

Appendix B

The European Union's Indicators of Social Inclusion

LAOKEN INDICATORS OF SOCIAL COHESION IN THE EUROPEAN UNION

Thematic area/indicator	Breakdowns by:	
	Age	Sex
Primary indicators		
Income		
1. Low income rate after transfers threshold set at 60% of median national equivalised income	Yes	Yes
1a. Low income rate after transfers with breakdowns by household type	By household type	By household type
1b. Low income rate after transfers by work intensity of household members	No	No
1c. Low income rate after transfers with breakdowns by most frequent activity states	Yes	Yes
1d. Low income rate after transfers with breakdowns by housing tenure status	Yes	Yes
2. Low income threshold (illustrative values)	No	No
3. Distribution of income (quintile 5/quintile 1)	No	No
4. Persistence of low income (based on threshold of 60% of median national equivalised income)	Yes	Yes
5. Relative median low-income gap (difference between the median income of persons below the low-income threshold and the threshold of 60% of median national equivalised income)	Yes	Yes
Employment		
6. Regional cohesion (dispersion of regional employment rates)	No	Yes
7. Long-term unemployment rate (percentage of EAP that has been unemployed for at least 12 months)	Yes	Yes
8a. Children (aged 0–17) living in jobless households	No	No
8b. Adults (aged 18–59) living in jobless households	No	Yes
Education		
9. Early school leavers not in education or training	No	Yes
10. Fifteen-year-old students with low reading literacy scores	No	Yes
Health		
11. Life expectancy at birth	No	Yes
Employment		
12. Immigrant employment gap	Desirable	Yes

Thematic area/indicator	Breakdowns by:	
	Age	Sex
Secondary indicators		
Income		
13. Dispersion around the low-income threshold	Yes	Yes
14. Low-income rate anchored at a moment in time	Yes	Yes
15. Low-income rate before transfers, by sex	Yes	Yes
16. Gini coefficient	No	No
17. Persistence of low income (below 50% of median income)	Yes	Yes
18. Women at risk of poverty	Yes	Yes
Employment		
19. Long-term unemployment share	Yes	Yes
20. Very long-term unemployment rate (at least 24 months, as a percentage of the working population)	Yes	Yes
Education		
21. Persons with low educational attainment	Yes	Yes

