



Social Protection Reform Project
中国欧盟社会保护改革项目

Component 1

1.2.2. Evaluation Techniques

One critical aspect for any meaningful reform in social protection is that if its evaluation. Such evaluation has to enable decision makers to critically review the effects or the potential of a reform or a reform proposal against desirable criteria, such as affordability, well-being of the beneficiaries, proper implementation and governance, cost-analysis compared to possible alternative course of action, public acceptance, interaction with other elements of public policy, contribution to overarching Government of national goals, etc.

While China has experienced over the years in-depth reforms in its social security system, with results that are generally highly praised against specific criteria such as expansion of nominal coverage, poverty alleviation among pensioners, vesting and portability of rights, etc. some voices raise concerns about non achieved or detrimental formal or non formal goals of the reform, in terms for example of actual level of funding, extension of pooling areas, replacement rate, actual reward from contributions, effects on employment opportunities, etc.

It therefore appeared as useful to summarize in a brief Technical Note what European member States commonly included under the concept of Social security Evaluation, using also as a reference those tools and international comparisons developed in Europe for a number of decades.

I - Evaluation in Social Insurance Legislation:

European experience and practice

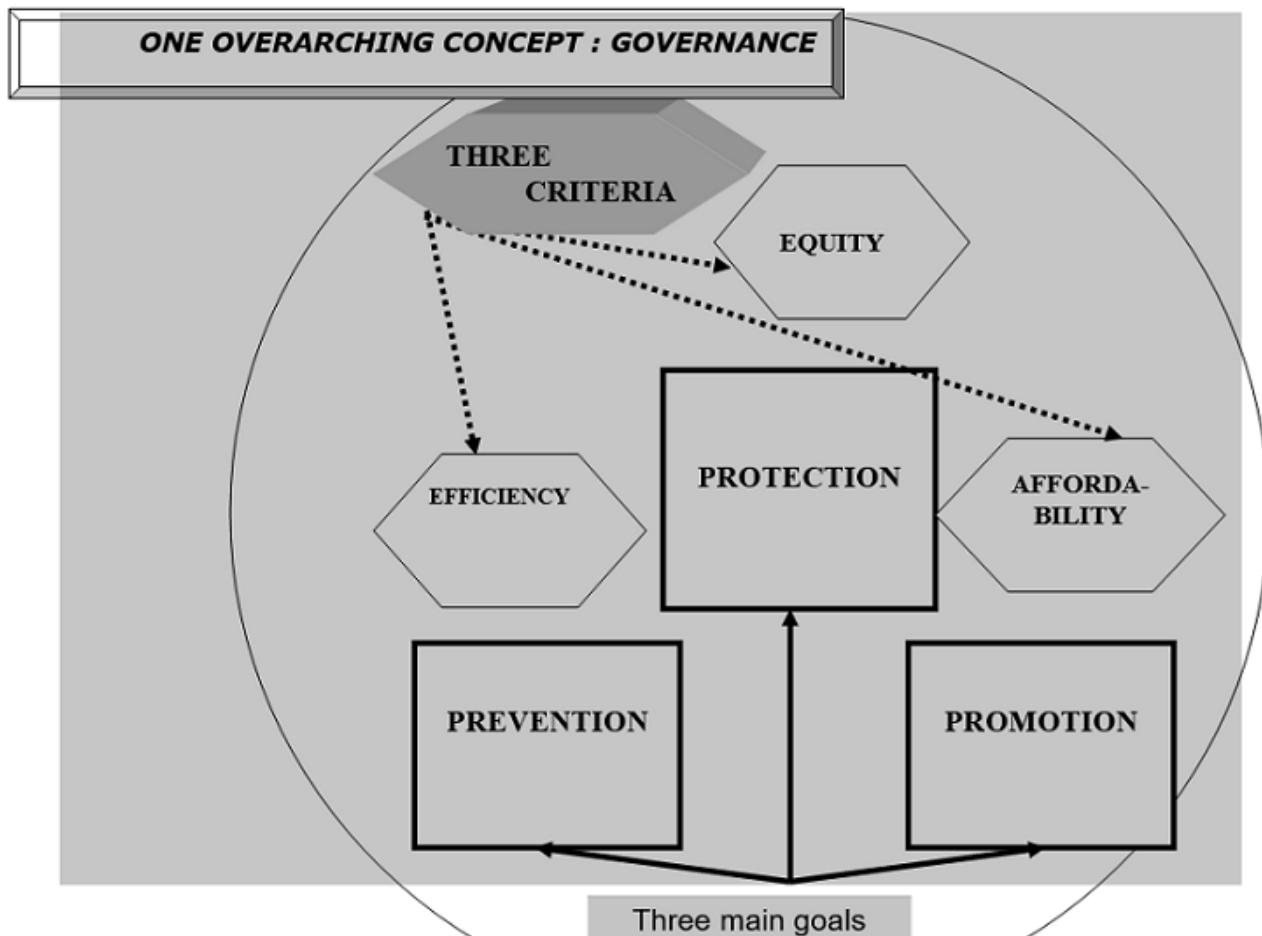
- Evaluate on what basis ?
- Evaluation varies
- Practical examples

