

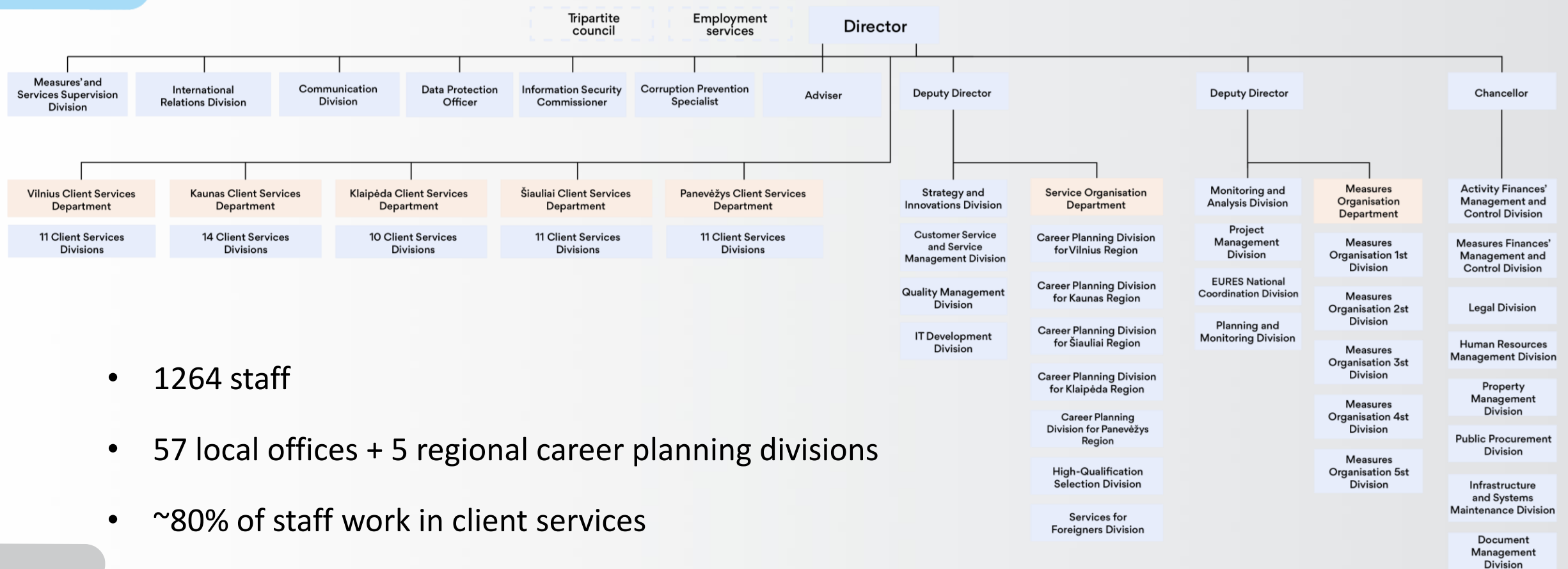


LT PES experience in measuring impact of ALMPs through the use of administrative data

Introduction to LT PES. Labour market services and ALMPs



LT PES organigram (01.01.2024)



- 1264 staff
- 57 local offices + 5 regional career planning divisions
- ~80% of staff work in client services

Labour market services

Information

- Information on services
- Information on labour market situation
- Vocational information

Counselling

- Vocational/ career guidance
- Career planning
- Psychological counselling
- Counselling related to preparation for the labour market

