

THE PATHWAY TOWARDS EUROPE 2020 GOALS. TARGET: SOCIAL INCLUSION

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Abstract: *The increasing requirement to demonstrate the performance of EU development policies led to new and more complex information needs that could support timely planning and evaluation of financed programmes and, at the same time, allow comparative analysis at European, national, and regional level. In this respect, “indicators” are an important tool that provides information and/or “evidence” for policies in various fields.*

The article introduces an exploratory conceptual approach to investigate the progress towards the Europe 2020 Strategy using social inclusion as demonstration case. The proposed logic model could be used as framework for future efforts and practical actions in selecting and developing comprehensive sets of indicators.

The discussion is structured in the context of the new generation of EU funded programmes. Therefore, the introductory section of the article provides an overview of the new logic of intervention established for the programming period 2014-2020.

Keywords: *Europe 2020, cohesion policy, EU funded programme, social inclusion, indicators, causal chain, system thinking*

JEL Classification: *A2, H1, P0, P5*

Introduction

The European Union's ten-year jobs and growth strategy was launched in 2010 by means of a variety of objectives including employment, research, development and innovation, climate changes and energy efficiency,

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education, reduction of poverty and social inclusion. These were translated into quantitative targets that are monitored with a set of nine indicators.

The Europe 2020 puts forward its objectives for smart, sustainable and inclusive growth as drivers for the EU financing in the Member States. Therefore, the discussion about the progress towards the targets of Europe 2020 requires us to make reference to the cohesion policy that counts for the highest share of the EU budget and creates the main investment framework.

From the above perspective, it becomes evident that both strategic decisions and effects of the cohesion policy's implementation are influencing the pathway towards the growth objectives of the Europe 2020 Strategy.

One of findings in the Fifth report on economic, social and territorial Cohesion findings on the previous EU financing exercises underlined the fact that the evaluation of interventions supported has covered aspects related to their plain implementation rather than demonstrating their performance in terms of obtained effects (European Commission, 2010a). These in-depth judgements led to the remark that the evaluation of the performance has to provide evidence-based responses on relevance and effectiveness of policy implementation. As well, the Conclusions of EU Presidency from May 2011 underlined that the only way to achieve the effectiveness of the cohesion policy is "through more results-focused programming and increased emphasis on evaluation and indicators".

As compared to the international practice, the result oriented approach in the management of 2014-2020 EU funds is relatively new. The result based monitoring and evaluation was introduced by the international organisations, as well as in the public sector, in many countries, to demonstrate what difference is brought by the use of the deployed resources. A notably example of moving forwards for results was to establish the Millennium Development Goals with targets and indicators in order to provide the basis for measuring the progress and the effectiveness of the aid (IEG-World Bank Group, 2012).

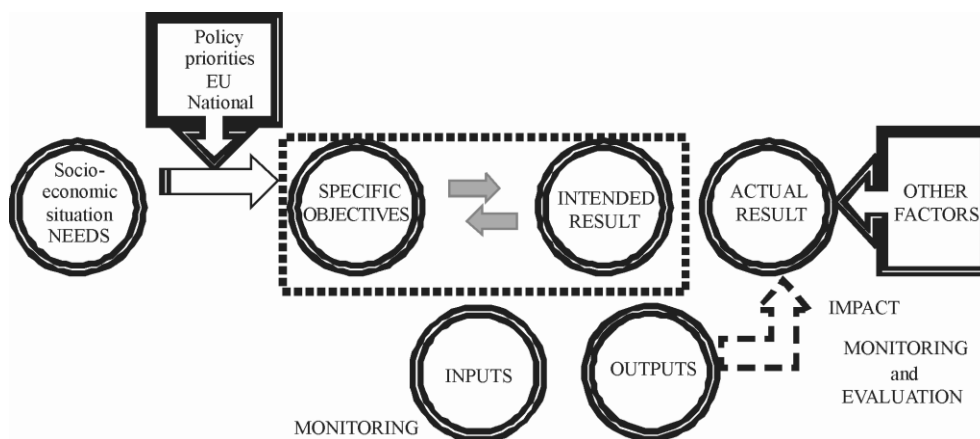
Although the regulatory requirements for EU financing evolved over successive cohesion policy reforms, leading to substantial improvements in the monitoring and evaluation practice across European Union (Polverari, L., Mendez, C., Gross, F., and Bachtler, J., 2007), these were input-driven oriented, essentially meant to observe the implementing of activities, and to produce information on inputs (financial resources) and outputs. Therefore, in the report to European Commission entitled "An agenda for a reformed

