



# **Study for the evaluation of ESF Support to Employment and Labour Mobility**

Final Report

June 2020

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## **List of acronyms**

<b>Acronym</b>	<b>Text</b>
AMIF	Asylum, Migration and Integration Fund
DG EMPL	Directorate-General Employment, Social Affairs & Inclusion
EAFRD	European Agricultural Fund for Rural Development
EaSI	Employment and Social Innovation
EC	European Commission
EGF	European Globalisation Fund
EMFF	European Maritime and Fisheries Fund
EQ	Evaluation question
ERDF	European Regional Development Fund
ESF	European Social Fund
EURES	European Network of Employment Services
GDP	Gross domestic product
GDPR	General Data Protection Regulation
ICT	Information and communications technology
ILO	International Labour Office
IP	Investment Priority
ISCED	International Standard Classification of Education
JRC	Joint Research Centre
LTU	Long-term unemployed
MS	Member State
NEET	Person not in employment, education or training
SFC	System for Fund Management in the European Union
TO	Thematic Objective
YEI	Youth Employment Initiative

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## Executive summary

The study provides an evaluation of operations supported by the Thematic Objective 8<sup>1</sup> in all Member States for the period 2014-2018, assessing the contribution of the European Social Fund (ESF) to employment<sup>2</sup> and labour mobility, excluding support to youth employment<sup>3</sup>. It is designed to inform the remainder of the current and the next programming period and to pave the way for the ex-post evaluation. The operations aimed at supporting youth employment within and beyond the dedicated investment priority and targeting young people (up to 24-29 years old) are excluded as they are covered by the "Study for the Evaluation of ESF Support to Youth Employment"<sup>4</sup>.

**COVID-19 pandemic:** *It has to be noted that the fieldwork for this evaluation was carried out before the COVID-19 (coronavirus) outbreak reached Europe. This study does thus not cover the support provided to respond to the ongoing pandemic, nor its consequences for the implementation of the said support. The recently adopted Corona Response Investment Initiative (CRII) will affect the support to Employment for the remainder of the current implementation period and the proposals for the recovery and the next programming period will aim at mitigating the consequences of this pandemic.*

*The COVID-19 pandemic is a major shock to the global and European economy. Already at the end of March 2020, a substantial negative economic impact on Europe has materialised, at least for the first half of 2020 and possibly longer if the pandemic is not contained rapidly. For the future, the degree of the negative outlook will depend on a number of factors such as the lack of supply of critical materials, the effectiveness of containment measures, the downturn in manufacturing in the EU, work days lost in businesses and public administration and negative demand effects due to mobility restrictions, travel cancellations etc.*

### **A move from curbing the high post-crisis unemployment rates towards tackling more structural issues and an adaptable and inclusive workforce**

Reviewing the evolution of the socio-economic context, the study highlights that at the beginning of the current programming period the greatest concern was about addressing urgent needs, in view of the alarming levels of unemployment registered across the EU following the financial and economic crisis of the late 2000s. During the programming period till 2018, labour markets have shown significant signs of recovery and the emphasis progressively shifted towards the need of an adaptable workforce, including through active and healthy ageing measures as well as combating persisting gender employment and pay gaps.

The European Commission (EC), through its country specific recommendations to Member States focused on these needs, and especially for women and older workers; these two groups, evidence of this study suggests, require additional support. While women are well represented among participants in most regions, they still face important obstacles that can be addressed by the design of ESF operations. Women and older workers are more likely to be economically inactive, and often harder to identify and engage.

### **A continuing focus of less developed regions on fighting unemployment**

Improvements in the labour market have been significant, but not distributed evenly across Member States and especially across regions. ESF support to employment and labour mobility is available across Europe but there has been a focus on those areas – less-developed regions<sup>5</sup> –

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<sup>1</sup> 'Promoting sustainable and quality employment and supporting labour mobility' except for youth employment, which is subject to a separate evaluation

<sup>2</sup> One of the headline targets of the Europe 2020 Strategy, adopted in 2010 by the European Council is to increase the employment rate of the population aged 20-64 to at least 75% by 2020

<sup>3</sup> Thematic Objective 8 is delivered through 7 Investment Priorities – (i) Access to Employment, (ii) Youth Employment (not covered here), (iii) Entrepreneurship, (iv) Gender Equality, (v) Adaptability, (vi) Active Ageing and (vii) Labour Market Institutions

<sup>4</sup> Metis GmbH et al. (2020), Study for the evaluation of ESF support to youth employment, European Commission

<sup>5</sup> In order to target funds where they might be most needed, criteria are defined (as per Reg EU 1303/2013, art 90 and related Annex VII) which include grouping EU regions in three groups based on their pro-capita GDP. In particular,

where support is most needed, especially in respect of access to employment. In transition regions, there has been a focus on entrepreneurship and supporting labour market institutions, with a more balanced approach in the more developed regions.

## **Effectiveness**

### ***The triangulation of evidence tells a generally positive story of the effectiveness of ESF T08 operations***

The allocation of employment and labour mobility support is EUR 32.1 billion, which is the equivalent of 26% of the entire ESF budget for 2014-2020. This underlines that Member States confirm it to be a central objective within ESF. By the end of 2018, employment and labour mobility support counted 6.8 million participations<sup>6</sup> (26.3% of the total ESF and YEI), of which approximately 4.6 million were unemployed, 0.5 million economically inactive and 1.7 million in employment. In total, 1.3 million people were in employment immediately upon leaving ESF operations, and another 0.7 million people gained a qualification to improve their position on the labour market after participation, with a further 0.2 million going back into education and some 0.03 million engaged in job searching. Importantly, the total figures are likely to be underestimated due to under reporting; this is the result of delays in monitoring systems in some countries, operations that are ongoing but not completed and likely to deliver additional results, and a difficulty in capturing 'soft outcomes'. Soft outcomes can be linked to increased employability and decreased distance to the labour market, as well as other benefits such as increased self-esteem, which can be seen as a pre-condition for future employment.

**Overall, the implementation of ESF support to employment and labour mobility is in line with targets** but with variations among Member States. There were delays at the start, especially in those countries with weaker socio-economic conditions and weaker delivery capacity. A focus on completing operations from the previous programming period as well as on the Youth Employment Initiative (YEI) as an emergency measure from 2013 onwards, also contributed to delays.

Within ESF support to employment and labour mobility there have been variations in implementation with **the greatest progress being in respect of access to employment for the unemployed**, including those at a certain distance from the labour market. Implementation has been easier for those groups in need of most support but with fewer obstacles to participation (more difficult obstacles include disabilities, or identifying harder to reach groups, especially those in rural areas).

**In addition to monitoring data**, which cannot inform us comprehensively on the extent to which it was specifically the ESF support that made such results achievable, **the study found an increasing body of both micro and macro level counterfactual evidence on the positive effects of employment and mobility support.**

**The effectiveness of ESF support to employment and labour mobility is stronger where support is customised to labour market demand.** In contrast, generic provision is less effective. For example, to be effective, vocational education and training needs to be tailored to the specific needs of employers. The nature of the operations – form, quality and appropriateness to labour market needs – is the main factor determining effectiveness (and cost-effectiveness).

Factors contributing to effective implementation and therefore offering lessons for remainder of this programming period, and for the next, include integrated and partnership approaches to delivery, combined with sufficient management capacity.

**ESF support seems most effective – in terms of supporting employment – for individuals that are at a certain distance from the labour market, that is, neither too close** (such as well qualified individuals) **nor too far away from it** (e.g. presenting multiple disadvantages). The former group is likely to gain employment without any support, assuming

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regions are defined as "less developed" if their per capita GDP (in parity of purchasing power) is under 75% of the EU average; "in transition" if their per capita GDP is between 75% and 90% of the EU average; and "more developed" if their per capita GDP is above 90% of the EU average.

<sup>6</sup> The ESF database (SFC2014) records participations. An individual participant could have participated in an ESF operations more than once

good market conditions. For the latter group, getting a (permanent) job is a longer-term objective, while improving their employability and getting closer to employment is a more realistic goal. Furthermore, individuals belonging to this group might also benefit from operations funded under Thematic Objective 9 Social Inclusion.

**The ESF support to employment and labour mobility has been more effective for women and (less so) for older people.** However, gender stereotypes remain an important obstacle and only a relatively small share of the budget providing targeted support for these two groups is available. Furthermore, women are more likely to experience poor quality employment (duration and pay). Nevertheless, women are well represented, with an overall share of 54% of the total participations.

**Evidence on the quality of employment gained is quite thin** also due to a lack of dedicated monitoring requirements, **but generally positive** despite some variations. **Similar findings apply to labour mobility**, and especially geographical mobility, **which did not attract sufficient attention** and investments **in this programming period**.

### **Efficiency**

*Measures of cost effectiveness are broadly in line with benchmarks, including past programmes*

**The average unit costs for ESF support to employment and labour mobility are aligned with benchmarks** (€1 300 for participations and €3 600 for results). There are variations among countries, although related more to the typology and delivery mechanisms for operations than country-specific factors. Active ageing has lower unit costs but lower levels of effectiveness, suggesting that too little expenditure can result in reduced quality of operations.

Actual and perceived **administrative burdens have hampered effective implementation, through delays, but also affected cost-effectiveness.** New monitoring systems and databases were developed at Member State level to comply with regulatory changes since the 2007-2013 programming period, but the more significant factor is insufficient administrative capacity, which in turn affects implementation. There have been additional costs incurred for recruiting and delivering ESF to harder to reach groups, especially those in remote/rural areas.

### **Relevance**

*ESF operations have greatest relevance when they are focused on the specific needs of the participant*

**Operations are aligned to the needs of the target groups and have contributed to the labour market integration of the unemployed**, leading to jobs in many cases, but also progression towards employment, which is not always monitored and measured effectively. The study shows that the ESF support to employment and mobility is most relevant when combined with other measures that support the participants (including health, housing etc.), especially those furthest away from the labour market, when they combine operations with integrated and tailored approaches, rather than isolated operations, and when employers are closely involved. The ESF has also helped Member States take a longer-term perspective including establishing an entrepreneurial culture as an alternative to traditional employment.

However, issues linked to active ageing and embedded gender stereotypes were not sufficiently tackled, because of the low budget available, lengthy implementation periods and a need for more holistic and informed approaches.

### **Coherence**

*ESF Support to employment and labour mobility is coherent across the different operations as well as with other thematic objectives and other EU funds. It is aligned with country specific recommendations and with national and regional policies*

**Operations show a good level of complementarity among themselves, as well as with those funded under other Thematic Objectives**, particularly Thematic Objective 9 (Social inclusion) and 10 (Education and lifelong learning), as well European Regional Development Fund Thematic Objective 3 (Competitiveness of SMEs). Complementarity could be improved

concerning operations funded by ESF support to employment and mobility and those funded by national and regional programmes or supporting horizontal themes such as social innovation. In the case of ERDF, concrete integration with ESF is not straightforward. This fact might discourage the take up of integrated ESF and ERDF projects. Operations funded by ESF TO8 interventions show significant synergies with other EU-funded programmes, namely EaSI, the European Globalisation Fund and the Asylum Migration and Integration Fund. Likewise, ESF TO8 operations are complementary with national or regional policies across the EU Member States. Such complementarity can take the form of ESF having a supporting role of local policies or filling policy gaps. In general, the Country Specific Recommendations are well addressed by the ESF support to employment and labour mobility as underpinned in the underlying intervention logics and are thus likely to contributing to addressing the challenges identified, thanks to the negotiation process that has taken place at the programming stage between the Commission and the Member States; this process continues during the implementation as Member States negotiate with the European Commission amendments and changes to the Operational Programmes.

### **Sustainability**

#### ***Support offered from ESF support to employment and labour mobility is sustainable for both individuals and the systems***

Overall, **the employment prospects of participants appear to improve over time** and after participants have completed the operation funded through ESF. A further 0.3 million had found employment, six months after an ESF participation<sup>7</sup>, and counterfactual impact evaluations generally show employment opportunities rise over time for participants more than their (non-participant) control groups.

Some operations, including job counselling, have a greater impact in the shorter term but building up the skills of the individual and contributing to their employability through work based learning and targeted training is more sustainable in longer-term. This is also generally true for operations that support entrepreneurship provided the underlying economic conditions with Member States do not deteriorate.

Macroeconomic effects generated are positive also in the medium to long term and the estimated multiplier (euros generated per euros invested, to be considered in light of possible under-reporting of results and several caveats) is higher than 1 in over 50 regions. The sustainability of the operations supported is confirmed by evidence of mainstreaming of ESF support in national policies in many areas, although in weaker socio-economic contexts there are some risks of dependency from EU support.

### **EU Added Value**

#### ***There is evidence of considerable EU added value because of ESF support to employment and labour mobility***

More people are supported because of ESF operations, in particular those groups in most need of support. ESF investments have also had a leverage effect on other – national – labour market investments and we also see evidence of mainstreaming with ESF operations influencing national programmes and innovative approaches being carried forward by Member States as part of their labour market programmes. These innovations include the use of individualised and targeted approaches, especially toward migrants, older workers and women. ESF support to employment and labour mobility has helped raise the profile of gender issues and has promoted social innovation. To some extent the support is also drawing attention to the need for support to active ageing. Crucially, ESF has helped to build effective delivery capacity in Member States in terms of programme and cost management and monitoring systems, and awareness and knowledge of target groups.

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<sup>7</sup> 1.6m compared to 1.3m



## **Lessons learned and suggestions**

***There are lessons learned on monitoring, programming and implementation, especially on delivery of the programmes, active ageing and gender equality.***

1. **Whenever operations are duly implemented and tackle needs** of both the labour market and target groups, the actual effects generated by the support offered are uncorrelated with the general economic trends and only partly related to the distance of the target groups from the labour market. In other words, **employment and mobility support has the potential to be effective across the board**. However, implementation of employment and mobility operations tends to be slower in some less favourable areas and towards disadvantaged individuals. This calls for **further efforts to be made for improving cooperation among partners and administrative capacity at all levels**, so that support can reach even more effectively those most in need. It is also important to share more widely through the EU level ESF evaluation partnership and via Member States good practices in this respect and involve employers in the programming and implementation of the operations to offer more tailored support.
2. **Operations to support individuals aged 54 or above are facing harder than average difficulties**. The active ageing Investment Priority allocation in Member States is relatively small and older workers are under-represented in the other Investment Priorities. **Their needs**, especially linked to the importance of remaining longer in employment given the difficulties they face re-entering once unemployed, **should be better considered** and more work could be done jointly with employers in this respect. There are examples of effective support which could be disseminated but this is an area in which more holistic approaches including health and social support – might be encouraged.
3. **Gender balance is generally well ensured** in terms of individuals receiving support. However, there is limited information as to possible differences in the form and intensity of support provided to women. Limited use of sex disaggregated targets for output and result indicators was also found. Interestingly, **although average net effects of access to employment measures show consistently higher values for women than men, concerns persist that measures aiming for structural change and tackling embedded gender stereotypes are underdeveloped**. Hence, additional support and further recognition of the specific obstacles women face in the labour market are encouraged, together with greater attention to avoiding forms of support which might implicitly reinforce gender stereotypes.
4. **Administrative burden**, especially in the context of multi-level governance and despite improvements during the period, **is still perceived as high and affects implementation especially where the administrative capacity of implementing bodies and prospect beneficiaries is low**. Hence, it is recommended to continue the efforts on **simplification, clarity and stability of rules** and responsibilities, **training for implementing actors and accompanying measures for beneficiaries**, including potential beneficiaries.
5. **National monitoring and evaluation systems have largely improved** since the 2007-2013 programming period, especially in terms of providing more accurate information on the direct beneficiaries of ESF, increased data quality, greater emphasis on counterfactual and macroeconomic approaches. **However, there are still gaps to tackle**, while the systems are perceived as burdensome by stakeholders. The main issues concern under-reporting of data, little use of micro-data, variability in the counterfactual approaches used and in the comparability of their results and insufficient information on the types of support offered. This hampers the collection of comparative evidence of what works best, where and for whom. Accordingly, some suggestions are presented in this study which could be considered for the current and next programming period, respectively:
  - i. **for the current programming period**, and with a view to the ex-post evaluation, the Commission could encourage Managing Authorities to harmonise their requests for Counterfactual Impact Evaluations to produce information which is more nuanced as well as comparable. It could also recommend that higher attention is

paid to the macroeconomic implications of programmes. At the same time, the Commission could support Managing Authorities to better collect and categorise data on types of operations and micro-data on participants; and

- ii. **for the next programming period**, and in order to better assess and make visible the effects of support to employment and mobility, the Commission could encourage Managing Authorities to collect further evidence on soft outcomes, on mobility outcomes as well as on the quality of employment gained. It will be important to keep the focus also on the macro-economic implications of the programmes.

***ESF TO8 investments can play an important role in mitigating the effects of the unfolding socio-economic crisis by capitalising on ESF adaptability and ability to innovate and focus on vulnerable target groups***

6. The ESF can play a role in mitigating the effects of the forthcoming crisis and has shown its ability to adapt to changing socio-economic needs and to offer longer term solutions. In the wake of the COVID-19 crisis, it is important that employment and labour mobility investments:
  - i. anticipate the possible negative effects that the crisis may have in relation to differences in the labour market between men and women (such as sectoral segregation and women's greater concentration in part-time work, lower-paid jobs, jobs with shorter tenure and in smaller firms). These factors may lead to different impacts of the economic downturn and related policy responses on men and women. A special attention to gender gaps may also be considered as effects of support received tend to be higher for women, as shown in study's findings and in line with the literature;
  - ii. do not lose their focus on system actions, particularly towards gender equality, active ageing and support to labour market reforms that would otherwise run the risk of being considered "fair-weather policies"; and
  - iii. are duly coordinated with national and EU initiatives with a view to capitalising on ESF distinctive features and value added and thus keeping the focus on vulnerable target groups that are likely to be hardest hit by the crisis and towards whom the effects of support have proven to be in line or above average.



## Résumé

L'étude fournit une évaluation des opérations soutenues par l'objectif thématique 8<sup>8</sup> dans tous les États membres pour la période 2014-2018, évaluant la contribution du Fonds social européen (FSE) à l'emploi<sup>9</sup> et à la mobilité de la main-d'œuvre, à l'exclusion du soutien à l'emploi des jeunes<sup>10</sup>. Il vise à informer le reste de la période de programmation actuelle et la suivante, et à ouvrir la voie à une évaluation ex post. Les opérations visant à soutenir l'emploi des jeunes dans le cadre de la priorité d'investissement dédiée et au-delà, et ciblant les jeunes (jusqu'à 24-29 ans), sont exclues car elles sont couvertes par l'« Étude d'évaluation du soutien du FSE à l'emploi des jeunes »<sup>11</sup>.

**Pandémie de COVID-19:** *Il convient d'observer que le travail de terrain pour cette évaluation a été effectué avant que l'épidémie de COVID-19 (coronavirus) n'atteigne l'Europe. Cette étude ne couvre donc pas le soutien apporté pour faire face à la pandémie en cours, ni ses conséquences pour la mise en œuvre dudit soutien. L'Initiative d'investissement en réponse au Coronavirus (CRII) qui a été récemment adoptée, affectera le soutien à l'emploi pour le reste de la période en cours, et les propositions relatives à la reprise et à la prochaine période de programmation viseront à atténuer les conséquences de cette pandémie.*

*La pandémie de COVID-19 est un choc majeur pour l'économie mondiale et européenne. Fin mars 2020 déjà, un impact économique négatif substantiel sur l'Europe s'est matérialisé, au moins pour le premier semestre 2020 et peut-être à plus long terme si la pandémie n'est pas rapidement maîtrisée. Pour l'avenir, la gravité des perspectives négatives dépendra d'un certain nombre de facteurs tels que le manque d'approvisionnement en matériels essentiels, l'efficacité des mesures de confinement, le ralentissement de l'industrie manufacturière dans l'UE, les jours de travail perdus dans les entreprises et l'administration publique et les effets négatifs sur la demande dus aux restrictions de mobilité, aux annulations de voyages, etc.*

### **De la lutte contre les taux de chômage élevés d'après crise à la résolution de problèmes plus structurels et une main-d'œuvre adaptable et inclusive**

Passant en revue l'évolution du contexte socio-économique, l'étude souligne qu'au début de la période de programmation actuelle, la plus grande préoccupation était de répondre aux besoins urgents, compte tenu des niveaux alarmants de chômage enregistrés dans l'UE à la suite de la crise financière et économique de la fin des années 2000. Au cours de la période de programmation jusqu'en 2018, les marchés du travail ont montré des signes significatifs de reprise et l'accent a progressivement été mis sur la nécessité d'une main-d'œuvre adaptable, notamment grâce à des mesures de vieillissement actif et en bonne santé ainsi qu'à la lutte contre les disparités persistantes entre hommes et femmes en matière d'emploi et de rémunération.

La Commission européenne (CE), par le biais de ses recommandations spécifiques par pays, a mis l'accent sur ces besoins, en particulier pour les femmes et les travailleurs âgés; ces deux groupes nécessitant un soutien supplémentaire, comme le suggère la présente étude. Bien que les femmes soient bien représentées parmi les participants dans la plupart des régions, elles sont toujours confrontées à des obstacles importants qui peuvent être surmontés dès la conception des opérations du FSE. Les femmes et les travailleurs âgés sont plus susceptibles d'être économiquement inactifs et souvent plus difficiles à identifier et à mobiliser.

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<sup>8</sup> 'Promouvoir un emploi durable et de qualité et soutenir la mobilité de la main-d'œuvre', sauf pour l'emploi des jeunes, qui fait l'objet d'une évaluation distincte

<sup>9</sup> L'un des principaux objectifs de la stratégie Europe 2020, adoptée en 2010 par le Conseil européen, est de porter le taux d'emploi de la population âgée de 20 à 64 ans à au moins 75% d'ici 2020

<sup>10</sup> L'Objectif Thématique 8 est réalisé à travers 7 Priorités d'Investissement - (i) Accès à l'Emploi, (ii) Emploi des Jeunes (non couvert ici), (iii) Entreprenariat, (iv) Égalité de Genre, (v) Adaptabilité, (vi) Vieillesse Actif et (vii) Institutions du marché du travail

<sup>11</sup> Metis GmbH et al. (2020), Study for the evaluation of ESF support to youth employment, European Commission

## **Poursuite de la lutte contre le chômage dans les régions moins développées**

Les améliorations du marché du travail ont été importantes, mais n'ont pas été réparties uniformément entre les États membres et en particulier entre les régions. Le soutien du FSE à l'emploi et à la mobilité de la main-d'œuvre est disponible dans toute l'Europe, mais l'accent a été mis sur les zones - les régions moins développées<sup>12</sup> - où le soutien est le plus nécessaire, en particulier en ce qui concerne l'accès à l'emploi. Dans les régions en transition, l'accent a été mis sur l'esprit d'entreprise et le soutien aux institutions du marché du travail, et l'approche a été plus équilibrée dans les régions plus développées.

### **Efficacité**

#### **La triangulation des preuves révèle un cadre généralement positif de l'efficacité des opérations du FSE OT8**

L'allocation d'aide à l'emploi et à la mobilité de la main-d'œuvre s'élève à 32,1 milliards d'euros, soit l'équivalent de 26% de l'ensemble du budget du FSE pour la période 2014-2020. Cela souligne la volonté des États membres d'en faire un objectif central au sein du FSE. Fin 2018, les aides à l'emploi et à la mobilité de la main-d'œuvre comptaient 6,8 millions de participations<sup>13</sup> (26,3% du total du FSE et de l'IEJ), dont environ 4,6 millions de chômeurs, 0,5 million d'inactifs et 1,7 million de personnes en emploi. Au total, 1,3 million de personnes occupaient un emploi dès leur sortie des opérations du FSE, et 0,7 million de personnes supplémentaires ont obtenu une qualification pour améliorer leur position sur le marché du travail après leur participation, 0,2 million de personnes ont repris des études et quelque 0,03 million étaient à la recherche d'un emploi. Il est important de noter que les chiffres totaux seront probablement sous-estimés en raison de la sous-déclaration à cause de retards dans les systèmes de suivi dans certains pays, d'opérations encore en cours mais non achevées et susceptibles de produire des résultats supplémentaires, et de la difficulté à saisir les résultats non chiffrables («soft outcomes»). Ces derniers peuvent être liés à une employabilité accrue et à une distance réduite par rapport au marché du travail, ainsi qu'à d'autres avantages tels qu'une meilleure estime de soi, qui peut être considérée comme une condition préalable à un emploi futur.

**Dans l'ensemble, la mise en œuvre du soutien du FSE à l'emploi et à la mobilité de la main-d'œuvre est conforme aux objectifs** mais varie d'un État membre à l'autre. Il y a eu des retards au début, en particulier dans les pays où les conditions socio-économiques et les capacités d'exécution étaient plus faibles. L'accent mis sur l'achèvement des opérations de la période de programmation précédente ainsi que sur l'Initiative pour l'emploi des jeunes (IEJ) en tant que mesure d'urgence à partir de 2013 a également contribué aux retards.

Dans le cadre du soutien du FSE à l'emploi et à la mobilité de la main-d'œuvre, la mise en œuvre a varié, **les progrès les plus importants ayant été enregistrés en ce qui concerne l'accès à l'emploi pour les chômeurs**, y compris ceux qui se trouvent à une certaine distance du marché du travail. La mise en œuvre a été plus facile pour les groupes ayant le plus besoin de soutien, mais avec moins d'obstacles à la participation (les obstacles les plus difficiles concernent les handicaps ou l'identification des groupes plus difficiles à atteindre, en particulier dans les zones rurales).

