-2013)	Shared European cultural space and dialogue; sense of cultural belonging and cohesion; cultural activities and regeneration of cities or rural areas; inclusive society and participation in the cultural, economic and social domains; access to culture, prevention of poverty and social integration; intercultural dialogue mutual understanding, solidarity, security and fighting terrorism; investments in the cultural sector and employment growth (creation of new jobs and stabilisation or former precarious jobs)	
Youth in action	Participation and social inclusion	European Voluntary service as a substitute for jobs
Integrated action programme in the field of lifelong learning	Mobility of trainees and flexibility of labour market	
Communication of the Commission on the Social Agenda	Job creation, productivity and economic cohesion	
Directive of the European Parliament and of the Council on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation	Women's participation in the labour market and (1) economic growth; (2) lower poverty and social exclusion; equal opportunities and returns from investments in education; equal pay, equal division of domestic labour and earlier formation of new households; anti-sexual harassment and job satisfaction and commitment; family friendly policy and job satisfaction and commitment.	Increasing female employment and job segregation

TITLE OF IA	SYNERGIES	TRADE OFFS
Regulation of the European Parliament and of the council on the European Social Fund	Social development and economic development	
Proposal for a Council directives implementing the principle of equal treatment for men and women in the access and supply of goods and services	anti sex discrimination and social cohesion; full citizens' participation, well being and wealth;	Anti-discrimination and stability of enterprises
Environment & Health Action Plan	Better environment and better health	Social benefits and economic losses in specific sectors
Directive of the European Parliament and of the Council concerning groundwater protection		Economic costs, technical problems and environmental gains
Framework legislation on the chemical substances		Economic costs and social and environmental benefits
Communication of the Commission "E-Europe 2005 Action Plan: Update		E-learning, e-business, e-government and the digital divide
Information and Communications Technologies for Safe and Intelligent Vehicles		Safety, competitiveness and sensitivity to price variations
Non discrimination and equal opportunities for all – a framework strategy	Better supply of media services and socio-economic development	Better supply of media services and higher costs for users
European Refugee Fund for the period 2005-2010	Reduction of the costs of the asylum system and (1) socio economic development; (2) contribution to the workforce in member states	

TITLE OF IA	SYNERGIES	TRADE OFFS
Communication on immigration, integration and employment	Integration of immigrants and inclusive society; dialogue between different groups and understanding of different cultures, traditions and religions; integration and participation of third country nationals in social and political life; participation in society and labour market of immigrants and well being, health and living conditions, education; participation and clearer legal status.	Increased social security expenditure due to immigration and growth in social security expenditure in all
General Programme Security and Safeguarding liberties	Security, trust and economic development; increasing investments, increasing employment and reduction of the “black” economy	Security and intrusion into privacy
General Programme Solidarity and Management of Migration Flows	Security, social acceptance of migrants and social integration of migrants; social integration of migrants and demographic growth;	Environmental goals and security;
Visa Information System and the exchange of data between the Member States on short stay visas	Security and (1) reduction of fraud; (2) reduction of illegal immigration; (3) stimulus to the IT industry	Security and costs; security and reduction of business travel and tourism; security and protection of privacy
Regulation of the European Parliament and of the Council establishing the European Union Solidarity Fund	Facing a major disaster as a pre condition for economic growth	
Management of structural and cohesion funds	Social development and economic development	
European Initiative for Democracy and Human Rights Regulations	Respect of human rights and democracy and political and economic stability and growth;	

TITLE OF IA	SYNERGIES	TRADE OFFS
Decisions on the 7 th Framework programme	Research and training investments and innovation	
Measures for the control of Avian Influenza		Implementation costs and gains in health and in health related expenses
Health and consumer protection Strategy and Programme	Workers' health and social inclusion; workers' health and regional cohesion	

Targets identified

The identification of specific targets to which policies are addressed has a double significance:

- On one hand it is important that, during the elaboration of a policy proposal, the targets to which it will be addressed to are clearly identified in order to consider all possible impacts and consequences of the choices adopted.
- On the other, this identification risks policy sectionalism in contrast to literature which is now emphasising the importance of a horizontal approach of policies rather than a vertical one; dividing the society into categories such as women, disabled people, etc renders the implementation of policies that promote social inclusion very difficult.

'In general policy-making insists on thinking only in terms of vertical nature of anti-poverty policies. Taking this approach, society is divided into categories such as women, older people, disabled people, immigrants, etc.... By focusing on a vertical group such as women, it becomes extremely difficult to design and implement policies that promote social inclusion. Women as such are not socially excluded; many poor women do find themselves in poverty, but not solely by factor of their being female. When poverty is approached from a horizontal perspective, the categories cut across such vertical grouping and address the most excluded... Such a horizontal approach better respects the inherent diversity of the excluded population.'

Source: Feantsa, Exploring the potential of the NAPs/Inc, Autumn 2002

Sustainable development is not a new way to sectorialise society but the search for unity, the respect of multiculturalism, the acceptance of diversity, of an integral answer to the complex problems which one is obliged to face.

Source: Unesco, extracted from in Agora21 website

IAs have been analysed to see whether specific targets, to which proposals are addressed to, have been identified and to see which kind of targets relating to the specific issues are involved.

Table 3.7 - Have specific targets been described?

	Freq	%
Yes	28	47,5
No	31	52,5
Total	59	100,0

From 2003 to 2005 an increasing attention has been paid to the identification of specific targets, even if, again, caution must be taken as instruments and issues involved are different in each of the three years considered.

Table 3.8 - Specific targets described per year

	yes	no	Total
2003	7	11	18
%	38,9%	61,1%	100,0%
2004	13	10	23
%	56,5%	43,5%	100,0%
2005	8	10	18
%	44,4%	55,6%	100,0%

The following table describes the specific targets identified: in most of the cases more than one target is identified, while the approach is aimed at opening the opportunities of a legislative proposal to a wider pool of beneficiaries.