Evaluation is Related to Objectives

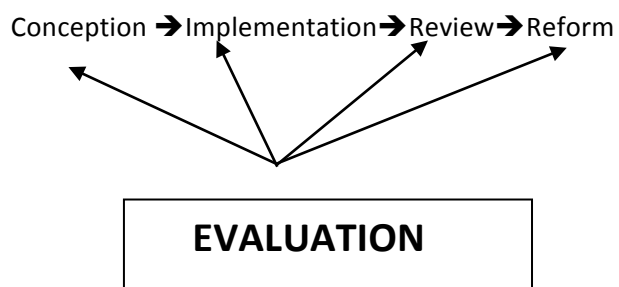
Three main goals: Protection, Promotion, Prevention

Three main criteria: Equity, efficiency, affordability

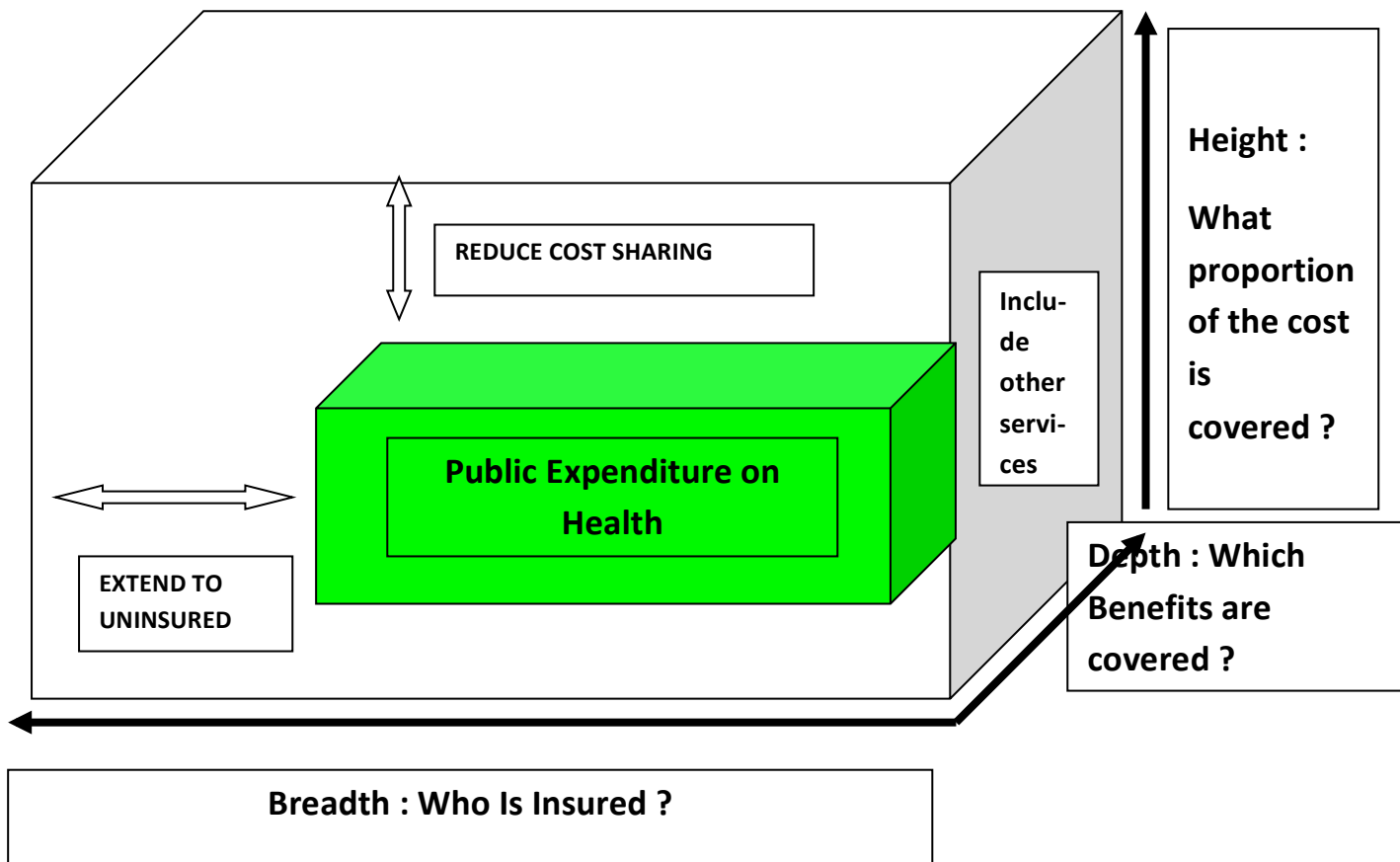
One overarching concern: Governance



Evaluation intervenes at all stages of social security reform



**TRI-DIMENSIONAL EVALUATION TOWARDS UNIVERSAL
COVERAGE (WHO 2008)**



CONCERNING GOALS

Does legislation embody these aspects ?

- *Protection*: clear definition of the outcome, before and after social security intervention (e.g. Council of Europe Code of Social security)
- *Promotion*: Overcome individual and collective weaknesses, ensure equal opportunities, positive discrimination
- *Prevention*: Avoid occurrence of social risks, ensure peaceful spirit, avoid stress and occurrence of needs

CONCERNING CRITERIA

Is there a monitoring/benchmarking mechanism for each of the three main criteria:

- Equity (comparison across categories in keeping standards of living)
- Efficiency (comparison across social risks to keep out of poverty)
- Affordability (short, medium, long term). Expressed in absolute and relative terms

HOW TO EVALUATE GOVERNANCE

- *Definition of governance*
(procedures)(cost efficiency)(clients' satisfaction)(equal treatment)(rule of law-anti fraud)
- *Responsibility*
(commitments)(guidelines)(charters)(certification)(consequences)

- *Monitoring*
(role of parliament)(democratic management)(internal control)(external audit)(transparency / publicity)

EVALUATION MAY VARY

- Objective – subjective, evolution of positive evaluation criteria over time
- The fact that law is actually applied does not imply necessarily positive evaluation (target may not be met) (side, non-desired effects, collateral damages)

