Capacity Building workshop on Impact Evaluation of Employment Programs

Case study:
Seeking the control group for evaluation of projects implemented in Poland

Tomasz Gajderowicz, Gdańsk, February 22, 2017
Questions to start with:

• **Family 500+ program:**
  – Why 500 PLN (and not, e.g. 400+ or 600+)?
  – How are the program results seen?

• **Ordered specialties program:**
  – How was the ordered specialties program constructed?
  – How were its outcomes assessed?

• **Subsidies to start a business:**
  – How were eligibility criteria established?
  – Why those specific amounts?
Agenda

• How are evaluations (not) conducted in Poland
• Designing good evaluation for implemented „flagship” projects
  – Family 500+
  – Ordered specialties program
  – Subsidies to start a business within the framework of *de minimis* assistance
Evaluation in Poland: theory

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Evaluation in Poland: theory
Counterfactual evaluation in Poland: practice
So far, it was not possible to find a project, whose construction would be based on a reliable counterfactual method.
Examples of „best” evaluations

Badanie efektów wsparcia zrealizowanego na rzecz osób młodych w ramach Programu Operacyjnego Wiedza Edukacja Rozwój

I Raport Tematyczny
Wersja z dnia 21.12.2015

Raport przygotowany przez konsorcjum dla Ministerstwa Infrastruktury i

 Załącznik 3. Koszt projektu w relacji do efektów (analiza szacunkowa)

Na podstawie danych dostępnych na obecną chwilę nie można precyzyjnie obliczyć kosztów poniesionych na uczestnika projektu (efektywności kosztowej). Najlepszym przybliżeniem tej informacji jest porównanie ze sobą danych o stanie wdrożenia na dzień 16.11.2015 z kwotą zatwierdzonych wniosków o płatność oraz kwotą zawartych umów o dofinansowanie z liczbą uczestników, którzy zakończyli udział w projektach do dnia 17.08.2015. W przypadku projektów OHP

7.2.2. Skuteczność wsparcia w ramach osi I PO WER

Do oceny skuteczności wsparcia oferowanego w ramach osi I PO WER niezbędne jest porównanie rezultatów działania Programu z celami, jakie zostały dla niego ustalone. Celem szczegółowym osi I jest zwiększenie możliwości zatrudnienia osób młodych do 29 roku życia bez pracy, w tym w szczególności osób, które nie uczestniczą w kształceniu i szkoleniu (tzw. NEET).

Szczegółowa analiza skuteczności interwencji w ramach osi I PO WER wymagałaby zatem badania z wykorzystaniem metod kontrfaktycznych, które umożliwiłoby porównanie sytuacji osób objętych wsparciem z sytuacją osób z prawidłowo dobranej grupy kontrolnej (tj. osób niekorzystających z PO WER, które jednocześnie charakteryzowałyby się tymi samymi cechami społecznymi osoby objęte wsparciem, w tym m.in. wiekiem, wykształceniem, płcią, oddaleń itp.). Takie badanie pokazałoby przybliżony wpływ interwencji na zwiększenie zatrudnienia osób młodych z kategorii NEET. Nie było ono jednak elementem

THE WORLD BANK
Examples of „best” evaluations

Należy zauważyć, iż tak zdefiniowana grupa porównawcza nie jest grupą kontrolną. Z grupą kontrolną, w pełnym znaczeniu tego słowa, możemy mieć do czynienia w badaniach eksperymentalnych, w których przed przystąpieniem do oddziaływania na badane obiekty, podzielimy je w sposób losowy na podgrupy (np. w badaniach medycznych), z których niektóre poddamy badanemu oddziaływaniu. W badaniach społecznych z definicji możliwości zastosowania takiej strategii są ograniczone (np. stosowane są metody quasi-eksperymentalne)⁴⁴.

Z uwagi na trudność w dotarciu do potencjalnych respondentów, Wykonawca w celu dotarcia do jak najliczniejszej grupy studentów i absolwentów kierunków analogicznych do zamawianych posłużył się panelem internetowym studentów. Ankiety zostały wysłane do wszystkich osób, które zadeklarowały, iż kiedykolwiek studiowały, bądź nadal studiują na jednym spośród 16 kierunków: automatyka i robotyka, biotechnologia, budownictwo, chemia, energetyka,
If it’s so simple, why wasn’t it done?

How can a proper control group be found to evaluate the program?

- Family 500+
- Ordered specialties program
- Business start subsides

![Diagram of control and treatment groups]
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500+ program: facts

• The *Family 500 Plus* program is intended to help with children’s upbringing through financial support.
• Financing in the amount of 500 PLN per child in grant form.
• Benefit may be received for
  – first child, if income criterion is met, and
  – second and further children, regardless of income.
• In 2017, cost of the program was 23 billion 166 million PLN
500+ program: media evaluation

- "500 plus program reduces poverty among Polish children" (Polish Radio, 18.12.2016)
  – Tautology?

