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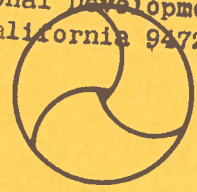
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SOCIAL INDICATORS IN LOCAL GOVERNMENT

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A popular view of local government is that it is more responsive to political pressures than analytically sophisticated or socially responsible. Quantitative measures can play little role in such a system and social indicators, none. Certainly the data that festoon the reports, plans, and proposals of local agencies are usually not particularly reassuring to the statistician. They seem to be an elaborate form of window dressing. However, the impression is superficial and the reality is changing. Local decision-makers increasingly demand social statistics, some of which could be dignified with the label "social indicators," in that they are intended to represent variables of social concern which may affect public decisions. The federal government has played a major role in this development through massive requirements for statistics, along with funding for data collection and analysis. The evolution of computer software and locally based expertise place local governments on a threshold. The necessity and the opportunity have arrived for dramatic improvement of local policy-making with more and better information.

Only a few researchers have given serious attention to this issue. (Exceptions are Pack and Pack, 1977, Greenberger et al., 1976, Brewer, 1973, and Kraemer et al., forthcoming.) Study has been devoted to the use of information at the national level, and there has been developmental work on social indicators pertinent to local issues. The important gap, however, is in understanding the decision needs of local governments, their technological capability, the attitudes, levels of understanding, and actual uses of quantitative information. While speculation on the types of indicators that local communities could use can be a valuable exercise, any viable indicator system will have to be designed with an understanding of the data management practices and the information demands that current policy tasks make on local agencies.

This paper is an effort to outline some of the practices in local government which provide the environment for social indicators. It should clarify what improvements in policy data are possible in the near future and what some of the research needs are. The paper has three parts.

The first outlines the basic perspective--that the design and use of any indicator must be inextricably linked if it is to have a policy impact. The contention, growing out of this author's earlier research on national indicators, is that indicator design goes far beyond simply planning and structuring of data. The second part provides background on policy-making and data management in local government. The third looks at a series of local government activities which create demands for quantitative information. The conclusion notes the ways which local indicator development will differ from the federal efforts and suggests research priorities.

SOCIAL INDICATORS AND THEIR CONTEXTS OF USE

A few social indicators are widely used, and have significant consequences for public choice.

The vast majority, however, are consigned to oblivion. This observation led this author to study the history, evolution, and uses of some seemingly influential indicators--unemployment rates, the poverty line and standard budgets, and crime rates--to identify factors contributing to their relative success or failure as policy indicators. The use of an indicator rather than its nonuse was the outcome worth explaining.

At the outset of the study the social indicator movement was in full flower. Much energy and talent were going into planning systems of indicators and into pipe dreams about a world where information would flow abundantly and freely through rational policy processes. The ideas, however creative, were, disembodied, floating free of politics, decision-making and the institutions of government. Therefore the study covered both the substance of the indicators and the contexts for their production and use. Both issues were linked to the larger and more generic problem of how to design strategies to assure the use of information in public choice.

The findings (de Neufville, 1975), to summarize briefly, were:

- (1) A social indicator would not be developed and, in any official sense, adopted without a concurrent policy commitment on the issue it represented. An influential indicator is not likely to be developed on a purely theoretical basis, but rather linked to popular understandings as well as to theoretical ones and to policy objectives. The discussion over an indicator's design may itself form a useful part of the policy debate.
- (2) Indicators are most effective, however, when they fit into well-established causal models about social phenomena. In the absence of such theories, simplicity and correspondence to common-sense understandings are the best design criteria.
- (3) Public agencies do not volunteer to collect and report indicators regularly. The task is forced on them by legislative bodies wanting accountability. Such data can provide an opening to public critics.
- (4) An indicator needs to be institutionalized and insulated from day-to-day politics (although not so much that it becomes irrelevant) if it is to continue to be produced and reported, even when the news it brings is bad.
- (5) Constituencies must be developed and nurtured for indicators, as they are for any successful public program. These will help to assure both funding and credibility. Interaction between users and designers can help assure their wide comprehensibility and use.
- (6) The more use an indicator has in policy and the more consequences there are, the more its validity and methodology will be improved.
- (7) A sign that indicators have become important comes when the statisticians or the indicators themselves become the center of political disputes. This is the time when the robustness of the indicators and of the institutional forms for its production are put to the test.

