

REGIONE LAZIO

POR ESF 2014 – 2020

Objective

"Investments for growth and employment"

Evaluation plan of the POR Lazio ESF 2014-2020

EXECUTIVE SUMMARY

Thematic evaluation of the POR Lazio ESF 2014/2020

Public notice “Interventions aimed at the qualification of human resources conducive to creating new jobs for companies in Lazio”
(years 2016-2018)

March 2021



REGIONE
LAZIO

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Notes on the economic situation of Italy and Lazio

The preliminary and provisional estimate of the 2020 national GDP records a drop of 8.9%. National data shows that, on the whole, the effects of the employment crisis have mainly impacted less protected job positions and the most vulnerable components of the labor market (young people, women, and foreigners), often employed in the sectors most affected by the COVID-19 pandemic. At the regional level, the employment rate, albeit with significant gender differences, was growing until 2020, the year in which there was a setback mainly due to the pandemic. The youth employment rate, the NEET rate, and long-term unemployment in Lazio also recorded improvements until 2019, with a reversal in trends where the 2020 data is available. With regard to the issue of the birth rate of businesses, the data indicate a difficult recovery compared to pre-crisis levels.

State of implementation of the POR and interventions to counter the health emergency

The state of progress of the POR ESF Lazio 2014-2020 denotes a positive picture at 31.12.2019 (see Annual Implementation Report 2019), from a financial point of view (with a total eligible cost equal to 69% of the budget), physical progress (with 114,270 participants involved in 3,810 projects) and also regarding the result indicators. Furthermore, the recent monitoring data as of 31.12.2020¹ shows commitments equal to 89.6% and payments equal to approximately 72% of the budget.

Following the Covid-19 emergency, in a framework consistent with the actions of the national government (Agreement signed on July 2, 2020 by the Minister for the South and for Territorial Cohesion and by the President of the Lazio Region), specific reprogramming was immediately activated, with extraordinary interventions, which mobilized about 290 million to promptly implement actions in favor of the most affected categories, in terms of education and training, work and social issues. Looking ahead, the new MFF 2021-2027 and the Next Generation EU Program, within which the National Recovery and Resilience Plan (Pnrr) is located, will represent the main measures needed to face the effects of the crisis caused by the Covid-19 pandemic.

Objectives and methodology of the thematic evaluation

The thematic evaluation of the POR ESF Lazio 2014/2020, through a field survey and a counterfactual analysis, had the aim of verifying the effectiveness and impact of the "Interventions aimed at the qualification of human resources conducive to creating new jobs for companies in Lazio"(year 2016-2018²). This Action, referred to in Investment Priority (P.I.) 8.i, provides:

- ✓ Integrated actions for active participation, work, and professional inclusion aimed at the unoccupied and the unemployed. The peculiarity of this intervention (which differs from the one analysed with the other thematic evaluation) is that it is defined as "finalized", since it ends with at least 50% of permanent hires, calculated on the initial number of participants in the course.

Furthermore, from a methodological point of view, the following techniques were used: i) preliminarily, a direct survey was carried out using a questionnaire administered to a sample of 360 adult participants for the PI 8.i. The POR result indicators were quantified and information on other variables was also collected; ii) a counterfactual assessment was then carried out, which was the first time this approach had been adopted to evaluate such Programs, making it possible to scientifically evaluate the employment impact of the actions carried out using robust methods.

¹ [Bollettino Monitoraggio Politiche di Coesione – Progr. 2014/2020 – Situazione al 31.12.2020](#) (SNM Igrue RGS).

² It is specified that for a few hundred individuals the interventions took place at the beginning of 2019.

