IMPACT EVALUATION IN CEE: BARRIERS AND OPPORTUNITIES

Impact evaluations of ALMP for youth
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OECD
BETTER POLICIES FOR BETTER LIVES

Overview of OECD activities on ALMP and PES
Connecting people with good jobs

Cross-country policy advice, some examples

- ALMP responses to COVID-19
- Supporting vulnerable groups
- Institutional set-ups of ALMP systems
- Contracting out employment services
- PES and AI & digital tools
- Jobseeker profiling tools
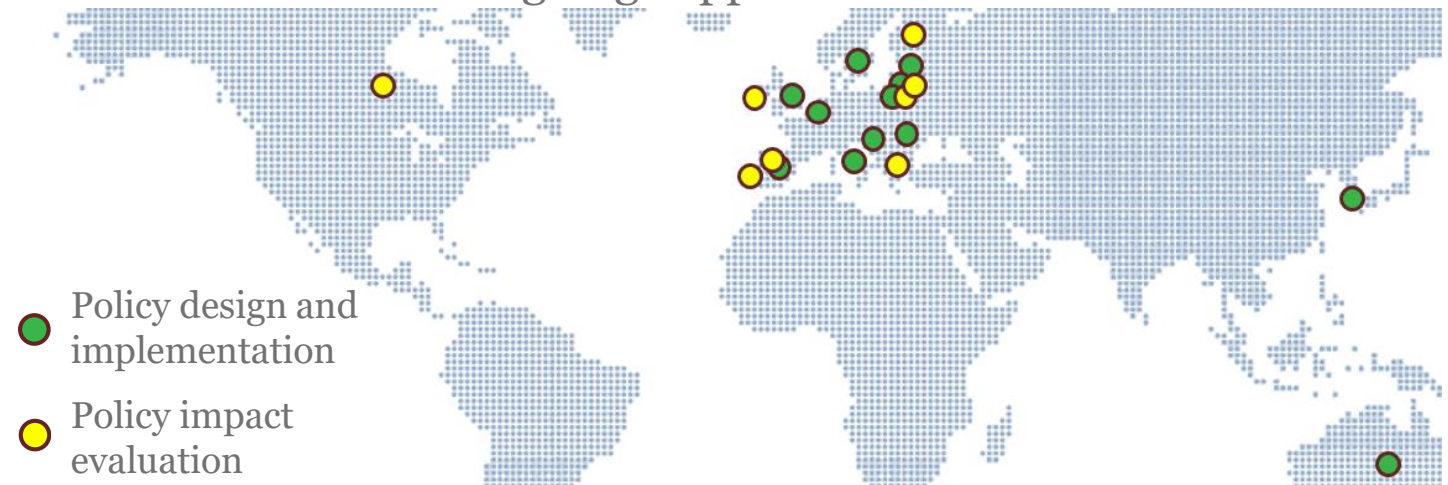- LMP database: Data for non-EU countries in the OECD

Supporting countries in ALMP design and implementation

- In-depth PES and policy reviews
- Diagnosis and mapping using linked administrative data
- Tailored input into designing and implementing change

Supporting countries in ALMP impact evaluation

- Evaluation of ALMPs, digital tools, reforms
- Supporting designing RCTs and piloting
- Assessing monitoring and evaluation frameworks

Recent and on-going support to individual countries

- Policy design and implementation
- Policy impact evaluation

Policy evaluation using linked administrative data: phase 1 of the joint OECD-EC project

Phase 1: **Generating knowledge on the state of play and developing general guidelines**

2019-2020

- **Mapping** of existing data and actions taken by countries & **Assessment** of legal and technical feasibility
  Questionnaire to the country correspondents for the EC/OECD database of Labour Market Policies (a mix of Ministries for Labour, PES and national Statistics Offices)

- **Guidelines** for linking and using administrative data for impact evaluation of Active Labour Market Policies (ALMPs)

- Builds on EC work and expertise through **cooperation with JRC/CRIE**

- **Knowledge exchange**: OECD-EC workshop (November 2019)
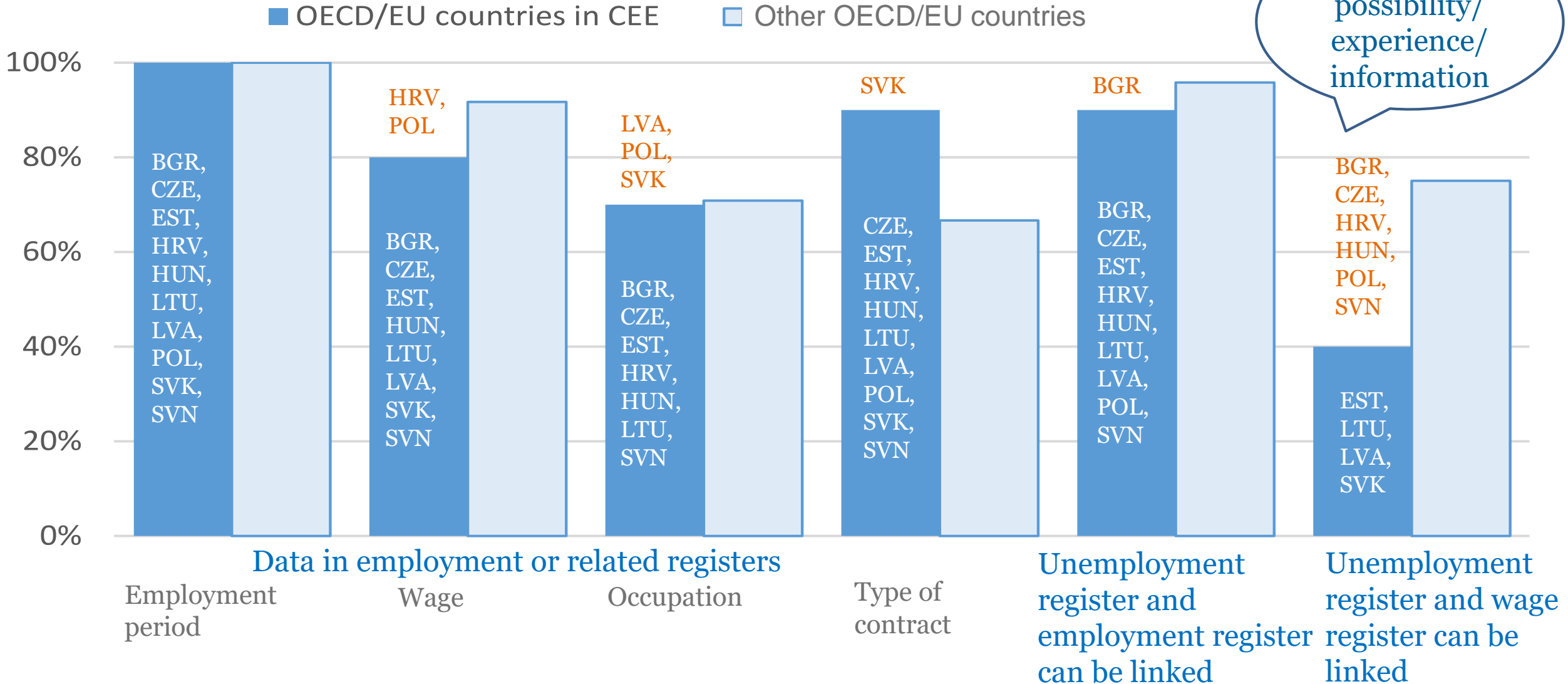
- Final report (December 2020)