Job mediation

- Job matching
- Referral to employers
- Jobfairs

Evaluation of employment possibilities

- High
- Average
- low

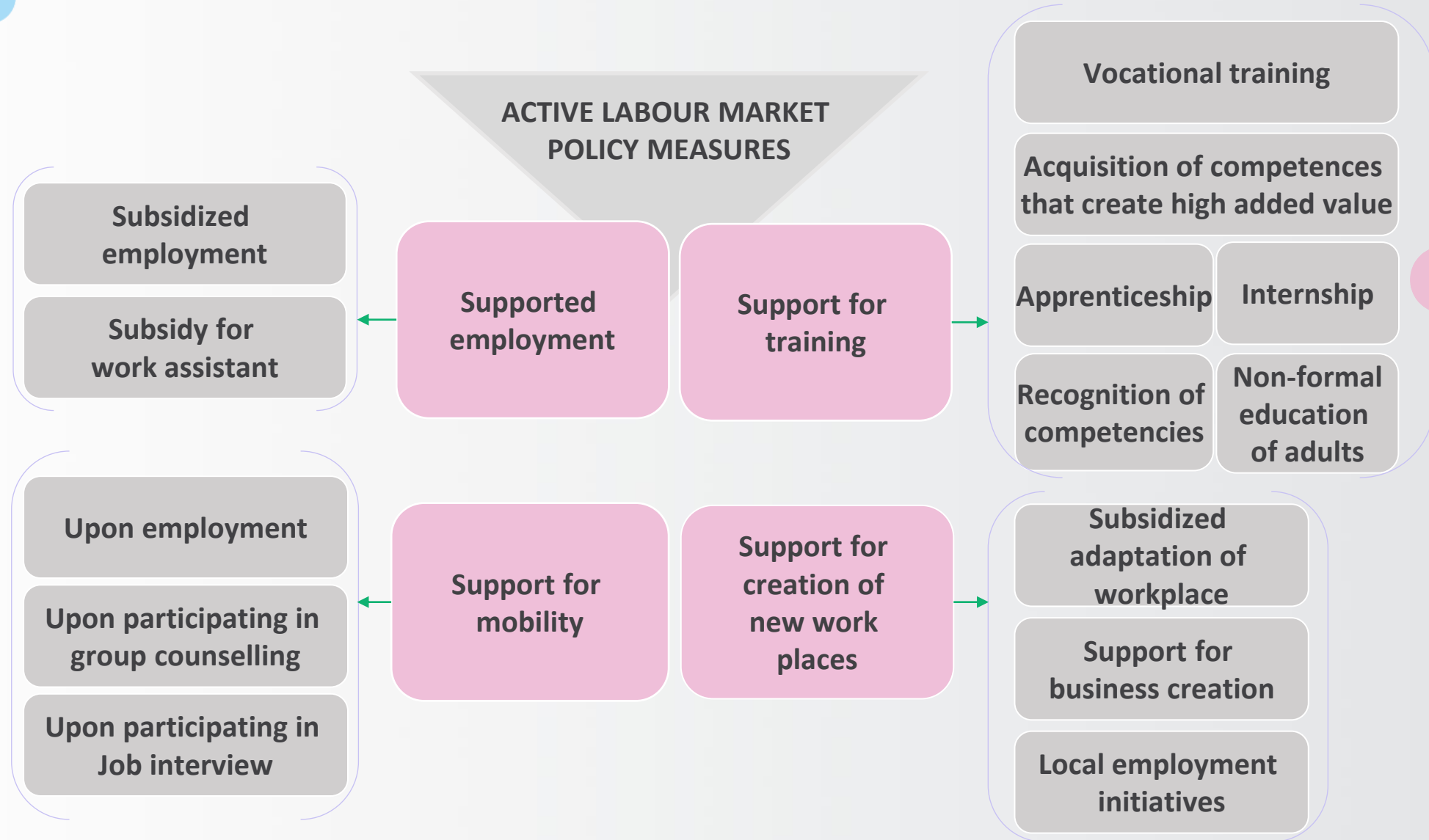
Individual action plan

- Labour market services
- Measures of support
- Job search

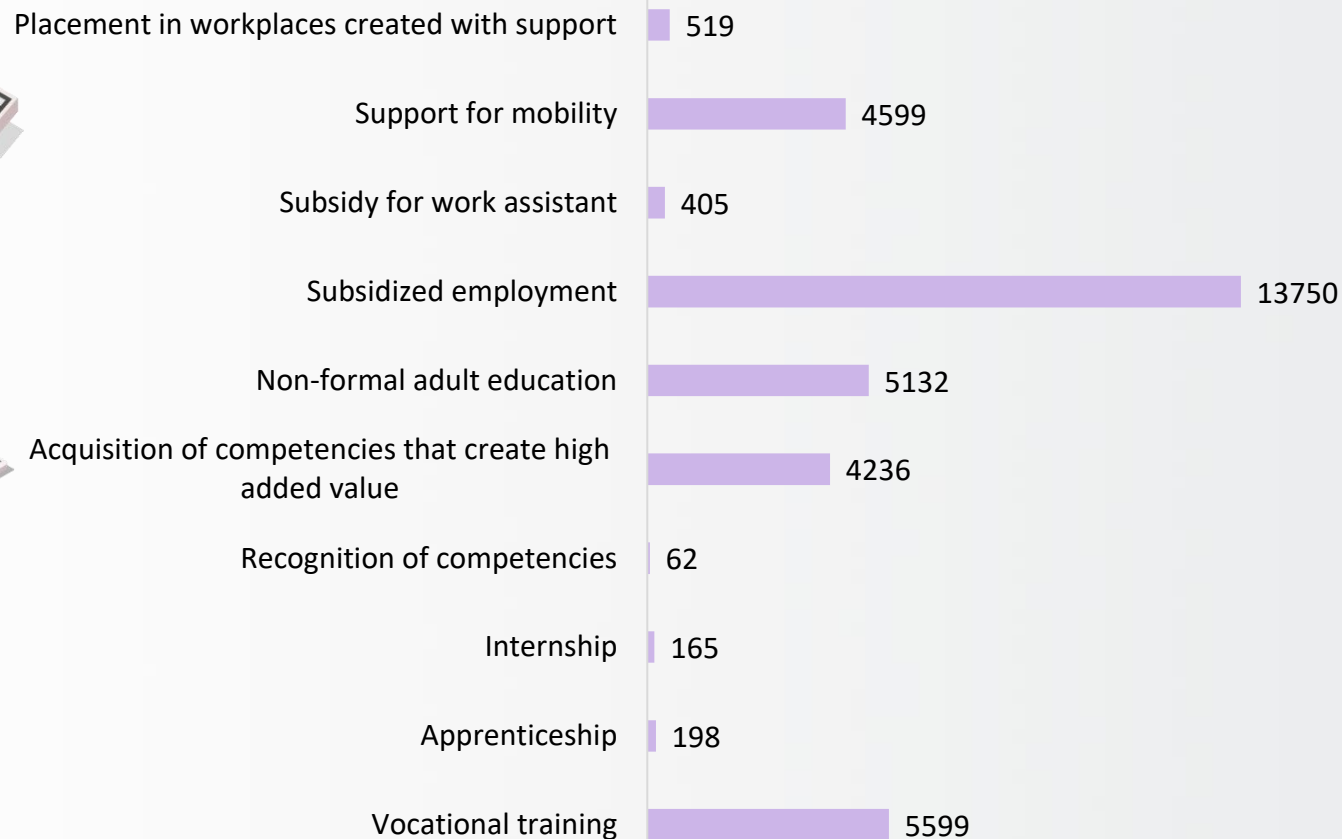
Assisted employment

- During employment procedures
- Accompanying assistance

Active labour market policy measures



Participants of active labour market measures



34.7 thousand jobseekers were involved in active labour market measures in 2023

Most important measures – **support for training** (share in total number of participants – **44.4 %**) and **support for employment** (share in total number of participants **40.8 %**).