**Outre les données de suivi**, qui ne peuvent pas nous éclairer de manière exhaustive sur la mesure dans laquelle c'est précisément le soutien du FSE qui a rendu ces résultats réalisables, **l'étude a révélé un nombre croissant de preuves contrefactuelles aux niveaux micro et macro sur les effets positifs du soutien à l'emploi et la mobilité.**

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<sup>12</sup> Afin de cibler les fonds là où ils pourraient être le plus nécessaires, des critères sont définis (conformément au règlement UE 1303/2013, art 90 et annexe VII connexe) qui incluent le regroupement des régions de l'UE en trois groupes en fonction de leur PIB par habitant. En particulier, les régions sont définies comme «moins développées» si leur PIB par habitant (en parité de pouvoir d'achat) est inférieur à 75% de la moyenne de l'UE; «En transition» si leur PIB par habitant se situe entre 75% et 90% de la moyenne de l'UE; et «plus développés» si leur PIB par habitant est supérieur à 90% de la moyenne de l'UE.

<sup>13</sup> La base de données FSE (SFC2014) enregistre les participations. Un participant individuel peut participer à une opération du FSE plusieurs fois.

**L'efficacité du soutien du FSE à l'emploi et à la mobilité est renforcée lorsque le soutien est adapté à la demande du marché du travail.** En revanche, les dispositions génériques sont moins efficaces. Par exemple, pour être efficace, l'enseignement et la formation professionnels doivent être adaptés aux besoins spécifiques des employeurs. La nature des opérations - forme, qualité et adéquation aux besoins du marché du travail - est le principal facteur déterminant de l'efficacité (et de la rentabilité).

Les facteurs contribuant à une mise en œuvre efficace et offrant par conséquent des enseignements pour le reste de cette période de programmation et pour la suivante comprennent des **approches intégrées et partenariales**, associées à une capacité de gestion suffisante.

**Le soutien du FSE semble le plus efficace - en termes de soutien à l'emploi - pour les individus qui se trouvent à une certaine distance du marché du travail**, c'est-à-dire ni trop proches (tels que des individus bien qualifiés) ni trop éloignés de celui-ci (tels que des individus présentant de multiples désavantages). Le premier groupe est susceptible de trouver un emploi sans aucune aide en supposant des conditions de marché favorables. Quant au second groupe, l'obtention d'un emploi (permanent) est un objectif à long terme ; l'amélioration de leur employabilité et leur rapprochement du marché du travail constituent un objectif plus réaliste. En outre, les personnes appartenant à ce groupe pourraient également bénéficier d'opérations financées au titre de l'objectif thématique 9 Inclusion sociale.

**Le soutien du FSE à l'emploi et à la mobilité de la main-d'œuvre a été plus efficace pour les femmes et (dans une moindre mesure) pour les personnes âgées.** Cependant, les stéréotypes sexistes demeurent un obstacle important et la part du budget fournissant un soutien ciblé à ces deux groupes reste relativement faible. En outre, les femmes sont plus susceptibles d'avoir un emploi de mauvaise qualité (durée et rémunération). Néanmoins, elles sont bien représentées, avec une part globale de 54% du total des participations.

**Les informations sur la qualité de l'emploi obtenu sont assez minces** notamment en raison de l'absence d'exigences spécifiques en matière de suivi, **mais généralement positives** malgré certaines variations. Des constatations similaires s'appliquent à la mobilité de la main-d'œuvre, et en particulier à la mobilité géographique, qui n'a pas attiré suffisamment d'attention et d'investissements au cours de cette période de programmation.

## **Efficience**

*Les mesures d'efficience sont globalement conformes aux critères de référence, y compris les programmes précédents*

**Les coûts unitaires moyens du soutien du FSE à l'emploi et à la mobilité de la main-d'œuvre sont alignés sur les critères de référence** (1 300 euros pour les participations et 3 600 euros pour les résultats). Il existe des variations d'un pays à l'autre, bien qu'elles soient davantage liées à la typologie et aux mécanismes d'exécution des opérations qu'à des facteurs spécifiques aux pays. Le vieillissement actif a des coûts unitaires moins élevés mais des niveaux d'efficacité plus faibles, ce qui suggère qu'une trop faible dépense peut entraîner une baisse au niveau de la qualité des opérations.

Les **charges administratives réelles et perçues ont entravé l'efficacité de la mise en œuvre**, ce qui s'est traduit par des retards, mais cela a également eu un impact sur l'efficience. De nouveaux systèmes de suivi et bases de données ont été développés au niveau des États membres pour se conformer aux changements réglementaires intervenus depuis la période de programmation 2007-2013, mais le facteur le plus important est l'insuffisance des capacités administratives, ce qui a un impact sur la mise en œuvre. Des coûts supplémentaires ont été engagés pour mobiliser et dispenser le FSE à des groupes plus difficiles à atteindre, en particulier dans les zones reculées/rurales.

## **Pertinence**

*Les opérations du FSE sont plus pertinentes lorsqu'elles sont axées sur les besoins spécifiques du participant*

**Les opérations sont adaptées aux besoins des groupes cibles et ont contribué à l'intégration des chômeurs sur le marché du travail**, aboutissant sur des emplois dans de

nombreux cas, mais également sur une progression vers l'emploi (qui n'est pas toujours suivie et mesurée efficacement). L'étude montre que le soutien du FSE à l'emploi et à la mobilité est le plus pertinent lorsqu'il est combiné à d'autres mesures en faveur des participants (y compris la santé, le logement, etc.), en particulier ceux qui sont les plus éloignés du marché du travail, lorsqu'ils combinent les opérations avec des approches intégrées et personnalisées, plutôt que des opérations isolées, et lorsque les employeurs sont étroitement associés. Le FSE a également aidé les États membres à adopter une perspective à plus long terme, notamment en instaurant une culture entrepreneuriale comme alternative à l'emploi traditionnel.

Cependant, les questions liées au vieillissement actif et aux stéréotypes sexistes n'ont pas été suffisamment abordées, en raison de la faiblesse du budget disponible, de la longueur des périodes de mise en œuvre et de la nécessité d'adopter des approches plus globales et mieux éclairées.

## **Cohérence**

***Le soutien du FSE à l'emploi et à la mobilité de la main-d'œuvre est cohérent entre les différentes opérations ainsi qu'avec les autres objectifs thématiques et autres fonds de l'UE. Il est aligné sur les recommandations spécifiques par pays et sur les politiques nationales et régionales***

**Les opérations présentent un bon niveau de complémentarité entre elles, ainsi qu'avec celles financées au titre d'autres objectifs thématiques**, en particulier les objectifs thématiques 9 (inclusion sociale) et 10 (éducation, formation et apprentissage tout au long de la vie), ainsi que l'objectif thématique 3 du Fonds européen de développement régional (compétitivité des PME). La complémentarité pourrait être améliorée en ce qui concerne les opérations financées par le soutien du FSE à l'emploi et à la mobilité et celles financées par des programmes nationaux et régionaux ou soutenant des thèmes horizontaux tels que l'innovation sociale. Dans le cas du FEDER, l'intégration concrète avec le FSE n'est pas si simple. Ceci pourrait décourager le développement de projets intégrés FSE et FEDER. Les opérations financées par les interventions du FSE OT8 montrent d'importantes synergies avec d'autres programmes financés par l'UE, à savoir l'EaSI, le Fonds européen d'ajustement à la mondialisation et le Fonds Asile, Migration et Intégration. De même, les opérations du FSE OT8 sont complémentaires avec les politiques nationales ou régionales dans les États membres de l'UE. Cette complémentarité peut se traduire par un soutien aux politiques locales ou pour combler des lacunes au niveau des politiques. De manière générale, les recommandations spécifiques par pays sont bien prises en compte par le soutien du FSE à l'emploi et à la mobilité, tel qu'il ressort des logiques d'intervention sous-jacentes, et sont donc susceptibles de contribuer à relever les défis identifiés grâce au processus de négociation qui a eu lieu lors de la programmation entre la Commission et les États membres; ce processus se poursuit pendant la mise en œuvre, les États membres négociant avec la Commission européenne des amendements et des modifications aux programmes opérationnels.

## **Durabilité**

***Le soutien du FSE à l'emploi et à la mobilité de la main-d'œuvre est durable pour les individus et les systèmes***

Dans l'ensemble, les perspectives d'emploi des participants semblent s'améliorer avec le temps, une fois que les participants ont terminé le programme d'aide financée par le FSE. Par exemple, 0,3 million de participants ont trouvé un emploi six mois après leur participation au FSE<sup>14</sup>, et les évaluations d'impact contrefactuelles montrent généralement que les opportunités d'emploi augmentent au fil du temps davantage pour les participants que pour les groupes témoins (non participants).

Certaines opérations, y compris concernant l'orientation professionnelle, ont un impact plus important à court terme, mais le renforcement des compétences de l'individu et la contribution à son employabilité grâce à un apprentissage basé sur le travail et une formation ciblée sont

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<sup>14</sup> 1.6m au lieu de 1.3m

plus durables à long terme. Cela vaut également pour les opérations qui soutiennent l'esprit d'entreprise, à condition que les conditions économiques sous-jacentes dans les États membres ne se détériorent pas.

Les effets macroéconomiques générés sont également positifs à moyen et long terme et on estime que le coefficient multiplicateur (euros générés par euros investis, à considérer à la lumière d'une éventuelle sous-déclaration des résultats et de plusieurs mises en garde) est supérieur à 1 dans plus de 50 régions. La pérennité des opérations soutenues est confirmée par l'intégration du soutien du FSE dans les politiques nationales dans de nombreux domaines, bien que dans des contextes socio-économiques plus faibles, il y a un risque de dépendance par rapport au soutien de l'UE.

## **Valeur ajoutée de l'UE**

### ***Il y a des preuves de considérable valeur ajoutée UE en raison du soutien du FSE à l'emploi et à la mobilité de la main-d'œuvre***

Un plus grand nombre de personnes sont soutenues grâce aux opérations du FSE, en particulier les groupes qui ont le plus besoin d'aide. Les investissements du FSE ont également eu un effet de levier sur d'autres investissements (nationaux) sur le marché du travail et nous constatons aussi que l'intégration des opérations du FSE influençant les programmes nationaux et les approches innovantes est poursuivie par les États membres dans le cadre de leurs programmes pour le marché du travail. Ces innovations portent notamment sur des approches individualisées et ciblées, en particulier à l'égard des migrants, des travailleurs âgés et des femmes. Le soutien du FSE à l'emploi et à la mobilité a contribué à accroître la visibilité des questions de genre et a favorisé l'innovation sociale. Dans une certaine mesure, le FSE attire également l'attention sur la nécessité de soutenir le vieillissement actif. Surtout, le FSE a contribué à renforcer les capacités de mise en œuvre dans les États membres en termes de systèmes de gestion et de suivi des programmes et des coûts, ainsi que la sensibilisation et la connaissance des groupes cibles.

## **Enseignements tirés et suggestions**

### ***Des enseignements sont tirés sur le suivi, la programmation et la mise en œuvre, particulièrement sur l'exécution des programmes, le vieillissement actif et l'égalité des sexes.***

1. **Lorsque les opérations sont dûment mises en œuvre et répondent aux besoins** du marché du travail et des groupes cibles, les effets réels générés par le soutien offert ne sont pas corrélés aux tendances économiques générales et ne sont que partiellement liés à l'éloignement des groupes cibles du marché du travail. En d'autres termes, **le soutien à l'emploi et à la mobilité peut être efficace à tous les niveaux**. Cependant, la mise en œuvre des opérations d'emploi et de mobilité a tendance à être plus lente dans certaines zones moins favorables et avec les personnes défavorisées. Il faut donc redoubler d'efforts pour améliorer la coopération entre les partenaires et les capacités administratives à tous les niveaux, afin que l'aide puisse atteindre encore plus efficacement ceux qui en ont le plus besoin. Il est également important de partager plus largement à travers le partenariat d'évaluation du FSE au niveau de l'UE et via les États membres les bonnes pratiques à cet égard et d'associer les employeurs à la programmation et la mise en œuvre des opérations afin d'offrir un soutien plus personnalisé.

2. **Les opérations de soutien aux individus âgé(e)s de 54 ans ou plus rencontrent des difficultés supérieures à la moyenne**. L'allocation associée à la priorité d'investissement sur le vieillissement actif est relativement faible dans les États membres et les travailleurs âgés sont sous-représentés dans les autres priorités d'investissement. Leurs besoins, notamment liés à l'importance de rester plus longtemps dans l'emploi compte tenu des difficultés auxquelles ils sont confrontés pour réintégrer le marché du travail, devraient être mieux pris en compte et davantage de travail pourrait être fait conjointement avec les employeurs à cet égard. Il existe des exemples de soutien efficace qui pourraient être diffusés, mais c'est un domaine dans lequel des approches plus holistiques, y compris le soutien en matière de santé et social, pourraient être encouragés.



3. **L'équilibre entre les sexes est généralement atteint en termes de personnes bénéficiant d'un soutien.** Cependant, il existe peu d'informations sur les différences possibles dans la forme et l'intensité du soutien apporté aux femmes. On a également constaté une utilisation limitée d'objectifs des cibles ventilées selon le sexe, pour les indicateurs de réalisation et de résultat. Il est intéressant de noter que, bien que les effets nets moyens des mesures d'accès à l'emploi affichent des valeurs systématiquement plus élevées pour les femmes que pour les hommes, des inquiétudes persistent quant au manque de mesures visant un changement structurel et à lutter contre les stéréotypes sexistes enracinés. Par conséquent, un soutien supplémentaire et une reconnaissance accrue des obstacles spécifiques auxquels les femmes sont confrontées sur le marché du travail sont encouragés, tout en veillant à éviter les formes de soutien qui pourraient implicitement renforcer les stéréotypes de genre.

4. **La charge administrative**, en particulier dans le contexte de la gouvernance à plusieurs niveaux et malgré les améliorations intervenues au cours de la période, est toujours perçue comme élevée et affecte la mise en œuvre, en particulier lorsque la capacité administrative des organismes d'exécution et des bénéficiaires potentiels est faible. Par conséquent, il est recommandé de poursuivre les efforts sur la simplification, la clarté et la stabilité des règles et des responsabilités, la formation des acteurs chargés de la mise en œuvre et les mesures d'accompagnement pour les bénéficiaires, y compris les bénéficiaires potentiels.

5. **Les systèmes nationaux de suivi et d'évaluation** se sont largement améliorés depuis la période de programmation 2007-2013, notamment en ce qui concerne la fourniture d'informations plus précises sur les bénéficiaires directs du FSE, une meilleure qualité des données, une plus grande importance accordée aux approches contrefactuelles et macroéconomiques. Cependant, il reste des lacunes à combler, alors que les systèmes sont perçus comme contraignants par les parties prenantes. Les principaux problèmes concernent la sous-déclaration des données, la faible utilisation des micro données, la variabilité des approches contrefactuelles utilisées et la comparabilité de leurs résultats et l'insuffisance des informations sur les types de soutien offerts. Cela entrave la collecte de données comparatives sur ce qui fonctionne le mieux, où et pour qui. En conséquence, les suggestions suivantes portant sur la période de programmation actuelle et la suivante, sont présentées:

- i. **pour la période de programmation en cours** et en vue de l'évaluation ex post, la Commission pourrait encourager les autorités de gestion à harmoniser leurs demandes d'évaluations d'impact contrefactuelles afin de produire des informations plus nuancées et comparables. Elle pourrait également recommander d'accorder une plus grande attention aux implications macroéconomiques des programmes. Dans le même temps, la Commission pourrait aider les autorités de gestion à mieux collecter et classer les données sur les types d'opérations et les micro données sur les participants;
- ii. **pour la prochaine période de programmation**, et afin de mieux évaluer et rendre visibles les effets du soutien à l'emploi et à la mobilité, la Commission pourrait encourager les autorités de gestion à collecter des preuves supplémentaires sur les résultats immatériels, sur les résultats en matière de mobilité ainsi que sur la qualité de l'emploi obtenu. Il sera important de continuer à se concentrer également sur les implications macroéconomiques des programmes.

***Les investissements FSE TO8 peuvent jouer un rôle important dans l'atténuation des effets de la crise socio-économique en cours en capitalisant sur l'adaptabilité du FSE et sa capacité à innover et à se concentrer sur les groupes cibles vulnérables***

6. Le FSE peut jouer un rôle dans l'atténuation des effets de la crise à venir et a montré sa capacité à s'adapter à l'évolution des besoins socio-économiques et à proposer des solutions à plus long terme. Dans le sillage de la crise COVID-19, il est important que les investissements dans l'emploi et la mobilité de la main-d'œuvre puissent:

- i. anticiper les effets négatifs possibles que la crise pourrait avoir en ce qui concerne les différences sur le marché du travail entre les hommes et les femmes (telles que la ségrégation sectorielle, une plus grande concentration des femmes dans le travail à temps partiel, des emplois moins rémunérés, de plus courte durée et dans des entreprises plus petites). Ces facteurs peuvent entraîner différents

impacts de la récession et des réponses politiques conséquentes sur les hommes et les femmes. Une attention particulière aux écarts entre les sexes peut également être encouragée car les effets du soutien reçu ont tendance à être plus importants pour les femmes, comme le montrent les résultats de l'étude et conformément à la littérature;

- ii. ne pas perdre leur accent sur les actions systémiques, en particulier en faveur de l'égalité des sexes, du vieillissement actif et du soutien aux réformes du marché du travail qui risqueraient autrement d'être considérées comme des politiques opportunistes, considérées uniquement lorsque la conjoncture est favorable; et
- iii. être dûment coordonnés avec les initiatives nationales et européennes en vue de tirer parti des spécificités et de la valeur ajoutée du FSE et de maintenir ainsi l'accent sur les groupes cibles vulnérables qui sont susceptibles d'être les plus durement touchés par la crise et envers lesquels les effets du soutien se sont avérés conformes ou supérieurs à la moyenne.

## Zusammenfassung

Die Studie beinhaltet eine Evaluation der im Rahmen des Thematischen Ziels 8<sup>15</sup> in allen Mitgliedstaaten für den Zeitraum 2014-2018 geförderten Maßnahmen. Sie bewertet den Beitrag des Europäischen Sozialfonds (ESF) zur Förderung der Beschäftigung<sup>16</sup> und der Mobilität der Arbeitskräfte, wobei die Unterstützung für die Jugendbeschäftigung<sup>17</sup> unberücksichtigt bleibt. Sie liefert Informationen für die restliche und die nächste Programmperiode und soll den Weg für die Ex-Post-Evaluation ebnen. Maßnahmen zur Jugendbeschäftigung im Rahmen und außerhalb des speziellen Investitionsschwerpunkts und für junge Menschen (bis zu 24-29 Jahre) sind ausgeschlossen. Diese werden von der „Studie zur Evaluation der ESF-Unterstützung für die Jugendbeschäftigung“<sup>18</sup> abgedeckt.

**COVID-19 Pandemie:** *Es ist anzumerken, dass die Erhebungen für diese Evaluation vor dem Ausbruch des COVID-19 (Coronavirus) in Europa durchgeführt wurde. Die vorliegende Studie befasst sich daher weder mit der Unterstützung, die als Reaktion auf die andauernde Pandemie geleistet wurde, noch mit deren Folgen für die Umsetzung der genannten Unterstützung. Die kürzlich verabschiedete Investitionsinitiative zur Bewältigung der Corona-Krise wird sich auf die Unterstützung der Beschäftigung für den Rest der laufenden Umsetzungsperiode auswirken. Die Vorschläge für die Erholung und die nächste Programmperiode werden ebenfalls darauf abzielen, die Folgen dieser Pandemie abzuschwächen.*

*Die COVID-19 Pandemie ist ein schwerer Schock für die globale und europäische Wirtschaft. Bereits Ende März 2020 sind erhebliche negative wirtschaftliche Auswirkungen für Europa eingetreten, zumindest in der ersten Hälfte des Jahres 2020 und möglicherweise noch länger, wenn die Pandemie nicht rasch eingedämmt wird. Für die Zukunft wird das Ausmaß der negativen Aussichten von einer Reihe von Faktoren abhängen, wie z.B. der mangelnden Versorgung mit kritischen Materialien, der Wirksamkeit von Eindämmungsmaßnahmen, dem Abschwung in der verarbeitenden Industrie in der EU, verlorenen Arbeitstagen in Unternehmen und öffentlicher Verwaltung und negativen Nachfrageeffekten aufgrund von Mobilitätseinschränkungen, Reisetörungen usw.*

### **Ein Schritt weg von der Eindämmung der hohen Arbeitslosenraten nach der Krise hin zu mehr strukturellen Problemen und einer anpassungsfähigen und integrativen Arbeitnehmerschaft**

Im Hinblick auf die Entwicklung des sozioökonomischen Kontextes hebt die Studie hervor, dass zu Beginn der laufenden Programmperiode das größte Anliegen der Befriedigung des dringenden Bedarfes galt, insbesondere angesichts des alarmierenden Ausmaßes der Arbeitslosigkeit, welche in der gesamten EU nach der Finanz- und Wirtschaftskrise Ende der ersten Dekade der 2000er Jahre verzeichnet wurde. Vom Beginn der Programmperiode bis 2018 haben die Arbeitsmärkte deutliche Anzeichen einer Erholung gezeigt. Der Schwerpunkt verlagerte sich allmählich auf den Bedarf an anpassungsfähigen Arbeitskräften. Dies erfolgte unter anderem durch Maßnahmen für ein aktives und gesundes Altern sowie durch die Bekämpfung anhaltender geschlechterspezifischer Beschäftigungs- und Lohnunterschiede.

Die Europäische Kommission (EK) konzentriert sich in ihren länderspezifischen Empfehlungen an die Mitgliedstaaten auf diese Bedarfe, insbesondere für Frauen und ältere Arbeitnehmer und Arbeitnehmerinnen. Diese beiden Gruppen benötigen, wie diese Studie zeigt, zusätzliche Unterstützung. Obwohl Frauen unter den Teilnehmenden in den meisten Regionen gut vertreten sind, sehen sie sich nach wie vor wichtigen Hindernissen ausgesetzt, die durch die Gestaltung von ESF-Maßnahmen adressiert werden können. Frauen und ältere Arbeitnehmer und

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<sup>15</sup> „Förderung nachhaltiger und qualitativ hochwertiger Beschäftigung und Unterstützung der Mobilität von Arbeitskräften“ mit Ausnahme der Jugendbeschäftigung, die Gegenstand einer separaten Evaluation ist

<sup>16</sup> Eines der Hauptziele der Strategie Europa 2020, die 2010 vom Europäischen Rat angenommen wurde, ist die Erhöhung der Beschäftigungsrate der Bevölkerung im Alter von 20-64 Jahren auf mindestens 75% bis 2020

<sup>17</sup> Das Thematische Ziel 8 wird durch 7 Investitionsprioritäten umgesetzt – (i) Zugang zur Beschäftigung, (ii) Jugendbeschäftigung (hier nicht behandelt), (iii) Unternehmertum, (iv) Gleichstellung der Geschlechter, (v) Anpassungsfähigkeit, (vi) Aktives Altern und (vii) Arbeitsmarktinstitutionen

<sup>18</sup> Metis GmbH et al. (2020), Studie zur Evaluation der ESF-Unterstützung für die Jugendbeschäftigung, Europäische Kommission



Arbeitnehmerinnen sind mit größerer Wahrscheinlichkeit wirtschaftlich inaktiv und oft schwieriger zu identifizieren und zu engagieren.

### ***Der Kampf gegen Arbeitslosigkeit - ein anhaltender Schwerpunkt weniger entwickelter Regionen***

Die Verbesserungen auf dem Arbeitsmarkt waren erheblich, jedoch nicht gleichmäßig über die Mitgliedstaaten und insbesondere über die Regionen verteilt. ESF-Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte ist in ganz Europa verfügbar. Der Schwerpunkt wurde jedoch auf die Gebiete – weniger entwickelte Regionen – gelegt, in denen die Unterstützung am dringendsten benötigt wird, insbesondere im Hinblick auf den Zugang zur Beschäftigung. In den Übergangsräumen lag der Schwerpunkt auf Unternehmertum und Unterstützung von Arbeitsmarkteinrichtungen, wobei in den entwickelten Regionen ein ausgewogener Ansatz verfolgt wurde.

## **Wirksamkeit**

### ***Die Triangulation der Beweise erzählt eine allgemein positive Geschichte der Wirksamkeit der ESF TO8 Maßnahmen***

Die Zuweisung der Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte beträgt EUR 32,1 Milliarden. Dies entspricht 26% des gesamten ESF-Budgets für 2014-2020 und Mitgliedsstaaten unterstreichen dessen zentrale Stellung als Kernaufgabe des ESF. Ende 2018 lag die Zahl der Teilnahmen an der Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte bei 6,6 Millionen (26,3% des gesamten ESF und YEI), von denen etwa 4,6 Millionen arbeitslos, 0,5 Millionen nicht erwerbstätig und 1,7 Millionen erwerbstätig waren. Insgesamt waren 1,3 Millionen Menschen unmittelbar nach Verlassen der ESF-Maßnahmen erwerbstätig. Weitere 0,7 Millionen Menschen erwarben eine Qualifikation zur Verbesserung ihrer Position auf dem Arbeitsmarkt nach der Teilnahme. Zusätzliche 0,2 Millionen Menschen gingen zurück in die Ausbildung und etwa 0,03 Millionen waren auf Arbeitssuche. Wichtig ist festzuhalten, dass die Gesamtzahlen wahrscheinlich unterschätzt werden, weil zu wenige Fälle gemeldet werden. Dies begründet sich in Verzögerungen bei der Einrichtung von Monitoringsystemen in einigen Ländern, als Folge von laufenden, aber nicht abgeschlossenen Maßnahmen, die wahrscheinlich zusätzliche Ergebnisse liefern werden und aus Schwierigkeiten bei der Erfassung von „weichen Ergebnissen“. „Weiche Ergebnisse“ können mit erhöhter Beschäftigungsfähigkeit und geringerer Distanz zum Arbeitsmarkt sowie mit anderen Vorteilen, wie einem gesteigerten Selbstwertgefühl erzielt werden. Diese Faktoren können als Voraussetzung für eine zukünftige Beschäftigung angesehen werden.

