

FRAMEWORK FOR INFORMATION EXCHANGE IN LOCAL DEVELOPMENT (FIELD)

Implemented with the support of the European Commission DG Employment, Social Affairs & Equal Opportunities

UNDERSTANDING AND MEASURING UNEMPLOYMENT AND EXCLUSION FROM THE LABOUR MARKET

Workshop organised by the OECD LEED Programme in co-operation with Région Ile-de-France

21st June 2010

VENUE: Region Ile-de-France, 142 rue du Bac (room 21-31), Paris

For further information, please contact:

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Agenda

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For further information on Social Inclusion and Social Economy project,
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Background on the FIELD project

The OECD 'Framework for Information Exchange in Local Development - FIELD' project supports local development organisations in strengthening their information systems. It provides guidance on data collection, analysis and use in policy making, customised to conditions in each participating area. It helps policy makers to build evidence on: What makes your local economy work? What drives it forward, what holds it back? Where and how policy should intervene? Is policy bringing results?

In 2010 four thematic seminars will be organised in Paris gathering a selected group of international experts and practitioners from partner localities to review the existing data and identify sets of indicators that can be used by local development organisations to better measure performance and policy impacts in the following fields:

1. Skills and human capital in local economies (12th March 2010);
2. **Unemployment and exclusion from the labour market (21st June 2010);**
3. Entrepreneurship and the development of small and medium-sized enterprises (SMEs) (September 2010);
4. Local development policy delivery arrangements (November 2010).

The objective of these seminars is to provide practical guidance to local policy makers on how to build information systems for identifying policy needs and measuring policy impacts. For each theme, they will identify the major challenges, examine good practices and develop a self-assessment tool that can be used by local development organisations to identify where they can improve their information systems. The seminars will also produce a set of local economic and employment development policy indicators.

The seminars are complemented with case study workshops and reports in selected localities to assess the issues and options in improving local information systems and provide capacity-building support. The results of the work will be presented in a manual to be issued in 2011.

Understanding and measuring unemployment and exclusion

Even if signs of recovery appear in many countries, the risks of high persistent unemployment and of many groups losing their attachment to the labour market remain, especially in the localities hit hard by the recession. In this context, understanding the causes leading to unemployment and labour market exclusion becomes of paramount importance to adequately design and better target local policy interventions.

Unemployment and exclusion from the labour market depend on educational attainment, work experience and skills levels, health and mobility, but also access to housing, financial inclusion and availability of financial assets, and many other factors, as shown by the on-going LEED Programme research on social exclusion¹. Key issues include the way in which such factors interact, the consequences of that interaction on individuals and groups, as well as inter-generationally². Indeed, owing to the importance of the interaction of factors leading to unemployment and exclusion, it has also been suggested that exclusion should be seen as 'more a process than a state'³, a process which can, by its very nature, be difficult to reverse.⁴

Policies directed at fostering (re)employment and inclusion must also take into account the geographical concentration of disadvantage. The causes and consequences of exclusion can often be found clustered together in particular areas, effectively interacting in such ways as to exacerbate and compound each other.⁵ Common patterns in the geographical concentration of disadvantage are evident across the OECD. Indeed, it is clear that the intrinsic characteristics of poor neighbourhoods (in terms of location, housing, educational attainment, and job opportunities) worsen over time and that geographic exclusion may preclude such areas from being able to exploit wider positive macroeconomic changes.⁶ Differences between the experiences of disadvantage and exclusion in rural and urban areas must also be recognised, as exclusion does not develop in the same ways nor does it take the same forms in these two different contexts. The so-called spatial poverty trap will therefore continue to pose additional challenges to job creation and entrepreneurship development, unless the design and delivery of local development policies effectively addresses patterns of exclusion at both the individual and community levels. Accordingly, the territorial element of exclusion is an important one to consider when designing and implementing active labour market and social policies.

¹ For example, *Conceptual Framework of the OECD LEED Programme study on Improving Social Inclusion and the Local Level through the Social Economy*.

