



Evaluation of 2014-2020 ESIF co-funded Programmes

1st Thematic evaluation – Results of PIPOL (ESF)

Executive Summary - English

JUNE 2018

Context

Evaluation Questions

This evaluation assesses the effects of PIPOL (Employment and Labour Policies Integrated Plan) launched by Friuli Venezia Giulia Region in 2014. The evaluation questions are two: *Which was the impact of PIPOL interventions for the different targets, in terms of employment?; Which was the effect of employability on PIPOL participants, particularly young people?*

PIPOL characteristics

PIPOL integrates different financial resources, among which the ESF. Its objectives are: to foster the transition from school/university to the labour market, providing beneficiaries with relevant competences and skills. The programme supports active policies measures, targeting various population layers¹. Access to PIPOL services is regulated by a procedure through which eligibility requisites are assessed, depending on the specific layer.

PIPOL envisages three phases: a) registration, on-line or through CPI or similar bodies; b) individual or group interviews, through which some beneficiaries are addressed towards a specific treatment, differentiated according to their layer; c) profiling of the beneficiary and preparation of an Individual Action Plan (PAI). The post-welcoming services envisage a first block of formative measures, employability measures, other measures (traineeships, social service for young people up to 28 years, and support to entrepreneurship for self-employment).

The evaluation focuses on the first PIPOL phase, going from 2014 to April 2018, particularly on the formative interventions and the extra-curricular traineeships completed by the end of 2016. The objective is to understand the impact of PIPOL on the access to labour and employability of the beneficiaries.

Object of the evaluation and methodology

In order to answer the aforementioned questions, two analytical techniques are applied: a counterfactual analysis (propensity score matching) was used to assess the impact in terms of employment. The control group was represented by those which registered in 2014-2016 but never start any action. The analysis on employability was realised through a qualitative survey, using the approach 'AVO-Giovani' as set by Isfol (Inapp).

The object of the evaluation are the interventions related to 7175 beneficiaries, of which 4059 women and 3116 men. Out of these, 3911 people participated to formative interventions, 2945 traineeships. Finally 319 people participated to both experiences.

Characteristics of the interventions and of the 7175 beneficiaries

Traineeships are, in most cases (73%), of an integrating nature. On average, traineeships last slightly less than 6 months and require 38 hours per week, meaning that most of the are full-time. In 20% of the cases, traineeships are related to the manufacturing sector, followed by commerce, professional, scientific and technical activities (17% and 15% of the total). All the other activities amount to 10% of the total.

Out of the 4962 formative services realised until the end of 2016, **more than 40% are related to permanent formation.** Almost a fifth of the total is related to vocational training. More than 15% of the services targets training for competences coherent with the regional qualifications repertoire. Trainings related to QBA, are 10% of the total, similarly to language training.

Overall, almost 57% of the total PIPOL beneficiaries up to 2016 are women. The average age of beneficiaries is 30, less than that of traineeships (26). The average age of educational interventions is 34. Foreigners are on average 10% more than the beneficiaries. 45% of the beneficiaries obtained a higher school diploma, whereas slightly more than a fourth of them obtained a degree. The rest of them obtained a middle school diploma or inferior. Traineeships beneficiaries have on average a higher level of education.

¹ Layer 1, young 15-19 year old people ; Layer 2, young NEETs below 30; Layer 3, under 30 with a diploma of a professional qualification recently obtained; Layer 4, under 30 university graduates; Layer 5, beneficiaries of the FVG employability project, namely unemployed workers, or workers that might lose their job or in a reduced working time regime.

Characteristics of PIPOL beneficiaries, on an intervention typology basis (%)

57% of women have an average age of 30 and almost half of them a high school diploma

Characteristics	Trainin g	Traine ship	Both	Total
Men	44,7	42,2	39,5	43,4
Women	55,3	57,8	60,5	56,6
<=19	2,6	7,2	1,6	4,4
19-24	23,1	40,5	33,9	30,7
24-30	20,3	37,5	41,7	28,3
>30	54,0	14,9	22,9	36,6
Italians	86,4	92,9	91,8	89,3
Foreigners	13,6	7,1	8,2	10,7
Up to elementary school	3,2	0,5	0,0	2,0
Middle School or three-year professional education	29,4	21,1	13,2	25,3
High school	48,5	40,2	51,4	45,2
Degree or higher	18,9	38,2	35,4	27,5
Number of cases	3.911	2.945	319	7.175