TITLE OF IA	SPECIFIC TARGETS DESCRIBED IN IA
Regulation on the European Social Fund	All citizens are potential beneficiaries and workers, unemployed, women, migrants, disabled are explicitly mentioned.
General Programme Solidarity and Management of Migration Flows	Asylum seekers and refugees, migrant workers, children of migrants, illegal migrants, legal migrants.
Regulation on medicinal products for paediatric use	Children and specific groups of population (i.e. people with rare disorders).
Communication on Non-discrimination and equal opportunities for all - a framework strategy	Disability, immigration, ethnic, sexual and religious diversity and all vulnerable and traditionally discriminated groups.
Communication on a EU Drugs Action Plan (2005-2008)	Drug users and potential drug users; young people
Review of the European Employment Strategy	Immigrants have been given better attention in the renewed EES
Communication on immigration, integration and employment	Immigrants; children of immigrants, immigrant women
Regulation of the European Parliament and of the Council concerning the Visa Information System (VIS) and the exchange of data between Member States on short stay-visas	Migrants, asylum seekers,
Update of eEurope 2005 Action Plan	People with reduced mobility, disabled people, elderly, people living in remote areas, women
Basic orientations for the sustainability of European Tourism	Unemployment and disability
Health and Consumer Protection Strategy and Programme	Various types of disability, poverty, social exclusion will be touched by the proposed programme
General Programme Security and Safeguarding Liberties	Victims and witnesses of crime

TITLE OF IA	SPECIFIC TARGETS DESCRIBED IN IA
General Programme on Fundamental Rights and Justice	Victims of violence (children, young people, women and minority groups as targets of violence), victims of racisms, anti-semitisms, xenophobia, all other subjects dealing directly or indirectly with violence (e.g. teachers, social workers, police, health
Framework Decision on procedural rights in criminal proceedings	all suspects and defendants, particularly vulnerable groups (persons who, due to their age or their physical, medical or emotional conditions, cannot understand or follow the proceedings, e.g. children, foreigners, elderly persons, the physically or mentally disabled.
Council Decision establishing the European Refugee Fund for the period 2005 2010	asylum seekers
Environment & Health Action Plan	children, elderly
Decision establishing an integrated action programme in the field of lifelong learning	disadvantaged groups as targeted priorities: socially excluded persons, persons with disabilities, young people excluded from the education and training systems.
European Initiative for Democracy and Human Rights Regulations 975/1999 and 976/1999	indigenous people, ethnic minorities, women, children
Council Regulation on support for rural development by the European Agricultural Fund for Rural Development	people living in rural areas
Communication on intelligent vehicles and road safety	most affected age group is 14-25 years, for whom road accidents are the primary cause of death
State Aid Action Plan - Less and better targeted state aid: a roadmap for state aid reform 2005-2009	the unemployed and, to a certain extent, immigrants living in the less favoured EU regions
Legislation on the Kyoto flexible instruments Joint Implementation (JI) and Clean Development Mechanism (CDM)	the unemployed; the new highly skilled entrants in the labour market; and the low qualified labour force with a high risk of unemployment and a high need to be re-qualified
Proposal for a directive on services in the internal market	unskilled workers, workers in inefficient firms

TITLE OF IA	SPECIFIC TARGETS DESCRIBED IN IA
Council Regulation on European Fisheries Fund	workers, women and young people for the development of the sector and population in general
Recast of the gender equality Directives	working population including self-employed persons, persons whose activity is interrupted by illness, maternity, accident or involuntary unemployment and persons seeking employment, and to retired and disabled workers
Communication on "Addressing the concerns of young people in Europe - implementing the European Youth Pact and promoting active citizenship"	young people
Decision creating the "Youth in action" Programme (2007-2013)	young people and in particular those with fewer opportunities

Several of the IAs evaluated consider specific potential groups of population touched by the proposals; in the following table it is possible to see that this occurs in the vast majority of cases for communications (here again the consideration is that this is the instrument mostly used to promote social issues) and in the social, cultural and institutional area of policy (apart from the transversal one).

Table 3.9 - Specific targets identified per type of instrument

		specific target	Total	
		yes	no	1
Action Plan	Count	1		100,0%
	%	100,0%		17
Communication	Count	13	4	100,0%
	%	76,5%	23,5%	16
Regulation	Count	7	9	100,0%
	%	43,8%	56,3%	11
Decision	Count	4	7	100,0%
	%	36,4%	63,6%	14
Directive	Count	3	11	100,0%
	%	21,4%	78,6%	

Table 3.10 - Specific targets identified per areas of policy

		specific target identified		Total
		yes	no	
Social, cultural and institutional	Count	18	9	27
	%	66,7%	33,3%	100,0%
Transversal	Count	2	2	4
	%	50,0%	50,0%	100,0%
Economic	Count	6	15	21
	%	28,6%	71,4%	100,0%
Environmental	Count	2	5	7
	%	28,6%	71,4%	100,0%

*Whereas the analysed IAs tend to identify different social and institutional actors involved and affected by the different policies, this is not generally the case for different social groups. Despite few exceptions, there is an underestimation of the differential effects of economic growth associated to different social groups. **The prevailing interpretation considers the positive effects of growth equally distributed between social groups, whereas the issue of social inequality (underlined as crucial by the impact assessment guidelines) tends to be marginal.***

Annex 1: Connections between social issues included in each of the IAs evaluated.

ID	Employment	Working conditions	Social Inclusion	Safety and health	Gender Equality	Better Governance and participation	Integration and intercultural dialogue	Education and Training	Social Cohesion	Information and rights of consumers	Social rights	Access to services and social protection	Security, terrorism, criminality	Knowledge Society	Reconciliation	Disability	Corporate Social Responsibility
SEC(2004)931	yes		yes									yes					
SEC(2004)448	yes	yes															
SEC(2004)965	yes				yes			yes									
SEC(2003)1480	yes																
SEC(2003)1481	yes	yes															
SEC(2005)426																	
SEC(2005)795	yes		yes						yes								
SEC(2004)443	yes																
SEC(2004)921	yes																
SEC(2004)1097	yes																
SEC(2004)21	yes	yes	yes	yes		yes			yes	yes							
SEC(2005)433	yes	yes	yes			yes								yes			
SEC(2004)1144				yes						yes						yes	yes
SEC(2003)1295	yes	yes	yes	yes						yes							
SEC(2004)236	yes	yes								yes							
SEC(2003)1060	yes			yes						yes							
SEC(2003)1368	yes									yes							
SEC(2003)1369	yes				yes				yes		yes	yes					
SEC(2005)454																	
SEC(2005)452																	
SEC(2004)977	yes	yes		yes			yes						yes				
SEC(2005)442	yes	yes				yes	yes		yes				yes				
SEC(2005)693			yes				yes	yes									
SEC(2004)954	yes	yes	yes				yes	yes					yes	yes			
SEC(2004)955	yes	yes					yes	yes						yes			

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Chapter 4 – Generation of Social Capital and integration between Policies

An overall view

When analysing the selected IAs, we have considered, among others, two dimensions that are directly linked to the effectiveness of the policies to which they refer to.