Feeds into

2020-2024

Phase 2: **in-depth work with individual EU and OECD countries and cross-country learning events**
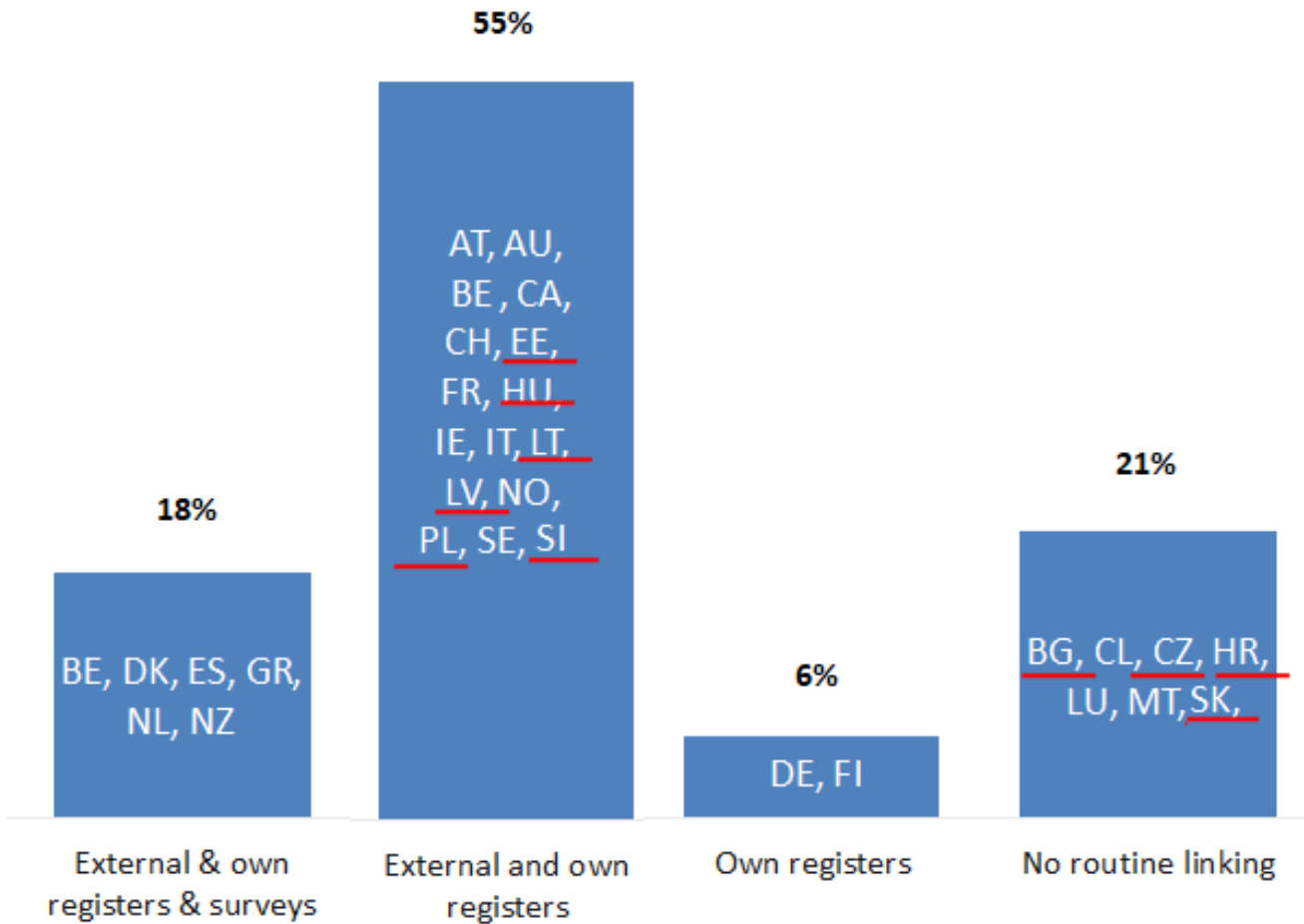
Employment data accessible across countries
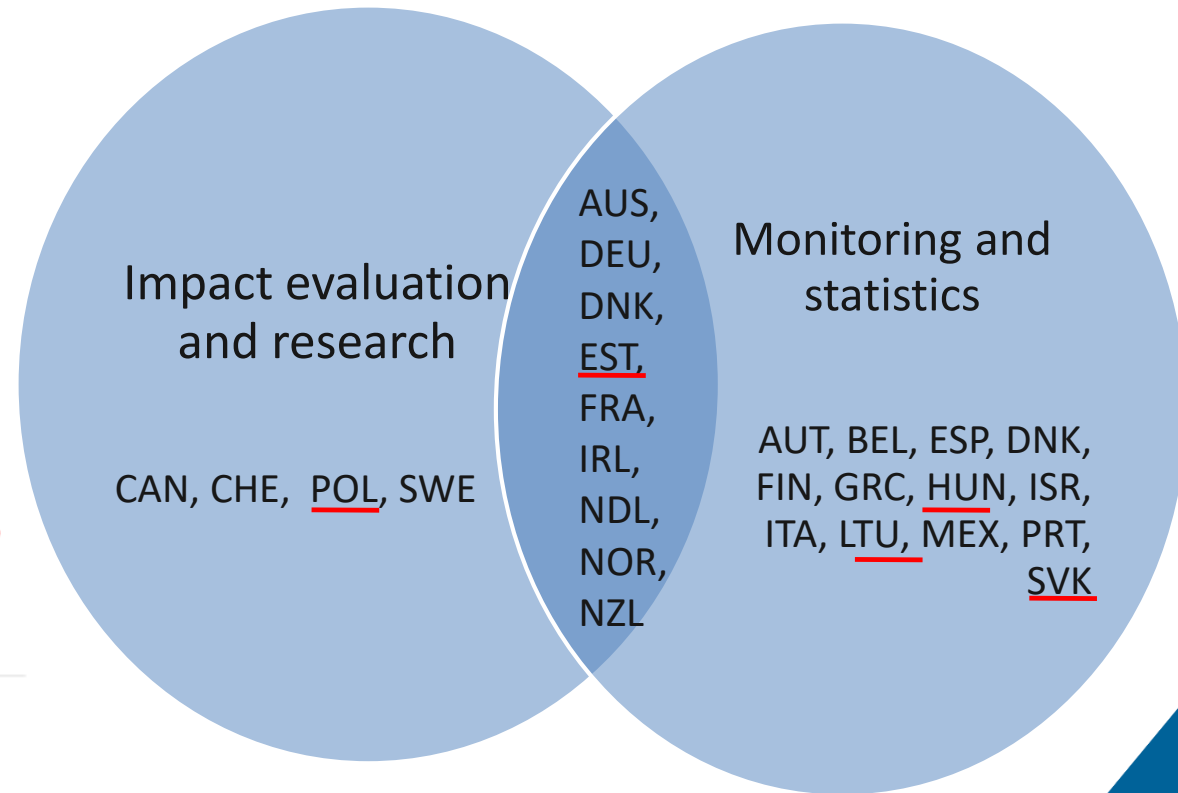## Wage data particularly problematic in CEE countries

