

A Framework for Analysing the Effects of Social Policy

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Background

This is one of a series of short papers which explain conceptual or methodological approaches underpinning analysis undertaken in CASE's research programme *Social Policy in a Cold Climate* (SPCC). SPCC is designed to examine the effects of the major economic and political changes in the UK since 2007, particularly their impact on the distribution of wealth, poverty, inequality and social mobility. It also examines geographical variations in policy, spending, outputs and outcomes, with a particular focus on London. The analysis includes policies and spending decisions from the last period of the Labour government (2007-2010), including the beginning of the financial crisis, as well as those made by the Coalition government since May 2010. The programme will conclude in 2015, with publication of a final volume. Interim reports will be published in 2013/14, and made available online at <http://sticerd.lse.ac.uk/case>.

Social Policy in a Cold Climate is funded by the [Joseph Rowntree Foundation](#) and the [Nuffield Foundation](#), with London-specific analysis funded by the [Trust for London](#). The views expressed are those of the authors and not necessarily those of the funders.

Introduction

In the aftermath of the global financial crisis of 2007/8, social policy and the welfare state in the UK have been undergoing a period of extraordinary change. After a decade of welfare state expansion to 2007, with particularly high spending on health and education, Labour's response to the financial crash was to increase public spending in a counter-recessionary move. Since the change of government in 2010, this strategy has been overturned, replaced by extensive cuts to public spending, arguably the largest since 1921-4, and major structural reforms in many areas of social policy.

In combination, these economic and political changes can be expected to have substantial impacts on the distribution of incomes and wealth and the extent and distribution of state provision. The Social Policy in a Cold Climate research programme (SPCC) aims to produce an overall assessment of these changes, with a particular focus on their impacts on the distribution of welfare outcomes, poverty, inequality and spatial differences.

We approach this from a number of different angles. One is simply to document changes in the distribution of economic outcomes, such as incomes, wealth, and earnings, over time. Whose incomes have grown or shrunk? Which gaps have widened or narrowed? When did changes occur in relation to the cycle of boom, recession and recovery, and in relation to the change of government and the introduction of key policies? From this, we can derive hypotheses about what might have caused any changes observed. We look at the period from 2007 to 2014, including assessments of change at different times within this period and at continuity and change with earlier periods. We look at the changing relative position of different groups: men and women; disabled and non disabled people; people of different age groups, ethnic backgrounds, regions and neighbourhood types. We also look at changes within groups, combining characteristics such as age, gender and ethnicity to explore, for example, whether changes in the overall employment rates of a particular ethnic group are accounted for by gains or losses affecting women or men, older or younger workers.

Another approach is to model the effects of policies by holding other factors constant. For example, what would the incomes of certain groups of people and households have looked like if the Coalition had pursued the Labour government's policies on taxes and benefits through the recession, rather than making the changes it has? We will draw on published evaluations and reports as well as conducting some further analysis ourselves.

A third approach is to start from the policies enacted: to describe what was done, when and with what stated purpose, and to assess both policy delivery and changes in outcomes in relation to the goals government set. We cover a wide range of social policies, although not social policy in its entirety: taxes, social security and pensions, health and social care, education, early years policies (including those on child poverty and child care as well early education), and neighbourhood renewal. We begin with a series of papers, all forthcoming in July 2013, on the policies and achievements of the Labour government from 1997-2010, before doing the same for the Coalition from 2010 onwards.

It is with this aspect of the programme that this paper is concerned. As a heuristic device to help us cover each policy systematically, we adopt a simple analytical framework starting with identifying broad policy aims for that particular policy area, then documenting actual policies, then recording the resources expended, the inputs and outputs produced, and changes in measurable outcomes (Figure 1). This provides a structure for each individual paper. We set it out here in full for readers of these papers, who may be curious to know "why are they looking at this and not that?". We explain below in more detail than we have room for in the individual papers how we are defining the terms used and drawing the boundaries of our analysis.