The first dimension refers to the issue of social capital: the production of social capital is a strategic variable in the process of economic development and of social inclusion.

The second dimension concerns the transversal characteristic of the action of the proposal, and, specifically, the attention to the possible involvement of other policies. Together with the identification of specific targets potentially impacted by the proposal (analysed in chapter 3) this represents a priority of the Council and of the EU Commission. The Social Policy Agenda, that forms part of the integrated European approach towards achieving the economic and social renewal outlined at Lisbon, seeks to ensure the positive and dynamic interaction of economic, employment and social policy, and to forge a political agreement which mobilises all key actors to work jointly towards the new strategic goal.

The European Council has invited the Council and the Commission to:

- *Mainstream the promotion of social inclusion in Member States' employment, education and training, health and housing policies, this being complemented at the Community level by action under the Structural Funds;*
- *Develop priority actions addressed to specific target groups (for example minority groups, children, the elderly, the disabled) with member States choosing amongst those actions according to their particular situations and reporting on their implementation⁹*

In the following paragraphs we will discuss to which extent this attention in Impact Assessments has been kept.

Generation of social capital

The possible generation of social capital through a policy represents a fundamental issue on which problems of interpretation of its meaning have been risen in the scientific communities. In particular, international organisations have used it abundantly, in very wide terms. The first example comes from the World Bank “*Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions. Increasing evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable. Social capital is not just the sum of the institutions that underpin a society - it is the glue that holds them together. The broadest and most encompassing view of social capital includes the social and political environment that shapes social structure and enables norms to develop*”.¹⁰

⁹ Source: From: DG REGIONAL POLICY – INFOREGIO *Evaluation of Socio-Economic Development, The Guide* Publication Website, http://www.evaled.info/frame_themes_policy1_5.asp

¹⁰ World Bank: <http://www.worldbank.org/poverty/scapital/whatsc.htm>

The second example comes from the International Monetary Fund: “*The central premise of social capital is that social networks have not only a social value: social capital is important to the efficient functioning of modern economies, and is the sine qua non of stable liberal democracy. It constitutes the cultural component of modern societies, which in other respects have been organized since the Enlightenment on the basis of formal institutions, the rule of law, and rationality. Building social capital has typically been seen as a task for 'second generation' economic reform; but unlike economic policies or even economic institutions, social capital cannot be so easily created or shaped by public policy*”¹¹.

In this evaluation we have tried to understand the specific meanings given to this term and whether the ability of a proposal to be able to generate social capital has been considered in the elaboration of the Impact Assessments.

First of all we have analysed the number of IAs that considered the eventual generation of social capital as a variable to be assessed; as it is possible to see from the following table, only 57,6% of them have considered the issue in depth or at least generically, even if not named exactly in terms of ‘social capital’.

Table 4.1 - Has social capital been considered?

	Freq	%
yes, in depth	16	27,1
yes, generically	18	30,5
not so much	5	8,5
No	20	33,9
Total	59	100,0

Through a more detailed analysis, we have studied whether the type of instrument, the area of policy or the DG had an influence on the way Social Capital was considered as a strategic variable on the impact of a legislative proposal. It is interesting to see that, regarding the issue of Social Capital, the instrument that has least taken it into account is the Directive, a binding instrument for Member States concerning the results to be achieved but not concerning the choice of the form and of the methods to achieve them.

¹¹ International Monetary Fund, <http://www.imf.org/external/pubs/ft/seminar/1999/reforms/index.htm>

Table 4.2 - Social capital considered per type of instrument

		yes, in depth	yes, generically	not so much	no	Total
Action Plan	Count		1			1
	%		100,0%			100,0%
Decision	Count	4	5	1	1	11
	%	36,5%	45,5%	9,0%	9,0%	100,0%
Regulation	Count	6	5		5	16
	%	37,5%	31,3%		31,3%	100,0%
Communication	Count	5	4	1	7	17
	%	29,4%	23,5%	5,9%	41,2%	100,0%
Directive	Count	1	3	3	7	14
	%	7,1%	21,4%	21,4%	50,0%	100,0%

Most of the IAs in the area of policy ‘environment’ do not consider the issue of social capital at all: there are also some differences per Dg, as it is possible to see in the table in Annex 1.

Table 4.3 - Social capital considered, per AREAS OF POLICY

		yes, in depth	yes, generically	not so much	no	Total
Transversal		3	1			4
	%	75,0%	25,0%			100,0%
Social & Cultural			8	8	2	927
	%	29,6%	29,6%	7,4%	33,3%	100,0%
Economical		4	9	3	5	21
	%	19,0%	42,9%	14,3%	23,8%	100,0%
Environmental		1			6	7
	%	14,3%			85,7%	100,0%

We have then analysed whether there had been an evolution, in the last 3 years, in terms of a progressive inclusion of the social capital issue in IAs.

In the analysis of this trend it is important to take into account that:

- 1) In each of the three years the instruments evaluated were different: in 2005, only 1 Directive had been evaluated, while 8 were evaluated in 2004 and 6 in 2003.
- 2) In each of the three years the areas of policy for which IAs have been realised were different: they had doubled in the social and cultural one and reduced from 10 to 6 in the economic one (see chapter 1).

Table 4.4 - Social capital considered, per YEAR

		yes, in depth or generically	no or not so much	Total
2003	Count	8	10	18
	%	44,5%	55,5%	100,0%
2004	Count	16	10	23
	%	69,6%	43,5%	100,0%
2005	Count	10	6	18
	%	55,6%	44,5%	100,0%

We will now see what kind of social capital is possibly generated through a specific policy and how this has been described in IAs.