Source: ECLAC, 2007: 36

Notes

- 1 At <http://www.unrisd.org/>; see the pages for social policy and development.
- 2 Two recent articles provide useful overviews of the multiple definitions of the concept and comparisons of its use in different policy settings (Hulse and Stone, 2007; Chan *et al.*, 2006). Definitional distinctions were also an important theme in Beauvais and Jenson (2002), Jenson (1998) and Peace *et al.* (2005: 3–6).
- 3 The Treaty of Maastricht states that the objective of the Union is to ‘promote economic and social progress which is balanced and sustainable, in particular through the creation of an area without internal frontiers, through the strengthening of economic and social cohesion and through the establishment of economic and monetary union ...’. The treatment of social cohesion by Berger-Schmitt (2002), particularly the equality dimension, reflects an effort to develop measures for assessing the achievement of these goals, as is the work on social inclusion described in, *inter alia.*, Marlier *et al.* (2006) and ECLAC (2007: chapter 2).
- 4 For this lineage see the discussions in Jenson (1998: 8ff.) and Chan *et al.* (2006: 275–77). See also Rajulton *et al.* (2007), who make an explicit link back to Durkheim.
- 5 Council of Europe, Parliamentary Assembly Recommendation 1355 (1998).
- 6 See www.cohesionsociale.gouv.fr/plan-cohesion-sociale/presentation/70.html, consulted 12 September 2007.
- 7 Cheong *et al.* (2007: 26ff.) provide an overview as well as references to the government reports.
- 8 Forrest and Kearns (2001) provide a useful review of how the two concepts have come to intersect in considerations of national level and neighbourhood level variables. The standard reference to the ‘value’ of networks is to Lin (2001: 19), who considers social capital to be an ‘investment in social relations with expected returns in the marketplace’.
- 9 The standard reference to the ‘value’ of networks is to Lin (2001: 19), who considers social capital to be an ‘investment in social relations with expected returns in the marketplace’.
- 10 It is interesting to note a certain ambiguity about where social capital fits in the history of ideas (Jenson, 1998; Ferlander, 2007: 115). Initial work on democracy in Italy (Putnam *et al.*, 1993) was explicitly Tocquevillian in its gestures towards the ‘founding fathers’ and simultaneously liberal. However, over time, the Durkheimian roots and concerns about social order have been claimed (for example, Helliwell, 2005: 1, which references Durkheim’s work on suicide) or identified (Bevort and Lallemt, 2006).
- 11 A more up-beat assessment is provided by John Helliwell (2005), who also reviews the literature and finds a strong causal link, but his dependent variable is individual well-being. Thus, individuals with higher levels of social capital – defined as ‘... trust in their neighbourhoods, their workplaces, their public services and their public servants’ (Helliwell, 2005: 11) – reported higher levels of subjective well-being. This literature on individuals and their well-being, also being worked on by the OECD (for example, Boarini *et al.*, 2006), is not discussed here.
- 12 The standard history is that both Pierre Bourdieu and James Coleman used the concept well before Robert Putnam (for example Bevort and Lallemt, 2006). But economists also find the origins of social capital in research on networks in labour markets (an overview is in Durlauf and Fafchamps, 2004).
- 13 Political scientists and sociologists, such as Margaret Levi and Sidney Tarrow, discussed the possible negative consequences of social capital very quickly after the book on Italy appeared (see Jenson, 1998).
- 14 As Sara Ferlander says (2007: 116), ‘in none of the outcomes is the importance of social connectedness so well established as in the case of health and well-being’. For a recent overview of the links between social capital and health outcomes see *Health Policy Research*, No. 12, September 2006. This is an issue of *Health Canada’s* bulletin, entitled ‘Social Capital and Health: Maximizing the Benefits’, available at: http://www.hc-sc.gc.ca/sr-sr/pubs/hpr-rpms/bull/2006-capital-social-capital/index_e.html.
- 15 While the academic version of the argument was only published in 2006, it first appeared as a speech by the Bank’s Vice-President for Development Policy in 2000 (Beauvais and Jenson, 2002: 14) and as a World Bank working paper the same year (Ritzen *et al.*, 2000).
- 16 This is a quite general phenomenon, seen across several countries in Europe and North America (Flint and Kearns, 2006; Bradford, 2002).
- 17 A recent review of all these arguments is provided in the whole of OECD (2006) as well as Turok (2006) and Gordon (2006).
- 18 In this literature, as in that in which social cohesion is defined simply as social capital, there is recognition that social cohesion is not always ‘good’. It may lead to exclusion, to closed communities and so on.
- 19 For example, in its report on the Plan de cohésion sociale [social cohesion policy] put into place by

- government in 2004, the French ministry can report on how well its goals for housing and job creation have been met, but not on how 'social cohesion' has been created (France, 2005).
- 20 In particular, the work reported by the OECD on social cohesion and cities tends either to find little relationship – cities with high crime rates are also cities, like London, with high rates of in-migration, tourism and so on (Turok, 2006: 359) – or that the causality runs from economic performance to social cohesion.
 - 21 There is a large literature on how to measure trust. One popular source of measures is the public opinion survey (often the European or World Values Surveys or a specific national survey) that simply asks how much people trust each other or institutions. This simple measure has been rejected by others, who insist on operationalising differences among kinds of trust (for example, Nooteboom (2007: 46)). Appropriate attention to these theoretical and methodological points would render much of the existing and available data on levels of trust – which is already very limited – inadequate for cross-national comparison of small states.
 - 22 This work was done in a broader context of developing a European System of Social Indicators. See . See <http://www.gesis.org/en/services/data/social-indicators/eusi/>
 - 23 Here the measure of 'institutional quality' is not an objective one, as in Easterly *et al.* (2006), but an attitudinal one, drawn from surveys (Berger-Schmitt, 2002: 421).
 - 24 This work gave rise to a set of indicators agreed at the Laeken Summit in 2001. Committees on social indicators and expert groups have been at work since then, giving rise most recently to the publication by Marlier *et al.* (2006), based on work done for the Luxembourg Presidency in 2005.
 - 25 McNeil (2006) analyses three such quasi-concepts: social capital, the informal sector and sustainable development.