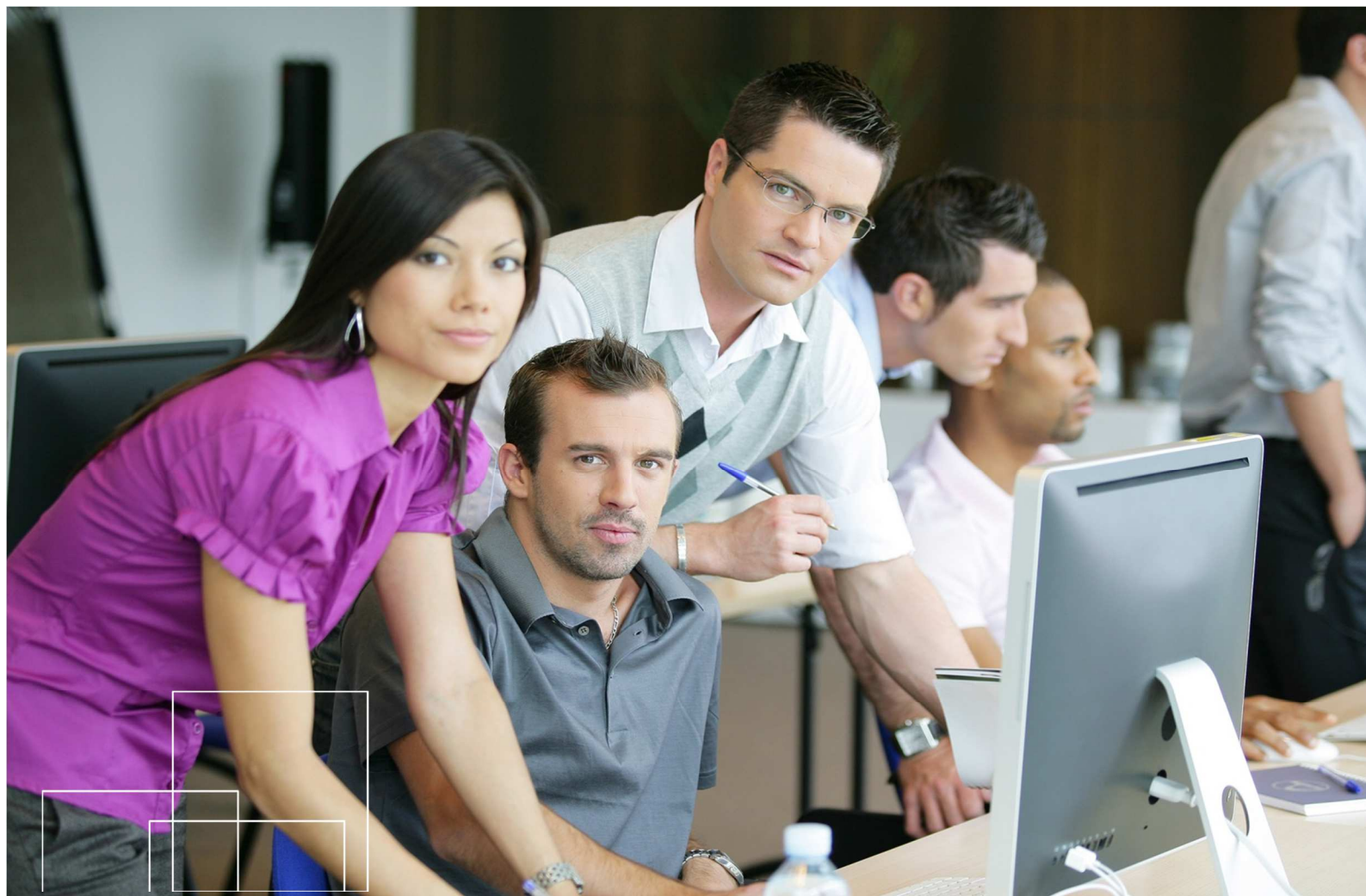




International
Labour
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EC-ILO Action on youth employment policy – Component one: Youth Guarantee

INTRODUCTION TO IMPACT EVALUATION

FINAL REPORT OF WORKSHOP

RIGA, 30-31 AUGUST 2016

Introduction to impact evaluation

Final report of workshop

Riga 30-31 August 2016

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1 INTRODUCTION

The Youth Guarantee (YG) in Latvia targets young people aged 15-29 who are neither in employment nor in education or training (NEETs). The strategy underpinning the implementation of the YG revolves around a number of key reforms in the areas of early intervention, activation and labour market integration measures. More specifically, it envisages the:

- i) development of a comprehensive approach to reach out to young people who are neither in employment, education and training (NEETs);
- ii) introduction of career education in schools to help young people make informed choices;
- iii) establishment of second chance vocational education programmes; and
- iv) design and implementation of a new workflow in the State Employment Agency and the introduction of a number of measures tailored to youth needs.