1. **involvement in the problem-solving process.** In most cases, reference to social capital is connected to stakeholders' consultations: it is considered essential that stakeholders are fully implicated in the overall process as they will contribute with their expertise to the debate, and, through a closer involvement in the problem-solving process, will have a greater commitment to the solutions proposed.
2. **local development.** The creation of social capital represents a pre-condition for effective bottom-up and territorial approach in terms of a structured dialogue between all levels of stakeholders, networking and exchange of good practice. In some cases we find specific reference to the inclusion of structural funds to finance the implementation of local development strategies and local action groups.
3. **"trust" and reliability.** The generation of social capital supports higher degrees of "trust" and reliability and higher transparency of the market and this, in turn, has an impact on: financial stability, efficiency of the internal market, reduced costs to market participants, etc. The establishment of a closer dialogue in terms of the proposal is considered essential for its implementation.

4. **growth of cohesion:** In some cases there is no explicit reference to social capital reported in the IA, although the expected growth of cohesion, due to the implementation of the proposed policy, can be considered as growth of social capital.
5. **construction of a closer Europe:** Different is the case where the objective of the proposal is the construction of a closer Europe, or the development of the European identity, or where the objective is 'Strengthening civil society' In these cases large attention is posed to '*giving citizens the opportunity to interact and participate in constructing an ever closer Europe, united in and enriched through its cultural diversity forging a European identity, based on recognised common values, history and culture, enhancing mutual understanding between European citizens respecting and celebrating cultural diversity, while contributing to intercultural dialogue*'. Or: '*the development of the capacity of human rights NGOs and civil society organisations in third countries*'
6. **building of scientific networks:** the growth of social capital has also been intended in the building of networks between organisations in their field, enhancing the mobility of professionals across Europe .
7. **enhancement of inter-institutional dialogue:** Social capital is intended in terms of governance and as the enhancement of inter-institutional dialogue between different levels of institutions such as between the civil society and local and regional authorities in accordance with the national and European institutions.

In some cases, although the expected social impacts of the directive could be assimilated to an increase of social capital, the IA doesn't explicitly mention such an element.

In the process of elaboration of a policy proposal and, later, of the implementation of a policy, literature shows that both the involvement of relevant stakeholders and the involvement of interested communities are essential for its success. This appears to be the sense given, in most cases, to the term 'Social Capital', not only specifically concerning social policies but also referring to the economic area, with a particular attention given to the involvement of stakeholders in the problem-solving process of local development and in the social building of "trust" and reliability.

Intersection between policies

The European Council in Lisbon has identified a set of challenges which must be met so to let Europe become "the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion". In order to promote cohesion the Social Policy Agenda seeks to ensure the positive and dynamic interaction of economic, employment and social policy: only the intersection between policies can support the reinforcement of social cohesion.

The mobilisation of a wide range of policies

Economic and social cohesion has become in the last few years one of the EU's priority objectives. By promoting cohesion, the Union is encouraging harmonious, balanced and sustainable economic development, the development of employment and human resources, environmental protection and upgrading, the elimination of inequality and the promotion of equal opportunities. This complexity and multi-dimensionality requires the mobilisation of a wide range of policies under an overall strategy. In particular the objective of fighting poverty and social exclusion is now beginning to be mainstreamed into relevant strands of policy, at both national and community level. Alongside employment policy, social protection plays a pre-eminent role, while the importance of other factors such as housing, education, health, information and communications, mobility, security and justice, leisure and culture are going to be more and more acknowledged¹².

The promotion of social cohesion relates to actions and policies belonging to several sectors and fields. The management of the interdependence of policies should lead to a 'policy mix', which will sustain economic and social progress. In the last few years, some Member States have begun to pay attention to the design and implementation of socio-economic policies and to the effects on promoting social inclusion. For example, in Belgium, Holland and, recently, in the UK, social inclusion has become a political priority to be managed through the coordination of policies such as employment, education, health, housing, and social services, focusing on specific excluded or at-risk groups, (for example, long term unemployed, one-parent families, children living in poverty, school leavers, low wage families, people with disabilities or living in deprived urban or rural areas). In other Member States such as France, social inclusion policies have been strengthened through the implementation of a Framework Legislation that defines social inclusion in terms of access to the fundamental rights of employment, housing, health care, justice, education and training, culture, and social protection system¹³.

Given this attention, at a national and European Level, to the intersection of policies that are able to promote and foster social cohesion, an analysis on IAs has been realised in order to see whether evaluators have paid enough attention to this issue.

In the following table it is possible to note that although most of the IAs have emphasized the possible interconnections with other policy issues, 35,6% did not.

¹² Council of European Union, Fight against poverty and social exclusion: common objectives for the second round of National Action Plans, November 25, 2002

¹³ From: DG REGIONAL POLICY – INFOREGIO Evaluation of Socio-Economic Development, The Guide – Publication Website, http://www.evaled.info/frame_themes_policy1_5.asp

Table 4.5 - Have IAs identified the integration with other policy domains?

	Freq	%
Yes	38	64,4
No	21	35,6
Total	59	100,0

The policy domains in which integration has been outlined are the following:

Table 4.6 - Integration and type of policy domains

TITLE OF IA	With which policy domains?
Decision of the European Parliament and of the Council concerning the seventh framework programme of the European Community for research, technological development and demonstration activities (2007-2013)	Innovation and competitiveness, health, transport, energy, urban, education,
Review of the European Employment Strategy	Integration of labour policies and social policies to promote economic and employment growth and social inclusion is the starting point of EES
Framework Legislation on Chemical Substances (establishing REACH)	The Commission's strategy for future chemical policy is described as a part of its wider sustainable development strategy
Health and Consumer Protection Strategy and Programme	The IA has described some ways in which the social aspects of the proposal could be integrated with (and reinforce) other policy domains, namely: (i) innovation and research, (ii) regional development, (iii) external relations of the EU (in particular, development policy).
Decision laying down guidelines for Trans-European energy networks	The IA mentions the full accordance of the decision with the Lisbon Strategy.

