

Measuring impact of ALMPs in the context of limited data availability – focus on Albania

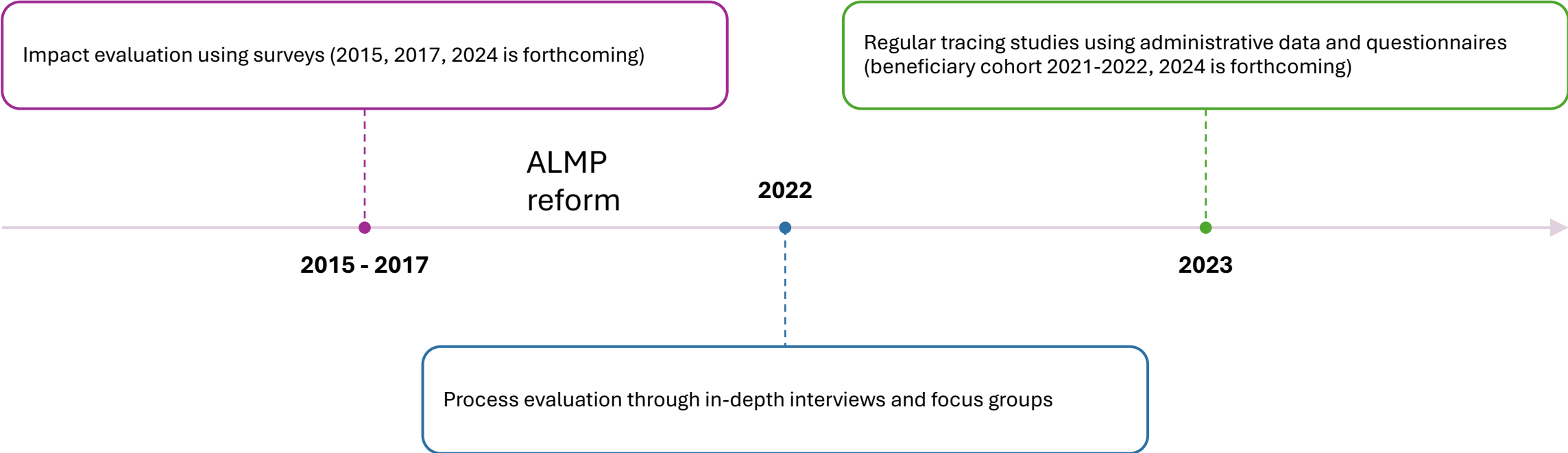
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What works? How? And whom? ALMMs in Albania



Impact evaluation 2017

- ✓ Conducted by development partners (UNDP)
- ✓ The impact evaluation uses propensity score matching methods to examine the impact of EPPs on employment retention on treated groups in each program.
- ✓ Employment status after over one year is chosen as the indicator of programme's success.
- ✓ t-tests comparing the treatment and control groups are presented prior to conducting the impact evaluation.
- ✓ Propensity score matching is used to predict propensity scores due to lack of randomization.
- ✓ The matching technique is done using "nearest neighbor" with caliper widths of 0.01 to increase accuracy of results.
- ✓ The results for the employment promotion program of unemployed jobseekers in difficulty (DCM No.48) show that being treated in this programme, **increases the probability of being employed by 33.8%**.
- ✓ The results for the impact of on-the-job training employment promotion program (DCM No.47) show that relative to the control group, being on-the-job training programme **increases the probability of employment by 27.9%**.

Key challenges

Low Coverage of Vulnerable Groups:

- The employment promotion program for jobseekers in difficulty (DCM No.48) shows low coverage of its target group, which includes the most vulnerable jobseekers. This indicates that the program is not reaching as many of the intended beneficiaries as needed.

Selection Bias and Lack of Proper Control Groups:

- Significant issues related to the selection bias and the absence of a proper control group for each program, which undermines the accuracy and reliability of the impact evaluation.

Data Collection and Response Rates:

- Challenges in data collection, including low response rates and missing data, persist. These challenges make it difficult to construct a good counterfactual and ensure the robustness of the impact evaluation results .

