

AIReF publishes study on “Active Employment Policies in Castile and Leon”

- **It analyses four programmes of the set of active employment policies managed by the region’s Public Employment Service (ECYL)**
- **Training for unemployed people has a limited impact on employability which increases when supplemented by job guidance and placement strategies**
- **To improve management efficiency, AIReF proposes making the service provision model more flexible in order to offer users a comprehensive service**
- **It also proposes that the Regional Government of Castile and Leon should increase the technical and human resources engaged in the planning, monitoring and evaluation of programme results, ideally by creating an internal unit within the ECYL**

The Independent Authority for Fiscal Responsibility (AIReF) today publishes the study on “Active Employment Policies in Castile and Leon”, which analyses four programmes of the set of active employment policies managed by the region’s Public Employment Service. This work is the result of the commission made to AIReF by the Regional Government of Castile and Leon, approved on September 12th, 2019, which included a study on the institutionalisation of evaluation in the region and a review of expenditure in certain areas, including active employment policies.

The first two programmes analysed in this study are the main ones relating to training for unemployed people in the region: Training for Unemployed People (FOD) and Guidance, Training and Insertion Pathways (OFI). The other two - the Recruitment of Unemployed People from the Mining Sector by Local Entities (ELMIN) and the Recruitment by Non-Profit Institutions (PRORGAN) - are smaller programmes framed within the scope of direct job creation policies.

All of them are financed through grants and their joint budget amounts to around €40.5m, approximately a quarter of the expenditure on active employment policies in Castile and Leon, implemented through over 60 programmes.

Conclusions of the Evaluation

This evaluation has found that the training programmes analysed increase the employability of their participants by between 5 and 10 percentage points, but the effects are diluted in the medium term and depend on the field of training. In addition, the analysis finds that the above effects rise by between 10 and 15 percentage points in the short term when the courses are accompanied by guidance and insertion actions, although no improvements in the quality of employment are reflected. In addition, it has found that the direct recruitment of unemployed people from the mining sector has no benefits with regard to the subsequent employability of the people hired.

These results are consistent with the literature and previous studies on active policies and incentives for recruitment that AIReF has performed within the framework of the Spending Review.

In addition, the study identifies that policies are poorly geared to results, an absence of individualised diagnosis and treatment and a significant lack of resources for systematic monitoring and evaluation of the results of the programmes. This is despite the high volume of information available to the Public Employment Service of Castile and León (ECYL). AIReF detects that the management model carries a high administrative burden that leads to general programmes that are fragmented according to the source of funding, which results in overlapping programmes among which there is very little coordination.

To overcome these limitations, the study indicates that an effort must be made on two levels. On the one hand, it is necessary for the Central Government to address the relevant structural reforms, while simplifying procedures, enhancing the guidance and intermediation capacities of public employment services and developing advanced diagnostic tools. On the other hand, AIReF proposes that the Regional Government of Castile and León should increase the technical and human resources engaged in the planning, monitoring and evaluation of the programmes, especially with the creation of an internal monitoring unit, independently of the *ex-post* and medium-term evaluations carried out by independent institutions such as AIReF.

Proposals for improving the effectiveness of employment policies

Although the programmes analysed are limited by a labour context with a high unemployment rate, a high incidence of long-term unemployment and a high proportion of temporary employment, the study allows us to make a series of general proposals for improving the effectiveness of active employment policies in Castile and León.

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In this regard, AIReF proposes moving towards a more flexible service delivery model that will allow a comprehensive service to be offered to users by improving coordination between programmes. It also proposes, where appropriate, that pilot projects be carried out to estimate the impact of the programmes before they are launched.

Another of the points included in the study is the need to strengthen the guidance and intermediation capacity of public employment services, by incorporating specific staff that will make it possible to carry out guidance support actions for unemployed people. Finally, it proposes the development of a diagnostic tool that incorporates all the socio-demographic, training level and work-related information held by the public authorities and the exploitation of the high volume of information to which ECYL has access to establish measurable targets and the creation of a structured monitoring and evaluation system geared to analysing results.

AIReF proposes that the features of this system should include defined targets, context, execution and impact indicators and that it should be accompanied by sufficient technical resources and stable staff with analytical profiles, ideally by creating a planning and evaluation unit at ECYL.

Study outline and methodology

The study is structured into two blocks of analysis. The first, focused on the FOD and OFI programmes, is divided into three evaluation areas: evaluation of design and procedures, evaluation of monitoring indicators and information systems, and evaluation of the impact on employability and quality of employment. In the second block, an assessment is made of the impact on the employability of workers subsidised by the ELMIN and PRORGAN programmes.

From a methodological point of view, this work has been carried out using a combination of documentary analysis with interviews with ECYL managers and other relevant agents, surveys of entities and workers who have participated in the training programmes and a review of good practices in other autonomous regions. Descriptive analyses have also been performed using the microdata files provided by ECYL and the General Treasury of the Social Security, and matching methods and quasi-experimental analysis techniques have been applied to evaluate the impact of the programmes on the subsequent employability of their participants.