**Insgesamt steht die Umsetzung der ESF-Unterstützung** für Beschäftigung und Mobilität der Arbeitskräfte **im Einklang mit den Zielvorgaben**, wobei jedoch Unterschiede zwischen den Mitgliedstaaten bestehen. Zu Beginn gab es Verzögerungen, insbesondere in den Ländern mit schwächeren sozioökonomischen Bedingungen und einer schwächeren Förderleistung. Die Konzentration auf den Abschluss von Maßnahmen aus der vorherigen Programmperiode sowie auf die Jugendbeschäftigungsinitiative (YEI) als Sofortmaßnahme ab 2013 trugen ebenfalls zu Verzögerung bei.

Innerhalb der ESF-Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte gab es Unterschiede in der Umsetzung. **Die größten Fortschritte wurden im Hinblick auf den Zugang zu Beschäftigung für Arbeitslose**, inklusive arbeitsmarktferner Gruppen, erzielt. Die Umsetzung war einfacher für die Gruppen, die die meiste Unterstützung benötigen und weniger Hindernisse an einer Teilnahme haben (zu den schwierigeren Hindernissen gehören Behinderungen oder die Identifizierung schwer erreichbarer Gruppen, insbesondere in ländlichen Gebieten).

**Zusätzlich zu den Monitoringdaten**, die uns nicht umfassend darüber informieren können, inwieweit spezifisch die ESF-Unterstützung solche Ergebnisse möglich gemacht hat, **fand die Studie eine zunehmende Zahl kontrafaktischer Belege - sowohl auf Mikro- als auch auf Makroebene - für die positiven Auswirkungen der Beschäftigungs- und Mobilitätsförderung.**

**Die Wirksamkeit der ESF-Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte ist stärker, wenn diese an die Nachfrage auf dem Arbeitsmarkt angepasst wird.** Im Gegensatz dazu ist die allgemeine Bereitstellung weniger wirksam. Um wirksam zu sein, muss beispielsweise die berufliche Aus- und Weiterbildung auf die spezifischen Bedürfnisse der Arbeitgeber und Arbeitgeberinnen zugeschnitten sein. Die Art der Maßnahmen – ihre Form, Qualität und Angemessenheit an die Bedürfnisse des Arbeitsmarktes – ist der Hauptfaktor, der die Wirksamkeit (und Kostenwirksamkeit) bestimmt.

Zu den Faktoren, die zu einer wirksamen Umsetzung beitragen und somit Erkenntnisse sowohl für die laufende als auch für die nächste Programmperiode liefern, gehören integrierte und partnerschaftliche Ansätze für die Durchführung, kombiniert mit ausreichenden Managementkapazitäten.

**Die ESF-Unterstützung scheint – im Hinblick auf die Förderung von Beschäftigung – am wirksamsten für jene Personen zu sein, die sich in einer gewissen Entfernung vom Arbeitsmarkt befinden, d.h. weder zu nah am Arbeitsmarkt (z.B. gut qualifizierte Personen) noch zu weit von ihm entfernt sind (z.B. Mehrfachbenachteiligten).** Die erstgenannte Gruppe wird bei guten Marktbedingungen wahrscheinlich ohne jegliche Unterstützung eine Beschäftigung finden. Für die zweite Gruppe ist die Erlangung einer (festen) Arbeitsstelle ein längerfristiges Ziel, während die Verbesserung ihrer Beschäftigungsfähigkeit und die Annäherung an die Beschäftigung ein realistischeres Ziel ist. Darüber hinaus könnten Personen, die zu dieser Gruppe gehören, auch von Maßnahmen profitieren, die im Rahmen des Thematischen Ziels 9 „Soziale Eingliederung“ finanziert werden.

**Die ESF-Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte hat sich für Frauen und (in geringerem Ausmaß) für ältere Menschen als wirksamer erwiesen.** Dennoch stellen Geschlechterstereotypen nach wie vor ein wichtiges Hindernis dar. Nur ein relativ kleiner Anteil des Budgets steht für die gezielte Unterstützung dieser beiden Gruppen zur Verfügung. Darüber hinaus ist die Wahrscheinlichkeit für Frauen, einen qualitativ schlechteren Arbeitsplatz (hinsichtlich Dauer und Bezahlung) zu erfahren, größer. Dennoch sind Frauen mit einem Gesamtanteil von 54% aller Teilnahmen gut vertreten.

**Die Evidenz für die Qualität der erworbenen Beschäftigung ist** auch aufgrund fehlender spezieller Monitoringanforderungen **recht dünn, aber trotz einiger Abweichungen im Allgemeinen positiv. Ähnliche Ergebnisse gelten für die Mobilität der Arbeitskräfte** und insbesondere die geographische Mobilität, **die in dieser Programmperiode nicht genügend Augenmerk** und Unterstützung auf sich zog.

## **Effizienz**

***Maßnahmen der Kosteneffizienz entsprechen im Großen und Ganzen den Benchmarks, auch in früheren Programmen***

**Die durchschnittlichen Einheitskosten für die ESF-Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte entsprechen den Benchmarks** (EUR 1.300 für Teilnahmen und EUR 3.600 für Ergebnisse). Es gibt Unterschiede zwischen den Ländern, die jedoch eher mit der Art und den Durchführungsmechanismen der Maßnahmen als mit länderspezifischen Faktoren zusammenhängen. **Maßnahmen zur Förderung von Aktivem Altern** haben zwar niedrigere Einheitskosten, sind dafür aber auch weniger effektiv. Das deutet darauf hin, dass zu geringe Ausgaben zu einer verminderten Qualität der Maßnahmen führen können.

Tatsächlicher und vermeintlicher **Verwaltungsaufwand hat die effektive Umsetzung durch Verzögerungen belastet: auch die Kosteneffizienz wurde dadurch beeinträchtigt.** Auf Ebene der Mitgliedstaaten wurden neue Monitoringsysteme und Datenbanken entwickelt, um den seit der Programmperiode 2007-2013 eingetretenen regulatorischen Veränderungen Rechnung zu tragen. Der bedeutendere Faktor ist die unzureichende Verwaltungskapazität, die sich wiederum auf die Umsetzung auswirkt. Zusätzliche Kosten entstanden für die Anwerbung und Bereitstellung von ESF-Mitteln für schwer erreichbare Gruppen, insbesondere in abgelegenen/ländlichen Gebieten.

## Relevanz

***ESF Maßnahmen haben die größte Relevanz, wenn sie auf die spezifischen Bedürfnisse der Teilnehmenden ausgerichtet sind***

**Die Maßnahmen sind auf die Bedürfnisse der Zielgruppen ausgerichtet und haben zur Eingliederung der Arbeitslosen in den Arbeitsmarkt beigetragen.** Dies hat in vielen Fällen zur Schaffung von Arbeitsplätzen, aber auch zu Fortschritten in Richtung Beschäftigung geführt, was nicht immer wirksam überwacht und gemessen wird. Die Studie zeigt, dass die ESF-Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte am relevantesten ist, wenn sie mit anderen Maßnahmen kombiniert wird, welche die Teilnehmenden unterstützen (einschließlich Gesundheit, Wohnen usw.), insbesondere diejenigen, die am weitesten vom Arbeitsmarkt entfernt sind. Dies ist außerdem der Fall, wenn sie Maßnahmen mit integrierten und maßgeschneiderten Ansätzen statt mit isolierten Maßnahmen kombinieren und wenn Arbeitgeber und Arbeitgeberinnen eng einbezogen werden. Der ESF hat den Mitgliedstaaten auch dabei geholfen, eine längerfristige Perspektive einzunehmen, einschließlich der Schaffung einer unternehmerischen Kultur als Alternative zur traditionellen Beschäftigung.

Fragen im Zusammenhang mit aktivem Altern und verwurzelten Geschlechterstereotypen wurden jedoch aufgrund der geringen verfügbaren Mittel, der langen Durchführungszeiträume und der Notwendigkeit holistischer und sachkundigerer Ansätze nicht ausreichend angegangen.

## Kohärenz

***Die ESF-Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte ist über die verschiedenen Maßnahmen hinweg sowie mit anderen Thematischen Zielen und EU-Fonds kohärent. Sie ist auf länderspezifische Empfehlungen sowie auf nationale und regionale Politiken abgestimmt***

**Die Maßnahmen zeigen ein gutes Maß an Komplementarität untereinander sowie mit den Maßnahmen, die im Rahmen anderer Thematischer Ziele finanziert werden,** insbesondere im Rahmen der Thematischen Ziele 9 (Soziale Eingliederung) und 10 (Bildung und lebenslanges Lernen) sowie des Thematischen Ziels 3 (Wettbewerbsfähigkeit von KMU) des Europäischen Fonds für regionale Entwicklung. Die Komplementarität von Maßnahmen, die durch ESF-Unterstützung für Beschäftigung und Mobilität finanziert werden, mit Maßnahmen aus nationalen und regionalen Programmen, oder mit Maßnahmen, die horizontale Themen wie soziale Innovation unterstützen, könnte verbessert werden. Im Falle des EFRE ist die konkrete Integration mit dem ESF nicht einfach. Diese Tatsache könnte die Entwicklung integrierter Projekte zwischen ESF und EFRE eher verhindern. Die im Rahmen der ESF TO8 finanzierten Maßnahmen weisen erhebliche Synergien mit anderen EU-finanzierten Programmen auf, insbesondere mit EaSI, dem Europäischen Globalisierungsfonds und dem Fonds für Asylumigration und Integration. Ebenso ergänzen die TO8-Maßnahmen des ESF die nationale oder regionale Politik in den EU-Mitgliedstaaten. Diese Komplementarität kann so ausschauen, dass der ESF eine unterstützende Rolle für die Lokalpolitik einnimmt oder politische Lücken schließt. Im Allgemeinen werden die länderspezifischen Empfehlungen durch die ESF-Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte, wie sie in den zugrundeliegenden Interventionslogiken verankert ist, gut berücksichtigt. Sie dürften daher dank des Verhandlungsprozesses, der in der Programmierungsphase zwischen der Kommission und den Mitgliedstaaten stattgefunden hat, zur Bewältigung der ermittelten Herausforderungen beitragen. Dieser Prozess setzt sich während der Umsetzung fort, wenn die Mitgliedstaaten mit der Europäischen Kommission über Änderungen und Ergänzungen der operationellen Programme verhandeln.

## Nachhaltigkeit

***Die vom ESF zur Verfügung gestellte Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte ist sowohl für Individuen als auch für Systeme nachhaltig***

Insgesamt scheinen sich die **Beschäftigungsaussichten der Teilnehmenden mit der Zeit und nach Abschluss** der durch den ESF finanzierten Unterstützung **zu verbessern**. Zusätzliche

0,3 Millionen Teilnehmende hatten sechs Monate nach einer ESF-Teilnahme<sup>19</sup> eine Beschäftigung gefunden. Kontrafaktische Wirkungsevaluationen zeigen im Allgemeinen, dass die Beschäftigungsmöglichkeiten für die Teilnehmenden im Laufe der Zeit stärker steigen als für ihre (nicht teilnehmenden) Kontrollgruppen.

Einige Maßnahmen, darunter die Berufsberatung, haben kurzfristig eine größere Wirkung, doch der Aufbau von Kompetenzen jeder und jedes Einzelnen und die Förderung deren Beschäftigungsfähigkeit durch arbeitsbasiertes Lernen und gezielte Ausbildung sind längerfristig nachhaltiger. Dies gilt im Allgemeinen auch für Maßnahmen zur Förderung des Unternehmertums, sofern sich die wirtschaftlichen Rahmenbedingungen in den Mitgliedstaaten nicht verschlechtern.

Die generierten makroökonomischen Effekte sind auch mittel- bis langfristig positiv. Der geschätzte Multiplikator (erzeugte Euro pro investiertem Euro, zu berücksichtigen im Hinblick auf eine mögliche Unterberichterstattung über die Ergebnisse und mehrere Vorbehalte) ist in über 50 Regionen höher als 1. Die Nachhaltigkeit der unterstützten Maßnahmen wird durch die Evidenz für die Einbeziehung der ESF-Unterstützung in die nationale Politik in vielen Bereichen bestätigt, obwohl in schwächeren sozioökonomischen Kontexten gewisse Risiken einer Abhängigkeit von der EU-Unterstützung bestehen.

### **Europäischer Mehrwert**

#### ***Ein beträchtlicher europäischer Mehrwert der ESF-Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte ist nachweisbar***

Aufgrund der ESF-Maßnahmen werden mehr Menschen unterstützt, insbesondere Gruppen, die am meisten Förderungen benötigen. Die ESF-Investitionen hatten auch eine Hebelwirkung auf andere – nationale – Arbeitsmarktinvestitionen. Wir sehen auch Anzeichen für ein Mainstreaming von ESF-Maßnahmen, die nationale Programme beeinflussen, sowie für innovative Ansätze, die von den Mitgliedstaaten als Teil ihrer Arbeitsmarktprogramme gefördert werden. Zu diesen Innovationen gehört der Einsatz individualisierter und zielgerichteter Ansätze, insbesondere für Migranten und Migrantinnen, ältere Arbeitnehmer und Arbeitnehmerinnen und Frauen. Die ESF-Unterstützung für Beschäftigung und Mobilität der Arbeitskräfte hat dazu beigetragen, Geschlechterfragen stärker in den Vordergrund zu rücken und soziale Innovationen zu fördern. Bis zu einem gewissen Grad lenkt die Unterstützung auch Aufmerksamkeit auf die Notwendigkeit der Unterstützung des aktiven Alterns. Entscheidend ist, dass der ESF dazu beigetragen hat, effektive Umsetzungskapazitäten in den Mitgliedstaaten aufzubauen, was das Programm- und Kostenmanagement und die Monitoringsysteme sowie das Bewusstsein und die Kenntnis der Zielgruppen betrifft.

### **Wichtigste Erkenntnisse und Empfehlungen**

#### ***Wichtige Erkenntnisse wurden beim Monitoring, bei der Programmierung und Umsetzung der Programme, insbesondere bei der Durchführung der Programme, dem aktiven Altern und der Gleichstellung der Geschlechter, gewonnen.***

1. **Werden die Maßnahmen ordnungsgemäß durchgeführt und entsprechen den Bedürfnissen** sowohl des Arbeitsmarktes als auch der Zielgruppen, korrelieren die tatsächlichen Auswirkungen der angebotenen Unterstützung nicht mehr mit der allgemeinen wirtschaftlichen Entwicklung und hängen nur mehr teilweise mit der Entfernung der Zielgruppen vom Arbeitsmarkt zusammen. In anderen Worten: **Die Beschäftigungs- und Mobilitätsförderung hat das Potenzial, in allen Bereichen wirksam zu sein.** Allerdings ist die Umsetzung von Beschäftigungs- und Mobilitätsmaßnahmen in einigen weniger günstigen Gebieten und gegenüber benachteiligten Personen tendenziell langsamer. Dies erfordert **weitere Anstrengungen zur Verbesserung der Zusammenarbeit zwischen den Partnern und der Verwaltungskapazität auf allen Ebenen**, damit die Unterstützung die Bedürftigsten noch wirksamer erreichen kann. Es ist auch wichtig, über die ESF-Evaluierungspartnerschaft auf EU-Ebene und über die Mitgliedstaaten bewährte Praktiken weiter zu verbreiten. Außerdem ist es wichtig, die Arbeitgeber und Arbeitgeberinnen in

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<sup>19</sup> 1,6 Millionen im Vergleich zu 1,3 Millionen

die Programmierung und Durchführung der Maßnahmen miteinzubeziehen, um eine besser zugeschnittene Unterstützung anbieten zu können.

2. **Maßnahmen zur Unterstützung von Personen im Alter von 54 Jahren oder älter haben mit überdurchschnittlich großen Schwierigkeiten zu kämpfen.** Die Mittelzuweisung auf Investitionsprioritäten für aktives Altern in den Mitgliedstaaten ist relativ gering. Ältere Arbeitnehmer und Arbeitnehmerinnen sind auch in den anderen Investitionsprioritäten unterrepräsentiert. **Deren spezifische Anforderungen,** insbesondere auf einen längeren Verbleibs im Erwerbsleben, was angesichts der Schwierigkeiten beim Wiedereinstieg nach der Arbeitslosigkeit besonders bedeutend ist, **sollten besser berücksichtigt werden.** In dieser Hinsicht könnte gemeinsam mit den Arbeitgebern und Arbeitgeberinnen mehr getan werden. Es gibt Beispiele für wirksame Unterstützung, die weiter bekanntgemacht werden könnten, aber dies ist ein Bereich, in dem stärker holistisch ausgerichtete Ansätze – einschließlich gesundheitlicher und sozialer Unterstützung – gefördert werden könnten.
3. **Ein ausgewogenes Verhältnis zwischen den Geschlechtern** bei den Personen, die Unterstützung erhalten, ist **im Allgemeinen gut gewährleistet.** Jedoch liegen nur wenige Informationen über mögliche Unterschiede in Form und Intensität der Unterstützung von Frauen vor. Außerdem wurde eine begrenzte Verwendung von nach Geschlecht desaggregierten Zielen für Output- und Ergebnisindikatoren festgestellt. Interessanterweise **besteht nach wie vor die Befürchtung, dass Maßnahmen, die auf strukturelle Veränderungen abzielen und gegen Geschlechterstereotypen vorgehen, unterentwickelt seien.** Dies, obwohl die durchschnittlichen Nettoeffekte von Maßnahmen für den Zugang zu Beschäftigung für Frauen durchwegs höher sind als jene für Männer. Daher werden zusätzliche finanzielle Unterstützungen und die stärkere Anerkennung der spezifischen Hindernisse, denen sich Frauen auf dem Arbeitsmarkt stellen müssen, gefördert, zusammen mit einer größeren Aufmerksamkeit auf die Vermeidung von Formen der Unterstützung, die implizit Geschlechterstereotype verstärken könnten.
4. **Der Verwaltungsaufwand wird immer noch als hoch empfunden,** vor allem im Zusammenhang mit der Multi-Level-Governance und trotz Verbesserungen im Untersuchungszeitraum. **Er wirkt sich vor allem dort auf die Umsetzung aus, wo die Verwaltungskapazität der Durchführungsorgane und potenziellen Begünstigten gering ist.** Es wird daher empfohlen, die Bemühungen um **Vereinfachung, Klarheit und Stabilität der Regeln** und Zuständigkeiten, **die Schulung der Durchführungsakteure und die Begleitmaßnahmen für die Begünstigten,** einschließlich der potenziellen Begünstigten, fortzusetzen.
5. **Die nationalen Monitoring- und Evaluationssysteme haben sich** seit der Programmperiode 2007-2013 **weitgehend verbessert.** Insbesondere im Hinblick auf die Bereitstellung genauerer Informationen über die direkten Empfänger und Empfängerinnen von ESF-Mitteln, eine höhere Datenqualität und eine stärkere Betonung kontrafaktischer und makroökonomischer Ansätze konnten Verbesserungen festgestellt werden. **Es gibt jedoch Lücken, die es zu schließen gilt.** Auch werden die Systeme von den Stakeholdern als belastend empfunden. Die Hauptprobleme betreffen die zu geringe Meldung von Daten, die geringe Verwendung von Mikrodaten, die Variabilität der verwendeten kontrafaktischen Ansätze und der Vergleichbarkeit ihrer Ergebnisse sowie unzureichende Informationen über die Art der angebotenen Unterstützung. Dies erschwert die Sammlung vergleichbarer Evidenz davon, was wo am besten funktioniert und für wen. Dementsprechend werden in dieser Studie einige Vorschläge vorgestellt, die für die aktuelle bzw. für die nächste Programmperiode in Betracht gezogen werden könnten:
  - i. **Für die laufende Programmperiode** und mit Blick auf die Ex-Post-Evaluierung könnte die Kommission die Verwaltungsbehörden dazu ermutigen, ihre Anträge auf Evaluationen kontrafaktischer Auswirkungen zu harmonisieren, um nuancierte und besser vergleichbare Informationen zu erhalten. Sie könnte auch empfehlen, den makroökonomischen Auswirkungen der Programme mehr Aufmerksamkeit zu schenken. Gleichzeitig könnte die Kommission die Verwaltungsbehörden dabei

unterstützen, Daten über die Arten von Maßnahmen und Mikrodaten über die Teilnehmer und Teilnehmerinnen besser zu sammeln und zu kategorisieren;

- ii. **Für die nächste Programmperiode** und um die Auswirkungen der Unterstützung von Beschäftigung und Mobilität besser bewertbar und sichtbar machen zu können, könnte die Kommission die Verwaltungsbehörden ermutigen, weitere Nachweise über weiche Ergebnisse, über Mobilitätsergebnisse sowie über die Qualität der erzielten Beschäftigung zu sammeln. Es wird wichtig sein, den Schwerpunkt auch auf die makroökonomischen Auswirkungen der Programme zu legen.

***ESF TO8 Investitionen können eine wichtige Rolle bei der Abfederung der Auswirkungen der sich entfaltenden sozioökonomischen Krise spielen, indem sie die Anpassungsfähigkeit und die Fähigkeit des ESF zur Innovation und den Fokus auf gefährdete Zielgruppen nutzen***

6. Der ESF kann eine Rolle bei der Abfederung der Auswirkungen der bevorstehenden Krise spielen und hat seine Fähigkeit unter Beweis gestellt, sich an verändernde sozioökonomische Bedürfnisse anzupassen und längerfristige Lösungen anzubieten. Im Zuge der COVID-19 Krise ist es wichtig, Investitionen in Beschäftigung und Mobilität der Arbeitskräfte zu tätigen, die folgende Bedingungen erfüllen:
  - i. Mögliche negative Auswirkungen vorwegnehmen, welche die Krise auf Geschlechterdifferenzen aufgrund der Unterschiede von Arbeitsplätzen von Frauen und Männern hat: Dazu zählen, sektorale Segregation, stärkere Konzentration von Frauen in Teilzeitarbeit und in Arbeitsplätzen mit geringerer Entlohnung, kürzerer Verweildauer und in kleineren Unternehmen. Das kann sich sowohl auf die Auswirkungen des Abschwungs auf Frauen auswirken, als auch auf das Ausmaß, indem die Maßnahmen ihnen zugutekommen. Darüber hinaus sind im Lichte der Ergebnisse der Studie und der Literaturanalyse die Nettoeffekte der Unterstützung für Frauen tendenziell höher, was in Hinblick auf die Maximierung der Auswirkungen wichtig ist.
  - ii. Ihren Fokus auf systemrelevante Aktionen nicht verlieren, insbesondere auf die Gleichstellung der Geschlechter, das aktive Altern und die Unterstützung von Arbeitsmarktreformen, die sonst Gefahr liefen, als „Schönwetterpolitik“ betrachtet zu werden; und
  - iii. Ordnungsgemäß mit nationalen und EU-Initiativen koordiniert werden, um die Besonderheiten und den Mehrwert des ESF zu nutzen und so den Schwerpunkt auf gefährdete Zielgruppen zu legen. Letztere werden wahrscheinlich am stärksten von der Krise betroffen sein. Die Effektivität der Unterstützung für diese Gruppen entspricht nachweislich dem Durchschnitt oder liegt sogar über diesem.



## 1 Introduction

### 1.1 Purpose and objective of the study

This study assesses the effectiveness, efficiency, relevance, coherence, European Union (EU) added value and sustainability of the operations carried out under the Thematic Objective (TO) 8 of the European Social Fund - Promoting sustainable and quality employment and supporting labour mobility. It covers the support provided by the European Social Fund (ESF) for the period 2014-2018 in all 28 EU Member States except for Investment Priority 8.ii and other operations specifically targeting youth employment, which is the focus of a parallel study, as clarified in section 1.2 below.

The purpose and objectives of the evaluation is twofold.

First, to take stock of the results of ESF related support for the period 2014-2018, building on the relevant ESF evaluations carried out by Member States. The conclusions of the evaluations should be used in the implementation of the final stages of the existing European Social Fund programmes dedicated to Thematic Objective 8 excluding support to youth employment.

Second, to feed into the next programming period, by providing lessons, notably about cost-effectiveness, outreach and target groups most in need, thus supporting the negotiation of the Operational Programmes for the European Social Fund plus. It will also pave the way for the ex-post evaluation of the ESF by the Commission to be completed by December 2024.

### 1.2 Scope of the present evaluation and demarcation of operations between TO8 and youth employment operations

The present evaluation covers **employment and labour mobility operations** funded by the ESF **under Thematic Objective 8 except for youth employment operations** that are the subject of the separate study supporting the evaluation of youth employment.