Majority of countries routinely link their registers
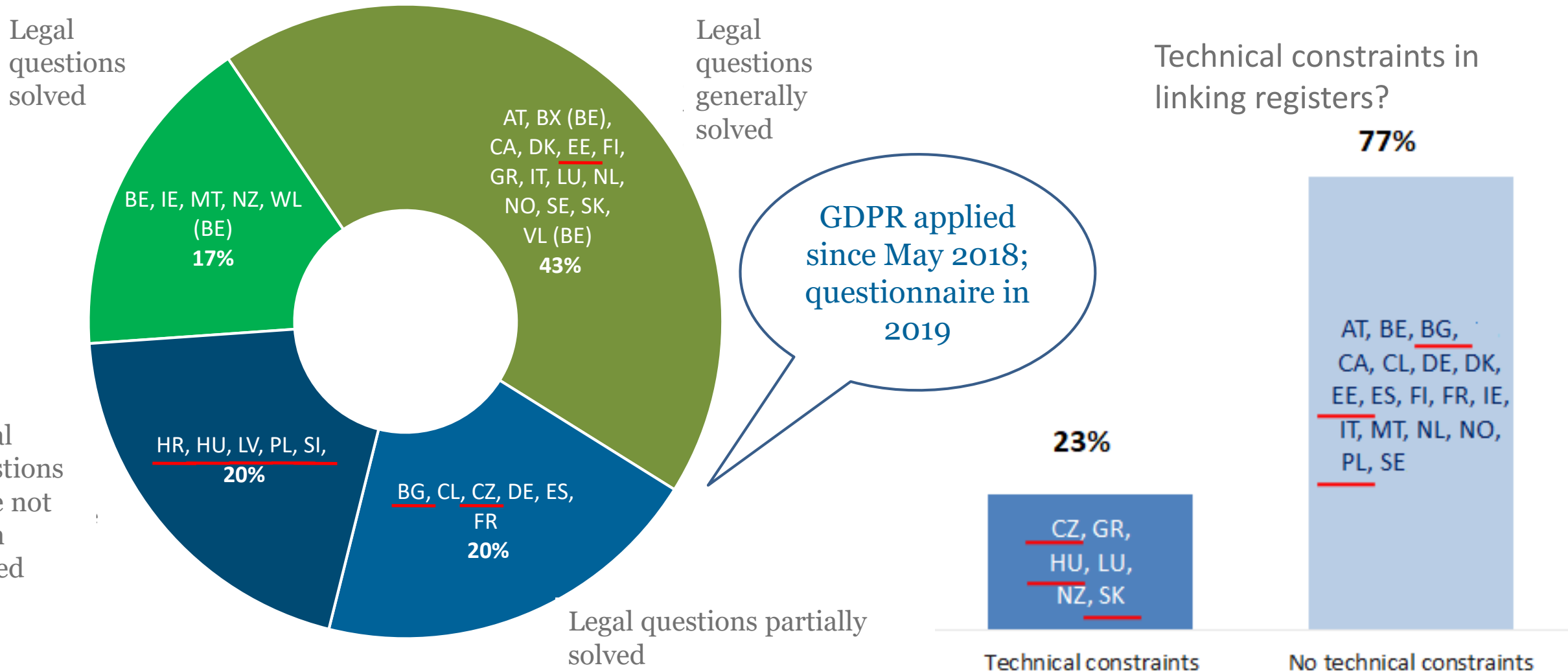## … but the CEE countries less so

55%

AT, AU, BE, CA, CH, EE, FR, HU, IE, IT, LT, LV, NO, PL, SE, SI

18%

BE, DK, ES, GR, NL, NZ

21%

BG, CL, CZ, HR, LU, MT, SK,

6%

DE, FI

External & own registers & surveys

External and own registers

Own registers

No routine linking

Linking routinely registers that are relevant to evaluate ALMPs

Those able to link data use these for:

Impact evaluation and research

CAN, CHE, POL, SWE

AUS, DEU, DNK, EST, FRA, IRL, NDL, NOR, NZL

Monitoring and statistics

AUT, BEL, ESP, DNK, FIN, GRC, HUN, ISR, ITA, LTU, MEX, PRT, SVK

Legal constraints have not been solved in many cases
…particularly in the CEE countries

Legal questions solved

Legal questions generally solved

Legal questions have not been solved

Legal questions partially solved

BE, IE, MT, NZ, WL (BE)
17%

AT, BX (BE), CA, DK, EE, FI, GR, IT, LU, NL, NO, SE, SK, VL (BE)
43%

HR, HU, LV, PL, SI,
20%

BG, CL, CZ, DE, ES, FR
20%

GDPR applied since May 2018; questionnaire in 2019

Technical constraints in linking registers?