The field survey and result indicators

Investment priority 8.i

The interventions in the context of PI 8.i have the purpose of facilitating the integration into the workplace for people with greater difficulties (inactive, long-term unemployed, etc.) with actions aimed at strengthening skills. The survey showed that the effects on the participants were very positive, with an employment level 6 months after the end of the course (74.4%) which exceeded the target for 2023, however recording a strong gender difference with a value of the CR 06 indicator equal to 59.7% for women and 81.1% for men. At the time of the survey, a slight decrease was recorded, probably due to the effects of the pandemic, which, however, reduced gender differences, differences that also decrease by taking into account the type of contract. Furthermore, smart working, which was expected to have had positive effects in terms of work-life balance, was more appreciated by men (87% for men and 67% for women). It is significant that a large majority thinks of using it also in the future.

Table 1 – Result indicators CR 06

Investment priority	Baseline (%)*				Target 2023**			Field survey* (2020)					
								Indicators (%)			Interviewees		
	W	M	T	Year	W	M	T	W	M	T	W	M	T
8.i Employment – CR 06	33%	26,3%	31,1%	2012	43%	36,3%	41,1%	59,7%	81,1%	74,4%	67	169	236

* Source: direct survey in Cawi / Cati mode. The values of the indicators have been universally reported.

Heterogeneity of the effects with respect to the outcome and type of employment: gender differences

The intervention indicators for PI 8.i showed a generally high appreciation by the participants for outcome and occupational typology. They were analysed by crossing different profiles, such as gender and educational qualification.

- ✓ First, there is a difference in effectiveness by gender: women with a high-school diploma employed six months after the course are 57% compared to 79% of men, a difference that rises up to 16 percentage points at the time of the interview.
- ✓ With regards to the type of contract and equal educational qualifications, women are less employed with permanent contracts as opposed to of fixed-term contracts. This difference is more pronounced among those with a high-school diploma than among people with degrees. At the time of the interview, women and men follow a trend towards stabilization: there is an increase in fixed-term workers both among women (45%) and men (50%). However, the gap between genders still remains wide, checking by qualification: among those with a high-school diploma, only 29% of women have a permanent contract against 46% of men.

The counterfactual evaluation and the employment impact of the interventions

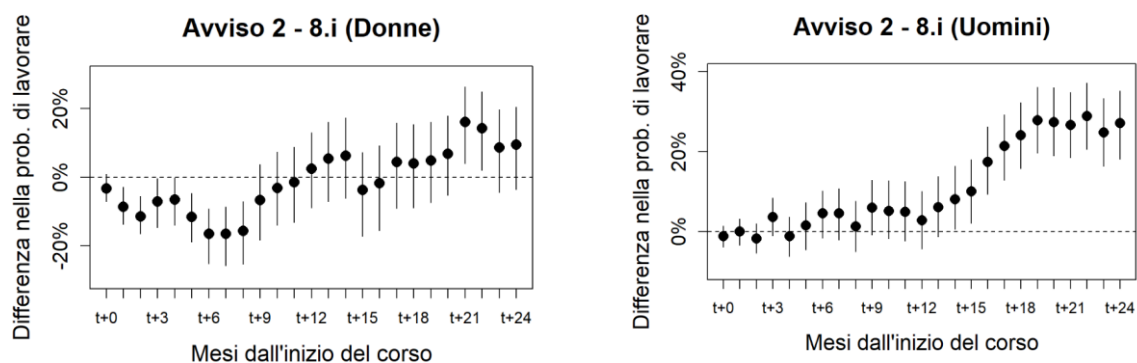
For the analysis, the data made available by the Regional Directorate for Education, Training, Research and Work were used, verifying the employment history of all course participants to compare them with a valid control group.

The data was analysed using a recent version of the *difference-in-differences matching* (MDiD) evaluation method. This estimator made it possible to compare individuals treated with individuals who did not follow the courses but who were identical from the point of view of the following variables: i) sex; ii) age group; iii) citizenship (Italy or abroad); iv) residence (province of Rome or other provinces); v) starting year of the course; and very similar in terms of previous employment history.

The analysis was carried out taking into account that active employment policies, such as job search assistance, training or work experience programs for the unemployed, generally initially produce negative effects on employment. These so-called '*lock-in effects*' occur because participants are busy following the training activities and consequently spend less time and effort on job search activities than non-participants. Given the probable presence of *lock-in effects*, the analysis considers as the post-treatment period not the end of the training course, but the beginning of the training course.