² OECD (2007) *Intergenerational Transmission of Disadvantage: Mobility or Immobility Across Generations? A Review of the Evidence for OECD Countries*, OECD Social, Employment and Migration Working Papers No. 52, Paris, OECD.

³ OECD (2007) *OECD Economic Survey: France*, Paris, OECD.

⁴ Atkinson, A.B. et al. (2005) *Taking Forward the EU Social Inclusion Process*, Luxembourg, Luxembourg Presidency of the Council of the European Union.

⁵ North, D. and S. Syrett (2008) 'Making the Links: Economic Deprivation, Neighbourhood Renewal and Scales of Governance', *Regional Studies*, Vol. 42, No. 1, pp. 133-148.

⁶ OECD (1999) *A Caring World: The New Social Policy Agenda*, OECD, Paris.

Given the complexity of the factors associated with unemployment and exclusion it is evident that its measurement is far from simple, particularly when seen as a dynamic process. Indeed, exclusion can only be measured by utilising data as proxies. Notwithstanding the wide range of data which can act as proxies for exclusion, it remains difficult to identify clear cause and effect relationships between factors. Nor should the socio-political element of choosing which indicators to use be overlooked.⁷ It is not surprising, therefore, that the complexity of social exclusion itself has led to difficulties in its definition and measurement and that there has been an emphasis on poverty.

The European Union's development of the Laekan indicators for social exclusion, which emphasise poverty, but include a smaller number of indicators on education, health and employment, has been one clear attempt to develop indicators. Research funded by the Joseph Rowntree Foundation in the United Kingdom also utilised poverty and employment, but incorporated data on disadvantage and insecurity at work, financial exclusion, and housing, in an attempt to assess the myriad of interacting factors which contribute to social exclusion.⁸ However, the indicators that should be used for assessing social exclusion have not yet been identified definitively. Indeed, the difficulty of identifying the causes of social exclusion has led to a plethora of indicators being suggested and used as proxies. These range from the more standard indicators of poverty and employment, through to wider ones, such as the Gini co-efficient (a measurement of inequality)⁹, benefit take-up and 'quality of life' factors (such as access to transport and facilities for disabled people).¹⁰ What is evident is that the complexity of the factors which contribute to exclusion ensures that identifying indicators is problematic.

It is not simply the multi-faceted nature of unemployment and exclusion which makes it difficult to capture, but the fact that the same set of factors interacting may not necessarily lead to exclusion in every case. It is for such reasons that employment and inclusion strategies should be based on a recognition of this complexity and the need to involve a variety of interlocutors in the design and delivery of policies and programmes. National and local governments have an important role to play, as does the private sector as well as the social economy organisations.

The FIELD seminar

Objective: to review the innovative tools and methods used, as part of local information systems, by local development organisations to: i) measure the factors that impact on unemployment and exclusion; ii) identify policy needs, shape policies and programmes that can best address these needs and iii) understand if policies are bringing results.

The key themes of the seminar include:

- **Understanding and measuring the factors that influence unemployment and exclusion from the labour market.** Level of skills, educational attainment, financial exclusion and a lack of financial assets, health and mobility, remoteness What are the critical factors that lead to unemployment and exclusion from the labour market? How to decipher the interaction between these factors? Is the data available from existing sources (international, national and sub-national) sufficient? Which data is missing and how to fill information gaps?
- **Unemployment and exclusion indicators.** A common set of core indicators used across a group of local development organisations will increase policy understanding and benchmarking possibilities. These indicators should be capable of guiding local policy interventions in key areas. The FIELD project seeks to develop and promote a core set of indicators.
- **Good and bad practices on the ground.** Local development organisations have introduced many innovative and robust approaches to their local information systems. However, there are also a number of inefficiencies and unexploited opportunities. The nature of good and bad practice in local development organisations will be explored and lessons drawn.
- **Assessing the impact of policy interventions in unemployment and exclusion.** Local development organisations aim to increase welfare by delivering appropriate policies. How do we know whether the policies pursued are the most appropriate? How can we justify the policies and provide accountability for the spending? Policy evaluation is an essential tool. This theme examines some of the specific challenges for local policy evaluation in the area of unemployment and exclusion.