Source: Ismeri Europa elaboration on monitoring data

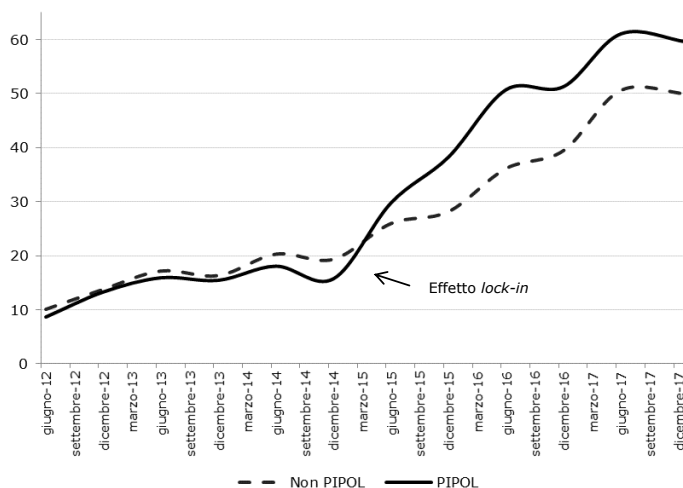
Impact on Employment

In January 2018, 60% of the beneficiaries was employed

In January 2018, the gross unemployment rate among the beneficiaries was 60%, whereas it was 10 points lower in relation to the control group.

Employment is mostly of a fixed term nature (84% of cases), without relevant distinction between the two groups.

Gross employment rate in time, among beneficiaries and control group, before matching



Note: employment rate calculated through COB
Source: Ismeri Europa elaboration on monitoring data

Net Impact

The net impact of PIPOL amounts to 5-5,5%, meaning that beneficiaries have a higher chance of being employed in January 2018 compared to the control group. This is in line with the findings of many studies that adopted a similar methodology.

Impact per typology of intervention

The impact is higher in relation to traineeships and training. The traineeship added value stems from the difficulties that Italian young and young adults have in developing working competences which require on-the-job experience. Many young people have a reasonably good theoretical knowledge, but limited working competences. This in part explains the positive impact of the programme. **Traineeships also highlight a positive effect on the chance of obtaining a long-term job (+3%).**

Trainings do not have a substantial impact on the chance of obtaining a job in January 2018. Their added value consists in a higher chance of finding a job after 2016. This result is partially due to the lock-in effect, namely the tendency of trainees to postpone the actual search for a job.

Effects of PIPOL on employment chances

ATT	Employed in January 2018	Long-term employed in January 2018	Post-programme start, after 2016
A) All beneficiaries			
Regression	0,0529*** (0,0074)	0,0066 (0,0051)	-0,0109 (0,0073)
Obs. Equal to 1	0,0467*** (0,0062)	0,0013 (0,0045)	-0,0073 (0,0063)
Obs. Equal to 5	0,0548*** (0,0109)	0,0104 (0,0079)	-0,0023 (0,0109)
Obs. Equal to 15	0,0495*** (0,0091)	0,0041 (0,0066)	-0,0017 (0,0091)
Mahalanobis	0,0524*** (0,0187)	0,0260* (0,0136)	-0,0185 (0,0188)

B) Traineeships			
Regression	0,1408*** (0,0106)	0,0293*** (0,0079)	-0,0652*** (0,0104)
Obs. Equal to 1	0,1168*** (0,0085)	0,0237*** (0,0071)	-0,0537*** (0,0091)
Obs. Equal to 5	0,1307*** (0,0162)	0,0311** (0,0123)	-0,0372*** (0,0164)
Obs. Equal to 15	0,1299*** (0,0131)	0,0286*** (0,0101)	-0,0430*** (0,0134)
Mahalanobis	0,1837*** (0,0288)	0,0496*** (0,0214)	-0,0410* (0,0288)
C) Training			
Regression	-0,0123 (0,0093)	-0,0118* (0,0060)	0,0277*** (0,0091)
Obs. Equal to 1	0,0033 (0,0083)	-0,0084 (0,0056)	0,0327*** (0,0083)
Obs. Equal to 5	-0,0059 (0,0116)	-0,0069 (0,0081)	0,0279*** (0,0116)
Obs. Equal to 15	-0,0138 (0,0104)	0,0140* (0,0072)	0,0280*** (0,0104)
Mahalanobis	-0,0260 (0,0173)	-0,0153 (0,0123)	0,0212* (0,0173)
D) Traineeships + Training			
Regression	0,1032*** (0,0291)	0,0169 (0,0197)	0,0101 (0,0282)
Obs. Equal to 5	0,1090*** (0,3001)	0,0081 (0,0244)	0,0219 (0,0318)
Obs. Equal to 15	0,1001*** (0,0278)	0,0113 (0,0228)	0,0169 (0,0296)
Mahalanobis	0,1097*** (0,0412)	0,0125 (0,0327)	0,0188 (0,0425)

Note: This table reports the regression and propensity score matching results. The employment status is observed in January 2018, using COBs data. We considered a number of result variables (employed; long-term employed, has had at least a start after the programme, namely after 2016).