The main results relating to axis I Employment - P.I. 8.i. are shown in Figure 1. The Figure shows the estimates and relative confidence intervals of the occupational impact of training courses for both women (left graph) and men (right graph). In each graph, the points represent the difference in the probability of finding work between treated (participants in the interventions) and untreated (control group). However, the Figure shows that in the first 8 months the probability of finding work decreases only for women, but is then quickly reabsorbed, as predicted by the theory. Although generally positive, the results for women do not show statistically significant differences in terms of employment also due to the small number of participants. On the contrary, the impact for men is positive and large (up to almost +30 percentage points, 20 months after the start of the intervention) and statistically significant starting from the fourteenth month after the start of the courses³.

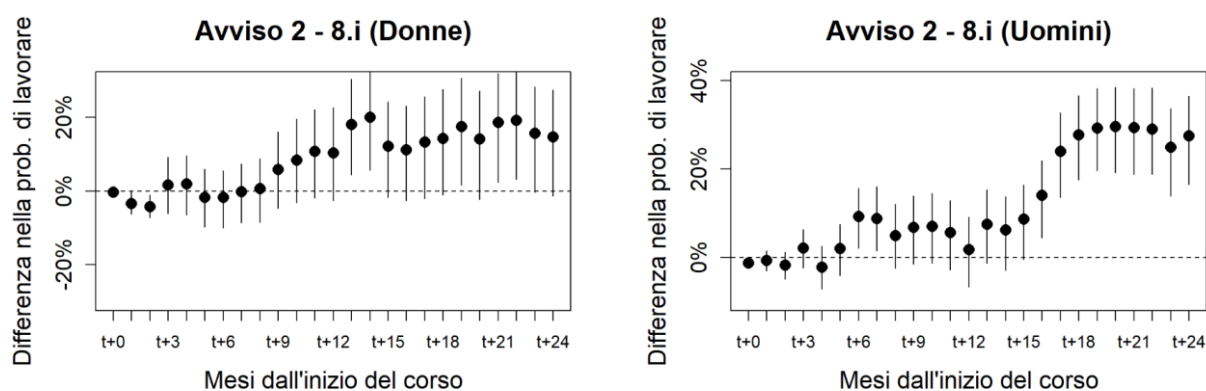
Figure 1 - Employment impact broken down by gender PI 8.i



In the following Figure, on the other hand, only individuals who appear to have a full-time contract are considered as employed. It can be seen that the effects are stronger than those shown previously, especially for women. The excellent employment results that emerged are partly due to the type of policy, which provides that at least 50% of the participants must then be hired.

³ For example, with regard to men, the impact of the training course on the probability of working is practically nil until the ninth month after the onset of the course. From month 10 to month 14, the impact is positive but still not significant. On the other hand, between month 15 and month 24 the difference in the probability of being employed between participants and the control group becomes positive and statistically significant and equal to +27 percentage points in the twentieth month.

Figure 2 - Employment impact (only full-time contracts) broken down by gender PI 8.i



Recommendations to strengthen active labor policies and the effectiveness of the Program

From the evaluation carried out, even considering the employment purpose (50% of the participants must be hired by the companies) it emerges that *the ESF interventions in the medium term have significantly increased the probability of finding work*. On this basis it is possible to derive some specific and transversal recommendations, summarized in the following Table and further articulated below.