POLICY AND ANALYSIS IN LOCAL GOVERNMENT

Until recently the inclination of local governments to do policy analysis has been limited.

Pressures against raising property taxes, limitations on the power of city executives and conservative budgeting practices, have left little scope for analytic efforts. City governments are often made up of entrenched fiefdoms, funded directly by federal agencies. They have sought any program they could get funding for rather than trying to analyse needs and problems, set priorities, compare alternatives or make formal plans and policies. There have been exceptions. Planning departments do many of these policy analytic tasks, but they have had responsibility largely for land-use planning. The earliest generations of planners were not highly trained in analytic skills and did not have the responsibility to deal with social problems and services, or with social implications of their physical plans.

Today the picture is changing. The introduction of the block grant approach as a principal form of funding means that local governments have more discretion. Funds have been spread to growing counties and cities, without entrenched bureaucracies. The proliferation of urban programs in the 1960's such as Model Cities and the Poverty Program has left many of the older cities with a cadre of trained professionals, committed to analysis and planning as well as to social goals. The education of planners has become more extensive in analytic technique and a generation of graduates has emerged from schools of public policy with an ideology that encourages the use of information. Moreover, the social responsibilities of local government are increasing. A survey of California cities (League of California Cities, 1977) showed that three quarters were involved in, or anticipating doing, some form of social planning, such as social needs assessments, inventories of services, social elements to general plans or human resources policies.

Most local governments, except the smallest, have a statistical office, or at least a data specialist, although he or she may have little formal training. This is frequently located in the planning department, but historical accident is primary in determining where the data function is located. It may depend on the organizational role of the first person who believed in the value of statistics and had the power to establish a unit to manage it. The location may, on the other hand, be a function of earlier programs which had data requirements. Often a data unit was established under a special grant and it is still supported from grants rather than operating funds. There is no standard institutional form for the data management function, nor is it fully integrated into local government decision structures.

Most local government discretionary funds, and often the majority of all local funds, come from federal or state governments. The requirements to get such money have provided the principal impetus to the production of quantitative data. Such requirements normally have two kinds of objectives. The first is simple accountability--to make sure that funds are spent on the things Congress or the federal agency intended. The second is more subtle--to influence the quality and character of local decision processes by forcing local agencies to do more information gathering and analysis, to assess problems, set priorities, do more systematic planning.

But these two objectives are in conflict. One forces governments to collect and formulate information narrowly to match formally stated federal goals. Seldom are the data required in forms that could be labelled social indicators, in the sense that they represent meaningful social phenomena that might have policy implications. For example, the percentage of poor living in a project will be counted, but not the trends in characteristics of the poor. These data cannot then advance the second objective, that analysis be wide-ranging and in terms of locally determined priorities and problems. Unfortunately, since the urgent tends to drive out the important, governments normally attend to the detailed application requirements and give short shrift to data for their own policy-making.

The positive side of the requirements is that they provide the incentive and staff to produce and interpret data. The data that are asked for however, are difficult to obtain accurately at the level of detail demanded. Those who prepare applications and reports are officially encouraged to guess about such details as the percentage of elderly in a newly built housing project. Large parts of these data are never systematically analysed, much less reported back to the local governments.

The situation inspires frustration and alienation among the data analysts. It encourages lying and distortion of the figures, as there is little payoff to painstaking effort. HUD officials are limited in their ability to check the data, for example, to looking for internal inconsistencies, columns that do not add in tables, or seeing if there is a mechanical match between defined needs and stated goals. One disgusted statistician told of an application he prepared which was sent back for revision because of a discrepancy in figures on housing units amounting to less than 1% of the total number. Ironically this was far less than the error involved in a survey. Now he says he just makes up the data in the first place. He makes sure tables add and the whole is plausible. In a pinch he invents footnotes as well. Yet the man is a well-trained analyst and believes in the power of information. He has simply decided that it is not worth producing real numbers because no one will know or care. While his cynicism is only one of several possible responses, it is not a surprising one.