Results concerning traineeship beneficiaries, limited to one observation only, are not reported. This group is limited to 319 cases and estimations did not result in satisfactory findings.

Significance level: ***: $p < 0,01$; **: $0,01 < p < 0,05$; *: $0,05 < p < 0,1$. Standard error in brackets: Abadie-Imbens standard errors are used for the matching.

Source: Ismeri Europa elaboration on monitoring data

Impact on a characteristic basis

The following data are observed:

Impact is higher and more relevant for women rather than for men (6% against 5%); In employment terms, both traineeships and training had a positive impact for women after 2016. The difference with men could be due to labour market dynamics, which in the last years favoured women rather than men.

Young people below 30 are favoured in comparison to the over 30 (+6% against +4%). This however, is not the case in trainings, where positive effects for the over 30 are higher in comparison to the younger group.

For foreign citizens the impact is high. This result is valid for different intervention typologies. Positive effects with respect to training have been observed, which ultimately impacted on the chance of being employed in January 2018.

Low educated people substantially benefitted from PIPOL. In this case, the results are valid both for training and traineeships. In the short term, training seem to have negative effects on graduates; this is probably due to the lock-in effect for graduates is higher than for other beneficiaries. In fact, graduates have higher chances of getting a job compared to other beneficiaries.

The analysis has also verified whether some characteristics of the supported interventions affected the results. These are the main findings:

Impact on a characteristics basis – training and traineeships

- **Training aimed at obtaining a professional certification had a positive impact, statistically significant on the chance of being employed in January 2018;**
- Language training had a negative effect, but it should be noted that this kind of training does not have employment aims. In fact, participants to language trainings, declared that they do so in order to improve their competences, not to find a job. **The more**

structured trainings have an higher impact on the employment performance of beneficiaries; trainings below 200 hours have a negative impact, given that they only superficially affect the development of competences.

- For what concerns traineeships types, **those which aim at providing a job experience have a higher impact than training and vocational training traineeships.**
- For what concerns the sectors in which the traineeships took place, particularly high is the **impact of traineeships in the manufacturing sector. Although being positive, the impact is relatively lower in other sectors such as constructions and services.**
- It has to be noted that impact is remarkably low in services and high-knowledge sectors such as: legal and financial services, services to SMEs and services to public administration. This could be due to the low regional demand of these services between 2014 and 2016.

The next table summarises the main results. Overall, the impact analysis highlights the positive effect of PIPOL, particularly of the traineeships.

Typology of intervention	Impact on employment
PIPOL	<ul style="list-style-type: none"> - Positive on the chance of obtaining a job in January 2018 (+5-5,5%) - For those who benefitted from PIPOL for more than 3 years, the effect is even higher (+7%) - The positive effect is higher for women rather than men - The effect is higher for those below 30 (6% against 4%) - The impact for foreigners is 3-4 times higher compared to the Italians (who however had positive benefits) - The positive effect on employment chances is evident only for those who obtained a higher school diploma or lower diplomas
Traineeships	<ul style="list-style-type: none"> - The impact on the chance of being employed in January 2018 is largely positive (+13-14%) - To a minor extent, the impact is positive on the chance of obtaining a long-term job as well (+3% circa) - In terms of employment, women had better results than men - In terms of different age, over 30 had higher benefits in comparison to younger beneficiaries - The effects of traineeships for foreigners is substantially high and significant, +30% - The impact on graduates is positive, but rather limited if compared to that related to lower educated people (7% against 16-17%) - Traineeships aiming at obtaining a job had higher effects than the vocational ones - Traineeships realised within the manufacturing sector had higher impacts
Training	<ul style="list-style-type: none"> - There are no effects on the chances of being employed in January 2018 - Positive effects on the chance of having work experience after 2016 (+3%) - Those who benefitted from training only and have started PIPOL more than three years ago, had positive effects on the chance of being employed in January 2018 - Women had a higher chance of having work experience after 2016 - In relation to foreigners, training had positive effects both on the chance of having work experience after 2016 and on the chances of being employed after January 2018 - In the short-term, the effects for graduates were negative - Longer trainings had positive effects on the chance of being employed in January 2018, whereas language training had, to date, negative effects

Employability - Results

Results perceived by beneficiaries on different occupability dimensions

The impact of PIPOL on individual employability in terms of self-perceived attitudes functional to job search **has been largely positive**.