Table 2 – Recommendations to strengthen the effectiveness of the Program

	CATEGORIES OF RECIPIENTS		
	Women	NEET	Long-term unemployed / inactive
SPECIFIC ACTIONS	Strengthening of actions for gender equality (greater resources and rewards)	Continuous accompaniment, beyond the interventions	Personalized paths (skills retraining and relocation)
	Human resources qualification interventions aimed at the most innovative sectors, linked to the main missions of the Pnrr and the most innovative sectors.		
TRANSVERSAL ACTIONS	<ul style="list-style-type: none"> ➤ Synergy between direct and indirect funds ➤ Strengthening and enhancement of CPI (Regional Agency for Work Space) ➤ Greater involvement of companies in the planning of interventions ➤ Other transversal actions (services for children, smart-working, work-life balance) 		

Specific actions on categories of recipients

In general, considering the future needs related to the presumed post Covid-19 social organization, it is considered appropriate to strengthen the interventions in the following areas: i) the most innovative sectors (eg: digitization, green economy); ii) sectors related to the main missions of the National Recovery and Resilience Plan (Pnrr), such as the ecological transition.

The recommendations for specific targets are presented below.

- ✓ In the case of **women**, the evaluation revealed that differences in the effectiveness of the interventions remain and numerous surveys confirm the persistence of gaps in terms of employment, but also from the point of view of salaries and career paths. Therefore, it is necessary to substantially strengthen the actions in favor of **gender equality**, promoting the participation of women in qualification interventions on the driving sectors for the future (digitization, ecology, etc.), also through reward criteria in the selection phase of the participants, where they often have relatively lower levels of employment. Obviously, as reiterated below, integrated policies are necessary.

- ✓ **NEETs**, together with women and self-employed workers, were the most affected by the crisis. It is therefore necessary to continue and support actions in this direction, given that the counterfactual survey showed a good effectiveness of the interventions, especially towards 18-29 year-olds. However, medium-term support beyond the course is appropriate, to be pursued also with the relaunch of the Employment Centers (Cpi) to promote continuous qualification paths.
- ✓ With respect to the **long-term unemployed**, it is appropriate to promote personalized paths to adapt skills and encourage relocation. Also in this case, the role of the regional agency can have a strategic value.

Transversal actions

Transversal actions are necessary to strengthen the effectiveness of actions aimed at specific targets, in order to create favorable context conditions and / or remove and mitigate the barriers and critical issues that often hinder entry and permanence in the labor market.

- ✓ In general, the evaluation highlighted how interventions aimed at specific types of recipients can have positive effects on the labor market. However, these effects must be amplified by strategic action, capable of developing greater **synergies between direct and indirect funds to achieve common objectives**. This will be a challenge of the new programming.
- ✓ The **strengthening and enhancement of the role of Cpis**, which have a marginal role in intermediation, in the light of the new regional agency, must not remain a formal objective. The tools (electronic file) and coordination between national (Anpal) and regional information systems must be made operational, as prerequisites for promoting effective assessment, orientation and matching paths between job supply and demand, in a perspective of infra and intra-regional mobility. In this context, the involvement of private brokerage agencies could be assessed, given that the survey revealed a limited but greater role than Cpis.
- ✓ In order to plan interventions consistent with specific needs, especially for interventions that envisage a more incisive role such as in the finalized notices, **the involvement of companies should be strengthened** during the phases where needs are outlined and actions are planned, also bearing in mind the prospect of a greater use of smart working. It is a significant aspect since the survey showed that the judgment on the quality of the courses remains very good, but the judgments on the **relevance of the course** for the occupation found are much lower, especially for women.
- ✓ Finally, to promote gender equality, it is necessary to **strengthen services for children and work-life balance measures**. In fact, the survey showed an improvement in the work-life balance related to smart working, but this perception was once again stronger for men. In any case, there is a need for multilevel collaboration and a multidimensional connection between the various policies (family, education, work), a strategy that could be relaunched during the implementation of the Pnrr.

Method indications for optimizing the planning and evaluation processes

- ✓ From a methodological point of view, it is necessary to continue the path taken, with particular reference to **field surveys, to the link between administrative and monitoring data** and to the use of the **counterfactual approach**, which allows for a scientific evaluation of the results in a timely manner and, therefore, identification and support of future policy choices.
- ✓ It would be useful to define procedures to trace the subjects who, despite having submitted an application, did not then participate in the interventions of the POR ESF. This data, collected by institutions, could represent an additional basis for improving the quality of the control group.