Equally disastrous is a side effect on the policy-makers and the public, who come to see data as decorative at best, and, at worst, fraudulent. Moreover, since the accounting categories and the goal statements demanded by the regulations do not fit local problem perceptions, policy makers ignore the documents and their data, although they could provide a wealth of information if someone took the time to reformulate the figures and draw out the implications.

The range of technological capabilities in local governments is considerable. Some have automated, centralized systems with modeling and survey techniques to keep information up-to-date. Others still rely on published 1970 census data and painstakingly perform tabulations by hand. The critical point, is that the technology is now available and approaching feasible costs for lo-

cal governments to work with quantitative data in radically different and more productive ways. Even the most advanced only begin to tap what is technologically possible, however. The census-produced DIME File, for example, which permits the matching of data records by address and thus the aggregation of data for various small areas is in use in few California communities.

DATA-USING TASKS OF LOCAL GOVERNMENT

The activities of local government requiring quantified social information are many, and they continue to proliferate. They draw heavily on a common data base, but each creates its own set of incentives and information.

Allocation Formulas

The formulas allocating federal and state funds to localities are based on such indicators as population size, per capita income, number of low-income families, unemployment rates, or age of housing. A community can gain thousands of dollars from a slight increase in one of these figures. Big-city mayors flock to Washington to dispute the census findings on their minority and low-income populations because of such formulas. This incentive has led to improved methodology, in one case for intercensal population estimation, and, in the other, for counting the urban poor, but the techniques need much more development.

The more important issue is whether these formulas are allocating funds to the correct places. Do the indicators show the existence and relative size of conditions that a program is intended to ameliorate? State funds in California go to school districts, for example, on the basis of average daily attendance. Use of this indicator penalizes older, inner urban school districts where the plant needs extra maintenance and children are absent frequently. Such formulas are regarded as no more than convenient ways to handle political competition. The politics of computer printouts was as important as substantive policy in the redesign of the formulas allocating money for the CDBG program. Each proposed formula was applied to every locality to see how much money it would get and the printouts made available to Congress during debates. In other words, such formulas are thinly concealed subterfuges to make the allocation look rational and grounded in social criteria, when it has merely politics and power objectives. In my view this is a clear misuse of indicators.

Comprehensive Planning

Planning departments have responsibility for "comprehensive planning," which includes the mapping of land uses and most often extends to housing and public facilities planning and to economic development, transportation, and recreation. They gather and present data on the characteristics and location of the population and use these to identify needs and justify proposals. The so-called 701 grants, instituted in connection with housing and urban redevelopment legislation, mandated such planning, and provided substantial money to help institutionalize it. Some states require the preparation of a general plan, which must often be followed in zoning plans and applications for state and federal funds.

Targetting

A central symbol of the politics of the late

seventies is targetting, an old theme in urban planning with a new name. The first years of the CDBG spread the money too widely, so now it is to go to those who are needy. The inevitable logic of local planning is that policies and programs impact on neighborhoods and sectors of cities. The determination of which areas to fund and what types of programs should be directed to them is one which depends on indicators. In fact, indicators have played a powerful role thus far in determining where CDBG funds will be allocated within cities. The difficulties are two-fold. One is that the techniques for getting data on small areas are underdeveloped and expensive. Census tract data goes quickly out of date and, for many purposes, it is unusably inaccurate. Moreover, the census tracts do not correspond to neighborhoods, school or police districts, nor to any other area that makes sense as a planning or decision-making unit. While techniques such as address-matching can sort census data into more useful geographic clusters or help make use of up-to-date indicators from administrative files, few local governments have developed the capability.

The second problem is to identify the social problems which should provide the basis for targetting. In the absence of guidelines, local governments select indicators that bear some relation to the programs from which they hope to get money, using housing deterioration indicators for rehabilitation programs, and female-headed families for welfare programs. But whether these are the appropriate indicators or not, they have little way of deciding. Moreover, the techniques vary so much from one city to another that it may be unjust to permit such measures to be criteria for federal funding.

Needs Assessment

Needs assessment or problem identification is a prerequisite to goal setting and may include anything from developing a social profile of the community or measuring dimensions of well-being to assessing community attitudes. It is part of the comprehensive plan required to qualify for the CDBG and it is required, along with a service plan, for applications for HEW funds.