The implementation of the YG is coordinated by the Ministry of Welfare, while the delivery of interventions is entrusted to a network of partners, including the State Employment Agency, the Ministry of Education and Science, and local authorities. The ILO/EC Action “*Enhancing capabilities of practitioners to design, implement and monitor youth employment policies*” supports the YG coordination team in: (i) establishing a sound monitoring and evaluation framework; (ii) adjusting the design and delivery of interventions to the needs of young NEETs; and (iii) providing evidence and lessons for future policy design.

2 WORKSHOP OBJECTIVES

As part of the ILO/EC Action “*Enhancing capabilities of practitioners to design, implement and monitor youth employment policies*”, the ILO and the Ministry of Welfare of Latvia organized on 30-31 August, 2016 a capability enhancement workshop aimed to:

- i) Discuss impact evaluation methods that may be considered for the interventions planned under the Latvian Youth Guarantee; and
- ii) Review the main features of experimental and quasi-experimental evaluation designs (randomization methods; difference-in-difference; regression discontinuity design and instrumental variables).

The workshop was structured around three broad topics:

- ✓ *Introduction to impact evaluations*: These training sessions reviewed the rationale for conducting impact evaluations, the formulation of evaluation questions and the different approaches available to estimate impact;
- ✓ *Impact estimates*: The core part of the workshop centred on causality, counterfactual estimates and identification methods (randomization, difference-in-difference; regression discontinuity design and instrumental variables);
- ✓ *Implementation of impact evaluations*: The last leg of the workshop focused on the selection of an evaluation method, sampling strategies and data collection.

The training sessions were complemented by practical examples of rigorous evaluation designs implemented in recent years to measure the impact of youth employment programmes in Europe.

3 PARTICIPANTS' PROFILE

The workshop was designed for the staff of the Ministry of Welfare (Youth Guarantee coordination team), the Ministry of Finance, the Ministry of Education and its Agencies and Programmes, and the State Employment Agency.

The profile of workshop's participants included technical competencies in the broad areas of the YG and in monitoring and evaluation systems. A total of 21 participants attended the workshop (see Annex 4 for the list of participants).

The expectations of participants about the workshop revolved around:

- i) Approaches and methods to estimate the impact of youth employment interventions (single interventions and combined measures);
- ii) Practical tools for the implementation of impact evaluations;
- iii) Quantitative and qualitative evaluation methods;
- iv) Means to select valid control groups, overcome data limitations and ensure that quality criteria are included in outcome estimates.

4 METHODOLOGY

The workshop used a participatory approach that allowed for the exchange of information, knowledge and experience among participants and between participants and facilitators. It was delivered through a combination of presentations, discussions and practical examples with a view to creating a conducive learning environment.

5

STRUCTURE AND CONTENT

The capacity enhancement workshops focused on concepts and methods for impact evaluations and their practical application in estimating the outcomes of labour market integration measures targeting youth. The workshop was broadly structured around the two different methods that can be used in estimating impact – randomized selection and quasi-experimental approaches – complemented by real-life examples and case studies to demonstrate how these evaluation designs could be applied to the different interventions planned under national YG schemes. These topics were introduced by a discussion on the importance of measuring the impact of youth employment policy interventions and the key role played by performance monitoring systems in generating the information needed to shape the design of impact evaluations.

5.1. Randomized selection methods

This part of the training workshops was introduced by a review of the different types of evaluation (performance evaluation, impact evaluation, cost-benefit and cost-effectiveness analyses), the cases in which an impact evaluation is warranted and the need of combining different sources of information to understand not only if an intervention is working, but also why and for whom.

Participants were reminded of the initial steps in the design of an impact evaluation, namely: (i) the determination of the evaluation questions; (ii) the construction of a theory of change and results chain to map how the programme is intended to achieve its results, (iii) the formulation of the hypotheses to be tested; and (iv) the selection of performance indicators along the results chain. The example of the impact evaluation of the *New Deal for Young People* (United Kingdom) served to demonstrate how the theory of change and causal chain can be used to specify the evaluation question and the performance indicators to be estimated.

