

Measures set up by the Observatoire national de la pauvreté et de l'exclusion sociale (ONPES) to evaluate the impact of the crisis

Over the past 25 years there has been a general reduction of poverty within France and the number of poor households has been stable since the 1980s. The present economic crisis will have consequences on households with the lowest incomes and this trend may be reversed.

Before presenting the measures taken by the ONPES to evaluate the effects of the economic crisis on vulnerable groups of people (ONPES, the National Observatory on Poverty and Social Exclusion, is an independent body whose mission is to summarise available information on poverty and exclusion and produce an annual report for the Prime Minister), I should like to present our observations on how the economic upturn at the end of the 1990s (favourable by then) affected poverty (1) as the lessons drawn from this provided guidelines for our work.

I shall then present the basis for our work (2) and the approach we have adopted to measure the effects of the crisis (3). At this stage, we can only present the methodology being used as the results are not expected until the second half of 2009.

(1) effects of the economic upturn at the end of the 1990s

The study of the economic upturn at the end of the 1990s clearly indicated that, in general, there was only a limited effect on the nature and extent of poverty in France. There was some delay before this upturn affected poverty and the effect on poverty was less than for employment and unemployment. Monetary poverty and, to a lesser degree, the living standards of the poor were not greatly affected by the economic situation. However, there was a more noticeable effect on the number of people receiving income support and on the visibility of poverty throughout the population.

These observations influenced our thinking on the problem and the monitoring tools that we wished to set up, although in this case we were not observing the effect of an economic recovery on the situation of vulnerable groups of people but, on the contrary, the effect of a crisis on these people.

(2) questions to be answered

We set ourselves the following questions:

- How long is the crisis likely to last? There are currently several scenarios.
- Will the crisis make the situation of the poor worse (*"intensity of poverty"*) and/or will it affect groups of people who are particularly exposed such as low paid workers and the self-employed, who could fall into poverty (*"new poor"*)?
- What means can be considered for reversing the crisis for those who will be affected? Can one hope for an end to the crisis that will allow the very poor to find employment within a fairly short space of time or, on the other hand, are more people likely to sink into poverty?

3/ studies undertaken by the ONPES

These questions were used as the basis for setting up 2 types of study.

3.1/ macro-economic study of the effects of the crisis

The first, fairly standard, study will analyse the state of the French economy in 2009 and draw up a forecast for the period 2009-2012. This study will consider the macro-economic effects of the government's recovery plans on various sectors. It will analyse the impact of the crisis on employment, focussing on the sectors that are worst hit (construction, automobile), the sectors that are most important for employment (trade) and, particularly, temporary jobs (personal services) or unskilled and low paid jobs. As social policy in France is largely decentralised, we shall also study the impact of the crisis on local authority finances.

We wished to associate this approach with a second, less conventional, approach asking a specialist business and social service organisation consultancy firm to provide us with data that would enable us to understand how the crisis is permeating and taking hold in the most affected sectors, where jobs are most at risk and therefore most vulnerable.

By applying these two econometric, empirical methods we hope to be able to find answers to the effects of the crisis on employment per sector.

3.2/ Construction of alert indicators

The second approach adopted is far more innovative. We intend to set up a permanent, three point, social watch system to determine how the changing economic situation affects poverty. There are two aims:

- methodology: test an integrated, coherent social watch system
- practice: produce results from the end of 2009

We wish to identify emerging phenomena that, being disparate, are not taken into account by standard statistical tools but that provide information within a shorter time than official statistics. We wish to set up an information system that could be likened to the "sentinel" system that operates in the health field or to the trend surveys in the economic field. This is a three point system.

Point 1/ Use existing indicators as a basis for analysing the effects of the crisis

The approach is to start from the indicators that are used for diagnostics, management or evaluation in sectors such as law, security, education, energy, housing and banking, some of which could be analysed from the point of view of analysing emerging trends relating to poverty, either directly or by adapting them to this new objective.

We should like to set up an indicator for the effects of the crisis and, in the longer term, measure the emerging trends relating to poverty that cannot be measured by public statistics.

Point 2/ Survey of personnel working on the ground

We have set up a face to face survey with a panel of 1,000 social workers in direct contact with people in poverty, either in emergency accommodation centres or in social service organisations or in hard discount shops. The surveys are carried out in about thirty French

departments. The aim is to set up a stable panel of contacts in the long term who will be able to alert us about their worries about changes in poverty.

Point 3/ Creating a sample of persons in poverty

This third point aims to set up another type of knowledge base drawing on the experience of those who are living in poverty. Local authorities, governments and Europe have for a long time set up measures to involve people in drawing up the policies that concern them. This is a case of setting up a set of representative groups with a more ambitious goal as it is a matter of building up, together with these people, a knowledge base of the phenomena of poverty and gaining a better understanding of the impact of the crisis as experienced by those who are most at risk.

Our aim in points 2 and 3 is to set up a permanent monitoring system.