cohesion policy” the conclusion is that “most of attention being focused on financial absorption” without deliberation “on results in terms of well-being of people” (Barca, 2009).

But outputs are not the ultimate goal of an EU funded programme. As compared to previous financing exercises, the regulations governing the management of 2014-2020 EU funds brought a radical change in setting the objectives of funded programmes and establishing a new logic of interventions in order to achieve the expected results and evaluating their socio-economic and environmental effects.

In the “Guidance document on Monitoring and Evaluation” for the 2014-2020 EU financing exercise, the Commission introduced the new intervention logic as an illustration of the change that the programme intends to bring (expressed as intended results), and this constitutes the framework for monitoring and evaluation with appropriate indicators. Conceptually, it is the causal chain leading from the resources employed in a programme to the effects on the policy objectives that can be attributed to these resources, as the intended results express the “specific dimension of well-being and progress for people that motivates policy action, i.e. what is intended to be changed, with the contribution of the intervention designed” (European Commission, 2014).

The diagram below is a graphical representation of causal linkages in the new intervention logic:



Source: Adaptation from “Guidance Document on Monitoring and Evaluation”, European Commission, 2014

Figure 1: Intervention logic of 2014-2020 EU funded programmes

Looking at the diagram presented above, we acknowledge that the logic model introduced in the design of the 2014-2020 EU funded programmes implies an “if-then” construct in order to describe the relationships between inputs, outputs, and intended results. An important distinction has to be made between the programme and the context level. The assessment of the programme’s progress will be done on the basis of the information collected throughout the monitoring of the indicators’ performance. Likewise, in order to allow the evaluation of the impact. The monitoring framework seeks for collecting more information at the result level (actual result).

One objection that could be addressed refers to the fact the cause-effect approach is limited to the evaluation of the impact. The model does not delineate the pathway towards the programme objectives or that of the result back in the context. The “results frameworks tend to be abstractions, reflecting a linear logic of cause and effect, which does not necessarily correspond to the more organic and iterative nature of real development” (UNDP, 2011:6).

Hence, a conceptual framework could help to structure the selection of indicators in the global policy context. “The information contained in an indicator generates its full value only if it is combined with contextual information. Such information could come from other indicators, but in principle all types of information can be useful to interpret indicators” (OECD, 2015:17).

Literature review

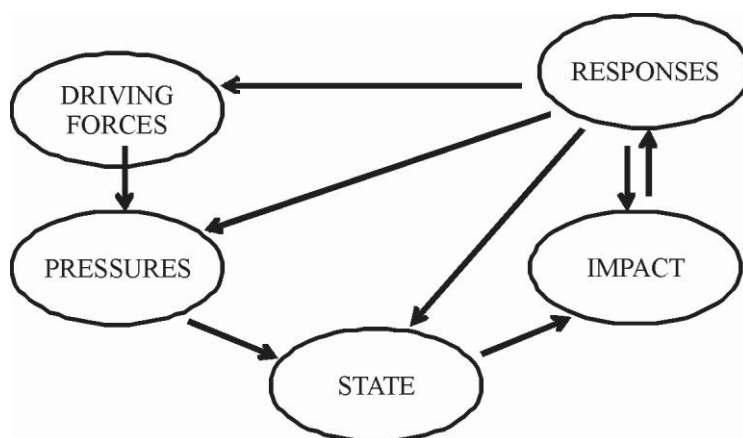
The causal chain could be defined as “an ordered sequence of events or issues, in which any one event or issue in the chain causes the next one” (Joumard and Gudmundsson, 2010:38) and that can “provide clear roadmap to specific end” (Knowlton, Phillips, 2008:5).