77%

AT, BE, BG, CA, CL, DE, DK, EE, ES, FI, FR, IE, IT, MT, NL, NO, PL, SE

23%

CZ, GR, HU, LU, NZ, SK

Technical constraints

No technical constraints

A new tool for automatic ALMP impact evaluations in Estonia

- **Developed by the PES** jointly with researchers and IT developers
- Programmes evaluated: Vocational **training**, Estonian language training, IT training, training for general skills, internships, **employment incentives**, work-related **rehabilitation**
- **PES register** data linked with data on earnings from the **tax register**
- Uses **propensity score matching** and exact matching combined with regression adjustment
- Command files **automatically access data in the DWH**, **process in R** (matching) and estimate the effects and **visualize the results in Tableau**

Example of the dashboard: effects of vocational training by age groups

Source: Presentation by the Estonian PES (Töötukassa) during the WAPES World Congress in April 2022

Policy evaluation using linked administrative data: phase 2 of the joint OECD-EC project

In-depth work with EU and OECD countries and cross-country learning events (2020-2024): **5 ongoing country studies (Canada, Finland, Greece, Ireland, Lithuania), Portugal starting soon**

More countries to join

Activities and outputs

Counterfactual impact evaluations (CIEs):

- Analysing wages subsidy programmes (Lithuania, Greece), training for unemployed people (Lithuania, Finland, Greece), public works (Ireland), internship (Portugal-TBC)
- Examining impact on outcomes beyond employment, i.e. earnings, career progression, occupational mobility
- Analysing sequence of referrals to ALMPs (Ireland)

Assessment of ALMP impact evaluation system (Canada, Finland)

Peer learning events: technical and high-level

Country reports and synthesis reports with lessons learnt

Objectives
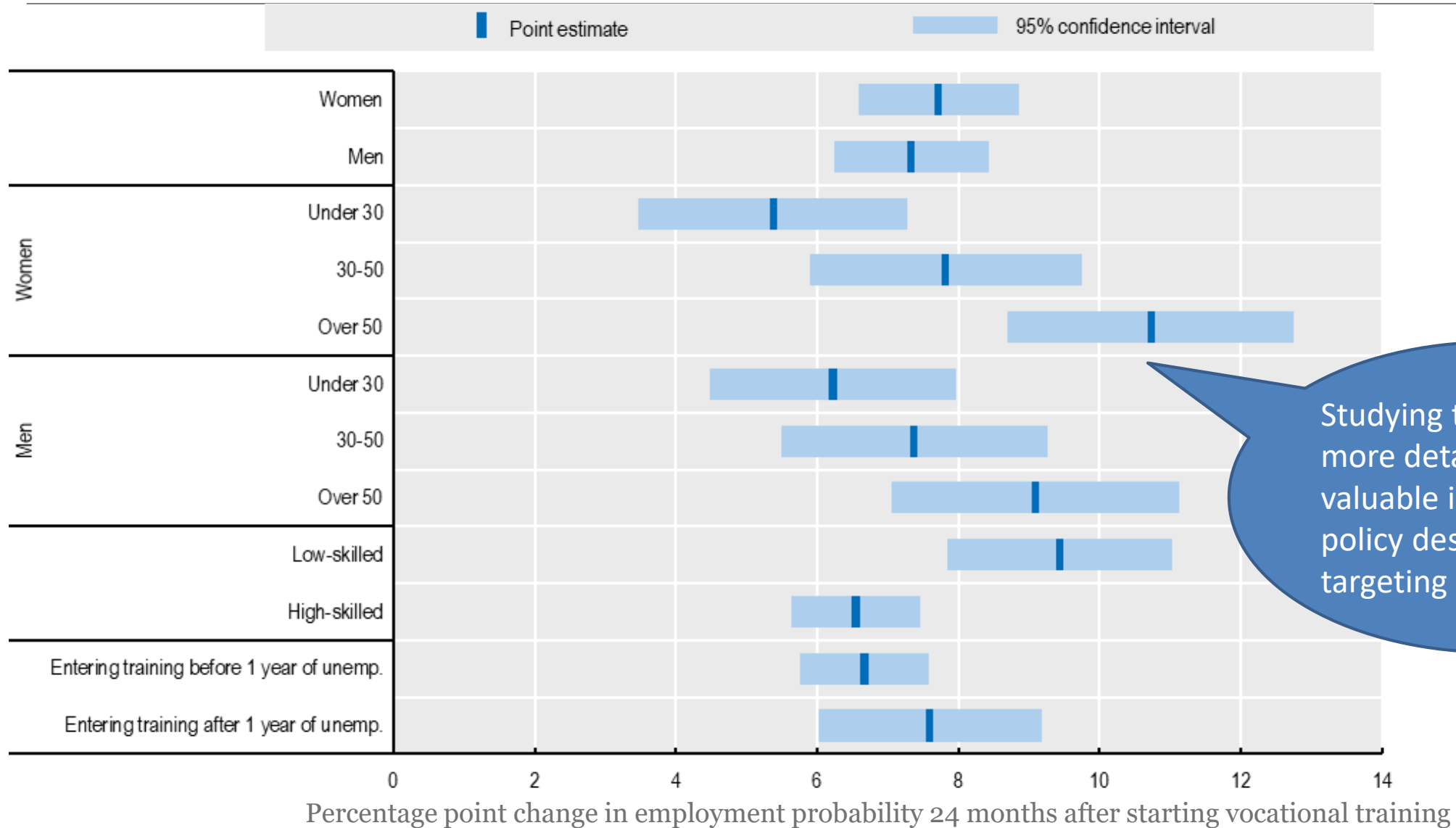
Improve efficiency and effectiveness of ALMPs

Strengthen countries' analytical capacity

Draw lessons for establishing/improving the mechanisms for linking data and using these data regularly and systematically for CIEs