TITLE OF IA	With which policy domains?
Regulation of the European Parliament and of the Council concerning the Visa Information System (VIS) and the exchange of data between Member States on short stay-visas	Travel and tourism, Competition, Economic and Financial Affairs, Enterprise and Industry, External Relations, Information Society, Internal security
General Programme Solidarity and Management of Migration Flows	Antidiscrimination policies; security; external border control; visa regulation; return of illegal migrants; asylum policies; social policies (housing, education, work insertion etc.)
Council Regulation on support for rural development by the European Agricultural Fund for Rural Development	Business (investment needs, advisory service and training needs), employment and early retirement policy, training (focusing on ICT/new technologies, environmental technologies, entrepreneurial)
Decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007-2013)	Competitiveness, research, cohesion, environment
Decision establishing the Culture 2007 Programme (2007-2013)	Cultural program, economic growth, employment policy, intercultural relations, security, enlargement
Decision concerning the implementation of the MEDIA 2007 Programme	Cultural programme, economic growth, employment policy; intercultural relations, enlargement
Decision establishing an integrated action programme in the field of lifelong learning	Culture and media
Basic orientations for the sustainability of European Tourism	Economic growth, infrastructures, environment, diffusion of the ICTs
Decision of the European Parliament and of the Council establishing for the period 2007-2013 the programme "Citizens for Europe" to promote active European citizenship	Education and culture, justice, research, communication

TITLE OF IA	With which policy domains?
Communication on "Addressing the concerns of young people in Europe - implementing the European Youth Pact and promoting active citizenship"	Education, employment, health
Decision creating the "Youth in action" Programme (2007-2013)	Education, training, employment, social inclusion, economy, culture, sport, environment, civil protection
Communication on immigration, integration and employment	Employment policy; social policies; education
General Programme on Fundamental Rights and Justice	Environment protection
State Aid Action Plan - Less and better targeted state aid: a roadmap for state aid reform 2005-2009	Environment, services of general economic interest, regional policy, innovation
Directive amending Directive 2003/88/EC concerning certain aspects of the organisation of working time	Health and security, equal opportunities, job quality, working time legislation and agreements
Communication on a EU Drugs Action Plan (2005-2008)	Health protection
Communication on the transition from analogue broadcasting to digital broadcasting: Digital switchover in Europe	Integration between Information technology policies, namely eEurope Action Plan for the promotion of an Information society for all, and the EU policy on digital broadcasting. Furthermore, a clear reference to Lisbon goals
Council Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund	Integration of economic, social and environmental aspects
Communication on the Social Agenda	Internal market, industrial policy, competitiveness, migration policies, commercial policies
Directive on non-discrimination on the basis of sex (art. 13)	Market policy and gender equality policy

TITLE OF IA	With which policy domains?
European Initiative for Democracy and Human Rights Regulations 975/1999 and 976/1999	Political and economic governance, facilitating growth and investment, sustainable development, environmental policies
Environment & Health Action Plan	Safety at work, environment, economy
Directive establishing an infrastructure for spatial information in the Community (INSPIRE)	Social aspects and environment
Council Regulation on European Fisheries Fund	Social aspects and policy fields relating to the fishery sector
Regulation on medicinal products for paediatric use	Research and development, health and consumer protection
Legislation on the Kyoto flexible instruments Joint Implementation (JI) and Clean Development Mechanism (CDM)	Integration of environment protection policies with global sustainable development goals

The following table shows that most of the IAs concerning social and cultural proposals had been able to envisage connections with other policy domains, while, on the contrary, most of the economic ones did not.

Table 4.7 - Integration with other policy domains per areas of policy

		yes	no	Total
transversal	Count	4		4
	%	100,0%		100,0%
social and cultural	Count	22	5	27
	%	81,5%	18,5%	100,0%
environmental	Count	4	3	7
	%	57,1%	42,9%	100,0%
economic	Count	8	13	21
	%	38,1%	61,9%	100,0%

It is interesting to see that, from 2003 to 2005, there has been a clear evolution towards greater attention given to the integration of policies

Table 4.8 - Integration with other policy domains per year

		yes	no	Total
2003	Count	10	8	18
	%	55,6%	44,4%	100,0%
2004	Count	14	9	23
	%	60,9%	39,1%	100,0%
2005	Count	14	4	18
	%	77,8%	22,2%	100,0%

Comparing the three variables it is possible to note, with caution due to the small number of cases with a positive answer (38), that from 2003 to 2005 all the policy areas, apart from the economic one, have developed an integrated approach.

From the following table it is possible to see that the instrument with the lowest attention to policy integration is the directive although, even in this case, this can depend on the issues involved.

Table 4.9 - Integration with other policy domains per type of instrument

		yes	No	Total
Action Plan	Count	1		1
	%	100,0%		100,0%
Communication	Count	14	3	17
	%	82,4%	17,6%	100,0%
Decision	Count	8	3	11
	%	72,7%	27,3%	100,0%
Regulation	Count	9	7	16
	%	56,3%	43,8%	100,0%
Directive	Count	6	8	14
	%	42,9%	57,1%	100,0%

The strength of the possible interconnections is the key through which the issue of policy integration has been analysed. The following description analyses this situation, giving a specific example for each:

- **Elaboration of an integrated programme through Joint Actions or Framework Programmes**

Decision concerning an Integrated programme in the field of lifelong learning

The overall policy objective of the integrated programme is to contribute, through lifelong learning, to the development of the Community as an advanced knowledge society, with sustainable economic development, more and better jobs and greater social cohesion. Given the centrality of education and training to social, cultural and economic policies, and its importance in reinforcing active European citizenship, there are many connections between this programme proposal and other Community policies. The current proposal contains an expanded Joint Actions provision, designed to strengthen collaboration

- **Integration between different measures**

Eu Rural development policy 2007 - 2013

Integration between measures targeting human resources (human capital) and physical endowments (physical capital). In specific, the human resources block would refer to the formation of young farmers linked to a business development plan (outlining investment needs, advisory service and training needs), early retirement linked to setting up of a young farmer/restructuring of the holding, training (focusing on ICT/new technologies, environmental technologies, entrepreneurial skills) and services (advisory/extension/demonstration projects).

- **Analysis of the possible impacts on other policy domains**

In most of the cases the policies connections – intersections are only mentioned but not described in depth, a part from a few cases which present an in depth analysis, such as *Decisions on the 7th Framework Programme describes all the possible impacts on other policy domains different from Research* (in Annex 2)

- **Interconnections with other policy domains involved on the same issue**

Programme 'Citizens for Europe'

This IA has described its intersection with policies held by different DGs: for example, within the **DG Education and Culture** through programs promoting European citizenship and cultural programmes(by fostering cultural cooperation and intercultural dialogue) contributing to the strengthening of the feeling of solidarity and mutual understanding, essential for the building of a European citizenship.