To clearly separate Thematic Objective 8 (TO8) operations from youth employment operations within TO8 a clear demarcation methodology has been developed and adopted for the drafting of the present report (and likewise for the drafting of the report on youth employment), following discussions with DG EMPL.

The demarcation is detailed in an *ad-hoc* note shared with DG EMPL and operates at two levels:

1. The youth employment / TO8 evaluations use **financial and physical monitoring data** at the level of the Investment Priorities (Investment Priority 8.ii for youth employment and remaining Investment Priorities for TO8) **as the basis for demarcation**, allowing the creation of reliable aggregates of **budget allocations, expenditures, outputs and results** (and their targets). In this way, data reported by the evaluation can easily be replicated and is in line with other reports (EU cohesion data portal, ESF monitoring, other communication material on TO8).
2. This information **is complemented** with information collected from the **mapping of operations** (that goes below the Investment Priority, at the level of types of operations or groups of operations) and which allows to identify youth employment operations, and conversely residual TO8 operations, irrespective of the Investment Priority they are linked to<sup>20</sup>. This will allow to provide the actual description of operations targeting employment and labour mobility except for those targeting exclusively youth employment, estimating their actual extent and importance and, as far as possible, the number of participants.

As it can be inferred from the above, this demarcation is based on a mixed approach which means that the object of the analysis is not fixed but changes according to the information source used throughout the report. This indicates that:

- Sections 3.1 - Scope in Investments in employment and labour mobility, and 3.3 - Implementation/performance, which build upon financial and physical indicators, are based

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<sup>20</sup> For operations outside 8ii an operation is classified as YE when young people (less than 30 years old) are its only target group (within TO8), OR if they are programmed under a Specific Objective that explicitly mentions young people and have young people among its target group (within TO8).

on the demarcation at the level of the Investment Priority. This implies that they present information on TO8 with the exception of Investment Priority 8.ii. The same applies to the econometric analysis carried out (and presented in Annex V) as well as the data used by the Joint Research Centre in their macroeconomic simulations carried out through the RHOMOLO model<sup>21</sup>.

- Section 3.2 – Overview of types of operations which build upon the screening of the qualitative information included in the Annual Implementation Reports and other sources, is based on the demarcation at the level of the operations. This means that the information presented is on TO8 excluding youth employment operations, independently of whether they are programmed under Investment Priority 8.ii.

Besides monitoring data, the study deployed several additional sources to underpin the answers to the evaluation questions, as clarified in section 1.3 below. In most cases, the findings obtained are clearly related to people above 30 years old. In addition, the contractors have always sought, to the best of their knowledge, to filter out findings directly linked to young individuals in the operations assessed. Hence, although in some cases the granularity of information available was insufficient to entirely rule them out<sup>22</sup>, the answer to the evaluation questions should be considered as largely focused on TO8 excluding youth employment support.

### **1.3 Methodology and work carried out**

Following the contract specifications, the study applied a mix of evaluation methods and has included:

- Desk research:
  - analysis of the monitoring data in the SFC2014 database (System for Fund Management in the European Union);
  - in-depth analysis of the Operational Programmes (OPs) and Annual Implementation Reports, and specifically the 2018 Annual Implementation Reports that include reported data as of 31st December 2018;
  - econometric analysis and provision of data to the Joint Research Centre (JRC) for the RHOMOLO simulations;
  - literature review (policy documents, regulations, national and EU-wide evaluations, ESF websites and publications);
  - Synthesis of the TO8 evaluation reports by member states using the database of evaluations compiled by the Evaluation Helpdesk, Annual Implementation Reports and additional desk research.
- Public consultation: Assisting the Commission in developing the questionnaire, and analysing the results of the public consultation. The consultation was launched on 14 October 2019 and ran until 6 January 2020 included. There were 541 responses.
- Ten case studies: addressing the research questions at national and regional level, based on desk research, interviews and focus groups.
- Over 60 interviews with desk officers, Managing Authorities and other stakeholders, in particular for the case studies.
- Holding four focus groups in the Member States and at one organised at the EU level (Annex IX).

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<sup>21</sup> The Dynamic Computable General Equilibrium RHOMOLO model provides estimates of macroeconomic effects in the short and long term, with a focus on the regional dimension.

<sup>22</sup> For example, in evaluations where a measure is directed to individuals, say, 20 to 54 years old, the analysis focused on the findings for those above 30 years old whenever information by age group was available. If that was not the case, other elements have been considered qualitatively to decide whether to make use of the findings (for example, whether the share of young people in the operation is sufficiently low, what are the specific objectives of the operation and so forth).



Specifically, this evaluation has involved the following tasks:

**The mapping of employment and mobility investment priorities, target populations and types of operations**, based on the SFC2014 database, Operational Programmes, Annual Implementation Reports and related documentation, including the Commission's Country-specific Recommendations, partly included in Chapter 3 and available in its entirety in Annex III.

**A synthesis of the evaluation reports on ESF support to employment and mobility.** The full synthesis is included in Annex VI. The key results have been incorporated into the answers to the evaluation questions in Chapter 4.

**The public consultation exercise** regarding the evaluation of the employment and mobility (TO8) operations. The results of the consultation are included in the report and have informed a number of the evaluation questions (full analysis available in Annex II).

**Comparative analysis of the evolution of the labour market and the role of the EU funded operations** based on Eurostat, the Labour Market Policies database, European Semester's Country-specific Recommendations<sup>23</sup> and other data. Based on a set of selected indicators with available data at regional level, four clusters of regions with similar socio-economic characteristics were developed. These clusters were used together with the ESF/YEI monitoring data (Task 1) to see if the underlying socio-economic situation and how it has developed have an impact on the effectiveness and efficiency of implementation.

**Cost-effectiveness analysis** using a combination of SFC2014 programme data (for unit costs), relevant counterfactual impact evaluations, feedback from the stakeholders both through the public consultation as well as EU level focus group, case studies and a study of micro-data where available. The results of this analysis are given in the response to evaluation question (EQ 2).

**Case studies in 10 Member States<sup>24</sup>**, covering 20 Operational Programmes and all TO8 Investment Priorities (except Youth Employment). The case study reports are presented in Annex VII.

**A set of fact-sheets** for all of EU-28 countries with TO8 support. The fact sheets cover socio-economic profiles and data on finance, participations and results.

**Lessons learnt and good practices** to inform the remainder of the programme period and the next round of Operational Programmes.

#### **1.4 Limitations of the research**

The research encountered a number of limitations – described below – which had an impact on answering the evaluation questions. Some of these limitations relate to the timing of this evaluation and should be resolved by the time of the *ex-post* evaluation but the points raised below are pertinent to the design of the final evaluation and the monitoring and evaluation requirements for the 2021-2027 programmes.

**Detailed programme information:** The main limitation to the mapping exercise has been the availability of detailed information for individual operations. The use of common investment priorities in the 2014-2020 programming period within the existing structure of priority axes greatly facilitated the analysis of monitoring data and helps to structure the specific objectives. However, to understand how programmes aim to address their specific objectives, more detailed insights at the level of operations are necessary. The main challenge for analysing operations across the EU is that the quality and standards for reporting remain uneven. This is despite the fact that Member States are obliged to record and store data by operation in the monitoring system.<sup>25</sup> Some Member States report in great detail the types of operations, including their

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<sup>23</sup> [https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/eu-country-specific-recommendations\\_en](https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/eu-country-specific-recommendations_en)

<sup>24</sup> Croatia (HR), Czech Republic (CZ), Denmark (DK), Finland (FI), France (FR), Germany (DE), ,, Italy (IT),, Luxembourg (LU), Romania (RO), Spain (ES)

<sup>25</sup> The Delegated Regulation 480/2014 states that "Data shall be recorded and stored for each operation, including data on individual participants, where applicable, in order to allow it to be aggregated where this is necessary for the purposes

costs. A few Member States include information about outputs and results, while other Member States report none of these details. This makes a systematic comparison difficult. We were able to address this challenge by focusing on the costs of operations, and an estimate was produced based on a number of assumptions where no such information is provided. These are presented in **Annex I**.

**Data quality and timeliness:** This is also a major limitation. There are very few audits of data quality to date, either from the Commission or the Member States, and inconsistencies occur despite periodic plausibility checks. There are time delays resulting from data checking and reporting conventions (e.g. costs are declared late, after checks by relevant authorities), and outputs are reported often once operations are completed and declared, with results reported later still). This is a natural constraint for any interim evaluation. Furthermore, it cannot be ignored that the numbers for certain indicators are under reported (e.g. for some disadvantaged groups, but varying between Member States) and this is taken into account when presenting results based on such figures. Also, the monitoring data do not allow to systematically conclude whether reported figures represent partially or fully implemented operations<sup>26</sup>. We address this challenge by highlighting limitations especially in the analysis of effectiveness and cost effectiveness of employment and labour mobility operations.

**Demarcation of operations focused on employment and labour mobility from those focused on youth employment:** A separate evaluation on ESF/YEI support to youth employment is conducted, which necessitates a clear demarcation between what constitutes the object of evaluation. Although youth employment operations are mainly funded under Investment Priority 8.ii and entirely excluded from all sources of this study, they can be found across other investment priorities either as part of broader access to employment measures, or even as more specific operations with a focus on entrepreneurship or gender equality. When analysing the monitoring data reported at Investment Priority level, these operations cannot always be distinguished. To ensure consistency in reporting, the use of monitoring data (with detailed data on costs, outputs, results, and target achievement) focuses at Investment Priority level, and for this evaluation includes all TO8 Investment Priorities, except Investment Priority 8.ii. Where possible, mainly when assessing the types of operations found across the EU (based on a detailed mapping exercise at the operations level), youth employment operations in other Investment Priorities were also excluded. In the econometric analysis of monitoring data, the share of young people participating is always controlled for, so that the extent to which their presence affects the findings can be measured and accounted for. A more general solution to this challenge is to make clear throughout the report what the underlying data are based on and where reliable comparisons can be drawn and where not.

**Public consultation:** Overall, the public consultation received a total of 541 responses. However, the public consultation is a voluntary online survey<sup>27</sup> and most responses (63.9%) were received from four Member States: Bulgaria (20.9% of responses), Italy (19.3%), Croatia (13.1%) and Germany (10.4%). There were five different profiles of respondents to the public consultation: ESF participants, other citizens (who did not participate in ESF support), organisations involved in ESF and organisations not involved. Some questions did not get enough responses to meaningfully analyse disaggregated results (by country or respondent profile), and some were less likely to elicit a strong public response (such as cost-effectiveness). In addition, the very low number of respondents from the group of ESF participants (only 53) will make difficult to draw general conclusions from answers to the questions directed to them. However, when it comes to experiences of employment and labour mobility programmes the public

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of monitoring, evaluation, financial management, verification and audit" (Art 24.2). However, Managing Authorities are not mandated by the regulations to report yearly, in their Annual Implementation Report, information at the level of the specific operations supported through the Operational Programmes. This hampered the mapping of costs by typology of operation across all Operational Programmes.

<sup>26</sup> Regulation 1304/2013 stipulates that "data transmitted for output and result indicators shall relate to values for partially or fully implemented operations" (Art 5.3)

<sup>27</sup> As indicated in the Commission Better Regulation guidelines the data gathered through public consultations does not provide a representative view of the EU population.

consultation exercise can still provide some useful information, although it is not possible to attribute responses to specific programmes.

**Comparative analysis of the evolution of the labour market:** The analysis of the socio-economic context within which ESF funded operations are implemented is based on readily available data from Eurostat and other sources. Despite the variety of the data sources and available data, data on labour mobility are limited. Similarly, the analysis at regional level (NUTS<sup>28</sup> 2) was also dictated by the availability of data at regional level. The analysis also includes a comparative analysis of Active Labour Market Policies measures based on the Labour Market Policies database. The main issue with the Labour Market Policies database is that it does not hold any data for the UK, and, at the time of writing the report, data were available up to 2017 (thus, 2018 was not covered). It is also important to note that the information on whether an intervention is also co-funded by the ESF in the Labour Market Policies database is based only on qualitative data which do not specify the programming period and, also that the database does not hold any information on the share of funds provided by the ESF.

**Econometric analysis:** The econometric analysis undertaken for this evaluation provides an additional source of evidence and helps to reinforce the key conclusions. It has limitations due to the great variability among observations, which is natural given the diversity at the level of progress across programmes, their structure, the target group addressed, forms of operation supported and socio-economic context. In addition, monitoring data are still in the process of being consolidated<sup>29</sup> (as reported above, there is a significant time lag between reporting of outputs, results and financial implementation). Moreover, data available for the analysis are aggregated at the level of the programme<sup>30</sup>, as micro-data with individual results for each participant could not be collected in many instances. This has implications on the possibility to estimate clear correlations and trends between the background features of the participants and different measures of progress or success<sup>31</sup>. As a result we use the econometric analysis to support rather than lead our analysis, highlighting the limitations where appropriate in the text.

**RHOMOLO analysis:** In providing answers to the evaluation questions, use was made also of findings from the exploratory research carried out by the Joint Research Centre through the spatial general equilibrium model RHOMOLO. General equilibrium models, given the inherent complexity of the phenomena they seek to replicate, need to rely on a number of simplifying assumptions. These are run in isolation from other policies, such as those for employment and mobility operations which are, at a minimum, part of the broader strand of cohesion policy. This adds to the lack of disaggregated information on the composition of background features of participants addressed on the ESF as well as detailed information on typology of operation

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<sup>28</sup> NUTS = nomenclature of territorial units for statistics. Used to draw comparisons between territorial units of similar standing. There are three divisions NUTS 1, 2 and 3

<sup>29</sup> Information from different sources (e.g. data from beneficiaries, administrative registers, electronic exchange systems – and the related issues) is still in the process of being collated and checked

<sup>30</sup> As reported in Annual Implementation Reports. In fact, the actual level of disaggregation is slightly higher than the programme level, as it is by programme, fund and category of region. But there is no breakdown by operation, nor participant.

<sup>31</sup> For instance, based on aggregated data we know how many participants in a given programme were high skilled and how many individuals in the same programme were inactive. But we do not know how many were at the same time inactive AND high skilled. Also, not all inactive are equal. This has implications on the possibility to measure the extent to which this given feature affects the relevant variables (e.g. progress of financial indicators). In addition, about results, aggregated data might tell us that a certain number of individuals are in employment upon exiting from support. However, we have no information as to how many of them were originally inactive or unemployed, respectively. We can only test whether increasing inactivity rates of participants in a programme are frequently found in association with higher or lower levels of employment rates at the end of support. However, it might be that such employment rates are mostly driven by the results that the unemployed have achieved, which can affect the average employment rate for the whole programme. In addition, we cannot simultaneously control for the composition of other background features of the inactive, as we don't know how many of them were low, medium or high skilled. At the extreme, if all participants originally in unemployment in programmes had positive results whenever their presence is scarce and very bad results whenever they are many in a programme, we might find a positive correlation between growing inactivity rates and employment rates, which would be actually driven by the employment results belonging to the unemployed and not to the inactive. In essence, the correlations that are identified between average features of programmes' participants and different indexes of performance (average financial progress, progress of results etc.), not each individual result for each individual participant. This makes identifying correlation harder due to omitted variables. To mitigate this issue, several covariates based on aggregated data are used jointly in the analysis, so reduce the bias to the extent possible.

supported. As a result, to briefly state the most significant limitations: (i) the features of participants had to be estimated econometrically to be then used as a proxy of the support provided to them; (ii) different typologies of intervention had to be calculated by estimation and then lumped together in broader categories to keep the analysis tractable; (iii) the model uses as input financial expenditure per participation and broad typology of operation but then needs to resort to the literature or data from third sources to translate these inputs into outcomes; (iv) it does not take into account the concurrent expansion in physical capital in several regions supported through the ERDF and other funds, hence potentially underestimating the employment outcomes; (v) in addition, the sensitivity analysis carried out by the Joint Research Centre shows that some of the results of the model are significantly affected by the variation in the unit cost, which, in their turn, are rather volatile given the ongoing nature of data entry.

The implication of this is that one should consider the findings as a very innovative and insightful way of understanding the potential of the interventions supported rather than their actual outcomes. Yet, the work has been informative for the analysis especially on the transmission mechanisms of the policy, the spatial distribution, macroeconomic cost-effectiveness and sustainability.

**Cost-effectiveness:** This has been challenging. Whilst we analysed the counterfactual impact evaluations available, not all cover cost-effectiveness, in part due to data deficiencies and also the state of the programmes with ongoing operations yet to fully yield results. The case studies, public consultation and focus group provide a qualitative dimension<sup>32</sup> and we have performed econometric analysis and obtained results from RHOMOLO (see paragraphs above for more details), but it is acknowledged that the evidence remains partial. Nevertheless, the above-mentioned approaches have allowed us to draw some conclusions.

**COVID-19 pandemic:** It shall be noted that the fieldwork for this evaluation was carried out before the COVID-19 (coronavirus) came to Europe. The Corona Response Investment Initiative (CRII) will affect the support to Employment for the remainder of the current implementation period and the proposals for the next programming period will also aim at mitigating the consequences of this pandemic. This COVID-19 pandemic is a major shock to the global and European economy. Already at the end of March of 2020, a substantial negative economic impact on Europe has materialised, at least for the first half of 2020 and possibly longer if the pandemic is not contained rapidly. For the future, the degree of the negative outlook will depend on a number of parameters such as the lack of supply of critical materials, the effectiveness of containment measures, the downtime in manufacturing in the EU work days lost in companies and public administrations, and demand effects (e.g. mobility restrictions, travel cancellations).

### **Despite the limitations using a variety of sources means we can conduct a robust evaluation**

Whilst we report a number of limitations this should not be read negatively. It is valuable at this stage, in advance of the *ex-post* evaluation and the next programmes to highlight areas where there are limitations to the information that can be gathered, and with possibilities to make further improvements to data capture and analysis. The authors acknowledge the progress made in this programming period to simplify and clarify indicators and data collection. Many of the limitations raised above are related to the design and application of monitoring and evaluation systems at Member State level and inconsistencies between Member States, including the approaches to counterfactual impact evaluations. Complexities remain although the efforts of the EC in respect of simplification are generally recognised. The measurement of soft outcomes remains problematic, given the complexity of the issue and related uncertainty about adequate tools to measure in an objective and standardised way.

To counter data deficiencies our approach has been to apply different approaches and sources, some to better effect than others. Micro data has been difficult to acquire and utilise, and the counterfactual impact evaluations are still too low in number and coverage as well as too heterogeneous in their methodological approaches to fully rely on them for a clear comparative

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<sup>32</sup> One should consider that even opinions from the stakeholders are tainted by lack of actual micro-level evidence on which they can inform them.

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analysis and related conclusions. However, the combination of all sources allows us to provide an overall narrative in the subsequent sections.

## 2 Background and socio-economic clusters

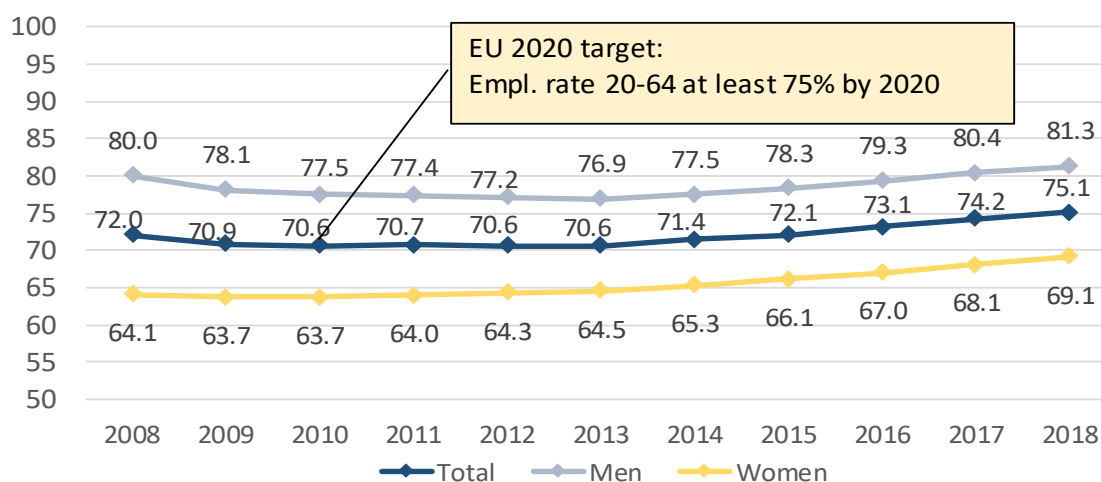
### 2.1 Background

Thematic Objective 8 aims at promoting sustainable and quality employment by boosting job creation, helping people into employment, and supporting labour mobility. The Investment Priorities supported within the frame of TO 8 can be separated into three broad categories: those supporting directly access to employment (Investment Priorities 8.i, 8.iv and 8.vi)<sup>33</sup>; those supporting businesses (8.iii and 8.v)<sup>34</sup>; and Investment Priority 8.vii that focuses on the modernisation of labour market institutions. In terms of support to individuals, note that the current evaluation of the contribution that projects funded under TO 8 has made towards these objectives explicitly excludes Investment Priority 8.ii related to the integration of young people not in employment, education or training (NEETs) and is therefore focused on adults aged 25-64 (or in some cases 30-64). This section briefly presents the context of implementation of the ESF for each of the areas presented above at the start of the programming period (2014) and how this has developed over the period (up to 2018 or later year with available data) for those aged 25-64. More detailed description by Investment Priority can be found in Annex 3.

#### 2.1.1 Access to employment

One of the headline targets of the Europe 2020 Strategy<sup>35</sup> adopted in 2010 by the European Council is to increase the employment rate of the population aged 20-64 to at least 75% by 2020. In addition, Member States set national targets for the employment rate in 2020<sup>36</sup>. Whilst the 75% Europe 2020 target remains a relevant benchmark for those aged 25-64, it is relevant to note that employment rates of those aged 20-24 are consistently lower across all Member States<sup>37</sup> so that in order to achieve the overall 75% target, the employment rate of those aged 25-64 will need to be slightly higher.

Figure 1. Employment rates 25-64 by gender (% of active population), EU28, 2008-2018



Source: Eurostat, Labour Force Survey ([lfsa\\_ergan](https://ec.europa.eu/eurostat/tgm/table.do?code=lfsa_ergan)), data extracted on 14 May 2019.

#### **Increased employment rates across the EU - some countries still below the pre-crisis level and Europe 2020 target**

In 2010 when the Europe 2020 Strategy was adopted, the 25-64 years old employment rate in the EU was 70.6%, noticeably below the target. That was largely due to the low employment

<sup>33</sup> Investment Priority 8i targeting all job-seekers and inactive people, including the long-term unemployed and people far from the labour market; 8iv targeting women and 8vi targeting those older than 55.

<sup>34</sup> Investment Priority 8iii supporting self-employment, entrepreneurship and business creation and Investment Priority 8v supporting adaptation of enterprises, entrepreneurs and their workers to change.

<sup>35</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:EU\\_2020\\_Strategy](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:EU_2020_Strategy)

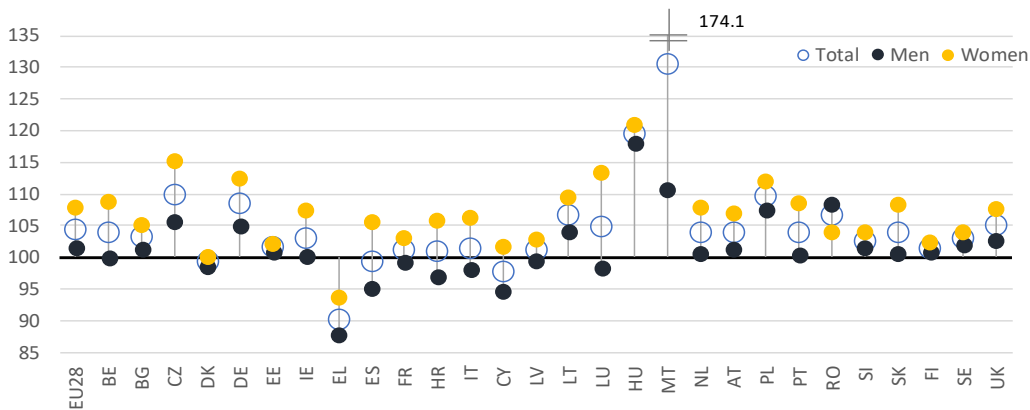
<sup>36</sup> [https://ec.europa.eu/eurostat/documents/4411192/4411431/Europe\\_2020\\_Targets.pdf](https://ec.europa.eu/eurostat/documents/4411192/4411431/Europe_2020_Targets.pdf)

<sup>37</sup> In 2018 for example, the employment rate for those aged 20-24 was 53.3% vs 75.1% for those aged 25-64.

rate of women which was almost 15 percentage points (pp) below that of men (**Figure 1**). Since then, the EU employment rate has grown by 4.5 pp, surpassing the pre-crisis 2008 rate of 72.0% only in 2015. Employment rates, in Greece (in particular), Cyprus and Spain (marginally) still remain below pre-crisis levels (**Figure 1**).

There is a significant gender divide in this respect. Overall, the gender employment gap has reduced (from 15.9 pp in 2008 before the crisis to 12.2 in 2018) and this pattern applies in all countries except Romania where employment rates of men have improved more. However, there are still nine countries<sup>38</sup> in which employment rates of men have not yet recovered to pre-crisis levels and just one in which the employment rate of women is still lower than before the crisis (Greece). Thus, as **Error! Reference source not found.** demonstrates, the overall improvement in employment rates is mainly driven by the positive changes in the employment rates of women.