Social Impact Assessment

Environmental impact assessment has spawned a new way of thinking about local decisions. It involves predicting the consequences of proposed projects in quantitative terms and then exposing the findings to public discussion and interagency review. Some have construed these requirements to include impacts on social groups and on well-being.

Civil Rights and Affirmative Action

Federal requirements increasingly demand that minority groups have equal access to the benefits of federal programs and that affirmative action hiring be done in funded programs and by government contractors. Figures on the location, numbers and characteristics of minorities are critical to set hiring goals and play a part in the design and justification of services plans and facility siting as well as assessing the impacts on minority populations (U.S. Civil Rights Commission, 1973).

Accountability and Evaluation

With so much money flowing from one level of government to another, accounting systems are essential, although genuine evaluation is unusual.

Local governments report on their activities in detail, accounting for where each dollar has gone, identifying clients processed and units of housing built. HUD's grantee performance report for the CDBG requires the filling in of many matrices, detailing the numbers of housing units subsidized by type and residents. This work is largely wasted effort in terms of local policy-making or evaluation. The categories reflect the agencies' policy about information rather than the substantive issues raised by a policy (Caplan and Barton, 1978). Recommendations to change such forms to make them meaningful in policy terms meet institutional resistance, as each branch of an agency protects its data requirements as a symbol of its own power.

Community Profiles

A dreary, but inevitable, preamble to local policy documents is the community profile, describing its population, its geography and its economy. It is, more often than not, a mindless tabulation of facts and figures, conveying little, if any, image to the reader. The imaginative analyst could perhaps glean important information from such profiles, identifying how the community is unusual or what its problems are and predicting future trends, but policy makers can get little that they do not know already. While profiling is a desirable early step, it is seldom useful in practice because it is neither problem-focused nor based on current enough data to provide surprises.

Program Design

Up-to-date, detailed social data are critical to the design of programs at the local level. One has to have a good idea of how many elderly there are and how many are disabled, if one is to decide between a senior center and a home care program. While such data are too precise, for the most part, to come from a standardized system of regularly produced social indicators, the necessary data will in part depend on the same data base, and social indicators are important to the needs assessment aspect and to legitimizing the problems a program is designed to solve.

Implications for Local Social Indicators

Several preliminary conclusions emerge. The first is that virtually all these tasks demand current demographic data by small areas and a few simple indicators on social and economic characteristics of the population. Information on age distribution and family characteristics are essential to accurate projections as well as to planning for housing. Data on family income, and the size and location of special groups liable to require services, like the elderly, minorities and children, feed also into virtually all the tasks. Secondly, administrative record information is necessary to meet at least some of the demands, such as program analysis and needs assessment and to provide current data. Thirdly, the data demands are creating a performance gap for local governments.

The urgency of the tasks has not yet permitted the development of sound and significant social indicators. There is no consistency in either method or substance and there are as yet no satisfactory models. Yet a need exists for standardized sets of indicators that could be feasibly produced, play key roles in local policy, and be meaningful to those in other levels

of government who determine the allocation of funds and evaluate projects. While designing such measures may be a lengthy task, we know a good deal about the types of indicators most in demand. Local unemployment rates, for example, are essential to defining economic development needs, and housing vacancy rates are critical to assessing the gap between demand and supply. Clearly, however, local governments will need help, as few have the staff or funds to design each indicator from scratch.

An experiment in California has taken the idea of social indicators for local policy further than most previous efforts (California, 1977). Three demonstration county social profiles are being developed drawing on census and administrative record data.

Data are geocoded by tract and each profile has a different format. One is a book with tables and computer maps, and simple commentary. It is a book one might actually read to find out about the area and its future. A second county outlined the methodology to geocode the data, integrate data sets, and project population, and did extensive tabulations on each of the topics, without comment. This county viewed published material as secondary to the system of information which was automated for ready retrieval. The third county simply stored the profile on the computer, published a user guide, and ran user workshops (See Contra Costa County, 1978; California State University, Fresno Foundation, 1978; and San Diego County, 1978). These profiles have considerable promise, though none have been widely used, as they have only been available a few months. Unfortunately, they may be assessed before they can develop a constituency which will keep the data alive in terms of funding, currency, and recognition. Unless rapid efforts are made to follow through on a system for use, and to keep the profiles current, they will suffer the fate of many efforts before them, and become historical curiosities. Unless a social profile has sequels it cannot be helpful.