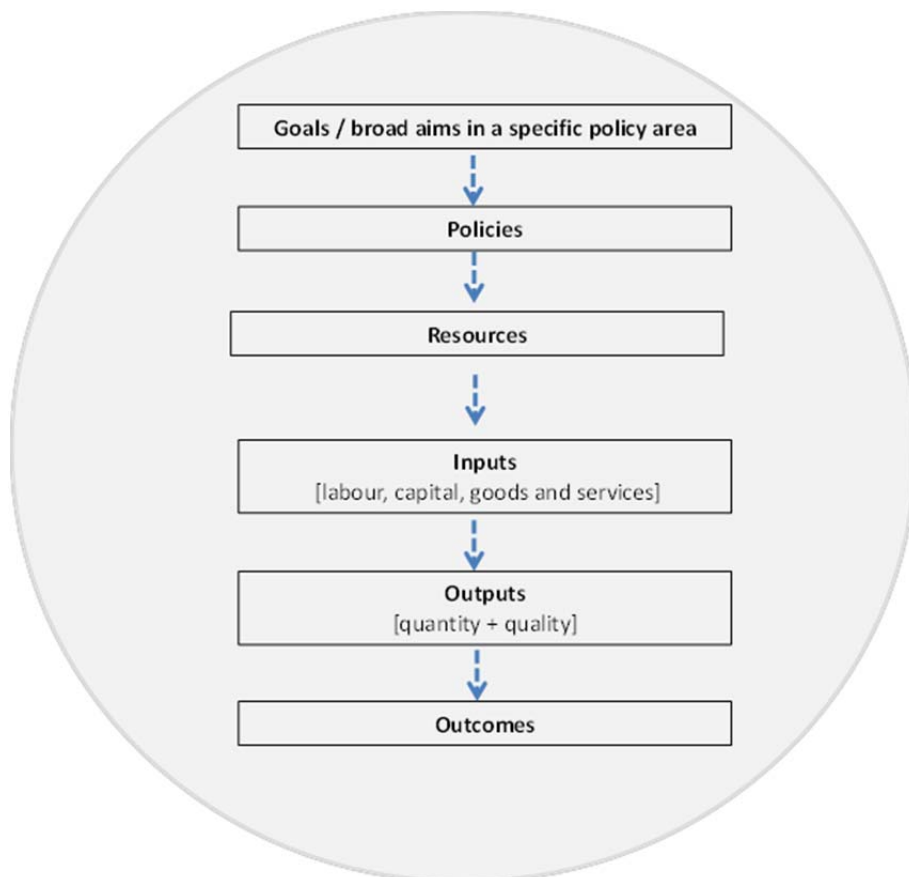
We also comment on the limitations of our approach. Like any such device, the framework necessarily over-simplifies the complexities of policy-making and delivery, and suggests a much more straightforward and linear chain from policy intent to ultimate outcomes than is ever the case in reality. We touch on some of these complexities here to contextualise our approach and also to contribute to broader discussions about how ‘success’ in social policy can be assessed.

The Framework

We start with the **overall goals and broad aims** of the specific policy area under consideration. For example, in education, the overall goals of a government might be to have a better educated population in order to enhance economic competitiveness, and to close gaps between people from different backgrounds in order to increase social mobility. By starting at this level, we aim to address the question “what did the government set out to achieve?”. We draw on policy texts: election manifestos, speeches, internal reviews, white papers, and legislation to discern these goals and to examine shifts over time within a government’s period of office, as well as apparent contradictions and tensions and their resolution.

Figure 1: Framework for Policy Analysis

[To be applied to each specific policy area. Arrows denote steps in the analytic chain but not causality through the chain. The background circle denotes the broader universe of other policies, the economy and society, which shape all stages].



Goals in some areas are well established, adhered to in opposition as well as government, and repeatedly stated (closing gaps in educational attainment would be one example). Arguably in some cases, these goals reflect broad societal aims, such as to have less crime or better health. However, others are not so universally held, and/or are less well formed as government's take office, and develop over time. Eisenstadt (2011), for example, describes early childhood in 1997 as a "policy free zone", in which goals and specifics were established in office, by bringing in experts from the field to participate in policy design.