Figure 2. Comparison of 2008 and 2018 employment rates by gender and country, 2008=100, EU28



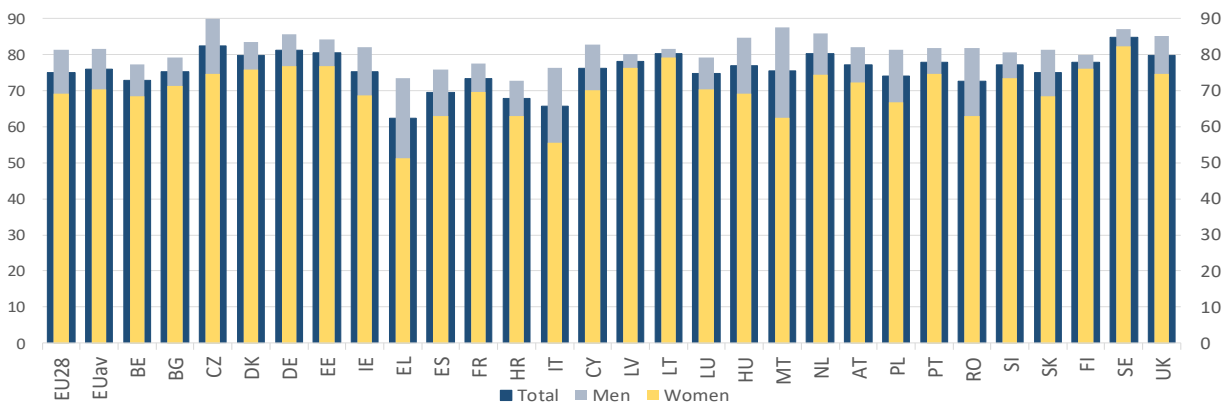
Source: Eurostat, Labour Force Survey ([lfsa\\_ergan](#)), data extracted on 16 May 2019.

### Despite improved employment rates for women, the gender employment gap remains significant

There are significant differences across EU countries with employment rates below 70% in Greece, Spain, Croatia and Italy but above 80% in the Czech Republic, Germany, Estonia, Lithuania, the Netherlands and Sweden (**Figure 3**). In 2018, Denmark, Germany, Estonia, Latvia, Lithuania, Finland and Sweden are the only countries that have fulfilled the EU employment rate target (75%) for both men and women. In contrast, Greece and Croatia have not achieved that goal, neither for men nor women. On average, the gender employment gap was about 11 pp, with Malta, Italy and Greece having the largest gender employment gaps of more than 20 pp and Latvia, Lithuania, Finland and Sweden having gender employment gaps of less than 5 pp.

<sup>38</sup> DK, EL, ES, FR, HR, IT, CY, LV, LU.

Figure 3. Employment rates 25-64 by gender and country (% of active population), EU-28, 2018



Source: Eurostat, Labour Force Survey ([lfsa\\_ergan](#)), data extracted on 14 May 2019.

Reconciliation of work and private life seems to becoming more difficult over time **affecting the quality and type of employment of women**

The main reason behind the employment gap between women and men remains the high share of women in inactivity (in 2018 26.2% vs. 13.7% of men). In 2014, about a third of inactive women aged 25-64 (32.1%)<sup>39</sup> was not able to seek employment due to family and caring responsibilities. The respective share among inactive men was just 4.5%. In 2018, the share of women not seeking employment due to family and caring responsibilities increased to 34.8%, ranging from about or less than 10% in Sweden and Denmark to more than 50% in Ireland, Cyprus and Malta (see Annex III). At the same time, the taking over of family and caring responsibilities has also a negative effect on the quality and type of employment of women. In 2014, about a third (30.5%) of employed women worked part-time. The respective proportion of men was less than one in ten (6.5%). The differences between the two sexes ranged from less than 5 pp in countries with low share of employed people in part-time employment<sup>40</sup> to more than 30 pp in countries where flexible types of employment are more common, i.e. Belgium, Germany, Luxembourg and the UK, more than 40 pp in Austria and above 50 pp in the Netherlands. By 2018, the share of employed women who worked part-time slightly dropped to 29.3%, while the share of men remained practically unchanged (6.4%).

**Women remain under-represented in management and supervisory positions, while the gender pay gap remained unchanged**

The high share of women in part-time employment, the longer periods off the labour market due to family and caring responsibilities as well as the persisting segregation in education/labour market<sup>41</sup> and discrimination at the workplace (though illegal), have a huge impact on the professional progress of women. At the end of 2018, women remained under-represented in management and supervisory positions and accounted for only 6.5% of Chief Executive Officers (CEOs) and 16.7% of senior executives in the largest publicly listed

<sup>39</sup> Eurostat, Labour Force Survey ([lfsa\\_iqar](#)), data extracted on 12 August 2019.

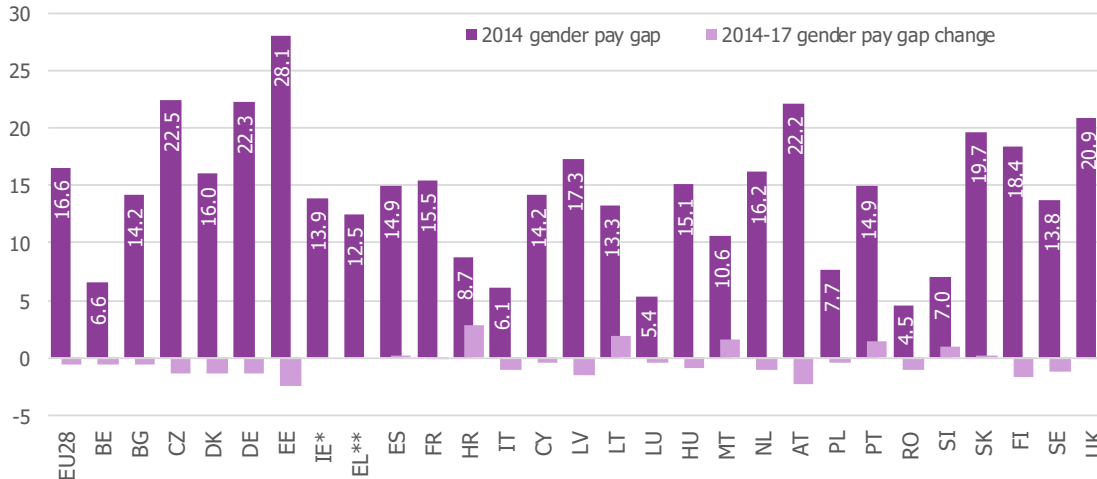
<sup>40</sup> BG, HR, LV, LT, HU, PT, RO, SK.

<sup>41</sup> Education and labour market segregation refers to the concentration of one gender in certain fields of education or occupations (horizontal segregation) or the concentration of one gender in certain grades, levels of responsibility or positions (vertical segregation). According to EIGE’s review of the implementation of the Beijing Platform for Action in the EU Member States, although women work in all occupations that formerly were male-dominated, their share within some occupations is still minor (e.g. as construction workers, engineers or ICT professionals), while a number of jobs are commonly dominated by women (pre-primary education, nursing, personal care and domestic work). In 2012, only 18% of women and 15% of men work in gender-balanced occupations (i.e. those employing at least 40% of each gender) See: <https://eige.europa.eu/publications/study-and-work-eu-set-apart-gender-report-and-also>, Burchell B., Hardy V., Rubery J. and Smith M. (2015), A new method to understand labour market segregation, Report prepared for and financed by the European Commission – Directorate-General for Justice and Consumers. Available at: [https://ec.europa.eu/info/sites/info/files/150119\\_segregation\\_report\\_web\\_en.pdf](https://ec.europa.eu/info/sites/info/files/150119_segregation_report_web_en.pdf)



companies in the EU<sup>42</sup>. In terms of income, women's gross hourly earnings in the EU in 2014 were 16.6% below those of men, while by 2017 the difference fell only by 0.6 pp. The difference in earnings between men and women ranged from about 5% in Romania and Luxembourg to more than 20% in the Czech Republic, Germany, Estonia, Austria and the UK (Figure 4).

Figure 4. Gender pay gap in unadjusted form, 2014 and 2014-17 change. EU-28



Notes: The 'unadjusted' gender pay gap provides an overall picture of gender inequality in hourly pay. This gap represents the difference between the average gross hourly earnings of men and women expressed as a percentage of average gross hourly earnings of men. It is called 'unadjusted' as it does not take into account all of the factors that influence the gender pay gap, such as differences in education, labour market experience or type of job.

\* Data for 2014 refer to 2012, while the 2014-17 change refers to the 2012-14 change.

\*\*Data for 2017 are not available.

Source: Eurostat, Structure of Earnings Survey ([earn\\_gr\\_gpqr2](#)), data extracted on 1 August 2019.

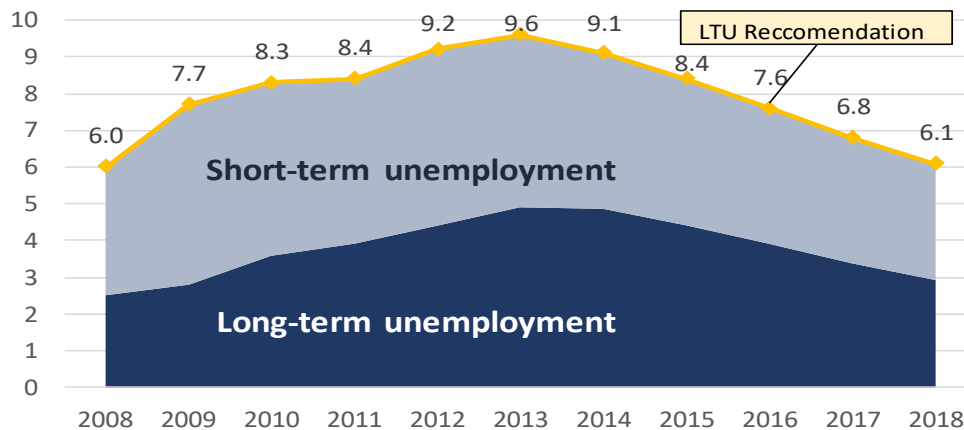
### Unemployment rates back to the pre-crisis levels

In promoting employment, Investment Priority 8.i aims at reducing unemployment and in particular long-term unemployment. Following the economic crisis, long-term unemployment became a problem at a later stage as the large numbers of people laid off in the crisis period were unable to find jobs afterwards as the economy stagnated. It seems that many of those that had been laid off struggled to find work, not only because of limited opportunities but also, because many were left with outdated skills as companies restructured their operations to be leaner and to take advantage of technological developments. As a response, the EU has prioritised efforts to reduce long-term unemployment through the Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market<sup>43</sup>.

<sup>42</sup>[https://eige.europa.eu/gender-statistics/dqs/indicator/wmidm\\_bus\\_bus\\_wmid\\_comp\\_compex/bar/chart/year:2018-B2/qeo:EU28,BE,BG,CZ,DK,DE,EE,IE,EL,ES,FR,HR,IT,CY,LV,LT,LU,HU,MT,NL,AT,PL,PT,RO,SI,SK,FI,SE,UK,IS,N O,ME,MK,RS,TR,BA/EGROUP:COMP/sex:W/UNIT:PC/POSITION:EXEC/NACE:TOT](https://eige.europa.eu/gender-statistics/dqs/indicator/wmidm_bus_bus_wmid_comp_compex/bar/chart/year:2018-B2/qeo:EU28,BE,BG,CZ,DK,DE,EE,IE,EL,ES,FR,HR,IT,CY,LV,LT,LU,HU,MT,NL,AT,PL,PT,RO,SI,SK,FI,SE,UK,IS,N O,ME,MK,RS,TR,BA/EGROUP:COMP/sex:W/UNIT:PC/POSITION:EXEC/NACE:TOT)

<sup>43</sup> Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016H0220%2801%29&qid=1456753373365>

Figure 5. Unemployment rate (% of active population) and share of LTU (% of unemployed), 25-64, EU-28, 2008-2018



Source: Eurostat, Labour Force Survey ([lfsa\\_urqan](#) and [lfsa\\_upgan](#)), data extracted on 14 May 2019.

In 2013 when the unemployment rate in the EU for those aged 25-64 reached its peak (9.6%), about 20.5 million people of this age group were unemployed<sup>44</sup>. Since then, though the unemployment rate decreased almost to its pre-crisis level of 6.0%, there are still about 13.4 million people unemployed<sup>45</sup>. At the same time, the share of long-term unemployed – i.e. persons out of work and actively seeking work for at least 12 months – among unemployed though considerably down from its peak in 2014 (53.2%) is still above the pre-crisis level (see **Figure 5**).

***Though improved, employment rates for older people still well below those of younger counterparts***

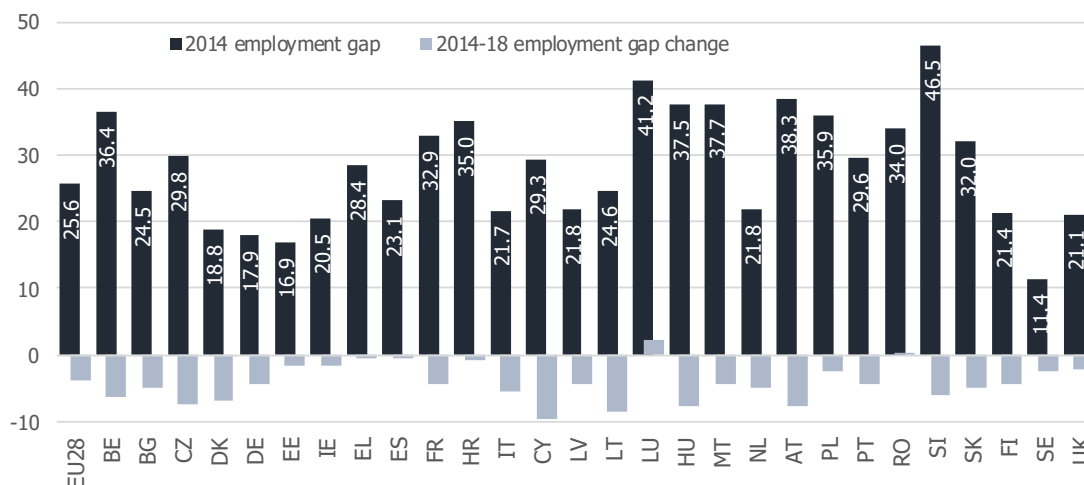
Finally, in terms of the employment aspect of active ageing (Investment Priority 8.vi), in 2014 the employment rate of those aged 25-54 in the EU was more than 25 pp higher than for the older group aged 55-64.

An employment gap between the two age groups (i.e. the difference in the employment rates of those aged 25-54 and 55-64) is to some extent expected as some people withdraw – either voluntarily or involuntarily (e.g. due to incapacity) early from the labour market (i.e. before reaching retirement age). As populations age, however, it is necessary to have more people working (and therefore contributing in terms of taxes and social contributions) for longer in order to finance the rising costs of old-age pensions and long-term care. Hence active-ageing policies aim to prolong working lives, reducing early retirement and, therefore, reducing the employment rate gap between prime-age (25-54) and older (55-64) workers. In 2014, this gap was particularly high (>40 pp) in Luxembourg and Slovenia, while Denmark, Germany, Estonia and most notably Sweden were the only countries in which the difference was below 20 pp.

<sup>44</sup> [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa\\_urqad&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_urqad&lang=en)

<sup>45</sup> [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa\\_upgan&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_upgan&lang=en)

Figure 6. 2014 employment gap between those aged 25-54 and 55-64 and 2014-2018 change (pp), EU-28



Source: Eurostat, Labour Force Survey (lfsa\_ergan), data extracted on 12 August 2019.

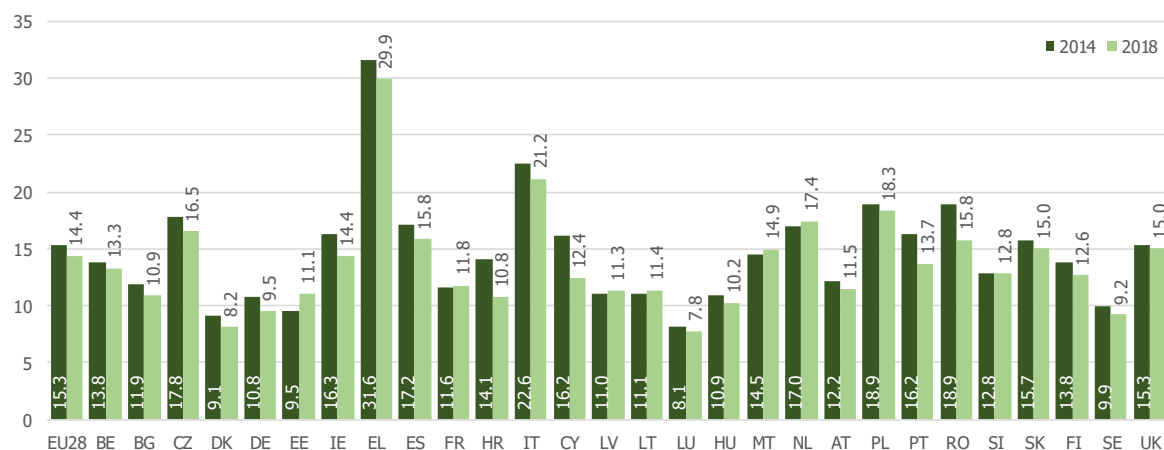
## 2.1.2 Support to businesses

### *As employment grew, the relative importance of self-employment dropped*

The success of EU businesses and industry is vital to increase employment and create new and better jobs. Thus, Investment Priority 8.iii supports self-employment, entrepreneurship and business creation, while Investment Priority 8.v supports them in adapting to changes including boosting the competencies and flexibility of their workforce. In 2014, 29.9 million people aged 25-64 or 15.3% of those employed were self-employed.

Self-employment accounts for less than one in ten of all adults employed in Denmark, Estonia, Luxembourg and Sweden but more than one in five in Italy and approaching one in three in Greece. By 2018, the share of self-employed dropped by 1 pp to 14.4% which is 29.6 million people aged 25-64. Thus, at EU level the number of self-employed people has hardly changed since 2014, but since the total number of employed has risen significantly the share of self-employment has gone down.

Figure 7. Self-employed as share (%) of total employment, 25-64, 2014 and 2018, EU-28



Source: Eurostat, Labour Force Survey ([lfsa\\_esgan](#) and [lfsa\\_egan](#)), data extracted on 12 August 2019.

According to the 2017 Labour Force Survey (LFS) *ad hoc* module, the main difficulty faced by self-employed people in the EU is the high administrative burden (18.3%), followed by

periods with reduced work (17.1%) and delayed payments/non-payments (16.3%)<sup>46</sup>. Thus, two out of the three main difficulties faced by self-employed persons related to the general economic context, while only a small number of respondents (4.6%) indicated lack of access to financing as a main difficulty. Note though that replies come from existing businesses and do not indicate the reasons for closing businesses. Thus, lack of access to financing and any of the other reasons can still be a reason for closing businesses.

### ***Steady increase in the number of SMEs***

An important aspect of Thematic Objective 8 is providing support to small and medium-sized enterprises (SMEs) which are often referred to as the backbone of the European economy. In 2014, there were 23.3 million SMEs in the EU-28's non-financial business economy accounting for more than 99% of all enterprises, the overwhelming majority of which (92.5% of all enterprises) were enterprises with less than 10 persons employed. All SMEs together employed 90.4 million people. By 2016 (latest year for which there are complete available data for the EU as whole), the number of SMEs increased to 24.7 million (still accounting for more than 99% of all enterprises in the EU's non-financial business economy) which employed 94.9 million people. Comparing to the 2011-2014 period, between 2014 and 2016 the number of SMEs rose at similar rate (by 5.8% vs 6.0% between 2011-2014), while the number of people employed by SMEs increased by 4.9% compared to only 0.2%. However, as the number of people employed increased significantly, the share of those employed by SMEs remained at similar levels (67.2% in 2011, 66.8% in 2014 and 66.7% in 2016).

As mentioned above, in addition to supporting the creation of new businesses, Thematic Objective 8 is (through Investment Priority 8.v) also helping them (and their workers) adapt to change, particularly in relation to technological change that potentially threatens existing jobs – either because technology replaces jobs or because the existing workforce does not have the necessary skills to adapt. To assess the ability of the workforce to adapt to technological changes, two indicators will be considered – the share of people aged 25-64 with tertiary education as people with high educational attainment tend to adapt easier to technological developments, and adult participation in education and training.

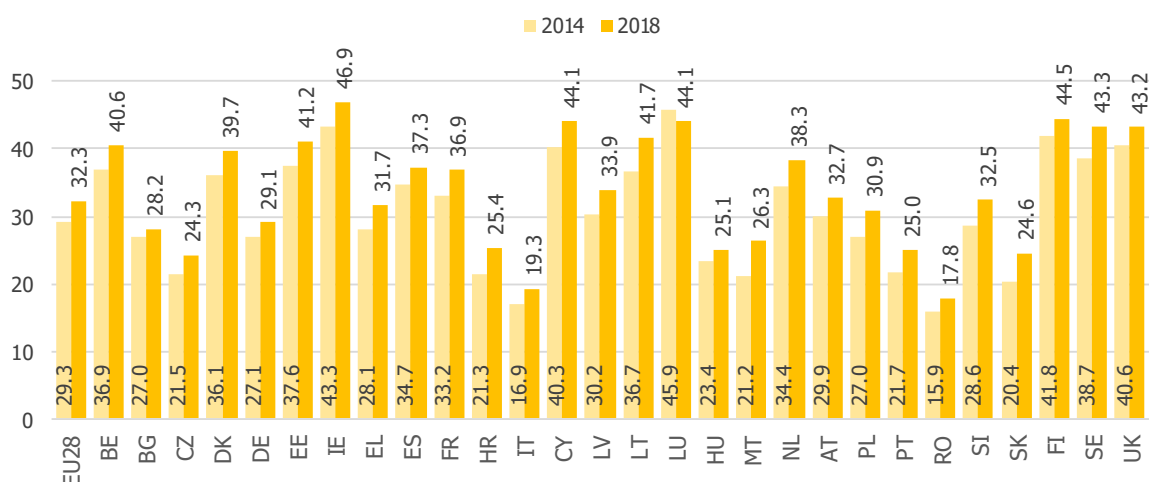
### ***Overall increase in the share of tertiary educated***

In 2014, 29.3% of those aged 25-64 living in the EU were tertiary educated with shares being more than 40% in Cyprus, Luxembourg, Finland and the UK and below 20% in Italy and Romania (**Figure 8**). By 2018, the share of tertiary educated people in the EU rose by 3 p.p. to 32.3%, while the number of countries where more than four in ten had tertiary education increased to nine. Italy and Romania remained the only two countries where less than two out of ten of those aged 25-64 are tertiary educated, followed by the Czech Republic and Slovakia (both below a quarter).

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<sup>46</sup> <https://data.europa.eu/euodp/data/dataset/RDSwbuA3AdYVNrI5EOywg>

Figure 8. Share of population 25-64 with tertiary education, 2014 and 2018, EU-28

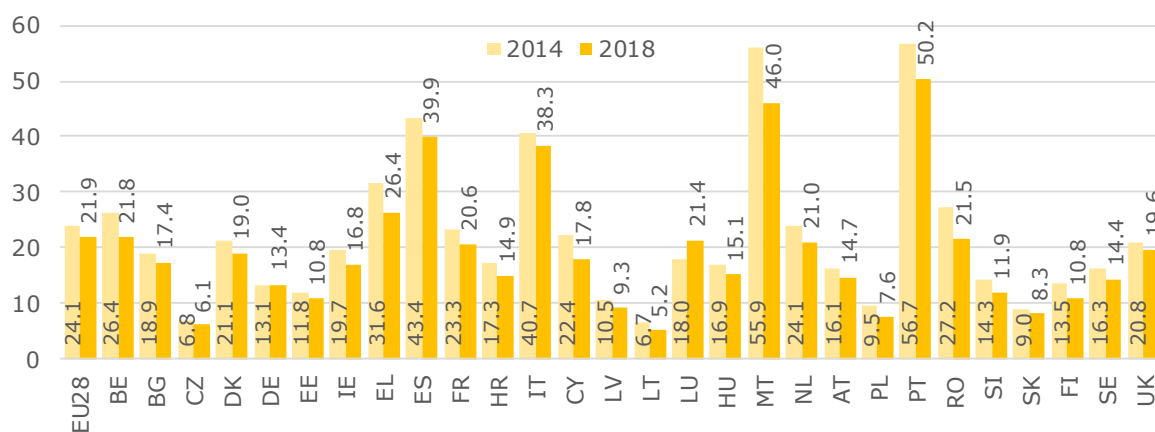


Source: Eurostat, Labour Force Survey ([edat\\_lfs\\_9911](#)), data extracted on 12 August 2019.

### Despite improvements, one in four adults aged 25-64 has not attained upper secondary education

In 2014, almost a quarter (24.1%) of those aged 25-64 had at most lower secondary education with shares being more than 40% in Spain and Italy and more than 50% in Malta and Portugal (**Figure 9**). Particularly low shares (<10%) of people with at most lower secondary education were seen mainly in eastern European countries, namely the Czech Republic, Lithuania, Poland and Slovakia. By 2018, the share of those with at most lower secondary education dropped in all countries but Germany and Luxembourg. At the EU level, the share of those aged 25-64 with at most lower secondary education dropped by 2.2 pp to 21.9%. Nevertheless, low education remains an issue as in ten countries more than one in four did not attain upper secondary education.