Funds used – 81.8 million Eur

Strategy to monitor and evaluate the effectiveness of ALMPs



Policy encourages automatic data exchange between public institutions

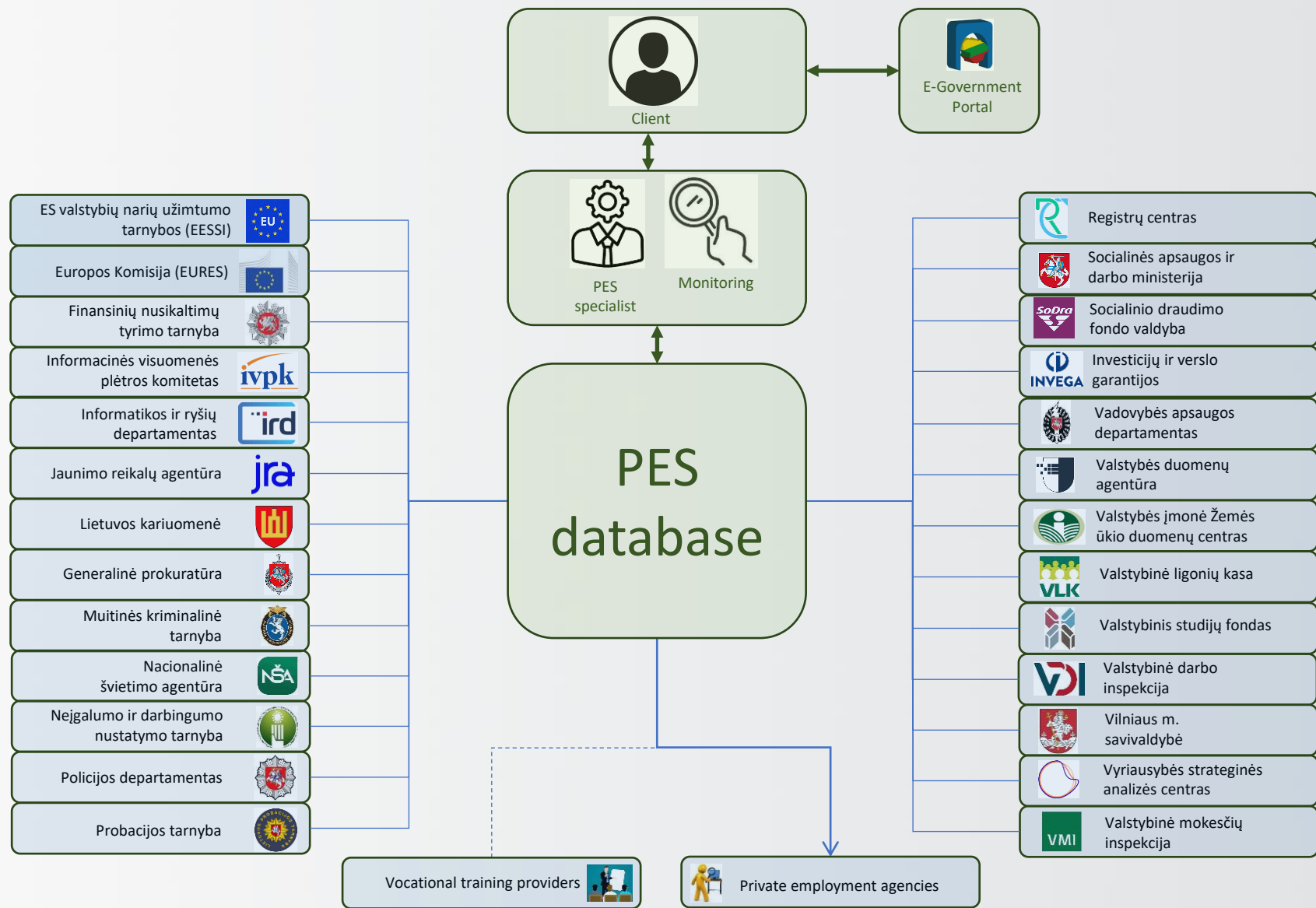
Lithuanian Law on Public administration states:

A public administration entity may only require documents and information that are not available in state registers (cadasters), departmental registers, state information systems and other information systems funded by the state or municipal budget and/or state monetary funds.

Additional documents and additional information from individuals who have submitted a request or complaint can be required only in exceptional cases and with proper justification of the necessity for these documents and information.

Data sources

Automatic data exchange with over 40 information systems and registers supports implementation of PES strategy and enables measuring PES performance outcomes



Monitoring process

Monitoring and ALMPs effectiveness evaluation activities are carried out by **Planning and monitoring division**:

- Progress of implementation of measures (participants' flows) is monitored **weekly**
- Budget use is monitored **monthly**
- **Quarterly** reports on effectiveness (most indicators)
- Some indicators (e.g. return on investment ratio) are calculated **annually**

Monitoring and evaluation reports are provided for top management, Ministry of Social Security and Labour and Client Service Departments.

Monthly meetings take place to discuss monitoring and (or) evaluation results.

Quality Management Division and **Measures Implementation Supervision Division** performs periodic checks on the ALMPs implementation processes.