We recognise that statements of policy goals are only statements. They can have political purposes, signalling ideological commitment and difference from other parties as much as intent to deliver, and be more or less shaped by the legacy inherited, the particular problems of the moment, or fiscal pressures. They may be more or less explicit and discernible. Unstated goals, some of which later become apparent from internal documentary evidence and politicians or civil servants' accounts after the event, may also be at play. It is partly for this reason that our approach also includes a close focus on spending as 'realised policy' (Glennister & Hills 1998) – comparing this with ostensible policy goals. We also consider objectives relating to the shape of the welfare state, management and delivery, recognising that these may be as important in shaping actual policies and spending plans as goals relating to outcomes.

The second stage in our framework is to consider the specific policies enacted, for example reforms of school and university funding, changes to the type and governance of educational institutions on offer, curriculum review, changes in the recruitment and training of teachers, and/or extra interventions in poorer areas or with children falling behind. Again we look at questions of continuity and change, and the fit between actual policy as enacted and policy aims as broadly articulated. Actual policy may contradict expressed aims, in ways that become obvious when the two are juxtaposed.

Third, we record the resources mobilised by central government to achieve its policy goals. We include public expenditure on publicly-provided services and also publicly-financed activity by private or voluntary sector organisations. Thus, following the education example, we include central and local government spending on schools, universities, local authority education services and so on, as well as funding for Academy schools or Free Schools. Here we draw on public expenditure statistical analyses from HM Treasury, and financial data from individual government departments, including summaries of local authority expenditure.¹ The aim is essentially to track public expenditure in relation to policy aims, regardless of the mode of delivery: what was the extent of Labour's counter-recessionary spending between 2007-2010; how severe have the Coalition's austerity measures been in different areas of public policy?; have priorities shifted between policy areas?

Given the increasingly mixed economy of welfare, we are also interested in privately-funded welfare. The Coalition explicitly intends that the state should do less in some respects,

¹ We take 2009/10 to be the last fiscal year of the Labour government.

encouraging individuals and communities to do more for themselves, thus moving more welfare activity into the private, voluntary and community sectors and attempting to achieve the same social and economic outcomes with lower public expenditure. In these circumstances, one might argue that the resources equation needs to capture the shift to privately-paid-for activities or voluntary transfers. The difficulty is that in many cases these data do not exist. In some cases we are able to pick up on changes in charges for publicly-delivered services that were previously provided free (private or mixed finance/public delivery) as well as shifts towards private finance/private delivery, such as private schooling. We also note any explicit policy goals or policies to effect sectoral shifts. Research note RN002 in this series updates earlier conceptual work on the shifting boundaries of public and private welfare activity (Burchardt 1997), and provides a basis for attempting to quantifying overall shifts at a later date.

Fourth, we look at what was provided and delivered with these resources. We typically divide these into inputs and outputs. We define inputs as what was provided with the money expended, for example the numbers and quality of teachers and school buildings. These can be analysed in relation to need, both overall demographic pressure and compositional factors. For example, did the number of school places expand at the same rate as the number of school age pupils? We define outputs as the goods and services delivered as a result of the inputs, often in relation to specific policies and targets, for example, smaller class sizes. These definitions mean slightly different things in different policy areas. In the case of social security, inputs come in the form of cash transfers, not people or buildings. In the case of early years policy, some inputs are in the form of people or buildings (such as children's centres) but other inputs are in the form of funding for eligible people to buy provision in the private or voluntary sector. Quantifying resources, inputs and outputs in this way helps address questions about whether government rhetoric was matched by spending, and whether spending resulted in changes to service delivery in the ways intended. This in turn leads to questions of efficiency - were the policies enacted efficient in their delivery of outcomes, or could public money have been spent more productively? However, these questions about the economics of delivery are not the main focus of our particular enquiry, which is fundamentally concerned with policy results and the distribution of outcomes.

Finally we look at outcomes: broadly speaking, the results of the policies. This is, in many respects, the central question of our research. Under different political regimes, with different levels of spending and different systems of delivery, could a higher proportion of children read, did fewer infants die, were fewer people dependent on state benefits, were more disabled people in work and so on? However, it is also the most difficult to approach and to answer.