Figure 9. Share of population 25-64 with at most lower secondary educational attainment, 2014 and 2018



Source: Eurostat, Labour Force Survey ([tps00197](#)), data extracted on 24 February 2019.

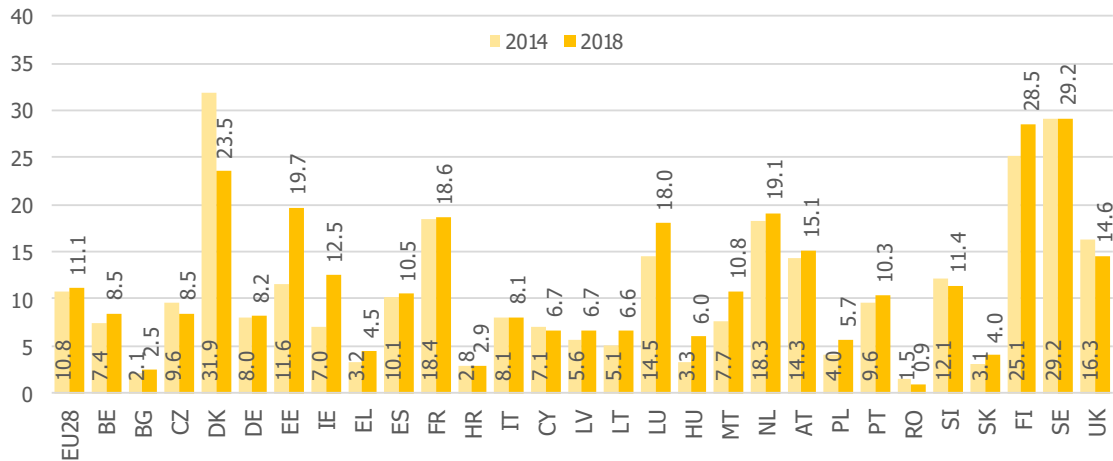
### Only one in ten aged 25-64 participate in education and training

Regarding participation in education and training, the '[Strategic framework for European cooperation in education and training](#)<sup>47</sup> sets a benchmark on adult participation in lifelong learning, namely that an average of at least 15% of adults aged 25-64 years old should

<sup>47</sup> [https://ec.europa.eu/education/policies/european-policy-cooperation/et2020-framework\\_en](https://ec.europa.eu/education/policies/european-policy-cooperation/et2020-framework_en)

participate in lifelong learning. Accordingly, Eurostat’s Labour Force Survey indicator refers to persons aged 25 to 64 who stated that they received education or training, both formal<sup>48</sup> and non-formal<sup>49</sup>, in the four weeks preceding the survey. In 2014, the adult participation rate in education and training in the EU was 10.8%, which by 2018 increased only slightly to 11.1% (Figure 10). In a quarter of the countries,<sup>50</sup> the rate was less than 5%, while in two (Sweden and Finland) it was more than 20% and in Denmark above 30%. The most notable changes between 2014 and 2018 were the high increase (> 3 pp) in the participation rates in Estonia, Ireland, Luxembourg, Malta and Finland as well the high decrease in Denmark. Nevertheless, the overall trends remained unchanged.

Figure 10. Participation rate in education and training 25-64 last four weeks (%), 2014 and 2018, EU-28



Source: Eurostat, Labour Force Survey ([trng\\_lfs\\_01](#)), data extracted on 12 August 2019.

### 2.1.3 Modernisation of labour market institutions

The last objective of TO8 regards the modernisation of labour market institutions, such as public and private employment services, and improving the matching of labour market needs, including implementing operations that enhance transnational labour mobility as well as through mobility schemes and better cooperation between institutions and relevant stakeholders. To assess the progress made against this objective, information from the European Semester’s Country-specific Recommendations<sup>51</sup> for the years 2014-2018 has been utilised. It should although be noted that since the start of the European Semester

<sup>48</sup> According to the International Standard Classification of Education 2011 (ISCED 2011, paragraph 36, page 11), formal education is defined as “education that is institutionalised, intentional and planned through public organisations and recognised private bodies and – in their totality – constitute the formal education system of a country. Formal education programmes are thus recognised as such by the relevant national education authorities or equivalent authorities, e.g. any other institution in cooperation with the national or sub-national education authorities. Formal education consists mostly of initial education. Vocational education, special needs education and some parts of adult education are often recognised as being part of the formal education system.”

<sup>49</sup> According to the International Standard Classification of Education 2011 (ISCED 2011, paragraph 39, page 11), non-formal education is defined as “education that is institutionalised, intentional and planned by an education provider. The defining characteristic of non-formal education is that it is an addition, alternative and/or complement to formal education within the process of lifelong learning of individuals. It is often provided in order to guarantee the right of access to education for all. It caters to people of all ages but does not necessarily apply a continuous pathway structure; it may be short in duration and/or low-intensity; and it is typically provided in the form of short courses, workshops or seminars. Non-formal education mostly leads to qualifications that are not recognised as formal or equivalent to formal qualifications by the relevant national or sub-national education authorities or to no qualifications at all. Nevertheless, formal, recognised qualifications may be obtained through exclusive participation in specific non-formal education programmes; this often happens when the non-formal programme completes the competencies obtained in another context”.

<sup>50</sup> BG, EL, HR, HU, PL, RO, SK.

<sup>51</sup> [https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/eu-country-specific-recommendations\\_en](https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/eu-country-specific-recommendations_en)

process in 2011, Member States under a financial assistance programme had received a single recommendation to prioritise the implementation of the programme agreed upon with the EU and International Monetary Fund and thus, are not included in the analysis<sup>52</sup>.

Between 2014 and 2018 a total of 15 out of the 27 Member States that received Country-specific Recommendations (Greece that did not receive any Country-specific Recommendations for the whole period), received recommendations relevant to the modernisation and improvement of labour market institutions and active labour market policies (excluding countries that received recommendations restricted only to youth employment). The recommendations were directed mainly to Southern and Eastern European countries rather than Central and Northern ones<sup>53</sup>. Cyprus and Spain received relevant recommendations in all relevant reference years, while Hungary, Italy, Romania and Slovakia received a relevant recommendation in four of the five years covered by the analysis. The recommendations received can be separated in four broad categories:

- **Improve the quality of labour market services:** France, Hungary, Cyprus, Ireland, Portugal, Slovakia, Spain, Italy, Romania and Slovakia;
- **Increase Public employment services capacity:** Spain, Cyprus, Croatia, Romania, Slovakia;
- **Improve cooperation/coordination:** Bulgaria, Spain, Italy and Romania;
- **Improve the effectiveness and/or efficiency of Active Labour Market Policies:** Belgium, Bulgaria, Czech Republic, Ireland, Italy, Spain, Cyprus, Finland, Lithuania, Hungary, Slovakia and Romania.

Detailed recommendations by country and year can be found in Annex III. It is worth mentioning that recurring recommendations were given to Spain to improve the quality of labour market services (2014-2016), the capacity of employment services (2016 and 2018) and the cooperation among relevant stakeholders (2016 and 2107); to Romania in terms of improving the effectiveness and efficiency of active labour market measures (2014, 2015 and 2017) and the capacity of employment services (2014 and 2015); to Portugal (214 and 2015) and Slovakia (2015 and 2016) to further improve labour market services; to Cyprus to ensure that the capacity of public employment services is adequate; and to Bulgaria (2014 and 2017) and Italy (2014-2018) to improve the efficiency and effectiveness of active labour market measures.

## **2.2 Socio-economic clusters of regions**

The level of ESF funding and the types of projects funded differ from one region to another depending on their relative regional labour market situation. To that end, EU regions have been divided into three funding categories based on their regional GDP per head compared to the EU average (more developed, transition, less developed)<sup>54</sup>. Thus, to better understand the distribution of funds and evaluate ESF funded Operational Programmes it is important to look at the situation in the specific regions in which the Operational Programmes are delivered, since there can be significant differences between different parts of the country.

### ***Clustering regions with different socio-economic situation***

In order to capture the different contexts of regions, this study has identified clusters of regions with similar characteristics relating to their relative position in the country and their respective development. These groups can be used in combination with the ESF monitoring data to try to establish some understanding on the effectiveness and efficiency of implementation.

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<sup>52</sup> This was the case for Greece, Ireland, Latvia, Portugal and Romania in 2011; for Greece, Ireland, and Portugal in 2012; for Cyprus, Greece, Ireland and Portugal in 2013; and for Cyprus and Greece in 2014 and 2015. In 2016, 2017 and 2018 only Greece.

<sup>53</sup> The countries that did not receive any relevant recommendations were: DK, DE, EE, LU, LV, MT, NL, AT, PL, SI, SE and the UK.

<sup>54</sup> <https://ec.europa.eu/esf/main.jsp?catId=525&langId=en>



For this purpose, **data from selected indicators** on regions were aggregated to produce data by type of region in each country (i.e. maximum three types of region per country - total of 50 regions) and were later used to develop two composite indicators – one describing the situation at the beginning of the programming period in 2014 and one describing how this has evolved between 2014 and 2018 (or other year with latest available data). By combining the data for the two composite indicators four broad clusters of regions were identified and are briefly presented below (detailed methodology can be found in Annex III):

- Cluster A: Regions with strong starting point and limited progress;
- Cluster B: Regions with low starting point and limited progress;
- Cluster C: Regions with low starting point and significant progress;
- Cluster D: Regions with strong starting point and significant progress.

The clustering of regions is based on a subset of the indicators used to describe the general socio-economic context at national level, largely determined by the availability of data. The indicators selected for clustering are summarised in Table 1 below.

*Table 1. Socio-economic indicators used for clustering of regions*

Indicator	Relevant IP	Comments
1 Employment rate 25-54	8.i	Indicators 1 and 2 are similar to the indicator used in the joint assessment framework (JAF) to monitor progress in implementing the Employment Guidelines in the context of the EU 2020 strategy, the only difference being that the target group is aligned to that of the study and thus, limited to those aged 25-64 (instead of 20-64). Additionally, to give more emphasis to the older age group - given that one of TO8's objectives is active ageing - the indicator has been broken down to two indicators covering people aged 25-54 and 55-64.
2 Employment rate 55-64	8.i, 8.vi	
3 LTU rate 15-74	8.i	This indicator was chosen because TO8 gives a particular focus on disadvantaged groups (e.g. long-term unemployed and marginalised groups). For the purposes of clustering reciprocal values were used so that bigger values describe positive outcomes (as with the rest of the indicators).
4 Activity rate women 25-64	8.iv, 8.i	As highlighted in the analysis of the socio-economic context the main challenge in terms of Investment Priority 8iv is to increase the activity rate of women.
5 Adult participation in learning	8.v, 8.iii	Adult participation in learning is a joint assessment framework indicator. Data refer to the participation rate in education and training (formal and non-formal) within the last 4 weeks of those aged 25-64. Participation in education and training of the adult population is key in adapting to technological changes.
6 Share of tertiary educated	8.v, 8.iii	Data refer to the proportion of those aged 25-64 with tertiary education. The indicator was chosen based on the perception that people with tertiary education can adapt easier to changes in technology and the labour market.
7 GDP/capita (PPS)	Economic context	Indicator used to describe the overall economic context in which the ESF OPs are implemented. Data cover 2014 and 2017.

To ease the analysis, the indicators chosen to describe the four different clusters are grouped in three broad categories – indicators related to the labour market (those related to Investment Priorities 8.i and 8.iv), indicators related to adaptation to change (those related to Investment Priorities 8.v and 8.vi) and those related to the general economic context (GDP per capita). In the overview of the resulting clusters presented below, the main defining characteristics are highlighted in bold and for these it is generally the case



that all regions in the cluster comply with the characteristics, though there may be occasional exceptions. For the lesser characteristics, some variations are expected. **Figure 11** offers an illustration of the four clusters and average values allowing comparisons both in terms of the starting point and the change between 2014-2018, while Table 2 and **Figure 12** indicate the countries/types of regions included in each cluster.

**Cluster A – Strong start/limited progress:** This cluster comprises 17 regions located in **Central and Northern Europe**. Eleven out of the 17 regions were more developed, five were transitional and one was less developed (see Table 2). In essence, this cluster comprises all regions in Germany, Denmark, Luxembourg, the Netherlands, Austria, Finland, Sweden plus continental France and more developed regions in Belgium and Slovakia. The regions in this cluster had a strong starting point as in 2014 **average values for all indicators were above EU averages**. Particularly **employment rates for those aged 25-54, activity rates for women and participation rates in education and training were the highest seen** across the different clusters while GDP per capita in PPP<sup>55</sup>, employment rates for those aged 55-64, share of those with tertiary education were also well above the EU average. The **long-term unemployed rate (LTU) was also much lower than the EU average**.

Compared to the other three clusters, the average increase in GDP per capita was the second lowest, while **increases in the employment rates (those aged 25-54 and 55-64) and activity rate for women were also small**. The LTU rate as well as the share of those with tertiary education were also slightly improved, while participation in education remained unchanged.

**Cluster B – Weak start/limited progress:** This cluster comprises 13 regions mostly located in **Southern Europe** – one is more developed (Greece), four are transitional (Belgium, Greece, Italy, Spain,) and eight are less developed (Bulgaria, Croatia, France, Greece, Italy, Romania, Spain, Slovakia). So, in this cluster are all regions of Greece, transitional and less developed regions of Spain, Italy, transitional regions in Belgium and less developed regions in Bulgaria, France (overseas regions), Croatia, Romania and Slovakia. On average, these regions had the lowest starting point when compared to the other clusters as they had the **lowest indicator values across the board**. Most notable differences are in GDP per capita as well as the **low employment rates** (mainly for those aged 25-54) and the **high long-term unemployed rates**.

On average, the **progress made by 2018 was very limited**. These regions had the lowest increase in GDP per capita, in the activity rate of women as well as in the share of people with tertiary education. At the same time the decrease in the long-term unemployed rate was only marginal.

**Cluster C – Average start/visible progress:** This cluster comprises 18 regions located in **eastern and south Europe** – eight regions are more developed (Cyprus, Hungary, Italy, Poland, Portugal, Romania, Slovenia, Spain), two are transitional (Malta, Portugal) and eight are less developed (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Portugal, Slovenia). In essence this cluster covers all regions in Cyprus, Hungary, Malta, Poland, Portugal, Slovenia and the three Baltic states (Estonia, Latvia and Lithuania), more developed regions in Italy, Romania and Spain, and less developed regions in the Czech Republic. At the beginning of the programming period, indicator values for these regions were very close to **average values**.

By 2018, all indicator values improved – regions in this cluster had the **highest increase in the employment rates of those aged 25-54 and 55-64** and substantial increase in the activity rate of women and share of those with tertiary education. **GDP per capita also increased substantially but remained below the EU average**. There was also a significant decrease in the long-term unemployed rate.

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<sup>55</sup> Purchasing power parity

**Cluster D – Strong start/substantial change:** This cluster comprises only two regions – **more developed regions in Ireland (whole country) and the Czech Republic**. At the beginning of the programming period, both regions had **very high GDP per capita** as well as **share of population with tertiary education** and **employment rates for those aged 55-64**. The **long-term unemployed rate was also low**, especially in the Czech Republic. Nevertheless, **participation in education/training was below average**.

By 2018, these regions had on average the **highest increase in the GDP per capita** – in both regions the increase was well above average, with the increase in Ireland being the highest across all regions. All indicator values improved with the most notable changes being the increase in the **participation rate in education and training** as well as in the **share of those with tertiary education** and the **significant decrease in the long-term unemployed rate**, especially for the Czech Republic. Finally, these regions had the highest increase in the activity rates of women, though the 2018 values for Ireland remain below the EU average (72.2% vs. 73.8%).

Figure 11. Clusters of regions by typology based on the socioeconomic context (2014 and 2014-2018 change), EU-28

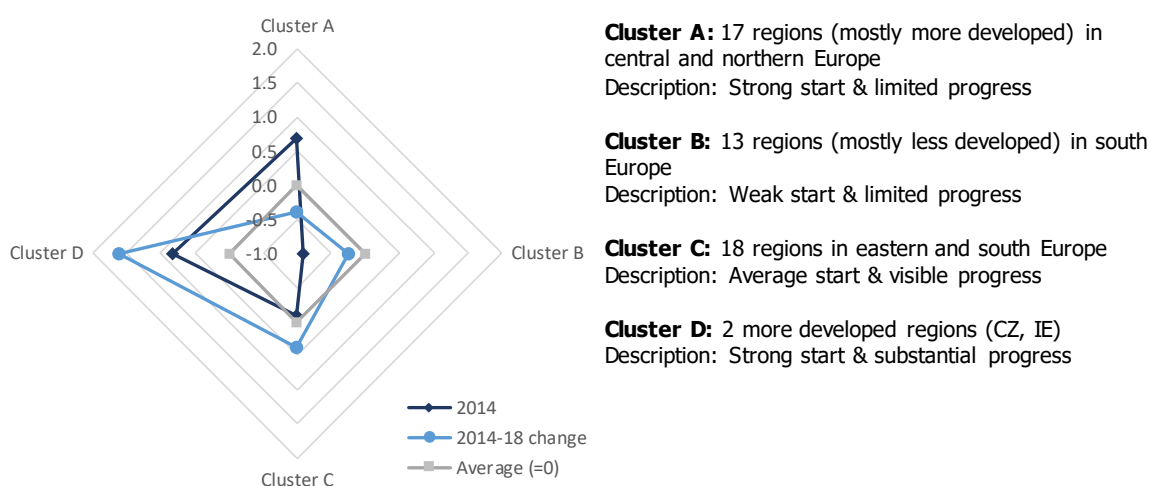
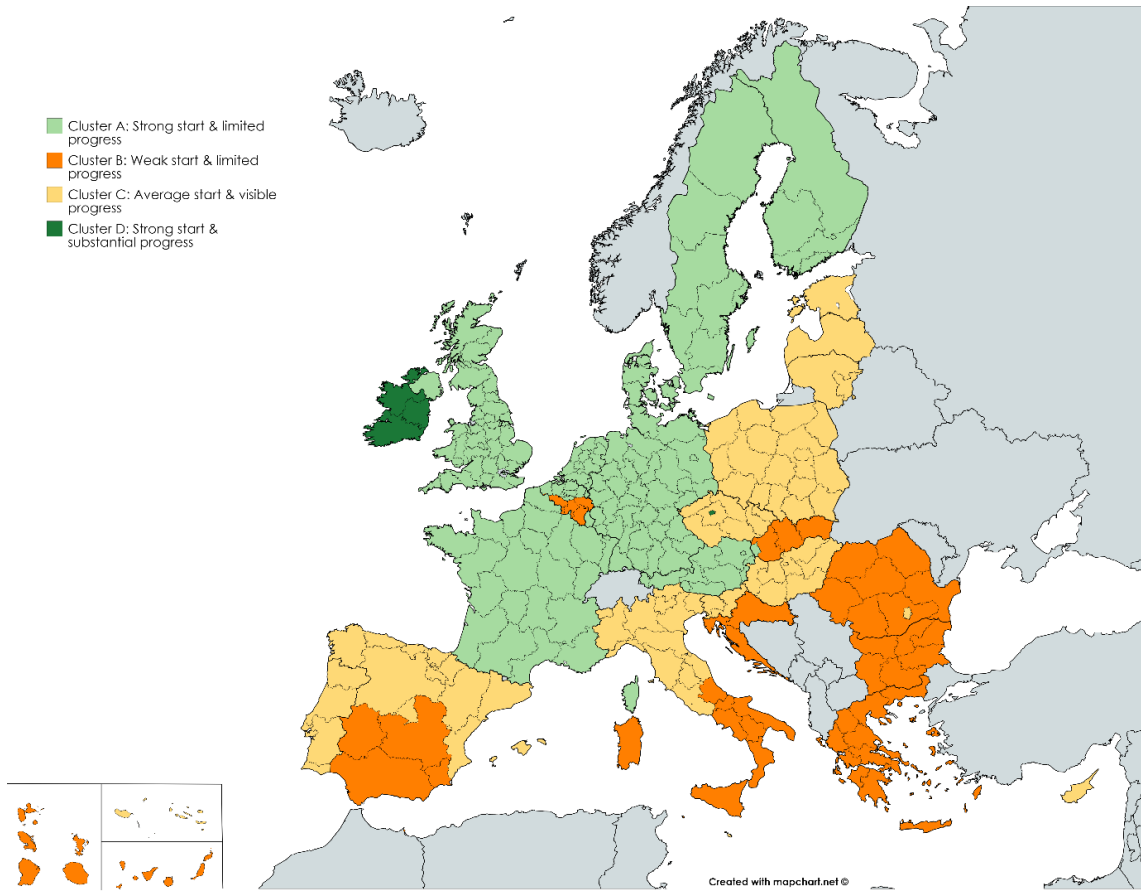


Table 2. Clusters of regions by typology based on the socioeconomic context (2014 and 2014-2018 change), EU-28

Cluster	Type of region	Countries
Cluster A	More developed	BE, DK, DE, FR, LU, NL, AT, SK, FI, SE, UK
	Transition	DE, DK, FR, AT, UK
	Less developed	UK
Cluster B	More developed	EL
	Transition	BE, EL, ES, IT
	Less developed	BG, EL, ES, FR, HR, IT, RO, SK
Cluster C	More developed	ES, IT, CY, HU, PL, PT, RO, SI
	Transition	MT, PT
	Less developed	CZ, EE, LV, LT, HU, PL, PT, SI
Cluster D	More developed	CZ, IE

Figure 12. Map of clusters of regions by typology based on the socioeconomic context (2014 and 2014-2018 change), EU-28



### 3 The financial and operational implementation of the ESF support to employment and labour mobility

This chapter presents an overview of the implementation of ESF operations towards the promotion of sustainable and quality employment and the support of labour mobility. It starts with an overall mapping of how ESF funds have been allocated to the various sub-priorities related to employment and labour mobility. Subsequently, this chapter presents the financial and operational implementation of operations towards these objectives, which serves as the background in answering the evaluation questions in chapter 4. In line with the demarcation approach adopted for this study and explained in Section 1.2, this chapter is mostly<sup>56</sup> based on the demarcation at the level of the Investment Priority; this means that it presents information on TO8 with the exception of Investment Priority 8.ii (youth employment).

#### 3.1 Scope of investments in employment and labour mobility

In the 2014-2020 programming period, the European Social Fund is implemented through 187 ESF Operational Programmes, including multi-fund Operational Programmes, adopted in the 28 Member States. Out of these, Thematic Objective 8 is supported specifically (without Youth Employment) through 151 Operational Programmes, across all Member States. As the ESF is implemented under shared management, this selection of priorities was made by the Member States, in response to their local contexts, informed by the European Semester and their country-specific progress towards the Europe 2020 objectives. The total allocation of these programmes is EUR 32.1 billion, equivalent to approximately 26% of the entire ESF budget for 2014-2020<sup>57</sup>. This underlines that Member States also confirm support for employment and labour mobility as a central objective within ESF.

***Investments in employment and mobility are a central objective within ESF, and focus mostly on access to employment. Different programming decisions were made in different programmes and regions***

Within this thematic objective, investments can be distinguished by Investment Priority, as presented in Table 3 below. Access to employment (Investment Priority 8.i) is the dominant priority, absorbing more than half of the entire budget allocated to TO 8 (53%) and programmed by all Member States except Denmark<sup>58</sup>. Adaptability to change (Investment Priority 8.v) is another substantial priority, corresponding to EUR 7.3 billion (23%). It is a particularly important priority in Germany (EUR 2.2 billion) and France (EUR 1.3 billion), where it represents over half of the total TO8 investments.

Table 3. Allocations to Thematic Objective 8 (EU + national)

MS (x€million)	Access to employment (8.i)	Entrep re- neursh ip (8.iii)	Gender equality (8.iv)	Adaptabil ity (8.v)	Active Ageing (8.vi)	LM <sup>59</sup> institutio ns (8.vii)	Total
AT	20.1	-	59.8	1.6	47.0	-	128.5
BE	430.5	18.1	-	153.9	-	15.6	618.1
BG	222.5	31.6	-	62.9	-	29.3	346.3
CY	12.9	-	-	-	-	11.8	24.7
CZ	751.9	-	335.0	321.6	-	138.6	1 547.1
DE	93.2	644.8	258.3	2 160.1	-	-	3 156.4

<sup>56</sup> A single exception is presented by section 3.2, where we were able to exclude a small share of operations that are attributed to youth employment (even though they were programmed in other investment priorities).

<sup>57</sup> While the implementation period for 2014-2020 consists formally of seven years, the Funds Regulation allow implementation of this programming period up until 2023, which means that there is an effective period of 10 years for implementation.

<sup>58</sup> Note that we exclude youth employment (formally also addressed by Thematic Objective 8) from these figures, as a separate evaluation addresses this topic.