In the field of **Justice, Freedom and Security**, the Commission has organised activities in relation to citizenship, such as the Preparatory action to support civil society in the ten Member States which acceded to the European Union on 1st May 2004, in the areas of the rule of law, democracy, fundamental rights, media pluralism and the fight against corruption. In the context of **research** activities the Sixth Framework Programme for Research and Technological Development has an objective of research directed towards providing a sound scientific base for the management of the transition towards a European knowledge based society, conditioned by national, regional and local policies and by decisions made by individual citizens, families and other societal units. In the field of **communication**, the Commission will be undertaking significant *activities aimed at bringing the proposed constitution to the attention of citizens, building an understanding of fundamental rights and the need for active citizenship.*

- **Integration only foreseen between social policies and labour policies**

Some IAs only very generically mention the connection between social policies and labour policies

- **The accordance to the Lisbon strategy**

Some of the IAs only mention the complete accordance to the Lisbon strategy and its goals

- **The accordance with more general sustainable development strategies**

Directive on batteries and accumulators

The directive is consistent with a more general policy strategy of environmental protection and sustainable economic development (including employment).

Annex 1

Social capital considered per DG

Has social capital been considered?

	yes, in depth	yes, generically	not so much	no	Total
EMPL	3	2		2	7
EAC	2	3		1	6
ENTR	2	1			3
AGRI	1				1
ENV	1			6	7
FISH	1	4			5
JAI	1			2	3
JLS	1	1		3	5
REGI O	1	1			2
RELE X	1				1
RTD	1				1
SANC O	1		1	1	3
INFSO		2	1		3
TREN		2	1	1	4
COMP		1			1
MARK T		1	2	1	4
DEV				3	3

Annex 2

An example of an in depth description of possible policy connections:

Decisions on the 7th Framework Programme describes all the possible impacts on other policy domains other than Research

1. Health research can be a major contributor to providing solutions and best practices for improvement of health care. It will also be crucial for meeting the challenges of aging and increased migration.
2. Further European research on aging may contribute to increased life expectancy and in particular to disability-free life expectancy, both social and medical research can contribute to reduce premature mortality (i.e. before the age of 70) improving the indicator of potential years of life lost.
3. Transport and IST research may contribute to reduce the number of road accidents due to the adoption of safer in-vehicle or road infrastructures technologies.
4. Improved mobility and more effective transportation of goods in an enlarged Europe requires the construction of new infrastructures (especially to integrate new Member States), an increase in existing infrastructure capacity through advances in intelligent transport, the use of satellite information and the development of smart interactions between vehicles and transport infrastructure.
5. An efficient air transport system supports European integration, reduces congestion (or helps to accommodate future demand) and helps to reduce the environmental impact.
6. The improvement of the inter-modal transportation networks (road, waterways and railroads) will save time, reduce the cost of road maintenance, and reduce the negative medical fall-out of too much motorised transport (asthma, etc.). An efficient (air) transport system supports European integration, reduces congestion and helps to accommodate future demand.
7. Energy research will contribute to transform the current fossil-fuel based energy economy towards a future more sustainable energy economy based on a broad portfolio of the most appropriate energy sources and carriers. European urban research can help to improve decision-making and by this way the quality of life of citizens living in European cities, reducing amongst other things the use of resources, the levels of crime and enhancing public participation .
8. Educational research may influence both future spending on education and the effectiveness of this spending in terms of levels of educational attainment and literacy of the population.
9. Bridging the digital divide between old and new MS and between urban and rural areas, notably by ensuring high speed access to all and everywhere, can enhance social cohesion.
10. Specific regions (especially rural and peripheral ones) could benefit from satellite communication solutions.
11. Space-based systems can provide a higher level of security for citizens, allowing, for example, for a better enforcement of border and coastal control and identifying humanitarian crises in their early stages.

12. Space sciences in general, and space exploration in particular, push the boundaries of human capabilities forward, give rise to exploration beyond the limits of today's knowledge, and inspire the coming generation.
13. Health policy-driven research can be a major contributor to providing solutions and best practices for containing growing health expenditures. In the last 10 years, most of the EU countries have faced an alarming acceleration of their health expenditures. The integration of biomedical and policy-driven research will be crucial to meet the challenge of ageing from an economic point of view.
14. Positive social impacts are expected from new developments realised through Nanotechnology in the fields of medicine, electronics, materials

Chapter 5 – Conclusions

Based on the previous analyses, this chapter contains the conclusions and the suggestions related to the further development of the impact assessment procedure. We shall separately look at the different dimensions of the IA, synthetically recalling the most prominent critical aspects emerging from the analysis and suggesting future developments.

The methodology

Main results

1. Quite a few IAs do not consider, or only marginally consider social elements. The degree to which social elements are considered is not necessarily “proportionate” with respect to the policy content and its likely impact.
2. Moreover, according to our analysis, most of the IAs only fulfilled step 1 (Identification of impacts) of the path established by the guidelines. In many cases these impacts are only described generically, without any identification to the possible social indicators describing the impacts expected. Only a few IAs further proceeded to step 2 (Qualitative assessment of which impacts are the most significant) and very few reached step 3 (Advanced qualitative and/or quantitative analysis of impacts.). The diversity of approaches is seldom justified by the principle of “proportionate analysis”.
3. In several cases the assessments are based on general statements and shared assumptions concerning the relations between a set of social and economic elements. Such relations are seldom discussed when taking into account the specific content of the measure, the target population and interested territorial areas, the specific choice of policy instruments and the effect of the implementation process.
4. The impacts described in the IAs analysed rarely appear “Specific, Measurable, Accepted, Realistic and Time-dependent”.
5. Statistical data, evaluation reports from previous or similar programmes, studies by EU agencies or other existing studies are not systematically used by the IA: Impacts tend to be analysed with a much more ‘qualitative’ approach.
6. Whereas the IA guidelines suggest that “*No policy action by the Commission should be taken in isolation. It is necessary to check whether the objectives envisaged are consistent with the other EU policies*” this happened only rarely. Several IAs have not envisaged any correlation with other policy domains or EU policies.

Suggestions

Two main elements are at the core of the impact assessment procedure and methodology: on one hand, *clearness and consistency* of the assessments and, on the other, *flexibility*, with respect to the policy area and content. The following suggestions are intended to strengthen both these aspects.

Giving consistency and relevance to the assessments

The impact assessment documents concerning all policy proposals selected for the IA should consider social aspects: the non-inclusion of social impacts in the assessment does not clarify whether the policy measure has a social relevance or not. Therefore, the possible absence of social impacts should be stated and justified as much as its presence.