EVALUATION METHOD VARIES ACCORDING TO EVALUATOR OR TARGET

- respective priority of criteria
- clients’ satisfaction concerns
- policy-political considerations

MOST COMMONLY IDENTIFIABLE EVALUATION CRITERIA:

- Effects on employability
- Effects on standards of living (working poor)
- Effects on fertility rates
- Effects on labour market
- Effects on coverage and of course
- Financial effects
- Cost-benefits analysis

WHAT IS A SUITABLE LEVEL FOR BENEFITS ?

European Code of Social Security – Criteria (benchmarking) for cash benefits

Part	Contingency	“Single	Beneficiary with Dependants %	
III	Sickness	5	Person with spouse and two children	6
IV	Unemployment	5	Person with spouse and two children	6
V	Old-age	5	Person with spouse of a prescribed age	6
VI	Work accidents-diseases a. temporary or initial incapacity for work b. total and permanent loss of earning capacity i. in general ii. where constant attendance is required c. death of the breadwinner – surviving spouse – child	5	Person with spouse and two children	6
			Person with spouse and two children	
		50	Surviving spouse with two children	65
		7		8
		50		65
		2		65
VIII	Maternity	5	Woman with spouse and two children	6
IX	Invalidity	5	Person with spouse and two children	6
X	Death of the breadwinner – surviving spouse – child	5	Surviving spouse with two children	6
		2		

EVALUATING THE LAW, OR ITS IMPLEMENTATION ?

Evaluating a law is different from evaluating how a law is implemented

Special mechanisms have been instituted for legal *and* practical evaluation

– allowing for international comparisons since 1919

Within European framework: Council of Europe most clear example.

COUNCIL OF EUROPE SUPERVISORY PROCEDURE

Applies to the European code of social security, its protocol and the revised code.