The training sessions that followed examined causal inference, the counterfactual problem, methods to build counterfactual estimates, and means to ensure internal and external validity of estimates. During these sessions participants also reviewed the two most common “counterfeit” counterfactuals, i.e. before-and-after and enrolled and non-enrolled comparison, both exposed to high risk of selection bias.

Participants were reminded that randomized assignment produces the most robust estimate of the counterfactual. This evaluation design works particularly well in instances when the eligible population is larger than the number of programme places available (randomized assignment), or when a programme is to be gradually phased-in

until it covers the whole eligible population (randomized phase-in) or when it is necessary to test a new or potentially costly youth employment programme. Random assignment and randomized phase-in designs were explored in some details with a number of real-life examples showing how this design can be applied in practice (e.g. intensive job search assistance for young graduates in France), and explanations on how to deal with no shows, drop-outs and cross-over challenges.

Although randomized designs cannot be used to evaluate the impact of the labour market interventions of the Youth Guarantee scheme in Latvia – as randomization was not built in the design of any programme – it could still be considered for the next planning phase and especially if new, untested programmes are planned.

5.2. Quasi-experimental evaluation designs

The second part of the workshop discussed quasi-experimental evaluation designs and especially those that are most recurrent in estimating the impact of youth employment programmes. As it occurs for randomized design, the programme's rule for enrolling participants is the key parameter for selecting the evaluation method. For instance, the different-in-differences (DD) method is often used in combination with statistical matching to measure the impact of youth employment programmes that use very diverse enrolment procedures (caseworker's assignment, first-come first-served, individual application). Regression discontinuity evaluation designs, conversely, exploit the age-related eligibility rules of youth employment programmes to establish control groups that are near the cut-off point. The key point to bear in mind is that all quasi-experimental designs build on a number of assumptions (which may undermine external validity and need to be controlled for) and typically require a large amount of good quality data to determine a valid control group. In practice, the choice of the evaluation design is often dictated by the type and quality of data that is available to construct a valid control group.

Two case studies were discussed with participants to demonstrate how the same quasi-experimental evaluation design (difference-in-differences combined with statistical matching) could be used to estimate the impact of very diverse programmes. The first case study related to the evaluation of the gateway component of the *New Deal For Young People* during its pilot phase. In this example, the evaluators selected a control group in the areas where the gateway programme was offered, rather than choose a control group in areas where the programme was not available. The rationale behind this choice was to eliminate the effect that different regional growth and labour market trends could have on the probability of employment of young people. In Sweden, conversely (reduction of payroll taxes for the recruitment of young workers), the selection of the control group (individual slightly older than the treatment group) was dictated by the universality of the recruitment subsidy, applicable to all young people 18 to 24 looking for work.

The final leg of the workshop focused on the range data required to carry out an impact evaluation; data sources (primary and secondary data); the combination of quantitative and qualitative data to get better insights of how a programme achieved the intended results, and timing of data collection.

The workshop concluded with a discussion of the key elements that need to be included in the terms of reference for contracting the implementation of an impact evaluation, namely:

- ✓ Purpose of the evaluation (research question);
- ✓ Background of the programme to be evaluated (objectives, target group, implementation modalities, performance results achieved);
- ✓ Development of the evaluation design (methodology, data collection and analysis, timeframe), including the design of the key indicators to be estimated;
- ✓ Survey work, including sampling strategies, design and testing of questionnaire, data collection, data entry and quality checks;
- ✓ Detailed description of available data (programme monitoring and accounting systems, household-based survey, census), disaggregation and time-series;
- ✓ Analysis of treatment and control group outcomes;
- ✓ Development of summary statistics;
- ✓ Production of evaluation report and standardized presentation for the dissemination of information on the results of the programme in question;
- ✓ Data quality assurance services (integrity and reliability of the data produced);
- ✓ Qualifications of the evaluation team (senior researchers, data quality assurance experts, research assistants/field coordinators).

6 VALIDATION OF THE WORKSHOP

At the end of the workshop, the participants were asked to provide a detailed assessment of the training and organizational aspects of the workshop. This was done through a validation questionnaire that was distributed to all participants.

The structure and content of the workshop as well as the quality of facilitation scored the highest in appreciation (100 per cent). Approximately 93 per cent of participants valued the focus on key issues and the taking on board by facilitators of participants' feedback. Participants considered the discussion on randomized assignment and quasi-experimental evaluation methods as the most useful parts of the workshop. They also appreciated the practical examples provided to illustrate the different types of evaluation designs. Annex 3 provides a detail of the results of the final validation questionnaire.