Cost per Person and Return on Investment:

- The cost-benefit analysis shows that while both programs result in positive gains for society, DCM No.47 has higher costs per person and a longer return on investment period compared to DCM No.48. This suggests inefficiencies in the allocation of resources within some programs .

Program Design and Implementation Issues:

- The selection and matching process used by employment offices to pair jobseekers with companies lack a specific methodology, which affects the program's effectiveness. Moreover, there are issues with the implementation of program procedures and the sustainability of employment after program completion .
- ✓ Reform of the ALMM: Control Group is established during programme implementation, Tracer studies and Process evaluation have been introduced.

Reforming ALMMs in Albania

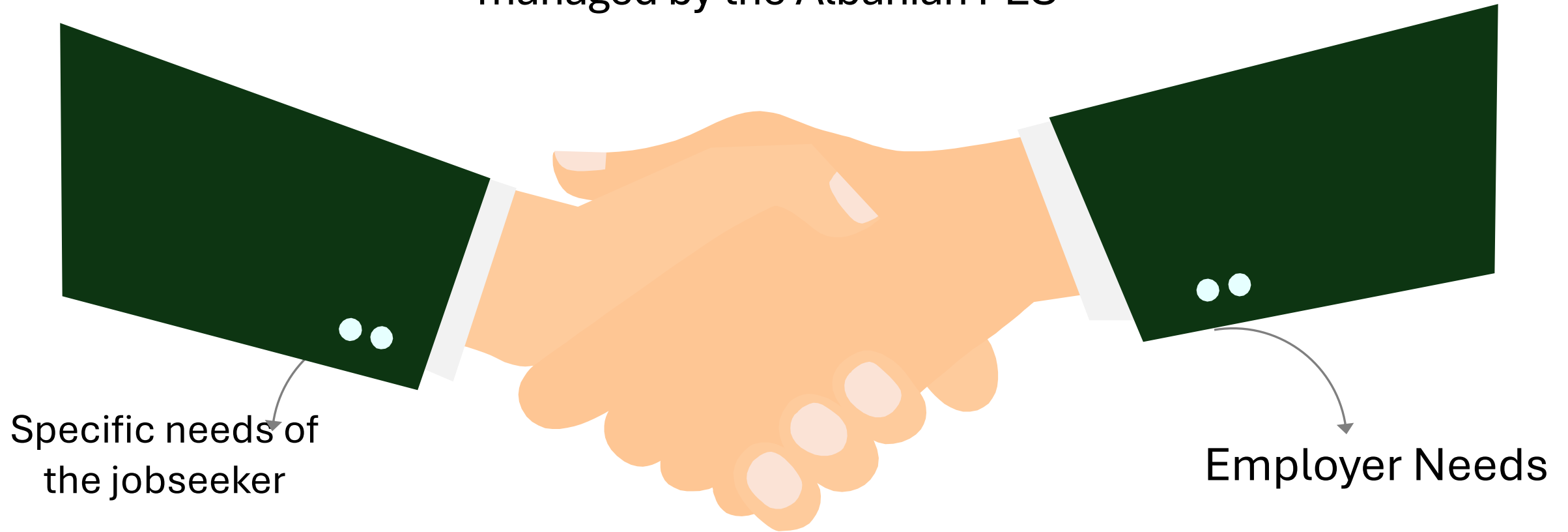
State of Play in 2019

- ✓ The majority of funding went on employer subsidies and on training
- ✓ Very limited range of ALMMs for vulnerable groups
- ✓ Significant dead-weight risk
- ✓ OJT best employability outcomes, but implemented in limited sectors
- ✓ Targeting issues – creaming effect
- ✓ Limited scope for addressing the individual needs of jobseekers with compounding vulnerabilities

Key features of the reform in 2019 ongoing

- ✓ Supply driven and individualised ALMM implementation process
- ✓ New ALMMs for specific vulnerable groups
- ✓ Diversified typology of implementation partners (going beyond individual employers).
- ✓ Typology of support to be provided based on specific needs of clients.
- ✓ Improved targeting procedures.
- ✓ Finding the right balance of incentives to attract partners and prevent drop-out.