Necessary to go in depth: Effect heterogeneity
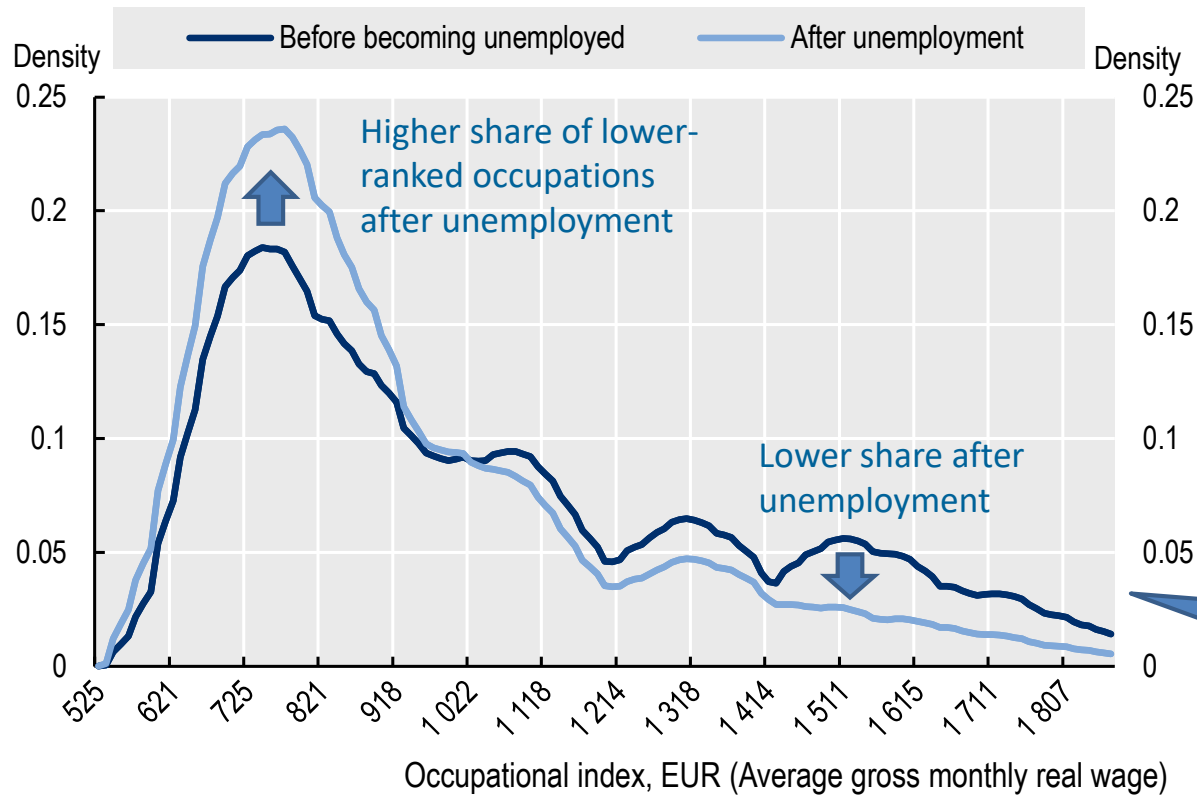## CIE in Lithuania: Effects of vocational training on employment

Percentage point change in employment probability 24 months after starting vocational training

Looking beyond employment prospects
CIE in Lithuania: ALMP effects on occupational mobility

Occupational index distribution

Density 0.25

Higher share of lower-ranked occupations after unemployment

Lower share after unemployment

— Before becoming unemployed — After unemployment

Occupational index, EUR (Average gross monthly real wage)
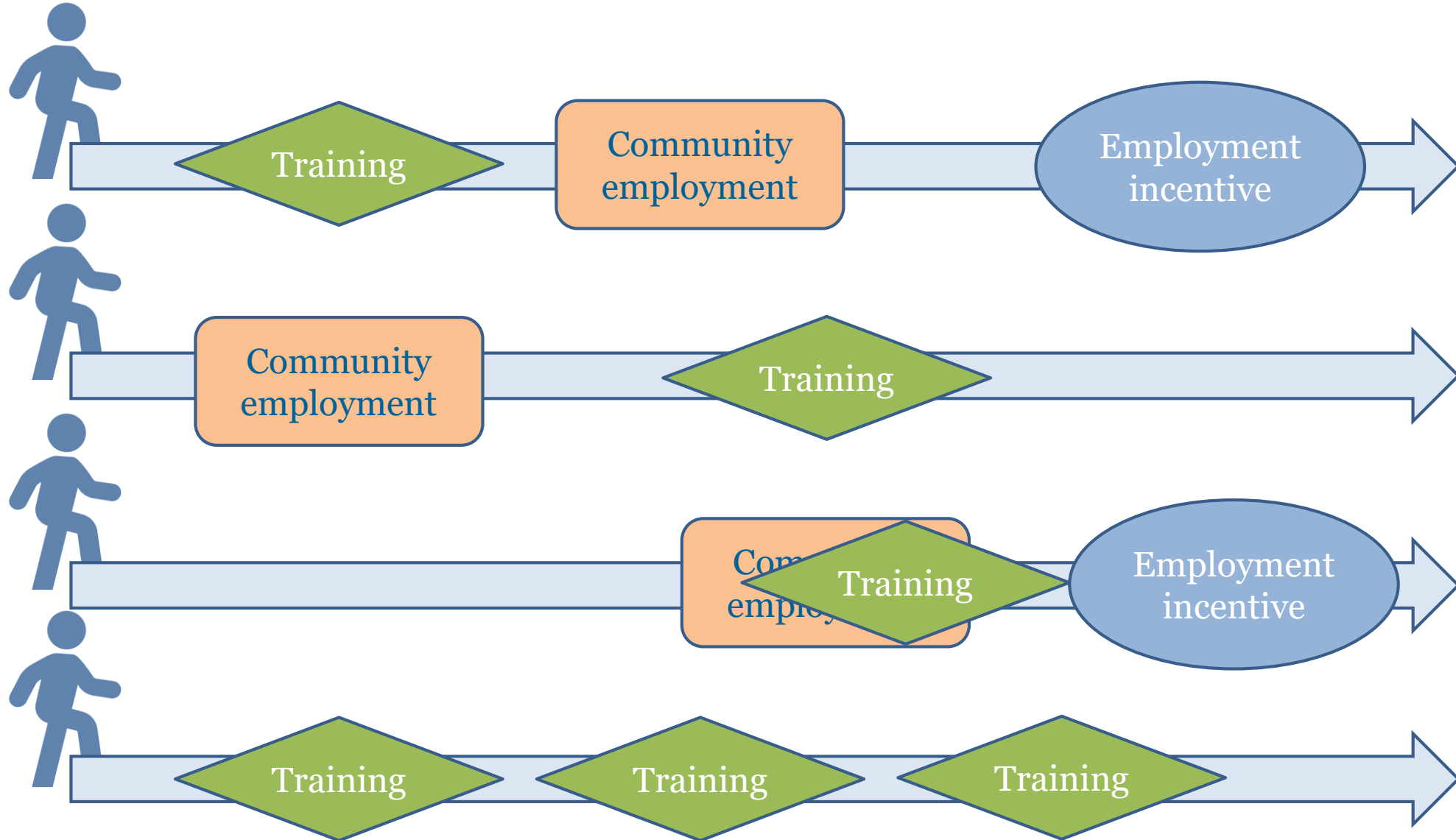
Calculation and use of occupational index

- Generate index value for each detailed occupation based on average observed real wages in Lithuania 2014-2020 period

- Use occupational index as outcome in CIE, similar to employment or earnings

Individuals who become re-employed after unemployment disproportionately enter lower-paid occupations