Moreover there is a need for a more systematic evaluation of impacts according to a set of shared and clear indicators, even if used on a flexible basis according to the policy domain and instruments assessed.

In order to improve these two critical areas, we suggest two developments.

First, we suggest the use of the existing list of questions concerning the possible social impacts included in the Guidelines as an actual checklist. At a first stage the evaluators should address 8 questions (the current headlines of the check list¹⁴, slightly modified as follows):

“Is the proposal likely to affect:

- Job creation, job loss and functioning of the labour markets?
- Standards and rights related to job quality?
- Social inequalities, social inclusion and protection of particular groups?
- Equality of treatment and opportunities, non discrimination?
- Private and family life, personal data?
- Governance, participation, good administration, access to justice, media and ethics?
- Public health and safety?
- Access to and effects on social protection, health and educational systems?”

For each question a simple Yes/No answer should not be considered sufficient; a short description and justification of the answer should be provided. For each item with a positive answer, the assessment should address the more specific sub-questions included in the Guidelines’ list and evaluate other possible impacts not included in the list.

Second, we suggest that a list of relevant and common indicators should be produced and introduced for each of the previous items and sub-questions. Each time a team of evaluators foresees the existence of a likely impact, it will have a few standardised indicators at its disposal that will aid in giving consistency to the assessments and in providing the future monitoring of the measure.

¹⁴The Guidelines and their Annexes SEC(2005)791

Establishing the causes

The IA Guidelines state, “*You need to establish the ‘drivers’ – or causes – behind the problem (how particular factors lead to the problem) and the ways in which these different drivers influence one another directly or indirectly. Doing so helps you to tackle root causes rather than symptoms.*”¹⁵

Where social phenomena are involved, the identification of the “causes” and effects is one of the most difficult tasks to carry out. The possible variables intervening are so many that it appears difficult to assess the specific net effect of a policy measure.

In this respect, we put forward two suggestions.

First, the identification process of the potential effects should begin by reducing, as much as possible, the variability, by focusing the attention on specific targets, on a specific territorial level, etc. (see below) and, at this level, try to put into evidence the possible effects.

Second, we suggest to explicitly state the possible intervening variables in the implementation process of each specific measure: i.e. the ways in which institutional and non institutional actors (member states, social partners, etc.) will contribute to the implementation of the measure, the publicity of the policy, the different interpretations provided in different contexts, the specific criteria adopted for funding projects, and so on and so forth. This clarification should help in providing both a more realistic ex-ante assessment and a socially relevant set of guidelines for implementation and monitoring.

Focus on the territorial dimension

To evaluate the direct and indirect social impacts it is necessary to first consider the territorial dimension, where economic and social developments are interconnected. There are several methods, depending upon the object and the goal of the evaluation, although the focus should remain on the territorial 'Unit of Analysis'. This should avoid the risk of generalisation and help in providing a more “Specific, Measurable, Accepted, Realistic and Time-dependent” analysis.

Moreover, focusing on the territorial dimension enables the identification of the different steps which may have an influence on the implementation of the measure; it is necessary to identify how and where the document (directive, communication etc) is translated into action and becomes a normative document to be implemented at the local level.

Identification of the key players/affected populations

*“Impacts on different social and economic groups. Carefully identifying ‘winners’ and ‘losers’ can help you foresee obstacles to the proposed action and may point to the need to change its design, or to introduce accompanying measures to mitigate the negative impacts.”*¹⁶

This identification, and the analysis of the Impacts on existing inequalities, has not been provided in most of the IAs evaluated. In particular, as far as social impacts are concerned, this becomes an essential procedure. The identification of who is affected (including those outside the EU) and, in which way, is a key to render the assessment more useful and ‘concrete’.

¹⁵ The Guidelines and their Annexes SEC(2005)791

¹⁶ The Guidelines and their Annexes SEC(2005)791

Nature of the proposals assessed, format and monitoring of impacts

Main results

1. The IA Guidelines stress that the analysis of impacts should be based on *reliable data and robust analysis*: the impression is that this is not possible for any policy proposal. The possible and likely social impacts of very general policy statements, orientations, descriptive and general proposals are very difficult to identify. The identified impacts are likely to correspond to general policy goals. Specific difficulties in implementing a sound methodology are to be underlined with reference to Communications: impact assessment can only be envisaged using a more generic implementation.. In fact the guidelines precise that “*Broad policy-defining documents – for White Papers, Action Plans, other Communications setting out strategic orientations, or proposed framework directives (meant to be followed by daughter directives), the analysis will generally be rather broad in its problem description and objectives. The different types of action envisaged to reach these objectives should however be sufficiently detailed for stakeholders to prepare for subsequent consultation on specific actions. Assessment of impacts will necessarily be preliminary and will not provide detailed quantitative data*¹⁷”¹⁷. Empirically, this pertinent observation reflects the confusion concerning the nature, objectives and methods of evaluation of different types of policy proposals.
2. Communication is the instrument on which Impact Assessments have been realised more frequently. For several DGs Communications are the main instruments for which IAs have been realised: in particular we can note INFSO, JLS and AGRI
3. The format of the IAs is quite diverse, rendering a comparative reading difficult.
4. The IAs realised seldom provide sufficient material for subsequent monitoring and evaluation of the policy measure over time.

Suggestions

Selection of the type of proposal and differential evaluation

Our evaluation suggests that an IA on a Communication is at risk of being just a scholarly effort, although, also foreseeing possible impacts of Communications should represent a priority for the legislator. There is therefore a need for distinguishing between “actual impact assessments”, to be applied to more operational policy measures, and “theoretical general analysis”.

It is advisable to imagine a different approach for ‘broad policy-defining documents’ and for ‘binding documents’. Having a unique instrument for both – the IA – risks to render this path less effective and operational for both.

¹⁷ The Guidelines and their Annexes SEC(2005)791

Therefore, our suggestion refers to the realisation of actual IAs only for ‘binding documents’, much more focused on a sound, precise and clear-cut assessment in the direction of a more “Specific, Measurable, Accepted, Realistic and Time-dependent” analysis, even if safeguarding the important principle of ‘proportionate analysis’¹⁸.

For Communications and other ‘broad policy-defining documents’ we suggest to devise a different instrument able to describe the potential expected and desired social consequences in a very broad way.