Method: the seminar will work through open discussions rather than formal presentations.

Who: Participation is limited to local development policy makers and practitioners with proven experience in the field of social inclusion and labour market policy, academics and OECD Secretariat (25-30 participants).

Date and venue: 21st June 2010, Région Ile-de-France, 142 rue du Bac, Paris.

Working language: English / French

⁷ Levitas, Ruth (1999) "Defining and Measuring Social Exclusion: a Critical Overview of Current Proposals". *Radical Statistics*, No 71, available at: <http://www.radstats.org.uk/no071/article2.htm>

⁸ Palmer, G. et al. (2007) *Monitoring Poverty and Social Exclusion 2007*, York, Joseph Rowntree Foundation.

⁹ Ministry of Social Affairs/Ministry of Interior Affairs and Health (Denmark) (2006) *National Report on Strategies for Social Protection and Social Inclusion*, Copenhagen, Ministry of Social Affairs/Ministry of Interior Affairs and Health.

¹⁰ Parckar, Guy (2008) *Disability Poverty in the UK*, London, Leonard Cheshire Disability.

Monday 21st June

9.00 - 9.30

Welcome by [Vincent Lidsky](#), Deputy Director General, Région Ile-de-France

Opening by [Dr. Jonathan Potter](#), OECD LEED Programme and [Ekaterina Travkina](#), OECD LEED Programme

9.30 - 11.00

SESSION 1: UNDERSTANDING AND MEASURING FACTORS THAT INFLUENCE UNEMPLOYMENT AND EXCLUSION

Session co-moderated by [Dr. Jonathan Potter](#) and [Antonella Noya](#), OECD LEED Programme

This session will seek to identify what needs to be measured and how with respect to local unemployment and social exclusion levels and the factors that affect them. The discussion will address the following issues:

- What are the major factors that influence unemployment and labour market exclusion at the local level?
- What information is needed to understand these factors? What information is available from existing sources, what are the limits and what is missing? How to fill information gaps?

Comment by [Andy Westwood](#), Director for Skills and Employment, Manchester's Commission for the New Economy, Chair of the OECD Forum on Social Innovation

Conclusions by [Antonella Noya](#) and [Dr. Jonathan Potter](#), OECD LEED Programme

11.00 - 11.30

Coffee Break

11.30 - 13.00

SESSION 2: UNEMPLOYMENT AND EXCLUSION INDICATORS

This session will seek to define a set of core indicators that can help to identify local policy needs in terms unemployment and exclusion and evaluate policy results. Participants will split into groups to consider these issues.

Case study presentation:

- Dashboard of Social Inclusion Ecosystem by [Dr. Cristina Martinez](#), OECD LEED Programme

Group work **moderated** by [Dr. Jonathan Potter](#), OECD LEED Programme

13.00 - 14.30

Lunch Break

14.30 - 15.45

SESSION 3: FROM DATA TO DELIVERY: VIEWS FROM THE REGIONS

Session co-moderated by [Antonella Noya](#) and [Dr. Jonathan Potter](#), OECD LEED Programme

Drawing from the practical experience of regions participating in the seminar, this session will define how to use evidence to identify good policies to combat exclusion and unemployment. Three participating regions will make brief presentations around the following issues:

1. Regional unemployment and exclusion profile: building the evidence base
2. From data to policies: how and why policy instruments were chosen?
3. Which approach is used to evaluate policy results and feed back into policy design?
4. What are the strengths and weaknesses and lessons learnt from the current approach?

Contributions by:

- **Région Ile-de-France**, by [Firmine Jean Charles](#), Head of Service, Development Unit, Directorate for Economic Development and Employment and [Michel Ruffin](#), Head of Forecasting and Evaluation, Région Ile-de-France
- **Antwerp**, [Kristel Rombaut](#), Project Manager Research and Analysis, Work and Economy - city of Antwerp

Open discussion

Conclusions by [Mike Emmerich](#), Chief Executive, Manchester's Commission for the New Economy

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CO-OPERATION
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