Main Feature of the ALMM 2019 reform managed by the Albanian PES

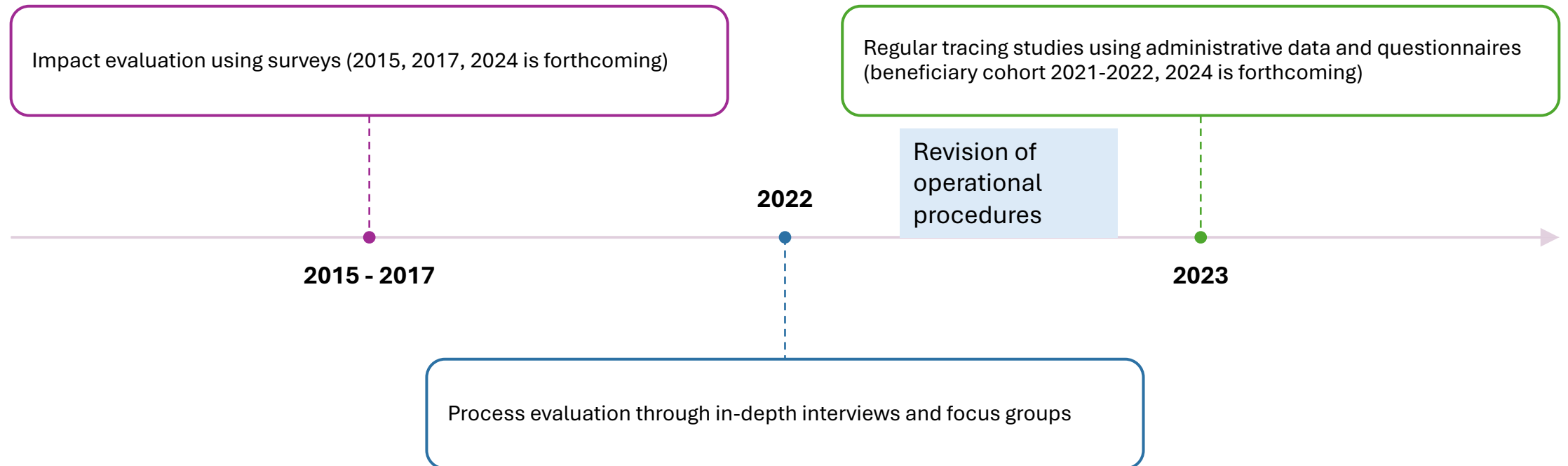


Needs and profile of the individual jobseeker matched with the opportunities in the labour market, addressing employability and participation barriers.

Types of ALMMs in Albania

EU Category	Programme	Description	Target group	Duration	Impementing Partner
4.1.	Employment programme	Matches jobseekers' skills to job vacancies; salary as per market.	Unemployed jobseekers (1+ months)	1 year	Private sector
2.2	On the job Training	On-the-job training tailored to job vacancies.	Unqualified jobseekers in relevant professions.	4 months + 8 months if employed	Private sector
2.2	Internship Programme	Quick transition to labor market in studied field.	Recent graduates (up to 36 months after graduation).	6 months	Private sector and Public Institutions
6	Community Employment and Training Programme	Training and part-time employment for long-term unemployed, focusing on community services.	Unemployed (12+ months), 21+ years.	1 year	Non-profits, CSOs, Social businesses, Public Institutions
7	Self-employment Programme	Supports startups with training and grants.	Unemployed with business ideas.	1 year	Public Vocational Traning Centers
2.1	Coding Programme	Vocational Courses in various programming and tech fields.	Jobseekers and unemployed jobseekers	3 to 12 months	Private Training Providers
2.4.	Traineeshep Programme (according to the youth guarantee scheme)	Integrates 15-29-year-olds not in employment, education, or training through traineeships.	NEETs.	3 to 6 months training + 6 months employment	Private sector, Public Vocational Traning Centers and Schools.
1	Reiingration Programme (Outsourced Intensive Counselling – approved in June 2024)	Aims to support labour market integration of beneficiaries of social asstance scheme, offering intensive individual and group counselling, support employment and sel-employment.	Vulnerable jobsekers, beneficaeries of social assistance, woment resing in rural areas.	4 months	NGOs