- "Family 500 plus” program has only been in operation for six months, and its pro-demographic results are already visible. Quite simply, more children are born.” (W Polityce, 13.09.2016)
  – Is the observed increased fertility rate really the result of Family 500+ program?

- "500 plus program. 150 thousand women have quit their jobs” (money.pl, 7.12.2016)
  – Was their de-activation really the result of 500+ program?
500+ program: questions

• Would it be possible to conduct an experiment with a control group (RCT)?
  – Would such an experiment be socially acceptable? Could the Government decide to do that? (benefits granted to persons based on random ballot in a group)
  – Which outcome should be measured?
    • Reduced poverty? obvious
    • Increased fertility? horizon?
    • Labor market effects? labor market activity?
    • Children upbringing effects? horizon?
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• Why 500 PLN, specifically???
  – Possibilities to evaluate use of other amounts
500+ program: questions

• Difficulties with selection of control group for the experiment
  – Setting up a transfer for selected citizens only is not possible
  – Long-term nature of program results

• Since experiment is too difficult → other methods must be used
  – Is it possible to find a control group during program implementation?
    • Persons, who voluntarily declined the benefit?
    • Inhabitants of other countries?
    • Maybe persons who „fail by a narrow margin” to meet the income criterion?
500+ program: questions

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- Since experiment is too difficult → other methods must be used
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    - Persons, who voluntarily declined the benefit?
    - Inhabitants of other countries?
    - Maybe persons who „fail by a narrow margin” to meet the income criterion?
      Possible, but extremely controversial and prone to error → more about that tomorrow😊
If it’s so simple, why wasn’t it done?

How can a proper control group be found to evaluate the program?

- Family 500+
- **Ordered specialties program**
- Business start subsides
Ordered specialties program: facts

The objective of the program was to increase the number of graduates of technical majors with strategic importance to the economy.

The program was based on:
- creation of scholarship systems for students of ordered specialties,
- conducting equalization classes in key subjects for students of 1st year of ordered specialties,
- implementation of different forms of teaching, to make the education more attractive.

Since 2009, a total of over 270 agreements were signed under the program, to the total amount of 1,2 billion PLN.
Ordered specialties program: ex-post facts

• The program achieved the effect of **increasing enrolment to selected faculties** → (it’s hard to imagine that 1,2 billion PLN would have no impact at all!)

• The problem of **dropping out** has intensified within ordered specialties.

• **There is no evidence** that **labor market related objectives** were achieved.

  Control group for evaluation selected ex-post → impossible to evaluate the results correctly
Ordered specialties program: questions

• Would it be possible to conduct an experiment with a control group (RCT)?

• **How could a control group be selected?** High school graduates?
  
  – Would the experiment be socially fair? \( \rightarrow \) less controversial than in case of 500+...
  
  – Which outcome should be measured?
    - Increased number of students? share of those choosing it?
    - Increased number of graduates? horizon?
    - Quality of education? difficult to measure?
    - Job in line with education? horizon?
If it’s so simple, why wasn’t it done?

How can a proper control group be found to evaluate the program?

• Family 500+
• Ordered specialties program
• **Business start subsides**
Subsidies to start a business: facts

- One-time **support** benefit granted to the **unemployed**, graduates of social integration, graduates of social integration clubs who want to **start their own business**.  
  - 4-6 times average pay in the enterprise sector.

- In 2008-2014, approximately **3,5 billion PLN** from the Labor Fund were used to help the unemployed start their own businesses.

- Every Powiat Labor Office may also have **its own internal by-laws** for one-time grants for starting a business.
Subsidies to start a business: questions

• Would it be realistically possible to conduct an experiment with a control group?
• **How could a control group be selected?**
• Which outcomes should be measured?
  – 12 months of activity?
  – 24 months of activity?
  – Hiring new employees?
  – ...
• If one wanted to optimize the program, the following would be worth considering:
  – Eligibility criteria
  – Value of funds granted
  – ...

All those aspects could be effectively evaluated in an experiment with a counterfactual group. Construction of the program allows it (to a certain extent).
Quiz

Let’s consider following situations
Family 500+ program:
→ is it possible today to consider the following a control group

A. Persons, who have 1 child and are barely just above the income criterion?
B. Persons with no children?
C. Persons who for moral reasons do not receive the benefit?
D. It is not possible to select such persons correctly?
Ordered specialties program:
→ is it possible to consider the following a control group

A. Students of faculties, which were ordered at the schools which were not included in the program?
B. Students of other faculties?
C. Dropouts?
D. Control group could have been selected only before the start of the program?
Subsidies to start a business program
is it possible today to consider the following
a control group:

A. Persons, who applied for financing but did not receive it?
B. Persons, who started a business but did not apply for the program?
C. Random rejection of applications meeting eligibility criteria?
D. A survey among employers in the region?
Thank you for your attention!