Methodology of assessment of effectiveness (I)

Main input/output indicators:

1. Participants, #
2. Participants, who discontinued participation, #
3. Participants, who finished participation, #
4. Budget allocation and use

All indicators can be broken down by:

- Municipality/local office
- Demographics
- Training providers/Training programs
- Employers



Methodology of assessment of effectiveness (II)

Main outcome/impact indicators:

1. **Rate of short-term/long-term integration into the labour market** – share of employed after participation (28 days, 6, 12 and 24 months)
2. **Rate of short-term/long-term re-registration** (at PES) – share of participants re-registered at PES (14 days, 3, 6, 12, 18 and 24 months)
3. **Rate of direct benefit** – share of workplaces retained after 36 and 48 months

Additional indicators to assess:

- return on investment ratio
- rate of individual integration (duration of employment)
- impact on personal income



Rate of integration into the labour market

Q I – IV 2023

Active labour market policy measure	Rate of short-term integration, %		Rate of long-term integration, %	
	after 28 days	after 6 months	after 12 months	after 24 months
<i>Support for training/Support for employment</i>	53.3	73.3	67.7	67.5
<i>Support for training</i>	44.0	76.1	70.3	66.4
<i>Vocational training</i>	34.4	76.2	70.6	66.9
<i>Acquisition of competences that create high added value</i>	58.0	91.6	83.1	-
<i>Non-formal education of adults</i>	44.0	62.7	77.3	-
<i>Apprenticeship</i>	81.6	80.6	70.4	77.9
<i>Internship</i>	32.3	45.6	51.4	60.9
<i>Recognition of competencies</i>	22.2	52.1	57.3	56.5
<i>Subsidized employment</i>	69.3	70.6	65.6	68.0

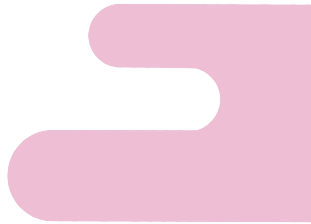
Rate of re-registration Q I – IV 2023

Active labour market policy measure	Rate of short-term re-registration, %			Rate of long-term re-registration, %		
	after 14 days	after 3 months	after 6 months	after 12 months	after 18 months	after 24 months
<i>Vocational training</i>	X	35.1	21.9	28.7	36.5	41.7
<i>Acquisition of competences that create high added value</i>	X	26.4	10.9	14.6	-	-
<i>Non-formal education of adults</i>	X	48.4	32.5	20.2	-	-
<i>Apprenticeship</i>	X	12.1	13.8	30.2	42.9	45.4
<i>Internship</i>	69.0	47.9	33.2	14.7	9.1	5.0
<i>Recognition of competencies</i>	83.3	55.8	45.8	32.0	49.8	54.9
<i>Subsidized employment</i>	13.4	14.9	16.4	19.7	18.3	12.0



Rate of direct benefit Q I – IV 2023

Active labour market policy measure	Rate of direct benefit, %	
	after 36 months	after 48 months
<i>Support for self-employment</i>	97.8	94.5
<i>Subsidized creation of workplace</i>	94.9	50.0
<i>Local employment initiatives</i>	97.1	29.0