7 CONCLUSIONS

This workshop was designed to introduce participants to the basic concepts, methods and tools of impact evaluation and as an induction to the dedicated impact evaluation project to be implemented in 2017. The training strategy was tailored to the profile of participants – i.e. public institutions called to manage the impact evaluation of complex youth employment interventions and ensure that it provides reliable information for policy and programme planning. It is worth noting that in Latvia the process to estimate the impact of youth employment interventions sees a close collaboration between the Ministry of Welfare, the Ministry of Finance and the State Employment Agency.

The discussion held during the workshop highlighted the complexity of planning an impact evaluation of the measures of the Youth Guarantee schemes and the responsibilities that public institutions have in this process. The key task of the Ministry of Welfare, the Ministry of Finance and the State Employment Agency in planning the impact evaluation revolve around: i) determining the impact evaluation question(s); ii) contributing to the selection of the identification method; iii) ensuring that researchers have access to the data required (both administrative and survey based) to run the evaluation; and finally iv) using the evaluation results to inform future policy and programme design.

ANNEXES

Annex 1	Programme of the workshop
Annex 2	List of presentations and hand-outs
Annex 3	Results of the validations of the workshop
Annex 4	List of participants and resource persons

Annex 1: CAPABILITY ENHANCEMENT WORKSHOP
INTRODUCTION TO IMPACT EVALUATIONS
Riga, 30 and 31 August 2016

TIME	30 August	31 August
09.00-10.30	<p>Opening remarks Objectives, participants' expectations</p> <p>—————</p> <p>Introduction to impact evaluation: Why evaluate? <i>Presentation</i> G. Rosas, V. Corbanese</p>	<p>Quasi-experimental evaluation design: Difference-in-difference and statistical matching regression (discontinuity, instrumental variables) <i>Presentation and examples</i> G. Rosas, V. Corbanese</p>
11.00-12.30	<p>Determining the evaluation question Evaluation questions, theory of change, result chain, indicators <i>Presentation and examples</i> G. Rosas, V. Corbanese</p> <p><i>Group activity: New Deal for Young People (UK)</i></p>	<p>Quasi-experimental evaluation design: Regression discontinuity and instrumental variables <i>Presentation and examples</i> G. Rosas, V. Corbanese</p> <p><i>Group activity: JobBridge (Ireland)</i></p>
Lunch break		
13.30-15h00	<p>Measuring impact: Causality, counterfactual estimates, different evaluation designs <i>Presentation</i> G. Rosas, V. Corbanese, S. Puerto</p>	<p>How to implement impact evaluations: Choosing an evaluation method Sampling strategies and data sources <i>Presentation</i> G. Rosas, V. Corbanese, S. Puerto</p>
15h15-16h45	<p>Randomized selection methods <i>Presentation and examples</i> G. Rosas, V. Corbanese</p>	<p>Closing remarks</p>