Format

The analysed IAs are quite diverse in terms of format, both in length and organisation of the analyses. A more homogeneous format should render the documents more readable and comparable, also by a non specialised reader.

The guidelines indicate that “*The report should normally be no more than 30 pages (excluding annexes)*”: In several cases they enormously exceed this length (even if, in some cases, this is due to the annexes)¹⁹ This is likely to affect their efficacy, legibility and comparability with other previous assessments or further policy measures in the same field. On the other hand, others seem to be very ‘thin’, (even when bearing always in mind the importance of the principle of ‘proportionate analysis’)²⁰.

In our opinion if IAs would be realised by a transversal committee (see further paragraph on *Internal organisation and transversal analysis*), a wider homogeneity, also in relation to the format, should be expected and fostered,.

Moreover the previous suggestions regarding the inclusion of a set of common questions and indicators (see the paragraph on *Methodology*) should contribute to the partial homogenisation of the format and to the organisation of the assessment.

Monitoring and evaluation in the implementation process

The IA Guidelines explicitly refer to “*monitoring and evaluation arrangements – including generating data on the basis of carefully designed indicators – [to] provide valuable information [...] and help in defining how to optimise the intervention.*”²¹

Only a limited number of assessments set out such procedures and identify clear cut indicators to be used in this direction.

In fact, the introduction of an “observatory” of social impacts could provide evidence in the comparison of foreseen and unforeseen effects, with actual consequences, and would support and improve the IA procedures and more generally policy making.

As monitoring represents a very complex and costly procedure, it could be foreseen as an experimental program limited to a selection of assessments , so to help the refining of the IA process.

Moreover, this activity would subsequently enable the development of IAs, taking into consideration the need for reducing the variability and for concentrating much more specifically

¹⁸ “The impact assessment’s depth and scope will be determined by the likely impacts of the proposed action (the principle of ‘proportionate analysis’). The more significant an action is likely to be, the greater the effort of quantification and monetisation that will generally be expected”ⁱⁿ The Guidelines and their Annexes SEC(2005)791

¹⁹ Of the analysed documents 3 are over 90 pages.

²⁰ There are 4 under 10 pages

²¹ The Guidelines and their Annexes SEC(2005)791

on target groups, on territorial dimension, and on the implementation process. In the beginning, mapping the areas and the targets affected and describing the foreseen and unforeseen effects observed, could represent an appreciable result. The introduction of a more standardised evaluation procedure suggested in the methodological paragraph on behalf of a set of compulsory questions and indicators, goes towards this direction and would represent a first step in the construction of an *in itinere* impact evaluation system.

Internal organisation and transversal analysis

Main results

1. The switch from an approach encompassing a single sector impact assessment system to the new one integrating all sectoral assessments is a key feature of the IA procedure. Yet, this transversal approach not always appears in the IAs evaluated. In many cases the perception is of an in depth analysis as far as the specific issue of the document is concerned, and a far more less detailed one concerning other different issues: as an example we can find an IA on environment with a specific analysis concerning its environmental (and often its economic) impact but without any analysis on its potential social impact, or an IA concerning a social issue with a deep analysis of its social impact; far less frequently does it contain an in depth analysis concerning economic or environmental impacts.
2. The organisation and the composition of the assessment teams and the specific expertise and responsibility of their members within the EU institutions represent a fundamental element in the IA process. The transversal (cross-discipline and cross policy domain) assessment represents the real added value of the whole process and the most important step towards the key challenge of evaluating the results of the European Sustainable Development Strategy in view of the promotion of social cohesion and social inclusion.

The IA Guidelines address the issue by foreseeing a “*transversal committee*”²², nevertheless, the diversity in the approaches and formats of the IAs analysed (even when considering the “proportionate analysis principle”) suggests that it is possible to improve the coherence and the transversal elements in the IAs.

Suggestions

Interdisciplinary approach and internal organisation of the assessment process

In our understanding, the interdisciplinary approach – in the current system linked to the role of the Inter-Service Steering Group- should be strengthened. Our proposal is to transfer the task of realising the IAs from single DGs to an interDG commission composed of experts of different fields: economic, environmental and social ones. In fact, in the analysed documents, when the IAs have been carried out by external experts with transversal competencies, the interdisciplinary nature of the analysis is far greater in terms of data provided, attention to the possible connections with other policy domains, many different issues tackled, etc.

This also affects the quality of consultation of different stakeholders. The process of consultation of relevant stakeholders is considered essential by the Guidelines and has been widely used: “*Consultation should be seen as a recurring need in the policy development process rather than a ‘one-off’ event*”²³. The guidelines precise that “*You should always include all target groups and sectors which will be significantly affected by or involved in policy implementation, including those outside the EU*”²⁴ but this could be difficult if the IA is realised internally by the Dg preparing the proposal. The network of potential stakeholders can be wide if concerning the specific area of policy of the Dg and less complete if concerning other policy domains with the risk of a bias in the assessment results.

Training

It is considerable that an increasing number of staff is being trained by the central training services in the Impact Assessment method and that this procedure is positively contributing to a new culture of transparency in regulatory design and management practices. During these training procedures, a suggestion may be to pay particular attention to:

1. the use of shared social indicators, also among non specialists of a specific policy domain, in order to foster the circulation, understanding and creation of a common “culture” in the evaluation of social impacts cross-discipline and cross-policy area;
2. the importance to focus on the impact of specific territorial areas, social groups and actors so to provide an assessment closer to the final beneficiaries and stakeholders (see paragraph on methodology)
3. the importance of using a much more empirically grounded approach, providing verifiable information and indicators, also in view of the introduction of a monitoring and evaluation system of the actual social impacts (see the specific paragraph).

²² “*An Inter-Service Steering Group is compulsory for all items of a cross-cutting nature. The Roadmap asks DGs to provide valid justification in those instances when no Inter- Service Steering Group is envisaged. These groups are there to provide specialised inputs and to bring a wider perspective to the process. Involving other DGs from the early stages will also make it easier to reach agreement during the Inter-Service Consultation. The Strategic Planning and Programming Unit of the Secretariat General (SG.C.1) should always be invited to participate in the steering group. If no steering group is set up, SG.C.1 should be kept informed of the state of play on a bilateral basis*”, The Guidelines and their Annexes SEC(2005)791

²³ The Guidelines and their Annexes SEC(2005)791

²⁴ The Guidelines and their Annexes SEC(2005)791

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