<sup>59</sup> Labour market

Study for the Evaluation of ESF support to Employment and Labour Mobility

MS (x€million)	Access to employment (8.i)	Entrepreneurship (8.iii)	Gender equality (8.iv)	Adaptability (8.v)	Active Ageing (8.vi)	LM <sup>59</sup> institutions (8.vii)	Total
DK	-	83.7	-	83.7	-	5.6	173.1
EE	241.1	-	-	-	-	-	241.1
ES	1 976.5	687.8	74.8	427.3	-	17.4	3 183.7
FI	330.4	-	23.5	117.5	-	-	471.5
FR	604.1	486.3	-	1 345.2	66.2	75.2	2 577.0
EL	918.7	358.9	352.8	257.1	-	43.4	1 931.0
HR	293.0	-	-	-	-	95.1	388.1
HU	1 233.3	-	-	172.8	-	-	1 406.1
IE	419.7	-	-	-	-	-	419.7
IT	2 731.3	10.2	429.4	511.7	13.8	682.7	4 379.2
LT	274.4	-	-	-	-	-	274.4
LU	8.0	-	-	-	-	-	8.0
LV	108.7	-	-	23.2	-	-	131.9
MT	20.0	-	-	-	-	-	20.0
NL	50.3	-	-	-	203.2	-	253.5
PL	1 850.2	618.7	520.3	740.6	354.4	41.7	4 125.9
PT	706.6	393.3	10.3	705.8	-	15.9	1 832.0
RO	541.8	334.1	-	174.0	-	118.3	1 168.2
SE	280.3	-	-	-	-	-	280.3
SI	213.8	-	-	-	46.9	-	260.7
SK	817.0	-	91.8	-	-	41.2	950.0
UK	1 736.6	-	39.9	-	-	-	1 776.4
<b>EU28</b>	<b>16 887.0</b>	<b>3 667.5</b>	<b>2 196.0</b>	<b>7 259.1</b>	<b>731.6</b>	<b>1 331.7</b>	<b>32 073.0</b>
More dev.	5 927.5	1 169.5	643.3	3 249.4	329.7	342.3	11 661.8
Trans.	2 017.2	784.2	193.1	1 508.2	18.2	45.7	4 566.7
Less dev.	8 942.3	1 713.8	1 359.5	2 501.5	383.7	943.7	15 844.5
Cluster A	3 335.4	1 195.6	414.5	3 718.8	306.9	92.4	9 063.6
Cluster B	5 588.1	1 137.8	734.9	1 123.0	9.5	794.5	9 387.8
Cluster C	7 506.8	1 334.2	1 000.1	2 415.0	415.1	434.5	13 105.7
Cluster D	456.7	-	46.5	2.3	-	10.3	515.8

Source: SFC2014, based on Operational Programme data reported in Annual Implementation Report 2018 (data extracted on 6 September 2019)

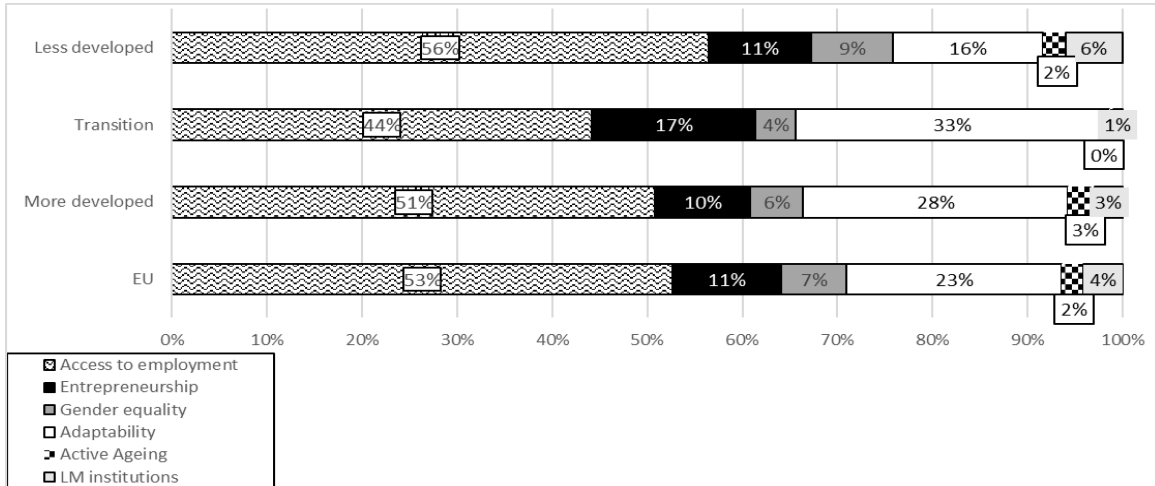
Other Investment Priorities receive less investment in absolute terms, but their relevance varies by country. For instance, Gender equality (Investment Priority 8.iv) represents almost half of the investments of the overall theme of employment and labour mobility in Austria (47%). active ageing, which is allocated a total of EUR 731.6 euros is the dominant investment priority in the Netherlands, where it represents 80% of the total investments to employment and labour mobility. In Denmark, ESF investments in Employment and labour Mobility are primarily focused towards supporting entrepreneurship (48%). Investments targeting labour market institutions are relatively small, with an overall investment of EUR 1.3 billion. These investments include amongst others support for labour market institutions to improve their provision of labour mobility services (e.g. through EURES<sup>60</sup>).

Across different types of regions, ESF investments are allocated rather evenly, as also presented in Figure 13 below. The ESF in transition regions is comparatively less focused on access to employment investments (44% against an EU average of 53%). These regions spend more on entrepreneurship (17%) and adaptability (33%). Programmes in

<sup>60</sup> EURES is a cooperation network formed mostly by public employment services, which actively seeks to facilitate employment mobility across the EU.

less developed regions concentrate comparatively less in adaptability investments (16%, compared to 23% overall), to favour access to employment investments.

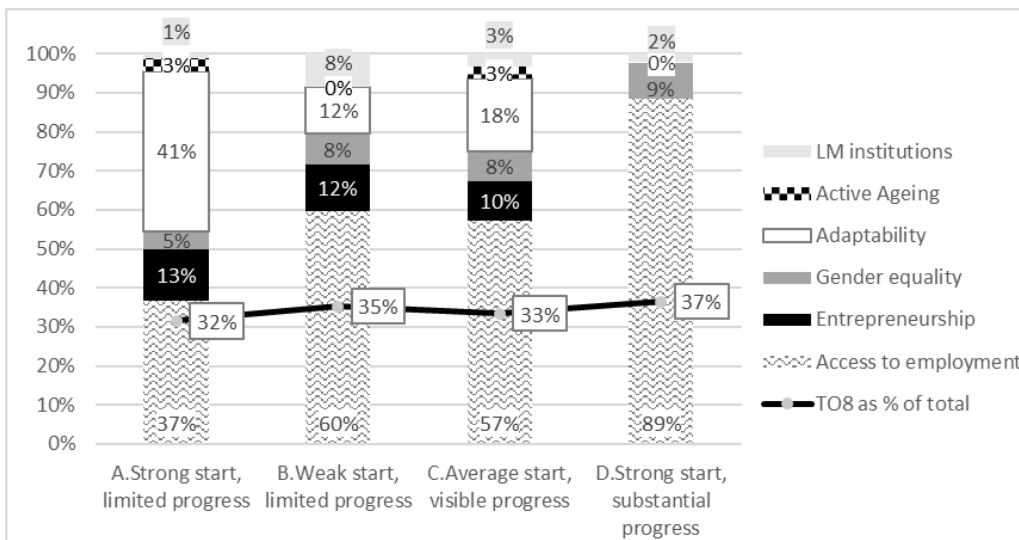
Figure 13. Relative allocations to Investment Priorities - by region



Source: SFC2014, based on Operational Programme data used for Annual Implementation Report 2018 (data extracted on 6 September 2019)

As presented in the previous section (see 2.2), the regions of Member States were clustered based on a number of socio-economic indicators. Here, the investments are presented according to these clusters. This shows that programme allocations to the different investment priorities across these clusters vary substantially. The allocation in regions with a strong starting point but relatively limited progress towards the various indicators (Cluster A) showed a considerable attention for adaptability (41%), and less attention for access to employment (37%). Its overall allocation to TO8, as share of the total ESF investments is also comparatively lower than other clusters of regions (32%). It contrasts particularly with Cluster D, which combines two types of regions in the Czech Republic and Ireland with a strong starting point and substantial progress. Here, ESF allocations are almost exclusively targeted to access to employment (89%), with the remaining budget allocated to gender equality. It also shows the highest share of TO8 investments relative to the total ESF budget. Regions in Clusters B and C allocated their TO8 investment relatively comparable to each other, with 60% and 57% of the budget allocated to access to employment respectively.

Figure 14. Budget allocations compared across clusters of regions



Source: SFC2014, based on Operational Programme data used for Annual Implementation Report 2018 (data extracted on 6 September 2019). TO8 excludes Investment Priority8.ii.

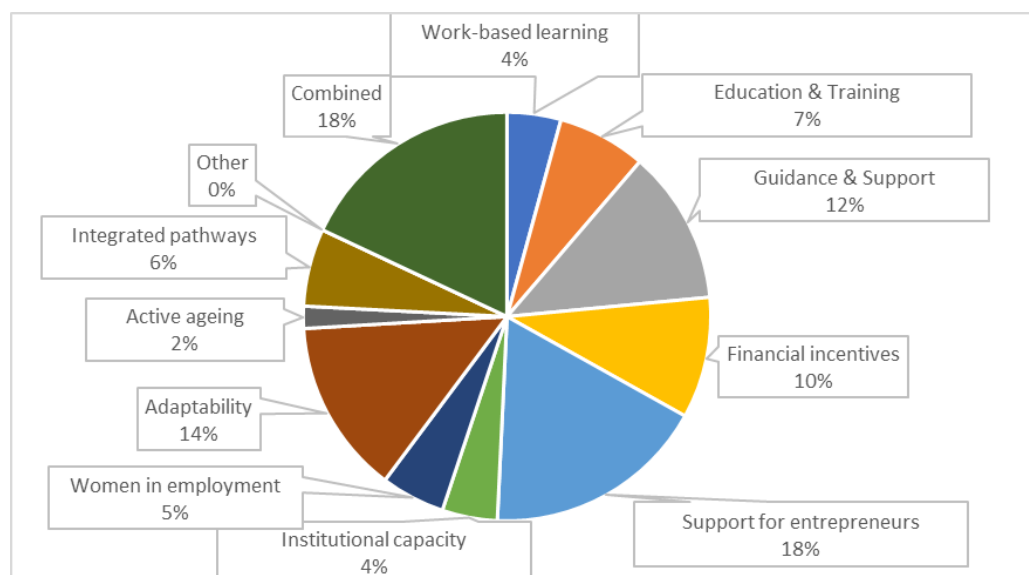
### 3.2 Types of supported operations

***The type of operation selected tends to be aligned to the investment priority in which it is programmed***

This section presents the broad variety of operations that was found in the mapping of the various employment operations across all programmes. Whereas the previous section shows what was programmed, this section is based on the operations that have already been implemented. In line with the demarcation approach adopted for this study (see section 1.2 or Annex I), this section is based on the demarcation at the *level of operations*; this means that a select number of youth employment operations that were programmed outside its dedicated youth employment investment priority were excluded from this section’s analysis<sup>61</sup>.

5 below shows the distribution of different types of operations identified within TO8, based on their relative size in eligible costs<sup>62</sup>. **The operations that combine multiple categories represent the largest share of the costs (18%)<sup>63</sup>. Support for entrepreneurs (18%) counts as one of the largest categories, closely followed by guidance and support (12%), adaptability (14%), and financial incentives (10%).**

Figure 15. Share of eligible ESF costs related to intervention types



Source: Mapping operations based on Annual Implementation Report 2015 - 2018

Some of the types of operations are quite specific for certain investment priorities, while others are more generic types of support that could be found under any investment priority. **Table 4** below seeks to further illustrate this. Unsurprisingly, investments in the area of entrepreneurship (Investment Priority 8.iii) consist for 99% of interventions that

<sup>61</sup> Operations across Thematic Objective 8 are excluded from this analysis, if these define youth (up to 30 years old) as its exclusive target group (i.e not mention other age groups for that operation), or if these are programmed under Specific Objectives that mention youth, and the operation mentions youth as (one of the) target groups.

<sup>62</sup> The basis of comparison is based on the eligible costs reported by Member State so far. These are costs that Managing Authorities report as committed at the start of interventions. While these are not yet certified (this is done by audit authorities at the end), but are a good measure of the estimated size of operations at the start of implementation.

<sup>63</sup> As described in more detail in Annex I, the figures presented in this section are based on a manual screening of all TO8 operations reported in Annual Implementation Report 2015- Annual Implementation Report 2018, in which coders attempted to classify the type of intervention as specifically as possible. Where sufficient information is available on the share of the costs of different ‘single’ types of intervention, these are reported separately, even if these are in fact part of an integrated approach that combines a number of types of interventions. The category ‘combined’ was only chosen if no dominant type could be identified within an intervention.



provide some sort of support for entrepreneurs. Likewise, adaptability interventions are basically only found within the adaptability investment priority (Investment Priority 8.v), where these interventions represent half of the reported eligible costs. Interventions in support of active ageing dominate the active ageing Investment Priority (66% of that Investment Priority's costs), while interventions that seek to strengthen institutional capacity represent 84% of the costs reported for the investment priority on Labour Market Institutions (Investment Priority 8.vii). For access to employment, a variety of types of intervention can be found, such as guidance and support (20%), financial incentives (17%), education and training (8%), and a considerable share of interventions that combine multiple types (30%).

Table 4. Overview of types of intervention per Investment Priority

	Total TO8 (excl. IP8.ii)	Access to employment (IP8.i)	Entrepreneurship (IP8.iii)	Gender equality (IP8.iv)	Adaptability (IP8.v)	Active ageing (8.vi)	LM <sup>64</sup> institutions (IP8.vii)
Work-based learning	4%	5%	0%	0%	7%	0%	0%
Education and Training	7%	8%	0%	10%	9%	0%	8%
Guidance and Support	12%	20%	0%	0%	7%	0%	0%
Financial incentives	10%	17%	0%	3%	2%	0%	0%
Support Entrepreneur	18%	3%	99%	3%	7%	0%	0%
Institutional capacity	4%	4%	0%	0%	1%	0%	84%
Women in employment	5%	1%	0%	80%	1%	0%	0%
Adaptability	14%	1%	0%	0%	55%	1%	0%
Active ageing	2%	0%	0%	0%	2%	66%	0%
Integrated pathways	6%	10%	0%	2%	3%	0%	3%
Other	0%	0%	0%	0%	0%	0%	0%
Combined	18%	30%	0%	2%	5%	33%	5%
Total	100%	100%	100%	100%	100%	100%	100%

Source: mapping by authors, based on qualitative screening of Annual Implementation Report 2015-2018.

**Geographical mobility measures are not as visible as other priorities, and receive less than 5% of the overall ESF investments in this area**

While mobility is mentioned explicitly in the title TO8, there is no specific investment priority dedicated to labour mobility. In theory, Member States can programme operations towards mobility under any investment priority and it can mean different things. A mapping of all operations under TO8 shows that in practice almost all geographical mobility operations can be found under the 'Access to employment' Investment Priority (Investment Priority 8.i), and to a less extent in support to labour market institutions (Investment Priority 8.vii). As shown in the table below, a total of just under EUR 800 million has been reported as costs for such geographical mobility operations, which is roughly 4.3% of the total costs reported for all TO8 operations. Most mobility operations combine multiple types or consist of integrated pathways. The mobility measures within the investment priority of strengthening Labour Market Institutions (Investment Priority

<sup>64</sup> Labour market



8.vii) tend to focus on supporting Public Employment Services in using and expanding EURES as a tool to promote geographical labour mobility<sup>65</sup>.

Table 5. Overview of mobility operations – by type of operation and Investment Priority

	Access to employment (IP8.i)	LM <sup>66</sup> institutions (IP8.vii)	Other IP	Total TO8 (excl. IP8.ii)	% of all TO8 operations
	(in € million)				%
Work-based learning	-	-	-	-	0.0%
Education & Training	0.2	-	-	0.2	0.0%
Guidance & Support	13.7	-	-	13.7	0.6%
Financial incentives	19.5	0.2	-	19.7	1.1%
Support for entrepreneurs	-	-	-	-	0.0%
Institutional capacity	-	4.9	-	4.9	0.6%
Women in employment	-	-	2.2	2.2	0.2%
Adaptability	-	-	-	-	0.0%
Active ageing	-	-	-	-	0.0%
Integrated pathways	366.9	11.7	-	378.6	31.9%
Other	-	-	-	-	-
Combined	398.4	17.9	1.6	418.0	12.0%
Total	798.8	34.7	3.8	837.3	4.3%

Source: mapping by authors, based on qualitative screening of Annual Implementation Report 2015-2018<sup>67</sup>.

### 3.3 Implementation

This section focuses on the actual progress reported so far for employment and labour market operations, as measured by monitoring data. In line with the demarcation approach adopted for this study and explained in Section 1.2, this section, which builds upon financial and physical indicators, is based on the demarcation at the level of the Investment Priority; this means that it presents information on TO8 with the exception of Investment Priority 8.ii.

#### 3.3.1 Financial implementation

##### *The level of implementation varies substantially between Member States, but is substantially influenced by different approaches to reporting*

This chapter explores the progress of implementation of operations funded under the Employment and Labour Mobility objective (TO8), in terms of financial progress. While the programming period 2014-2020 nominally comes to an end in 2020, the Funds regulation permit the implementation until the end of 2023, by which all ESF budgets should be spent. Financial progress in the context of the ESF/YEI is typically measured by means of:

- Project selection rate: this is the total eligible cost of operations selected for support over the total allocation. It is an indication of how much of the budget is already committed to eligible operations selected, thus a proxy of current implementation and to some extent that which is foreseen for the immediate future, i.e. of projects about to start or ongoing; and
- Implementation rate: this is the total eligible expenditure declared by beneficiaries over the total allocation. It is an indication of the volume of activities already implemented, and about to be (or already) certified by the Managing Authority.

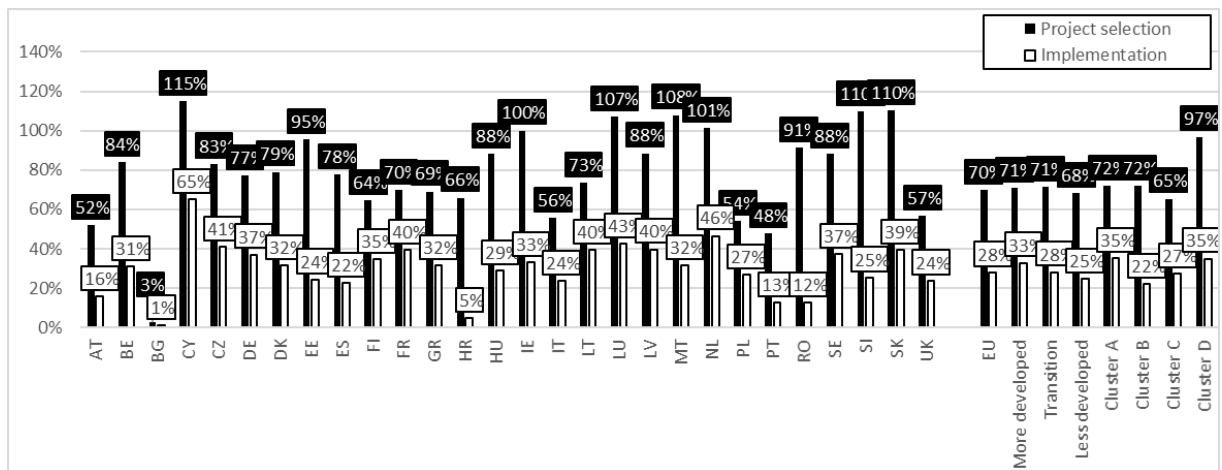
<sup>65</sup> The concept of mobility is broader than only geographical mobility, as it could also comprise of occupational mobility. However, Member States tend to treat occupational mobility measures synonymous to adaptability and adaption to change. Therefore, we restrict the discussion of mobility here to the geographical kind.

<sup>66</sup> Labour market

<sup>67</sup> Operations are classified as 'mobility' in case the description of the operation in the Annual Implementation Report makes explicit reference to geographical labour mobility. It is therefore possible that the actual scale of mobility operations is larger than estimated.

As Figure 16 shows, there is considerable variation in implementation across the Member States. On average, at EU level, a project selection rate of 70% is reported, together with an implementation rate of 28%. **Implementation appears well on track in Cyprus, France, the Czech Republic, Lithuania, Luxembourg, Latvia, and the Netherlands**, where implementation rates had reached over 40% by the end of 2018. Implementation of TO8 operations in Bulgaria looks problematic, with an implementation rate of just 1%, but its particularly low project selection rate (3%) suggests that it will face difficulties in catching up with implementation in the coming years<sup>68</sup>. Other Member States that **report low implementation rates by 2018 are Croatia, Portugal, and Romania**, but the higher project selection rates in these countries suggest that a considerable number of operations are already underway and it is expected to be reported as eligible expenditures in the coming years.

Figure 16. Project selection / Implementation rate TO8 – by Member State



Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on September 6, 2019). (Cluster A – Strong start/limited progress, Cluster B – weak start/limited progress, Cluster C – average start/visible progress, Cluster D – strong start/substantial progress)

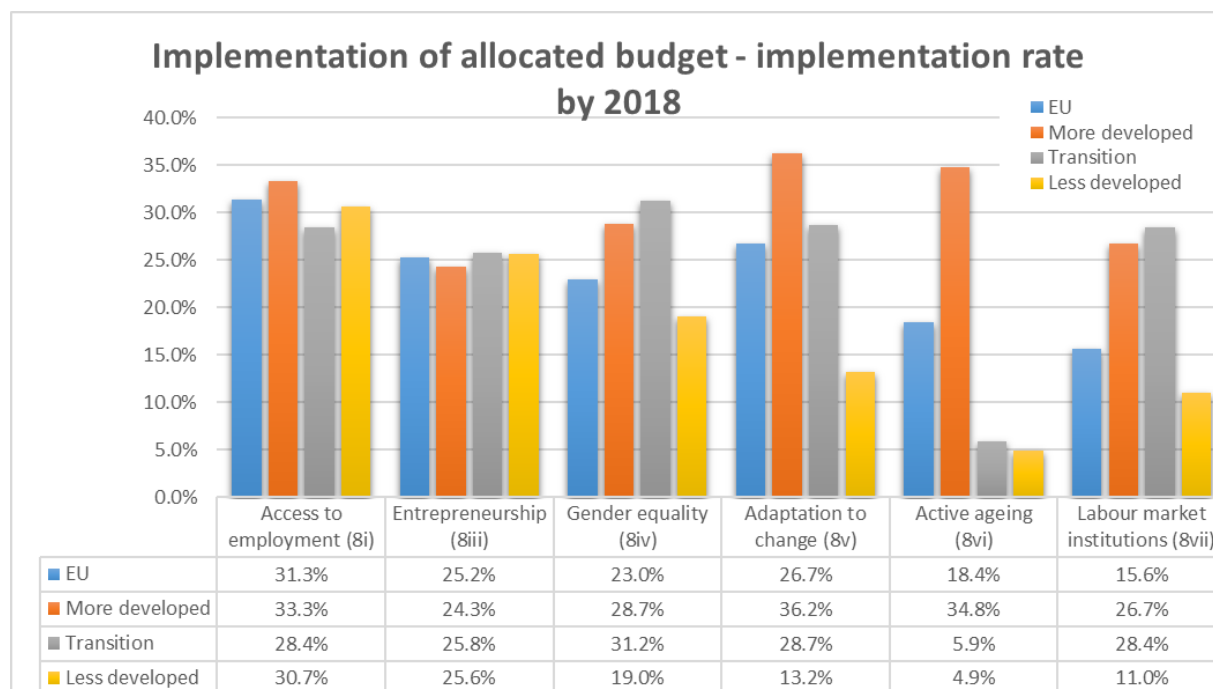
While there are considerable variances between Member States, differences between different types of region are relatively modest, with less developed regions (68% project selection / 25% implementation rates) only slightly behind the project selection and implementation rates found in transition (71% project selection / 28% implementation rates) and more developed regions (71% project selection / 33% implementation rates). This is also reflected in the four Clusters (A, B, C and D), in which the types of regions were grouped based on their starting position and progress towards a range of socio-economic indicators. Cluster A, which combines regions with a strong starting position and limited progress, shows relatively high implementation rates (35%, against 28% EU average). Cluster B (weak starting point and lower than average progress) scores below average (22% against 28% EU average), reflecting the challenges of funding employment measures in context with adverse socio-economic conditions.

The similar level of implementation across the three different types of regions for TO8 overall masks more profound differences between the progress in implementation across investment priorities. As shown in more detail in Figure 17 below, **implementation rates for access to employment operations (Investment Priority 8.i), which receive by far the largest budget allocations, and entrepreneurship (Investment Priority 8.iii) are relatively comparable. However, considerable differences appear among the smaller Investment Priorities.** For the priority of Active ageing (Investment Priority 8.vi) for instance, a large contrast appears between more developed regions (34.8% implemented), and transition and less developed regions (5.9% and 4.9% respectively). Similarly, the implementation in less developed regions of operations in

<sup>68</sup> Also note that BG reported over ten times its allocation as Youth Employment costs. Quite possible these costs are incorrectly coded by BG, and in fact reflect implementation of TO8.

adaptation to change (Investment Priority 8.v), and support for labour market institutions (Investment Priority 8.v.ii) is considerable behind more developed regions.