By mapping out the determining of causal factors judged as important for success, and how they might interact, it can then be decided which steps should be monitored as the programme develops (World Bank, 2004).

Johnson (2003:23) argues that “programmes should be developed on the basis of a situation analysis that identifies priority problems and their immediate, underlying, and basic causes, which should be addressed either simultaneously or in sequence”. Therefore, identification and analysis of

various factors responsible for the problems that affect the target group is a prerequisite for monitoring and evaluation that later will seek to demonstrate the efficacy and effectiveness of programmes.

Various models have been developed in order to select indicators, in particular addressed to the development of environmental indicators. One of the most acknowledged is the DPSIR framework (Driving forces-Pressures-State-Impacts-Responses) used by the European Environment Agency (EEA) and the Statistical Office of the European Communities (Eurostat).



Source: Smeets, E. and Weterings, R. (1999:6). Environmental indicators: Typology and overview. European Environment Agency

Figure 2: DPSIR framework for reporting on environmental issues

“According to the DPSIR framework there is a chain of causal links starting with “driving forces” (economic sector, human activities) through “pressures” (emissions, waste) to “states” (physical, chemical and biological), and “impacts” on ecosystems, human health and functions, eventually leading to political “responses” (prioritisation, target setting, indicators). Describing the causal chain from driving forces to impacts and responses is a complex task, and tends to be broken down into sub-tasks, e.g. by considering the pressure-state relationship.” (Kristensen, 2004:1).

“The aim is to establish drivers. We understand drivers to mean the factors that cause or generate social exclusion. In social science, it is extremely difficult to establish cause. Even then there are problems in

demonstrating the direction of relationship between the driver and social exclusion, or whether it is the driver itself or a factor associated with the driver that produces the exclusion” (Bradshaw et al, 2004:6).

The DPSIR framework was applied by Fieldsend (2010) to interpret the rural employment policy, where employment rate is the *state*. *Driving forces* were defined issues that may influence (*pressure*) the employment factors like demand for workers (economic activity) and supply of workforce (labour force). Fieldsend makes reference to natural, human, social, physical and financial capital to categorise a series of endogenous driving forces.

The DPSIR conceptual model provides an approach to organise the evidences (indicators) by a simple explanation of the cause-effect relationship from the driving forces (causes) and associated pressures, the impacts produced (performance) by changes in a specific situation (state), and the responses (policy options).

A pathway towards Europe 2020 social inclusion target

This section proceeds by exploring the interventions that target social inclusion through a logic model induced from the DPSIR conceptual framework described in the literature review. In the case of investments for social inclusion, we have reasons to complete the cause-effect chain given the complex and multi-dimensional nature of the problems.

As a first step to start building the relationships in the model, it is better to know what we understand through “social inclusion”, and how it is going to be translated into EU funded interventions.

The 2004 Joint report on social inclusion defines it as “a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live.” (European Commission, 2004:10).

From this definition, we acknowledge the fact the policy actions addressing social are grounded on a “state” that refers to “social exclusion”. The Final Report to the Commission on Social Determinants of Health (CSDH) evidenced that “in a policy context, social exclusion is most commonly used to describe a *state* in which people or groups are assumed to

be *excluded*“ (SEKN, 2008:33) and defines social exclusion as a “dynamic, multi-dimensional processes driven by unequal power relationships” “that operates along and interact across four main dimensions – economic, political, social and cultural – and at different levels including individual, household, group, community, country and global regional levels” (SEKN, 2008:168).

As referred in the literature review, we have to pay attention to identifying the roots of the causes (driving forces). Considering the complex process of social exclusion, Bradshaw et al. (2004) suggested two ways to identify the driving forces: a list of domains that “partially coincide with policy areas” or “as processes affecting certain vulnerable groups, such as children, young people, women, and people with disabilities, ethnic minority groups”.