Bears a direct relation with the European Social Charter

“A supervisory procedure is established and it demands that the contracting parties prepare reports concerning their compliance with the standards provided within the Code, Protocol and Revised Code. These reports are then assessed by experts who report in turn to the Committee of Ministers of the Council of Europe. The Committee of Ministers determines if the contracting party has fulfilled its obligations. If the contracting party has failed to uphold the standards to which it has committed itself then the Committee of Ministers can make Resolutions inviting the contracting party concerned to rectify the situation and respect its international obligations.

These specialized social security instruments form an essential component of the protection of human rights through the Council of Europe.”

ONE SESSION/ European Council of Ministers, 29 Sept. 2010

Questions raised on social security legislation in relation to the European code of Social security (period July 08 to June 09) to:

The Netherlands; Ireland; Belgium; Sweden; France; Denmark; Cyprus; Portugal; the United Kingdom; Estonia; Turkey; Norway; Greece; Spain; Czech Republic; Italy; Germany; Switzerland; Luxembourg; Slovenia

All this is public, and substantiated

MEMBER STATES ARE ANSWERABLE

One example, that of France

“The Committee of Ministers of Council of Europe decides to invite the Government of France:
I. concerning Part II (Medical care), and with reference to its previous resolutions, to continue to report on the TANGIBLE RESULTS of its efforts to place the sickness insurance finances on a sound footing and unify the management of the outpatient, hospital and socio-medical sectors;
II. concerning the GOVERNANCE AND FINANCING of social security during periods of crisis:
a. to give the reasons why, notwithstanding the range of available tax and other measures to encourage economic activity in the country, it continues to opt more for arrangements to relieve companies of social charges, which could contribute to the growing deficit of the general social security scheme. So that it can assess the effectiveness of the new governance rules referred to by the government, the Committee of Ministers also asks the government to include in its next report information on the implementation of these provisions in practice, specifying the amounts actually recovered by social security and giving specific examples during the reference period of instances where:
1. the state actually provided full financial compensation for social security schemes subject to the social contribution exemption arrangements for policies aimed at employment, land development or the development of certain economic sectors;

2. an existing measure for reduction, exemption or lowering of the contributions base has actually been abolished before implementation of a new measure;
3. social contributions have actually been levied on the total amount of a golden handshake granted to an executive upon departure;

b. to continue to report on observance of the objectives and time-bound commitments it has determined for:

1. reestablishing the financial equilibrium of the social security system;
2. stopping the continued growth of the public debt in relation to social security;
3. paying off old debts contracted by the state;
4. envisaging sufficient budgetary allocations to cover the state's future commitments to social security, particularly in relation to the compensation of exemptions or benefits provided on behalf of the state;
5. introducing governance rules to clarify the financial relations between the social security system and the state and to prevent debts from being renewed in future.

EUROPEAN UNION IS LESS "GUIDING"

European Union has opted for a more flexible method with emphasis on Common Objectives
New common objectives from 2006 (framework for the social protection and social inclusion process.)

Translates into so-called open methods of coordination in the fields of social inclusion and pensions, as well as process of co-operation in the field of health and long-term care, brought together under common objectives and simplified reporting procedures.

The overarching objectives of the Open Method of co-ordination for social protection and social inclusion are to promote:

- *social cohesion, equality between men and women and equal opportunities for all through adequate, accessible, financially sustainable, adaptable and efficient social protection systems and social inclusion policies;*
- *effective and mutual interaction between the Lisbon objectives of greater economic growth, more and better jobs and greater social cohesion, and with the EU's Sustainable Development Strategy;*
- *good governance, transparency and the involvement of stakeholders in the design, implementation and monitoring of policy.*

EVALUATION IS NOT A SIMPLE, STRAIGHTFORWARD PROCESS

Tricky question: Does legislation address all aspects of the problems it is supposed to contribute solving ?

e.g. Demographics and pension reform

(Response to a question raised by the European Union)

"From an ILO point of view a discussion on the demographic challenges societies are facing worldwide should also include the following issues:

- *An integrated and coherent approach to youth employment promotion*
- *Increasing female labour force participation and promoting gender equality*
- *Promoting employment opportunities for people with disabilities*
- *Managing migration*
- *Improving employment opportunities for older people*
- *Investing in employability within a lifelong learning framework*

- *Combating age-related prejudices and discrimination with particular attention to older women*
- *Creating fair and safe working conditions for all workers”*

HOW TO BUILD A CREDIBLE EVALUATION ?

A reliable evaluation requires:

- An objective
 - A reference
 - A thermometer

and this for all of the multiple facets of the law.

Such complexity has made evaluation and ever growing more and more prominent priority across European social security

JV Gruat, 2011 – rev. March 2017