Evaluations of ALMMs in Albania



Process Evaluation – Key Dimensions



Eligibility criteria and targeting efficiency

Clear eligibility criteria
Targeting mechanisms
Coverage
Outreach



Type and level of financing

Type of financing
Level of financing
Amount of benefit
Adequacy of financing
Level of spending



Information and application procedures

Information
Application procedures
Burden shared during application
Cost related to applications



Matching needs of jobseekers with employer

Selection of beneficiaries
Notification
Counselling and guidance
Profiling and IEP
Placement
Control Group



Financing procedures

Procedures and regulations
Division of budgeting responsibilities
Financing mechanisms
Payment procedures for beneficiaries
frequency of payment



Monitoring procedures

Frequency
MIS
Implementation of findings from monitoring
Grievance procedures in place



Institutional set-up

Division of responsibilities between HQ, region and EOs
Regulatory set-up
Involvement of social partners
Internal capacities

Tools for Process Evaluation



Desk Review

Regulatory, operational, and budgetary framework

Includes laws, ministerial decisions, guidelines, and budget procedures



In-depth Interviews

NAES responsible structures

Steps: document review, data collection (coverage, staff capacities, financials), partnership review, monitoring & evaluation



Focus Groups (Regional)

Employment specialists on program procedures

Identify gaps, strengths, and weaknesses



Focus Groups (Local)

Employment specialists on program procedures

Identify gaps, strengths, and weaknesses



Focus Groups (Beneficiaries)

Registered and past unemployed jobseekers, employers

Discuss information, expectations, application procedures, costs, skills, collaboration, satisfaction, and improvements

What were the key findings?

Mechanical Process of Profiling and Individual Employment Plans (PIP):

- The process of profiling registered unemployed jobseekers and compiling the Individual Employment Plan (PIP) is more mechanical than organic, with the PIP remaining underexploited. The matching process continues to be mechanical, and the PIP's value in planning and budgeting is not fully utilized.

Administrative Burden on Employment Specialists:

- Employment specialists are overburdened due to the high ratio of unemployed jobseekers to specialists, impacting the quality of individualized support and making the process of updating and using the PIP challenging

Financial and Verification Procedures:

- The financial procedures for the reimbursement of employers are complex, involving duplication of work between local and regional offices. This creates delays and adds to the administrative burden on both offices and employers

What were the key findings?

Monitoring and Evaluation Capacity:

- Limited capacity for monitoring and evaluation is a significant challenge. Although a new M&E framework is in place, the high number of subjects to be monitored per specialist and the limited frequency of monitoring affect the effectiveness of the system.

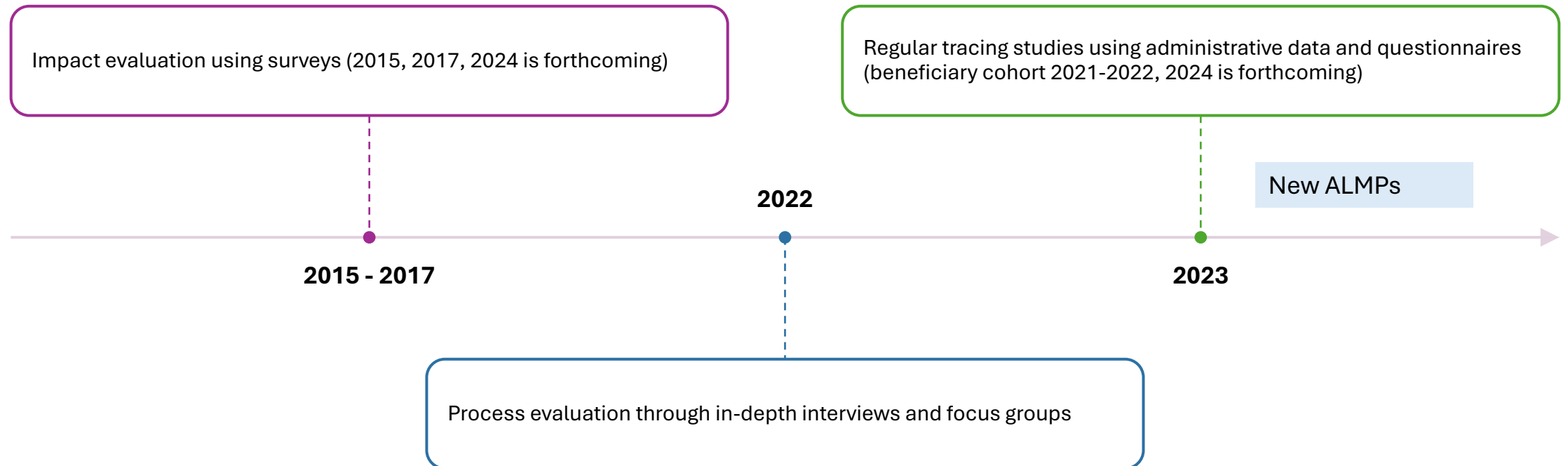
Insufficient Use of Management Information System (MIS):