Comprehensive support needed, particularly for the most vulnerable
CIE in Ireland: ALMP sequencing

Impact evaluation necessary beyond "programmes"
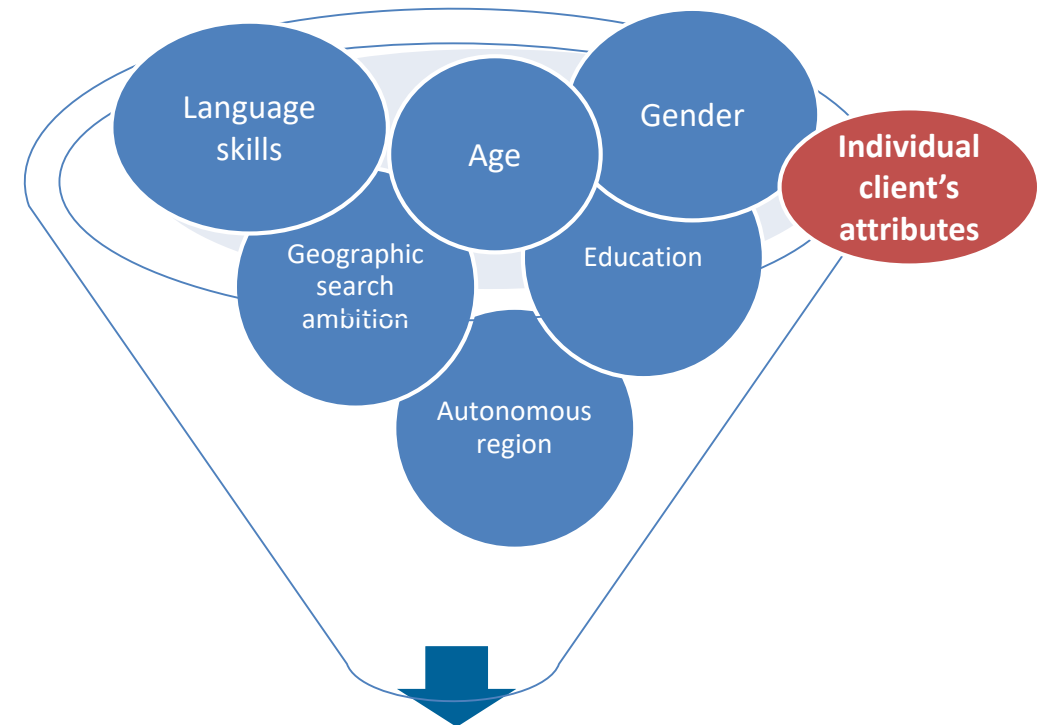## CIE in Spain: a digital tool for counsellors

Evaluation and monitoring frameworks for digital tools in PES look often at take-up and user satisfaction, but rarely at the ultimate objective: the effects on labour market outcomes

CIEs needed across measures, services, PES approaches and processes, as well as digital tools for evidence-informed policy design

Spanish public employment service, SEPE, designed a digital counselling tool to provide tailored recommendations on job search and training

OECD is providing technical support to SEPE through the European Commission's Technical Support Instrument and in cooperation with the EC's Directorate-General for Structural Reform Support to design and implement a randomised controlled trial of SEND@ tool
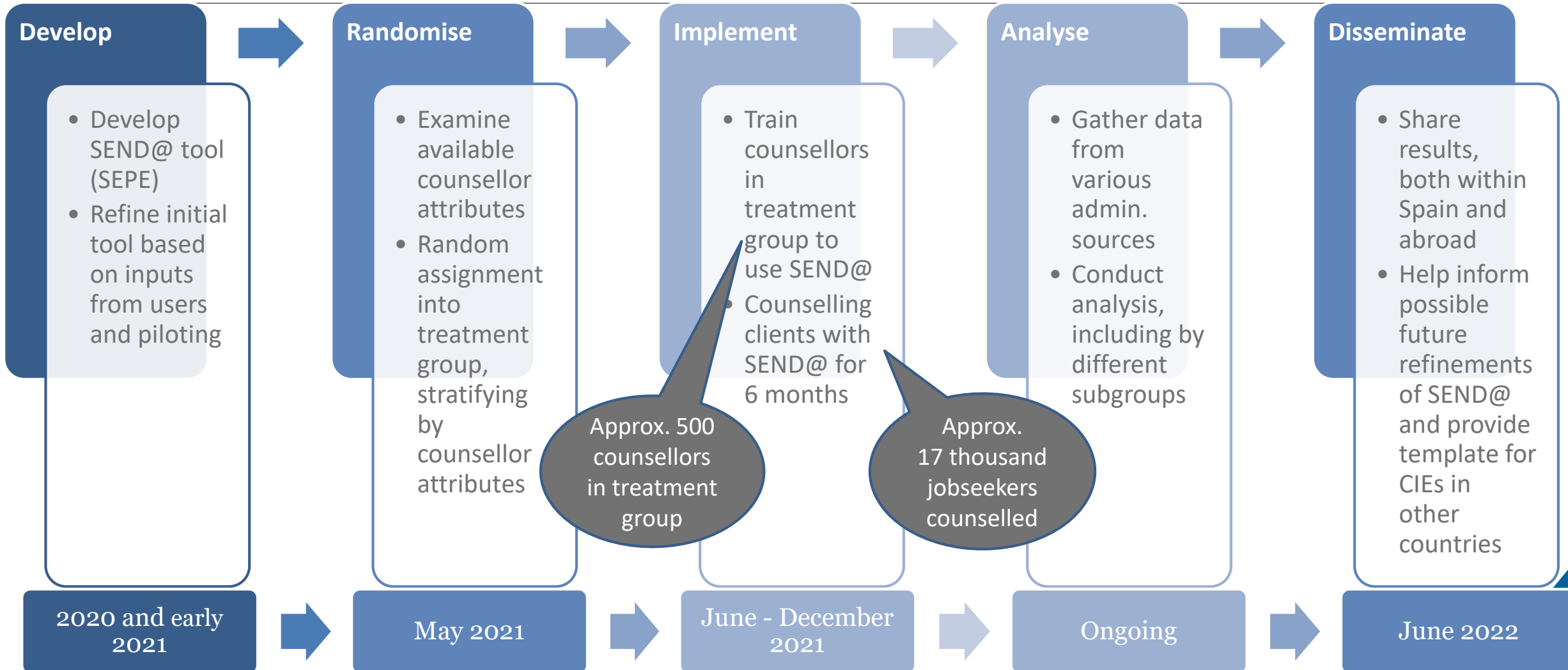
Overview of SEND@ digital counselling tool