A key problem is attributing any changes in outcomes to changes in policy or spending. One issue is simply time. While some policies (such as changes to benefit rates) have almost instant effects on some outcomes (such as incomes), others (such as changes to the early years curriculum) may not only take longer to enact but have their full effect on outcomes many years later, during the term of office of another government.² In these cases, examining outputs, in the

² For the purposes of looking at outcomes, we take 2010 to be the last calendar year of the Labour government, on the basis that most of what was happening in practice in 2010 would have been the result of

light of existing knowledge about the relationship between outputs and outcomes, provides the strongest proxy evidence.

A more difficult problem is establishing causality. We do not wish to imply that outcomes are simply and exclusively a result of the policy chain described in Figure 1. Rather, this Figure leaves open the question “what is the precise relationship between the links in the chain and observed changes in outcomes?”.

Outcomes targeted by one area of policy can clearly also be altered by policies in another, and by wider economic and social conditions. For example, in our work on the Labour government’s neighbourhood renewal policy we note that a policy target to reduce the number of abandoned vehicles was rapidly exceeded not because of the ensuing enforcement interventions but because of an increase in the price of scrap metal, which made it more profitable for the owners of such vehicles to scrap them rather than to dump them. In some cases, relatively good evidence exists on the link between intervention and outcome, from well designed policy evaluation, but in many it does not. We shall discuss such issues and draw on such evidence as we can find in each policy context. We also subject our analysis of outcomes, wherever possible, to two further tests. We ask not only what happened to the trend in outcomes over the period considered, but whether the trends changed significantly, and also how outcomes changed in relation to international comparisons.

However, there is also a more fundamental question – what outcomes should be considered? Using Figure 1 as a basis for describing policy, we start with governments’ expressed policy goals, but should we only look at outcomes relating to these goals (and outcomes) expressed by governments themselves – in other words, evaluating policy in its own terms – or should we be applying some more objective tests, and if so what? There is a strong argument for evaluating a policy in its own terms. As Glennerster et al. (1998) point out, if governments make public commitments to changing outcomes, holding them to account against these commitments is an essential part of the democratic process. However such an approach, while necessary, is surely insufficient for our purposes. Underlying policy goals may not be well reflected in the outcomes the government chooses to measure, partly because of data constraints, partly because the goals of policy may be more complex than targets allow, and partly because governments vary in the extent to which they want to set explicit outcome targets. The last Labour government managed the welfare state partly through a set of outcome and process targets against which central government departments, local authorities and other public organisations were accountable. By contrast, the current government intends to allow more goals to be locally and individually determined, both to enable more local autonomy and to reduce bureaucracy. Thus the targets and measures chosen by governments at any moment in time probably only partially reflect the set of outcomes that they are interested in.

policies and legislation earlier enacted. Where this is not the case and changes in policy were immediately implemented within 2010, we point this out, and examine any contemporaneous changes in outcome.

Moreover, they are unlikely to reflect the wider set of outcomes that are of interest more generally in society. Inherent in our own enquiry is the notion that social policy is implicitly concerned with the redistribution of economic and social goods, as well as with the overall volume of these goods. We are thus concerned with whether this happened, regardless of the extent to which a particular government embraced this goal. We have an a priori question – did society become more or less equal in particular dimensions? – against which we can assess the government’s goals as well as its specific policies. This suggests the need for some a priori measures, not just those that governments themselves have chosen, and for a broader distributional analysis than governments may deploy. For example in education, we might be interested in trends in attainment gaps across the whole distribution (for example between top and middle, middle and bottom) as well as the proportions achieving a certain threshold, and as well as overall attainment trends. The way we operationalise this in specific policy areas will vary. Our overall approach is to draw on the government’s own measures, to continue time series that were considered to be important under the last government (or conversely, to work back), and to draw on other publicly available outcome frameworks and surveys (such as the Equality Measurement Framework, the work of the National Equality Panel, the British Social Attitudes Survey) to gather a range of metrics that capture trends in outcomes and their distribution more broadly than government targets alone might do.

We welcome comments on this note, to r.lupton@lse.ac.uk.

Acknowledgements

We are grateful to Howard Glennerster for comments on drafts of this paper, and to members of our programme advisory group whose observations on our approach helped us to tighten and clarify it.

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