Annex 2: List of presentations and hand-outs

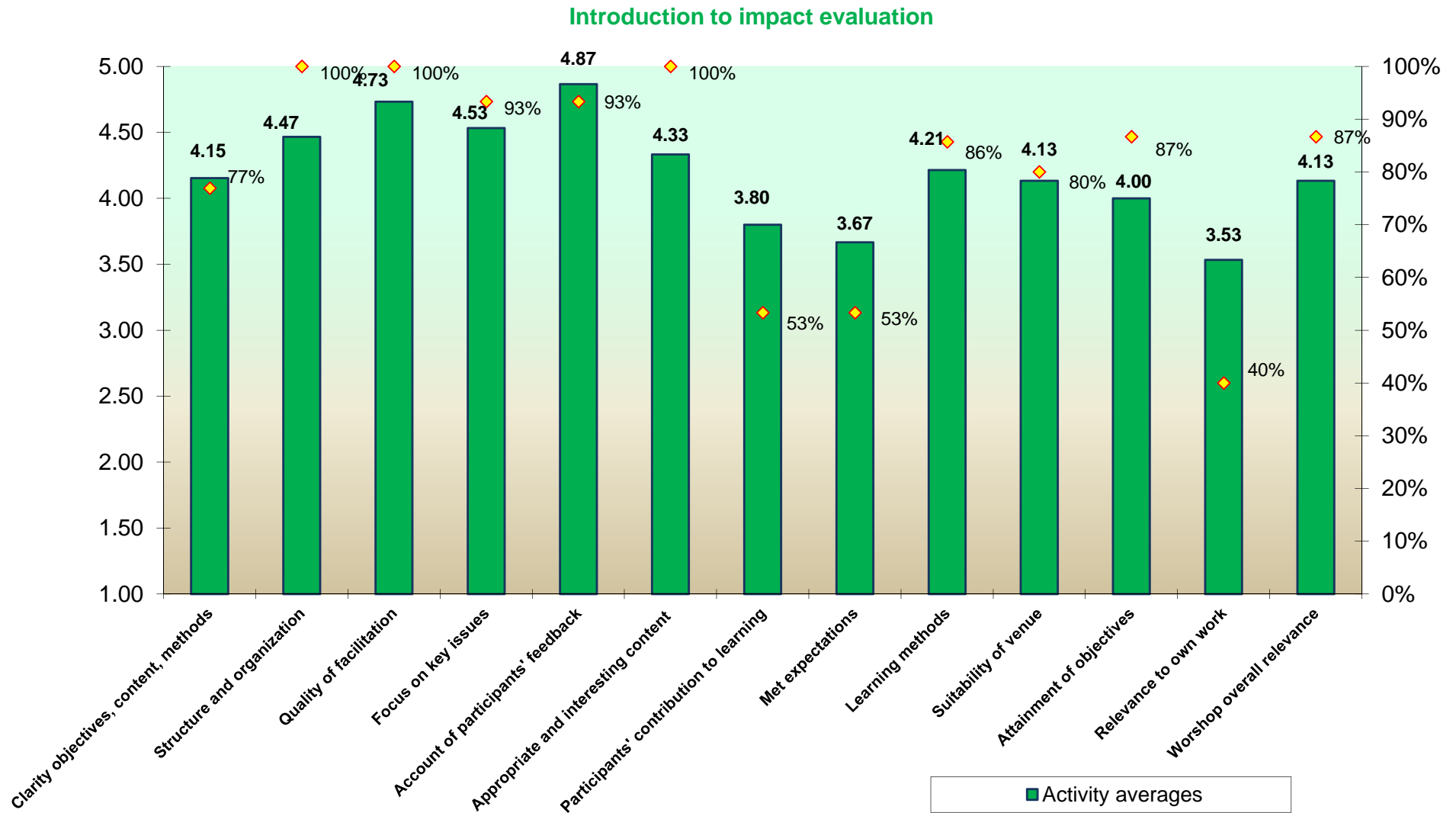
Presentations:

1. Why evaluate?
2. Determining the evaluation questions
3. Measuring the impact of youth employment measures
4. Randomized selection methods
5. Quasi-experimental approaches
6. Data for impact evaluations

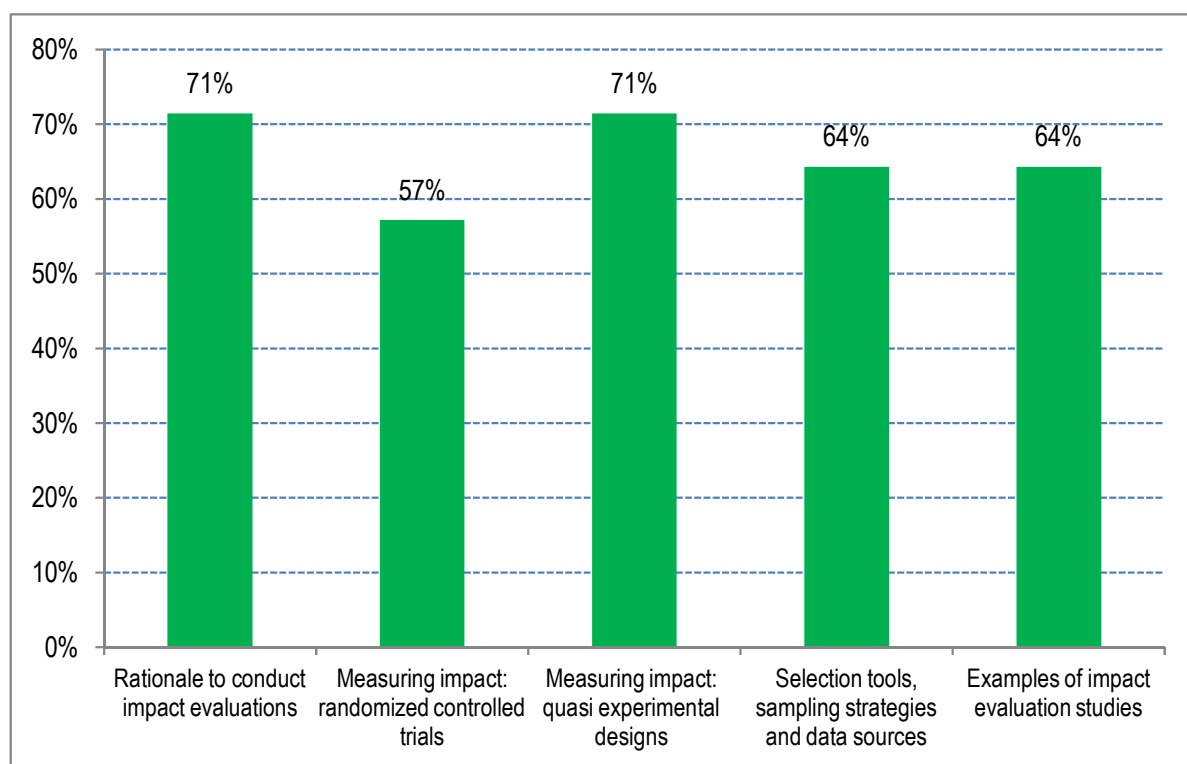
Handouts:

- Different evaluation methods and assumptions
- Glossary of key impact evaluation terms
- Steps in randomized assignment
- How to select an impact evaluation method
- New Deal for young people, United Kingdom
- Job placement assistance by private service providers, France
- Difference-in-difference approach: New Deal for young people, the United Kingdom
- Difference-in-differences and matching approaches: Payroll tax cuts, Sweden
- Good or bad counterfactual? JobBridge, Ireland

Annex 3: Results of the validation of workshop



Relevance of training content (Percentage of score 4 and 5)



What sections of the training were most useful and why?

- ✓ Impact evaluation approaches;
- ✓ Practical examples and case studies;
- ✓ Randomized selection techniques.

What sections of the training were less useful and why?

- ✓ Quasi-experimental evaluation methods
- ✓ Data sources and quality

Annex 4: List of participants and resource persons

Participants

	Name	Organization
1	Anna Vībe	EU Structural Funds Department, Senior Expert Ministry of Welfare,
2	Baiba Ivāne	Adult training, Senior expert State Employment Agency,
3	Monta Leimane	Adult training, Senior expert State Employment Agency,
4	Dāvids Garšva	Youth Guarantee scheme, Expert, State Employment Agency,
5	Ingus Zitmanis	Deputy Director, Vocational Education Department, State Education Development Agency,
6	Viola Korpa	EU Structural Funds project manager Agency for International Programs for Youth,
7	Iveta Tiltiņa	Finance and Development Department, Expert, State Employment Agency
8	Oksana Žabko	Project manager/Researcher Baltic Institute of Social Sciences,
9	Normunds Strautmanis	EU Structural Funds Strategy Department, Head of Evaluation Unit Ministry of Finance,
10	Jānis Leikučs	EU Funds Strategy Department, Senior Expert, Evaluation Unit Ministry of Finance
11	Lelde Ķikute	Youth Guarantee scheme, Senior Expert, State Employment Agency
12	Andris Maskaļovs	Finance and Development Department, Senior Expert State Employment Agency
13	Ieva Ģērmāne	Youth Guarantee scheme, Senior Expert, State Employment Agency
14	Dace Lūse	Youth Guarantee scheme, Expert, State Employment Agency
15	Elīna Vēvere	Department of Structural Funds, Senior Officer, Ministry of Education
16	Aļona Tutova	Labour Market Policy Department, Senior Expert, Ministry of Welfare,
17	Alise Devjatajeva	Project Manager, Agency for International Programs for Youth

	Name	Organization
18	Aija Riba	Deputy Director, Department for Youth Policy, Ministry of Education
19	Ieva Kārklīņa	Coordination Centre, Development Planning Unit
20	Inese Katkovska	Youth Guarantee scheme, Expert, State Employment Agency
21	Olga Romanova	Youth Guarantee Statistics, Expert, State Employment Agency,

Resource persons

	Name	Organization
1.	Gianni Rosas	Senior Youth Employment Specialist for Europe International Labour Office
2.	Valli Corbanese	Youth employment policy expert, International Labour Office
3	Susana Puerto-Gonzalez	International Labour Office