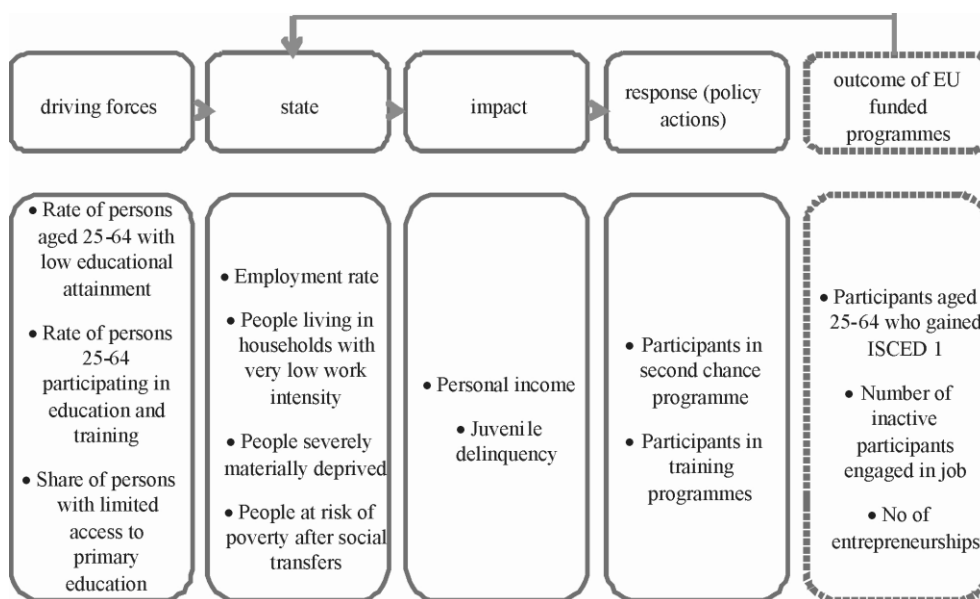
The investments under the cohesion policy delivered through the EU funded programmes are financed by the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the Cohesion Fund. The first two funds are also known as “structural funds”. All structural funds will contribute to the achievement of the Europe 2020 targets aiming at inclusive growth by getting more people into work, especially women, young, older and low-skilled people, better educational attainment, reducing the number of people in or at risk of poverty and social exclusion (European Commission, 2010).

It should be noted that there are differences in the implementation of the two structural funds, ESF and ERDF. In the case of ESF, results-orientation relates to the desired change that occurred to the direct supported people (short causal chain). “These are indicators that concern very low-level objectives.” (OECD, 2015:24). Whereas for ERDF, the project related benefits for people arise indirectly from investments in health and social infrastructure, and by regeneration of the urban deprived urban communities. These indicators “refer to outcomes on a macro level. They are supposed to measure the impact of a programme not just on those individuals or businesses affected by it, but on the entire population the programme is targeted at.” (OECD, 2015:24).

From the features of these two funds we may conclude that ESF actions are responsive to the drivers from the perspectives of vulnerable groups, and ERDF from the domain perspective.

Despite the expectation to have a direct link between the outcomes of the EU funded programmes and the headlines set by the Europe 2020 Strategy whenever applicable, in the case of inclusive growth this should not be pursued by a top down approach, and the cause and effect relation will be demonstrated through further exploration and consideration of the context. Furthermore, as the Europe 2020 Strategy comprises no social standards, this is tracked on the basis of employment and poverty reduction. The proposed framework will be approach social inclusion according to the Commission Communication “Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020” from the perspective education and training.

The potential of the above conceptual approach is presented in the matrix below:



It is worth to note that the cohesion policy is not standing alone in supporting the Europe 2020 Strategy, but complements the achievement of other EU policies objectives.

Concluding remarks

The conceptual considerations proposed and the exploratory demonstration on the case of investments for social inclusion indicates the necessity of applying the systems thinking in order to encompass the entire programme cycle.

It was recognised that the design and implementation of policy actions requires relevant data and the use of appropriate indicators. It is important to note that the management of EU programmes used to finance the necessities identified at national level has an inherent dynamic that the indicators must meet permanently. Therefore the list of indicators should stay opened and subject of future updates and additions.

The Approach and the framework used for analysis could be a preliminary proposal for development of monitoring and evaluation system of EU funded programmes.

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