CONCLUSIONS AND RECOMMENDATIONS

The issue now is whether efforts to produce local data will pay off in improved policy-making. While many of the patterns in indicators at the national level are duplicated locally, different conditions modify the outcomes. A local indicator system is not in the context where many agencies are already involved in data management. The smaller scale of government reduces problems of interagency coordination and it is more feasible to have a single agency or a joint effort provide data services for the whole locality than it is at the federal level. Secondly, local policy indicators must be available on a small-area basis. Few local policy decisions are without spatial implications, and data available for the city or county as a whole are not sufficiently fine-grained locationally. No all-purpose district, will be the panacea, as decision units vary in their boundaries. A high priority is to develop flexible geocoding systems to permit data to be aggregated for the administrative districts for which policy is made.

Of the policy-linked roles of local social indicators, the targetting and allocation functions are most powerful forces for the creation

of high quality data, because of the funding that hinges on them. The federal requirements which underlie the majority of the tasks, emphasize accountability over the improvement of local decision processes and accordingly, the categories required for information do not mesh with local ways of deciding. So most federal applications and reports cannot be policy documents. The data demands for accountability are so onerous, and unrealistic as to encourage dishonesty and disrespect for the whole process of information production and use. If social information is to integrate with local decision making, federal data requirements must be revised. On the one hand, they should grow out of a deeper understanding of local policy problems and of how local decisions are made and, on the other hand, they should avoid data overkill.

An area social profile appears to be feasible, and to have potential to aid in many of the tasks outlined here. The highest priority is for updated data on the size, location and basic characteristics of the population. Systems will have to be developed to estimate these from censuses and from administrative files. The system must be relatively simple, both to keep costs down and to assure its comprehensibility. Data should involve a limited set of indicators linking with each of the major policy concerns of local government, such as transportation, housing, or education. An incremental approach is necessary as no data system will be funded in the era of tax cuts unless the cost is modest and the benefits evident. Once a few simple indicators are available and used, users will be more likely to recognize the power of indicators and be prepared to make improvements.

To be sure that the indicators are of sound technical quality and safe from political manipulation, the organizational location of the data production must be carefully selected. A joint effort of two or more agencies could have this effect, or a location in the planning department, which is frequently semiautonomous, and answerable to a citizen planning commission rather than to an operating agency. Its role as an analytical rather than a line agency can give it credibility as well as the most statistical expertise.

Most important is the development of uses and users. These are as essential to an indicator system as are the indicators themselves. The indicators must be designed with them in mind. One can begin by exploring the tasks outlined in this paper and the role that indicators play in them. These, however, are based on current political arrangements, some of which may change. Thus one must also identify the urban policy issues which will command public attention in the future, such as the locational patterns of poverty, or pressures on housing. Secondly, the users cannot be simply identified and notified of the system's availability. They must be actively sought out, encouraged, educated, and listened to. Brochures and reports are not enough. People have gotten along for years without these data and will not suddenly change their patterns without incentives and training. Workshops, and user conferences all have their roles, but local governments also need to place expectations on agencies to use the data by requiring documented justifications for budget requests and new programs. Patience and

time are essential, and the process will take several years, as users learn what is available, apply it and await the results.

Users operate in the traditional political sense as a support group for indicators, influencing public opinion and helping assure funding. Informed users also, however, can make sure indicators take a form which they can use effectively. (de Neufville, 1978-79) Moreover, in a system dependent on administrative data, the users are often also producers and, as they work with the data, develop an incentive to produce their own accurately. Ultimately, use is what gives indicators meaning and justifies their existence. The more users and uses there are, the more likely they are to be a constituency that demands accurate data. Control of policy-relevant indicators is a form of power. The objective of producing accurate social indicators outside the control of any one interest needs a constituency if it is to survive in a political world.

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