Adaptability

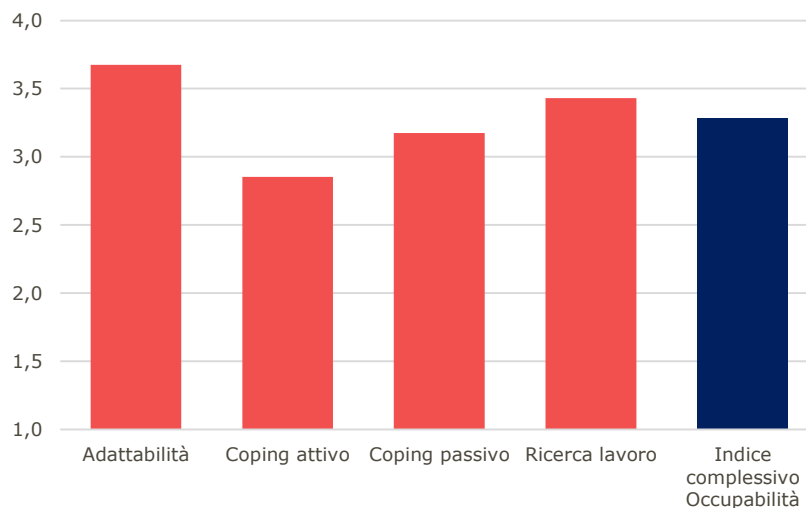
The **most positive results concern adaptability**. The average index which measures the adaptability effects is above sufficiency (equal to 3.7 on a 1 to 6 scale). Positive results are reported especially for what concern planning skills, people openness to change and their attitude towards learning. This indicates a generalised mistrust towards future.

The **active** and **passive coping** did not obtain fully positive results. Given the retrospective nature of this survey, the result could be determined by two factors: a) beneficiaries' difficulties in expressing themselves on less concrete matters than those concerning employability; b) the fact that PIPOL cannot improve pro-active attitudes if a subject is not predisposed to do so.

Active and passive coping

A mistrust mechanism in the functioning of the labour market and towards the future could also have negatively influenced the judgement on active coping.

Average judgment (on a 1 to 6 scale) concerning the four scopes of employability and in the overall employability index (2300 cases out of 2730)



Source: Ismeri Europa elaboration on monitoring data

A comparison between the different dimensions of occupability

The overall employability result is a consequence of opinion polarisation. 43% of the surveyed assessed the programme efficiency as medium-high; 17% high; 11% declares that participating did not bring any benefits, or insufficient benefits (29%). Polarisation is higher with respect to coping strategies.

The characteristics of participants help to explain the results only to a limited extent. This means that PIPOL works relatively well on employability of people which belong to population groups substantially different from one another.

Employability results in relation to beneficiaries characteristics and intervention typology

The most relevant difference concerns citizenship. Foreigners achieved a result on employability substantially higher than the average. To a lesser extent, some results seem to be linked to the education level and age. Young people achieved better results. Additional factors could further affect increases in employability.

Some differences are due to policy instruments and the PIPOL offer

at individual level.

Training and qualification individual services are those which achieved better results. By contrast, permanent education services did not score well.

Specialised vocational training has had a substantial influence on the perceived efficacy of employability by respondents.

It can be concluded that people employability is not affected by the single policy instrument, but rather by the activities carried out within PIPOL. This demonstrates the importance of offering articulated support.

Policy Implications

An overall positive result	The conclusions of this study are to some extent similar to those of other countries and studies carried out in Italy. The better performance of class traineeships for instance, is a factor that often recurs in policy evaluation literature. It stems from the sequential nature of our education system, which develops both the theoretical and abstract components of human capital, leaving gaps in terms of work experiences, which require direct experience to develop.
Possible adjustments	The following are some possible improvements to the programme:
Valorise support that help to join the labour market	<ul style="list-style-type: none">- To improve services that encourage contacts with the labour market. This strategy should at least be implemented in relation to 'weak' targets, with major difficulties in getting into the labour market.
The importance of specialised vocational services	<ul style="list-style-type: none">- To boost the dual system within the education and training system, improving the experiences already activated in Friuli Venezia Giulia;- To enhance people employability in order to effectively enter the labour market. An additional element that should be considered is related to specialised vocational services. The second phase of PIPOL should employ these instruments more widely.
Future updates of the impact analysis	<ul style="list-style-type: none">- To ask questions to new participants in order to determine their initial employability level. This would improve on-going monitoring on employability. The same questions should be asked at the end of the participation, in order to verify potential progress.- The impact analysis should be performed reiterated in time. This would help to understand some elements which are currently unclear.