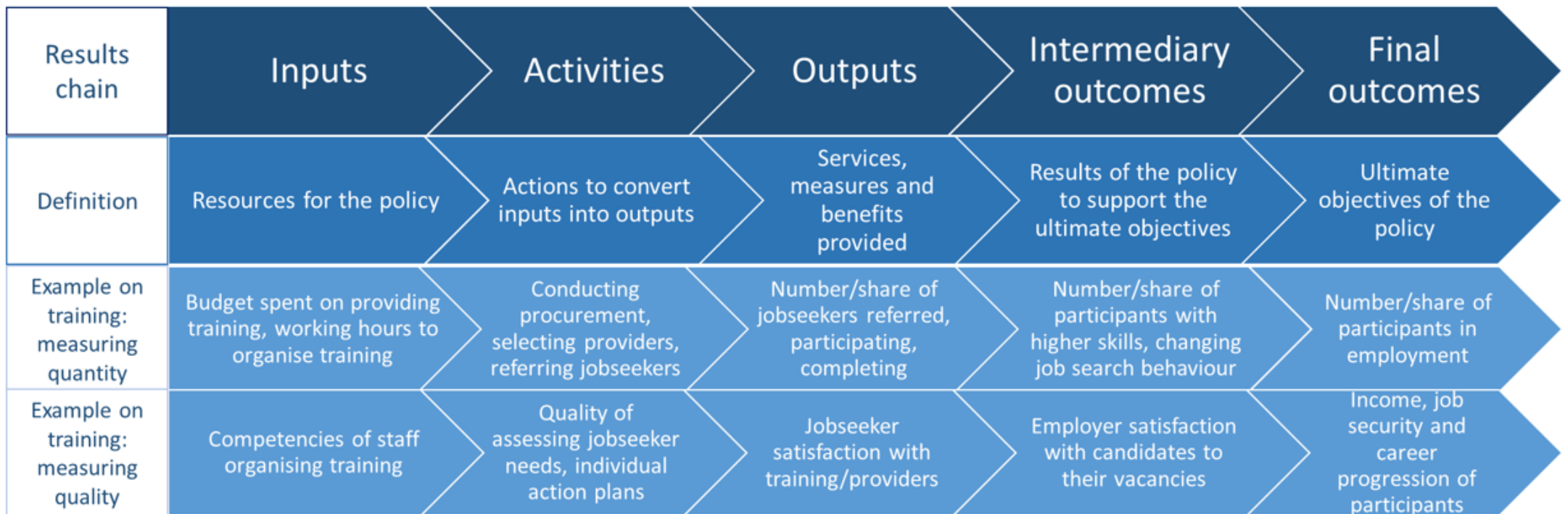


External (outsourced) support

Every 2-3 years LT PES procures external experts to implement counterfactual impact evaluation of ALMPs. Last evaluation was implemented and finalized in 2022 by OECD under the project “Pilot studies on impact evaluation of labour market and social policies through the use of linked administrative and survey data” which is co-funded by the European Union (VS-2020-0368).

Counterfactual impact evaluation is a method used to determine the effect of an intervention by comparing what actually happened with what would have happened in the absence of the intervention. This involves creating a counterfactual scenario, often through control groups or statistical techniques, to estimate the difference attributable to the intervention. By isolating the impact of the intervention, it helps policymakers and researchers understand its true effectiveness and efficiency.

OECD's monitoring framework – Vocational training example



Source: OECD compilation.

Use of results

Open data: Vocational training effectiveness dashboard (PowerBI). The aim is to give potential vocational training participants and also training providers available information on effectiveness indicators for **evidence-based decision making** and ensure better quality of services.

Evidence-based **sanctions**: Training programs with effectiveness lower than 40% (over last 2 years) are removed from the lists of training programs financed by the LT PES for 12 months.

Proposition of potential **changes in legislation** (change or introduce new measures, change or introduce new target groups, discontinue measures, etc.)

Redistribution of budget among measures or local offices throughout the year.

Journey

1990-1997 Paper work. Self-reported data collection from local offices. No concept of effectiveness (just inputs-outputs)

1997-2012 Computerized processes. Manual collection of data from PES register for analysis. Excel forms. Weak concept of effectiveness

2004 First data exchange agreement with other public institution

2009 First SQL query tool was introduced to collect large amount of data quickly from PES database

2013 Creation of systematic approach to measuring the effectiveness of ALMPs (outcome/impact indicators)

2014-2021 Further development of methodology (more indicators, covering more measures)

2022 First automation of some indicators

2023 Introduced Return on investment indicator, Rate of individual integration (duration of employment) indicator

Challenges

Targeting of ALMPs – managing the risks of indirect (negative) effects of ALMPs: deadweight loss, displacement, substitution, creaming, locking-in, carousel, churning, stigmatization.

High costs for administration of ALMPs: ~17% of total staff

High rate of changes in the legislation, regulating ALMPs – comparison problems over time

Lack of in-house skills to implement more advanced approaches to measuring the efficiency and effectiveness of PES services/measures

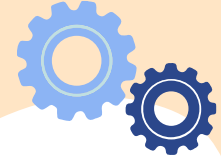
Future plans

Start effectiveness evaluations of **labour market services**

In-house introduction of more advanced approaches to measuring the efficiency and effectiveness of PES services/measures – **randomized controlled trials, counterfactual impact evaluations, etc.**

Further automatization of analytical processes, **AI support**

Collect **feedback from employers** about the skill-level of employed former VET participants



Q & A