- The MIS and PIP are not fully utilized for planning, budgeting, and monitoring. There is a need for greater reliance on these systems to ensure better targeting and support for vulnerable categories.

Challenges with Beneficiary Engagement and Employer Practices:

- Some employers apply exclusion criteria such as age and ethnicity, despite lacking sufficient labor force. Additionally, jobseekers from economic aid programs (NE) often prefer remaining on aid rather than seeking long-term employment.

Evaluations of ALMMs in Albania



Tracing study 2023 – conducted by PES

- **Regulatory Basis:** The tracing process is based on Article 15 of Regulation No. 6 Prot. dated 21.10.2020, which governs the implementation of employment promotion programs.
- **Tracing Process:** Six months after the completion of the program, the Regional Employment Structure monitors the employment status of participants through the tax system or phone calls.
- ✓ Developing the database with basic information about the respondents such as gender, birth date, education, marital status, vulnerability, profession, program type, program duration, company size, and economic sector.
- ✓ The employment status of the respondents is verified through the Directorate of Taxes.
- ✓ Phone calls are made to all program beneficiaries and the control group to gather additional data on employment status, employment in the same or different company, contract details, social security contributions, and wages for employed individuals, as well as reasons and methods for job search among the unemployed.

What are the key findings?

Employment Status Post-Program:

- 69.5% of participants were employed, and 0.3% were self-employed six months after completing the program. 30.3% remained unemployed.
- The 8-month employment program (VKM No. 608) had the highest employment rate at 86.6%, while the program through job training had the lowest at 41% .

Vulnerable Groups:

- The highest post-program employment rate among vulnerable groups was for those receiving unemployment benefits (87%). Economic aid recipients and the Roma/Egyptian group had employment rates of 30% and 47%, respectively
- Persons with disabilities had a relatively low employment rate of 33% post-program .

Wages and Contributions:

- Around 85% of employed participants earned up to 40,000 ALL (Albanian Lek), with only 15% earning more
- 4.5% of employees in the same company reported not receiving social security contributions, and this figure was higher (16.3%) for those employed in different companies

What are the key findings?

Participant Feedback:

- Programs were generally rated positively, with the 8-month and 4-month programs (VKM No. 608) receiving the highest ratings. However, the job training program (VKM No. 17) was rated less favorably .

Long-term Employment:

- About 58% of employed participants continued to work with the same employer post-program, with higher retention rates in certain programs .

Challenges:

- The job training program faced challenges due to the lack of subsidies for training costs, resulting in low employer participation and continuity .
- Participants in the Informal Employment Program (VKM No. 608) showed high dropout rates due to instability in employment .

On-going policy discussions

Sustainability. The Albanian PES has established a dedicated Directorate for Performance Management and Labour Market Information.

Digitalization. New MIS module for managing ALMMs, which is expected to increase the capacities for regulator monitoring implementation effectiveness.

Building evidence. Moving from information to intelligence – the Labour Market Information observatory – by strengthening the use of administrative data (interoperability)

New Policies. New ALMMs are being developed on financing basic literacy, numeracy and digital skills for low skilled adults and job clubs for youth.

Thank you!

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