Language skills

Age

Gender

Individual client's attributes

Geographic search ambition

Education

Autonomous region

Tailored recommendations based on historical outcomes of similar jobseekers

Randomised controlled trials are the gold standard
CIE in Spain: a digital tool for counsellors

Develop
- Develop SEND@ tool (SEPE)
- Refine initial tool based on inputs from users and piloting

Randomise
- Examine available counsellor attributes
- Random assignment into treatment group, stratifying by counsellor attributes

Implement
- Train counsellors in treatment group to use SEND@
- Counselling clients with SEND@ for 6 months

Analyse
- Gather data from various admin. sources
- Conduct analysis, including by different subgroups

Disseminate
- Share results, both within Spain and abroad
- Help inform possible future refinements of SEND@ and provide template for CIEs in other countries

Approx. 500 counsellors in treatment group

Approx. 17 thousand jobseekers counselled

2020 and early 2021
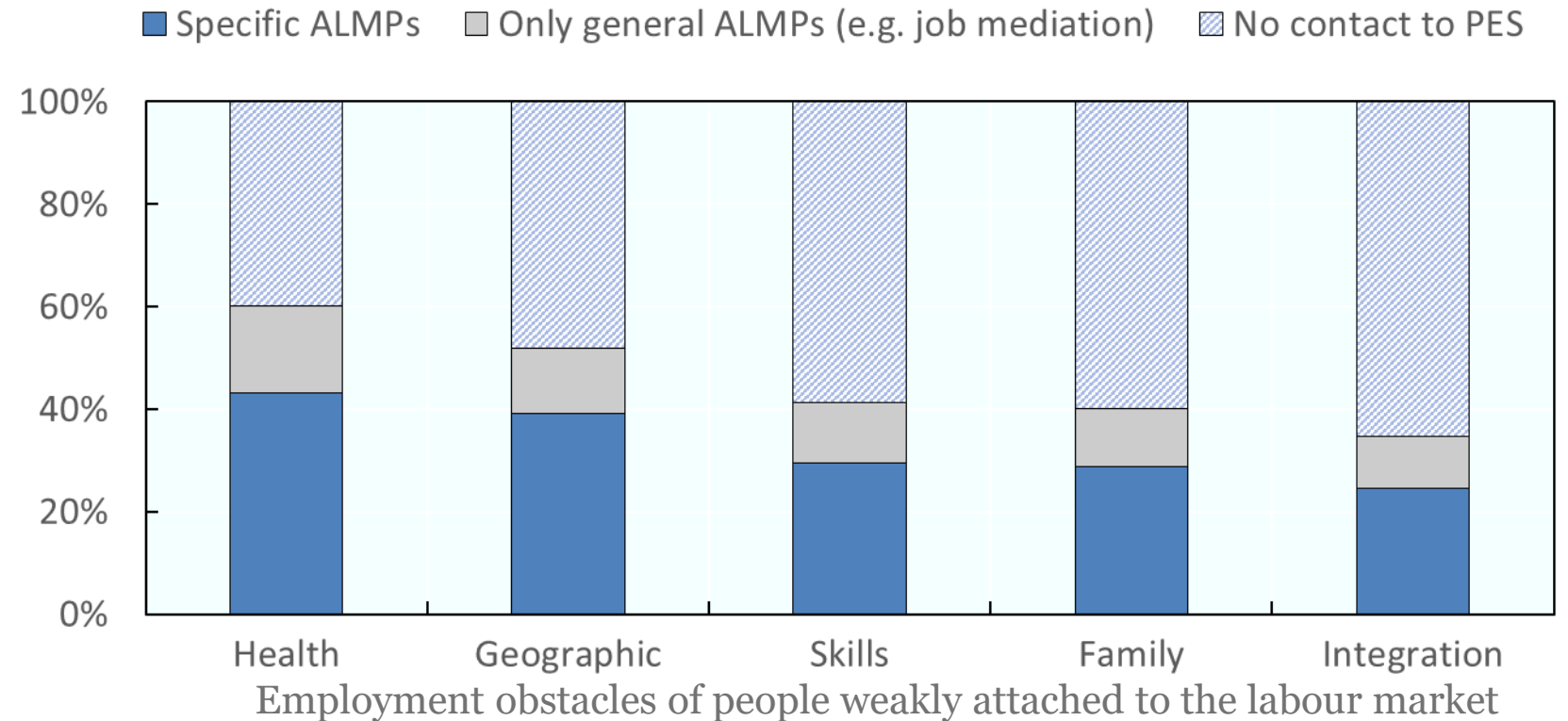
May 2021

June - December 2021

Ongoing

June 2022

Linked administrative data needed to generate knowledge beyond CIEs

Estonia: match between employment obstacles and ALMPs

Analysis of linked administrative data from more than 20 registers to:

- Identify groups in need of ALMPs to integrate into the labour market

- Understand the obstacles they face

- Understand the match between obstacles and ALMPs

- Identify gaps and overlaps in service provision

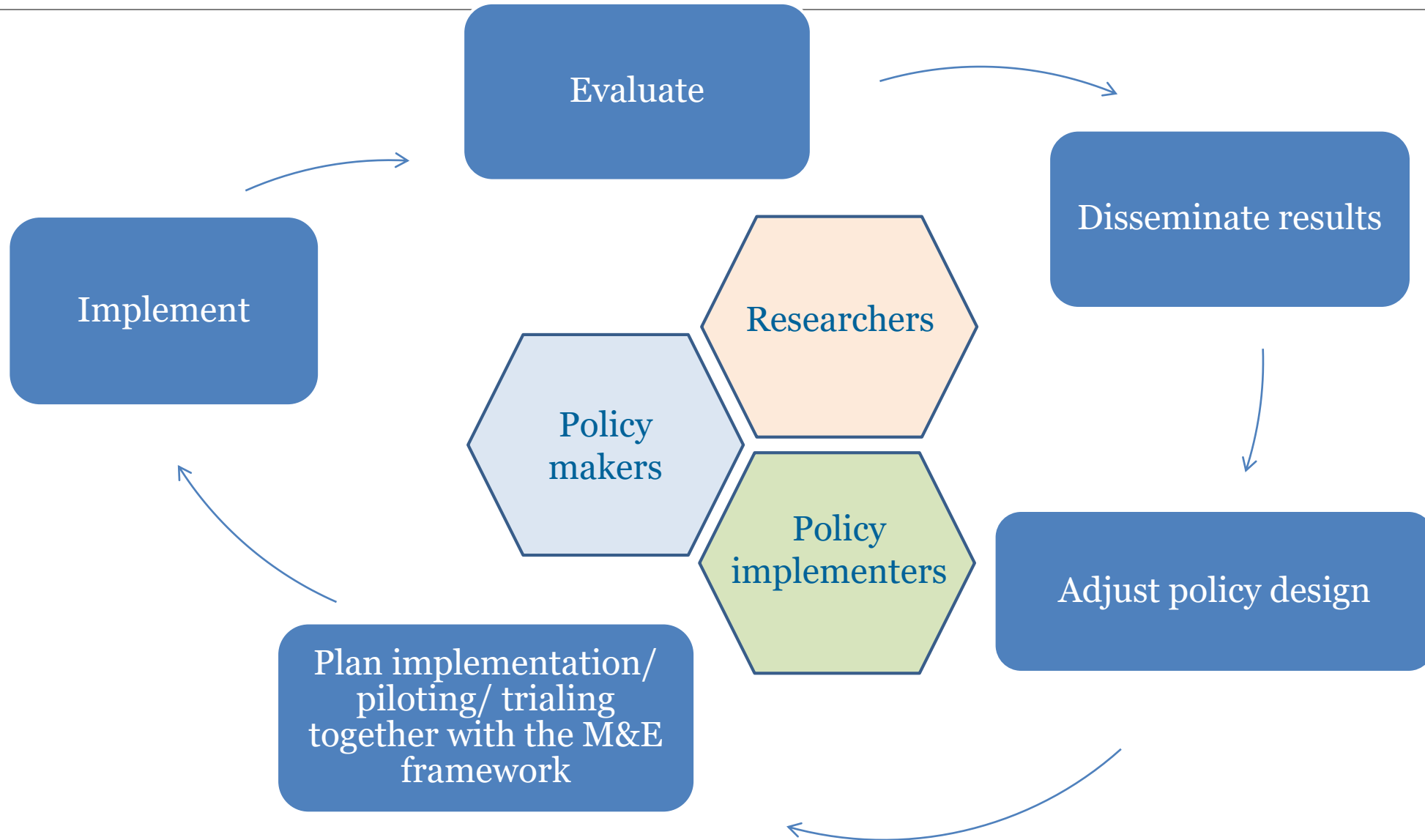Share of ALMP participants among people with no stable employment, by the obstacles they face

Legend: ■ Specific ALMPs □ Only general ALMPs (e.g. job mediation) ▨ No contact to PES

Employment obstacles of people weakly attached to the labour market

Source: OECD report "Connecting People with Jobs: Improving the Provision of Active Labour Market Policies", 2021

... but it was not possible to conduct similar analysis in Bulgaria in 2020-2021 as there was no capacity to link administrative data...

The cycle of evidence-informed policy making

Complementary in-house and outsourced evaluation & sharing data with researchers?
Canada – The building blocks for CIEs

DATA

PERSONNEL

ANALYTICAL TECHNIQUES

QUALITY ASSURANCE

COMMS

Linked administrative data bringing together ALMP participation and employment insurance with data on income and social assistance.

Senior management advocating for specialist resource. **Building capacity** to conduct analysis internally. Working with external academic peer reviewers.

Observational studies. Combining matching with difference-in-difference. Thorough cost-benefit analysis to compare programmes.

Specialist methodology team. Standardised set of data and methodology quality assurance processes. Corroborated with **external peer review**.

Publication of all analytical results. Publication of analytical methodology strategy and rationale. Collaborative governance with Provinces and Territories.

Significant improvements over the years in linking administrative data and conducting CIEs

(Seeming) bias in internal evaluation only?

Data access for researchers?

Takeaways on countries' capacity for CIEs of ALMPs

- Data problematic regarding: **outcomes beyond employment probability**, data on **other services** (e.g. health and social services), data for **sub-national** levels, data by nature not in administrative registers – challenges greater in CEE
- Countries have struggled to implement the **GDPR** and mostly neglected the **Open Data Directive** – particularly in CEE
- **Technical solutions** that enable using linked administrative data for research require investments – more problematic in CEE
- **Metadata management** often not fully developed, limiting data use particularly for external researchers
- **Analytical capacity** for systematic and rigorous impact evaluations has scope for improvement in many administrations
- Scope for improvement to evaluate the effects of **PES tools and activities beyond "programmes"**
- Scope for improvement in dissemination and **evidence-informed policy making**
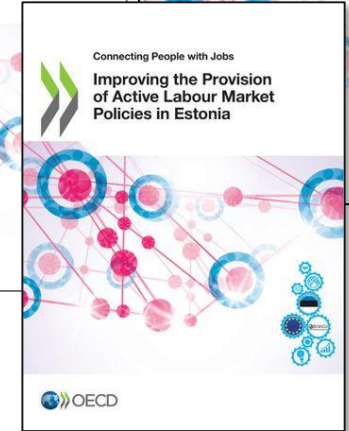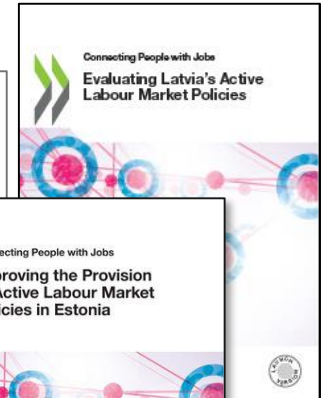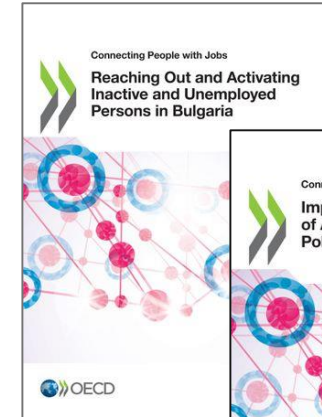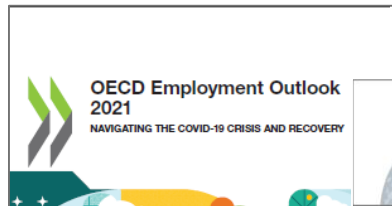
Challenges above all linked to capacity

- The **essential data** for CIEs are essentially available
- For some countries, the **GDPR** made the data protection regulation less strict and facilitated data linking
- Some progress in **technical preparedness** for making better use of administrative data, also due to further digitalisation boosted by the COVID-19 pandemic

Projects like the OECD-EC project help to build the capacity

Thank you!

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Countries' responses to COVID-19 pandemic

More on impact evaluation of ALMPs

OECD work on ALMPs: http://oe.cd/activation