Figure 17. Implementation of allocated budget – implementation rate by 2018 – by region



Source: SFC2014, based on budgets and eligible expenditures declared to the Managing Authority in Annual Implementation Report 2018 (data extracted on 6 September 2019)

### 3.3.2 Operational implementation: participation (outputs)

**The total share of 4.6 million participations with an unemployed status, out of the total 6.8 million participations confirms the dominance of TO8 operations that target unemployed**

This section provides an assessment of the performance of ESF TO8 operations in terms of the number of participations. In total, 6.8 million participations were reported until December 2018, representing just above one fourth (26.3%) of the total ESF and YEI participations Table 6 below confirms again the dominance of operations that target unemployed. Some 4.6 million participations of unemployed people across all programmes were recorded, compared to 0.5 million inactive, and 1.7 million employed. The total participations recorded for TO8 were compared to the population size of each Member State to get a better sense of the scope of operations in this area. It shows considerable differences among them. In **Estonia, Portugal and Slovakia particularly, high participations were found in comparison to the size of the workforce**<sup>69</sup>. However, **also in larger countries such as Spain and Italy**, the operations under TO8 reached relatively high numbers of participation. Conversely relatively **low participation figures can be observed in Austria, Cyprus, Denmark, Croatia, Ireland, Luxembourg, the Netherlands, Romania, Sweden and the United Kingdom**.

Table 6. Number of participations TO8 (excl. Investment Priority 8.ii)

MS	Unemployed	Inactive	Employed	Total	As % of workforce
AT	1 336	191	55	1 582	0.03%
BE	167 257	14 714	5 753	187 724	3.10%

<sup>69</sup> Note that any comparison of ESF participation data and size of the workforce are only indicative. First of all, one should take into account that multiple ESF participations can refer to one individual. Moreover, the participation data combines multiple years, while the size of the workforce provides a static picture for 2018.

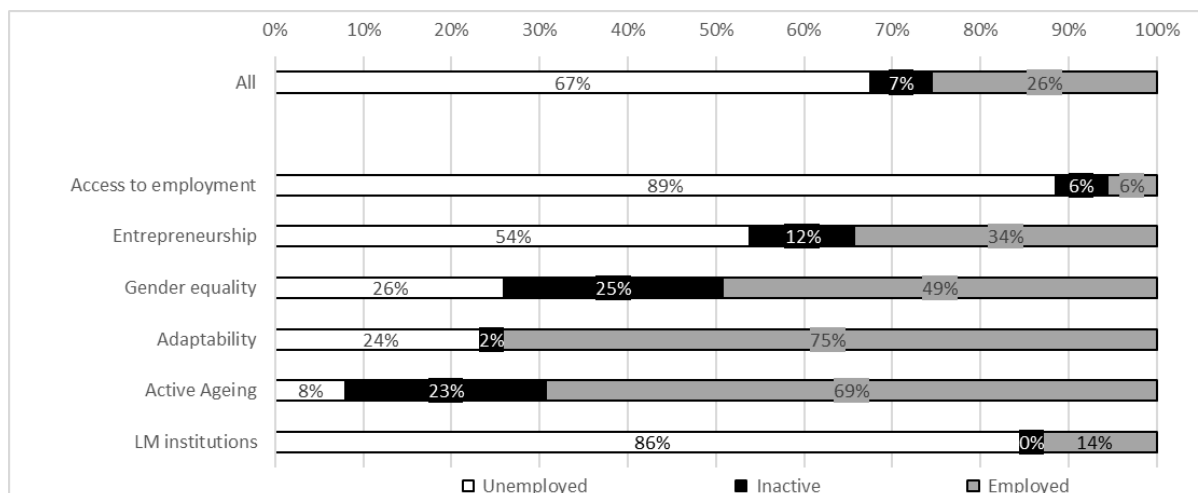
Study for the Evaluation of ESF support to Employment and Labour Mobility

MS	Unemployed	Inactive	Employed	Total	As % of workforce
BG	24 942	3 395	42 965	71 302	1.84%
CY	2 993	-	-	2 993	0.62%
CZ	132 086	7 563	83 727	223 376	3.78%
DE	50 842	39 553	322 305	412 700	0.91%
DK	1 758	7 063	11 867	20 688	0.69%
EE	26 984	6 432	16 921	50 337	6.99%
ES	1 008 623	92 770	242 487	1 343 880	23.47%
FI	34 493	13 755	41 446	89 694	0.34%
FR	507 265	57 542	165 035	729 842	25.93%
EL	140 080	5 885	76 322	222 287	0.66%
HR	5 101	17	1 231	6 349	0.29%
HU	144 677	540	4 123	149 340	2.76%
IE	13 897	2 839	1 212	17 948	0.69%
IT	1 236 347	74 575	198 780	1 509 702	4.61%
LT	60 266	129	4 215	64 610	4.24%
LU	1 708	63	12	1 783	0.50%
LV	54 758	-	17	54 775	5.22%
MT	1 383	965	242	2 590	0.93%
NL	23 304	1 491	6 681	31 476	0.35%
PL	322 016	67 076	203 267	592 359	2.75%
PT	251 137	34	208 202	459 373	8.30%
RO	3 610	18 551	45 254	67 415	0.63%
SE	9 048	3 742	47	12 837	0.25%
SI	17 318	21	7 816	25 155	2.17%
SK	149 555	52	53 522	203 129	6.45%
UK	221 698	59 930	4 044	285 672	0.83%
<b>EU28</b>	<b>4 614 482</b>	<b>478 888</b>	<b>1 747 548</b>	<b>6 840 918</b>	<b>2.48%</b>
More developed	2 508 668	284 583	812 246	3 605 497	2.10%
Transition	718 263	55 550	189 676	963 489	2.64%
Less developed	1 387 551	138 755	745 626	2 271 932	3.36%
Cluster A	984 421	185 011	547 944	1 717 376	1.20%
Cluster B	974 499	74 044	346 110	1 394 653	3.00%
Cluster C	2 633 276	216 343	847 211	3 696 830	4.44%
Cluster D	22 286	3 490	6 283	32 059	0.96%

Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on September 6, 2019). Population data Eurostat 25-64 years old in 2019, NUTS2 level [demo\_r\_pjangroup].

As expected for the employment operations, the majority of all participations were recorded by unemployed (67%). However, substantial differences exist between the different Investment Priorities; access to employment; entrepreneurship and strengthening of Labour market institutions all predominantly address the unemployed. Other investment priorities focused more on people in employment, such as gender equality measures (49%), adaptability (75%) and active ageing (69%). Inactive people can be found mostly in gender equality (25%) and active ageing measures (23%).

Figure 18. Labour market status of TO8 participants

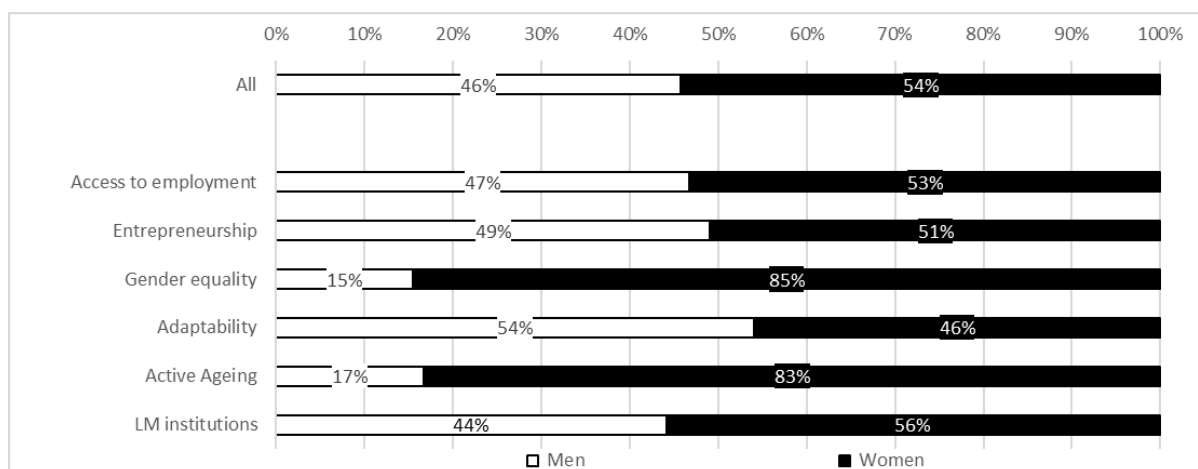


Source: SFC2014, based on Annual Implementation Report 2018, data extracted on 6 September 2019

**Employment operations reached more women than men, particularly in gender equality and active ageing measures**

As shown in Figure 19, the share of female participants in the employment priorities covered by this evaluation is often higher than men, except for operations under the investment priority of adaptation (54% of male participants). Particularly profound differences are found in the investment priorities of gender equality and active ageing (85% and 83% female participants respectively).

Figure 19. Share of men and women against overall participations

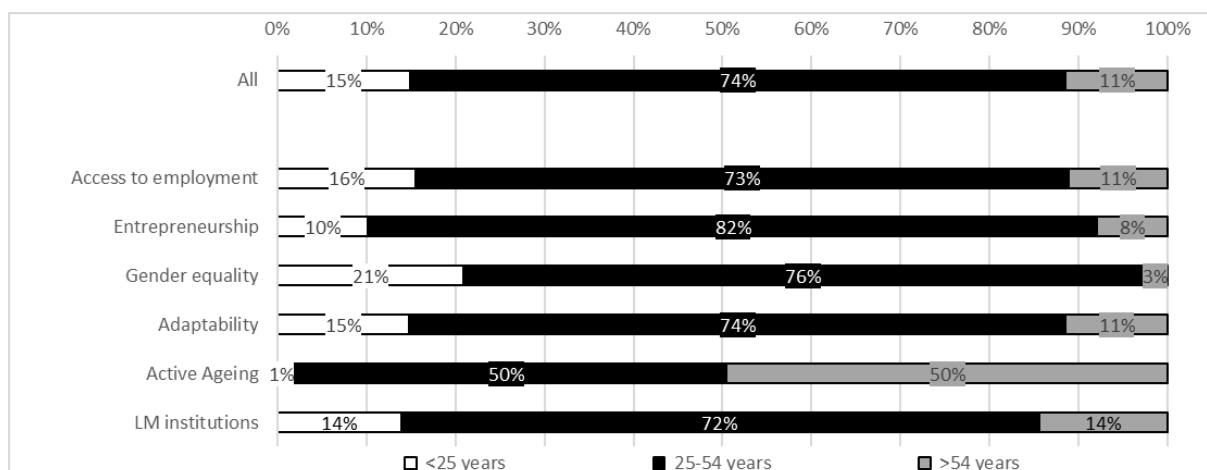


Source: SFC2014, based on Annual Implementation Report 2018, data extracted on 6 September 2019

**ESF Employment investments focus predominantly on 25-54 year old**

Most employment measures target the population between 25-54 years old. Only the active ageing investments visibly reach a substantial share of participants above 54 years old, while no other investment priority reaches more than 11% of this age group.

Figure 20. Age categories of TO8 participants

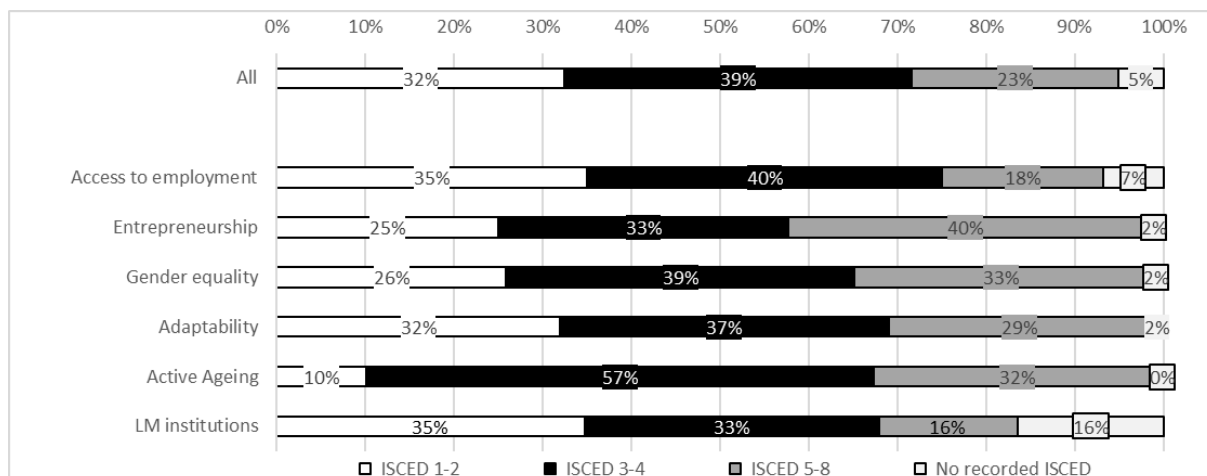


Source: SFC2014, based on Annual Implementation Report 2018, data extracted on 6 September 2019

**Overall, education level of TO8 participants is relatively balanced, but vary by investment priority**

Figure 21 below shows that for most investment priorities the share of participants with each of the education levels is relatively balanced. A plurality of participations (39%) involved individuals with ISCED 3-4, followed by ISCED 1-2 (32% of participations) and ISCED 5-8 (23%). Access to employment measures reached more people with lower education qualifications (18% with ISCED5-8), as opposed to investments in entrepreneurship (40% of participants with ISCED 5-8). Active ageing investments notably focused on people with relatively higher qualifications, with only 10% of participants recorded for people with ISCED 1-2.

Figure 21. Education categories of TO8 participants



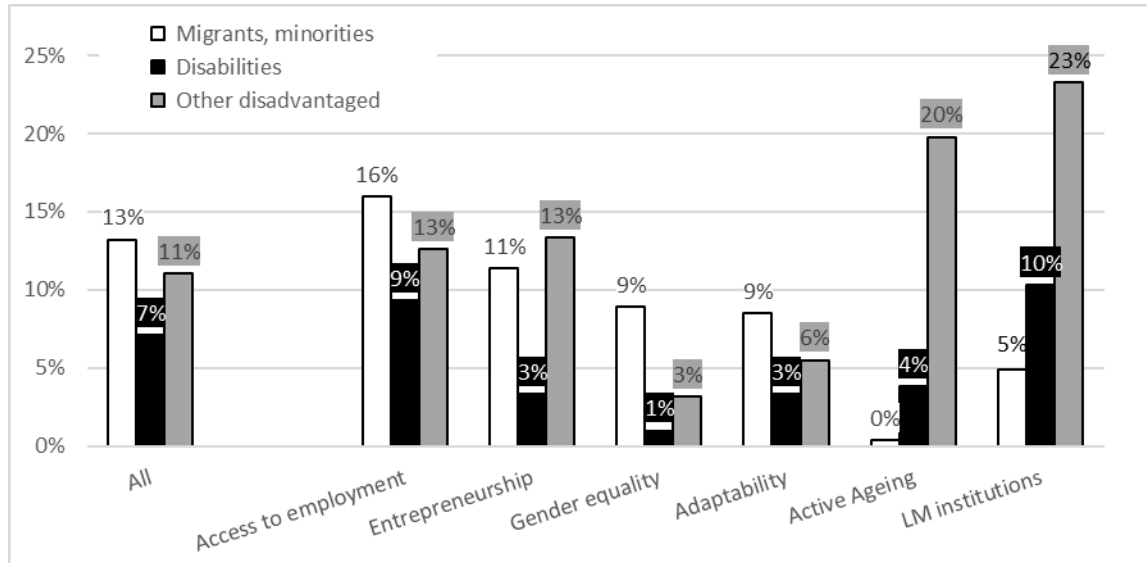
Source: SFC2014, based on Annual Implementation Report 2018, data extracted on 6 September 2019

**Persons with different types of vulnerability are addressed by different investment priorities**

The monitoring data tracked three types of vulnerabilities among participation figures. Figure 22 shows how these three types (migrants and minorities, persons with disabilities and other disadvantaged) are addressed differently by different investment priorities. Access to employment and entrepreneurship more often involve migrants and/or minorities (16% and 11% of all participations respectively). People with disabilities are most often targeted by access to employment operations and investments to strengthen

labour market institutions (9% and 10% respectively). Participations with other types of disadvantages are most often reached by active ageing measures and strengthening of labour market institutions (20% and 23% respectively)<sup>70</sup>.

Figure 22. Share of people with specific vulnerability against overall participation<sup>71</sup>



Source: SFC2014, based on Annual Implementation Report 2018, data extracted on 6 September 2019

### 3.3.3 Operational implementation: Results achieved

**A total of 1.3 million unemployed found employment after concluding the ESF investments and another 0.6 million people obtained a qualification. For roughly one-third of all recorded participations at least some type of positive result was recorded**

Table 7 presents an overview of the total results achieved by ESF TO8 investments in each of the Member State, measured by ESF common result indicators within four weeks of exiting from the operation. It also presents the number of disadvantaged participants that reached a positive result, and the share of disadvantaged participants with positive results compared to the total number of participants with positive results.

Table 7. Immediate results - Annex I indicators (ESF TO8 – excl. Investment Priority8ii)

MS	Immediate result indicators							
	All results						Disadvantaged	
	Job searching	In education	Qualified	Employed	Total results	% of participations	CR5 – any result	% of total results
AT	25	132	331	477	965	61%	394	41%
BE	865	2 944	2 582	67 621	74 012	39%	19 753	27%
BG	853	108	2 132	4 542	7 635	11%	1 465	19%
CY	-	30	-	2 191	2 221	74%	154	7%
CZ	-	6 025	54 046	80 959	141 030	63%	36 128	26%
DE	2 934	7 128	233 747	26 468	270 277	65%	48 572	18%
DK	18	92	1 986	509	2 605	13%	447	17%

<sup>70</sup> The share of persons with a migration background and / or minorities is possible underreported. Annex I of the ESF Regulation has assigned this category as 'potentially sensitive' information. Final beneficiaries have the right to refuse consent to collection of this status. Moreover, the European Commission recommends Member States to collect this characteristic based on self-definition, i.e. allowing final beneficiaries to select themselves whether this category applies to them. Both can result in lower reporting.

<sup>71</sup> Note that an individual may combine multiple vulnerabilities. In that case he/she is counted in each category.



MS	Immediate result indicators							
	All results						Disadvantaged	
	Job searching	In education	Qualified	Employed	Total results	% of participations	CR5 – any result	% of total results
EE	-	952	846	5 831	7 629	15%	4 644	61%
ES	4 723	53 535	50 544	266 592	375 394	28%	72 710	19%
FI	677	2 819	1 848	6 898	12 242	14%	6 876	56%
FR	14 745	40 691	81 781	173 917	311 134	43%	121 901	39%
EL	1 021	3 265	30 287	9 133	43 706	20%	15 914	36%
HR	-	31	-	4 129	4 160	66%	658	16%
HU	84	1 574	13 430	66 173	81 261	54%	12 386	15%
IE	180	606	8 465	1 938	11 189	62%	1 231	11%
IT	1 504	18 493	26 686	282 343	329 026	22%	42 005	13%
LT	-	506	17 850	13 389	31 745	49%	4 877	15%
LU	7	-	-	277	284	16%	4	1%
LV	-	819	17 336	4 586	22 741	42%	7 769	34%
MT	78	63	320	562	1 023	39%	124	12%
NL	60	181	315	3 770	4 326	14%	3 860	89%
PL	1 384	363	46 591	183 723	232 061	39%	104 241	45%
PT	-	29 921	-	61 819	91 740	20%	5 858	6%
RO	492	334	113	7 144	8 083	12%	1 364	17%
SE	273	1 052	637	2 645	4 607	36%	3 639	79%
SI	3	2	3 732	2 722	6 459	26%	674	10%
SK	-	4	83	23 897	23 984	12%	147	1%
UK	1 238	13 712	83 161	43 393	141 504	50%	87 539	62%
<b>EU</b>	<b>31 164</b>	<b>185 382</b>	<b>678 849</b>	<b>1 347 648</b>	<b>2 243 043</b>	<b>33%</b>	<b>605 334</b>	<b>27%</b>
More	19 450	104 289	402 264	573 022	1 099 025	30%	330 265	30%
Trans	7 241	41 068	100 540	204 393	353 242	37%	93 772	27%
Less	4 473	40 025	176 045	570 233	790 776	35%	181 297	23%
<b>By cluster of regions</b>								
<b>A</b>	19 686	66 971	400 140	314 497	801 294	47%	286 165	36%
<b>B</b>	6 260	28 051	50 235	316 767	401 313	29%	51 572	13%
<b>C</b>	5 038	89 680	218 252	708 892	1 021 862	28%	263 928	26%
<b>D</b>	180	680	10 222	7 492	18 574	58%	3 669	20%

Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on September 6, 2019)

The overview of results confirms the main focus of investments in TO8, which is to lead individuals to work. In total, **1.3 million people were in employment upon leaving**, and **another 0.7 million people gained a qualification** to improve their position on the labour market. TO8 investments less often led to ‘activating’ individuals into job searching (0.03 million) or into education (0.2 million). When adding up all these results, a total of 2.2 million positive results were achieved, which equals to 33% of the total number of recorded participations. Table 7 also shows how some Member States dedicated their TO8 investments towards reaching disadvantaged groups. In the Netherlands and Sweden for instance 89% and 79% of the results respectively were reached by people with a disadvantaged background. Other Member States with high shares of people with disadvantaged backgrounds are the United Kingdom (62%), Estonia (61%), Finland (56%), Poland (45%) and Austria (41%). In other Member States TO8 investments instead reached results among the general population.

Table 8 below presents the outcome of the result indicators that were measured not immediately after leaving, but six months after completion of the operation<sup>72</sup>. **The number of people that found employment six months after the operation further**

<sup>72</sup> Member States do not collect this data annually, and when they do they are allowed to collect this data by means of statistical samples.



**increased, from 1.3 million immediately after leaving to 1.6 million six months later. This increase masks considerable differences across Member States.** In half of the Member States the number of people in employment six months after ESF operation was in fact lower than four weeks after the operation (Austria, Cyprus, Czech Republic, Germany, Denmark, Estonia, Spain, Finland, Croatia, Hungary, Portugal, Sweden, Slovenia, and United Kingdom). At EU level, ESF investments led to an improved labour market situation to 0.3 million employed people. A total of 0.1 million unemployed participants older than 54 years old were employed six months after the ESF operation, as well as 0.3 million unemployed with a disadvantage. These results are related mainly to the larger Member States with a focus on fighting unemployment (Spain, France, Italy, and Poland).

Table 8. Longer term results - Annex I indicators (ESF TO8 – excl. Investment Priority 8.ii)

MS	Immediate results		Results six months after operation			
	Total (CR1-4)	CR4 - Employed	CR06 – Employed	CR07 – Improved situation	CR08 – employed (54+)	CR09 – employed (disadvantaged)
AT	965	477	407	10	15	212
BE	74 012	67 621	76 473	15	1 079	20 733
BG	7 635	4 542	7 374	14 782	1 923	1 085
CY	2 221	2 191	1 153	-	71	102
CZ	141 030	80 959	63 532	16 864	7 684	19 895
DE	270 277	26 468	20 934	60 877	1 353	7 431
DK	2 605	509	252	600	17	39
EE	7 629	5 831	5 679	-	1 428	3 622
ES	375 394	266 592	195 300	20 942	13 566	50 589
FI	12 242	6 898	768	403	183	357
FR	311 134	173 917	298 273	59 985	8 663	59 141
EL	43 706	9 133	28 047	16 557	2 137	2 905
HR	4 160	4 129	4 078	321	593	133
HU	81 261	66 173	52 678	1 913	5 506	9 710
IE	11 189	1 938	2 860	-	212	338
IT	329 026	282 343	522 356	10 794	27 607	51 989
LT	31 745	13 389	30 010	597	10 503	4 068
LU	284	277	451	-	27	141
LV	22 741	4 586	19 579	-	3 158	8 600
MT	1 023	562	-	-	-	-
NL	4 326	3 770	4 500	2 615	312	4 201
PL	232 061	183 723	188 585	13 799	15 192	56 545
PT	91 740	61 819	46 243	38 269	1 329	1 495
RO	8 083	7 144	-	-	-	-
SE	4 607	2 645	2 142	-	257	1 910
SI	6 459	2 722	1 224	-	44	4
SK	23 984	23 897	-	-	-	-
UK	141 504	43 393	10 016	90	2 261	3 499
<b>EU</b>	<b>2 243 043</b>	<b>1 347 648</b>	<b>1 582 914</b>	<b>259 433</b>	<b>105 120</b>	<b>308 744</b>
More dev.	1 099 025	573 022	868 287	110 318	34 100	163 410
Trans.	353 242	204 393	202 571	49 893	12 536	44 108
Less dev.	790 776	570 233	512 056	99 222	58 484	101 226
Cluster A	801 294	314 497	405 802	122 371	13 854	93 579
Cluster B	401 313	316 767	245 491	48 537	26 589	29 994
Cluster C	1 021 862	708 892	924 340	88 234	63 934	183 481
Cluster D	18 574	7 492	7 281	291	743	1 690

Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on 6 September 2019)

## **4 Detailed presentation of the conclusions of the study in the form of answers to the evaluation questions**

### **4.1 Introduction**

This section provides the answers to the main evaluation questions and sub-questions, based on a triangulation of a vast array of data, information and evidence collected throughout the implementation of the service (desk and field research) and by using different tools of analysis.

It is worth recalling here that in attempting to assess the effectiveness of ESF operations in achieving the objectives of TO8, which are primarily related to increasing employment and labour mobility and improving employability, it is pertinent to consider what the existing literature tells us about the effectiveness of similar programmes and any lessons learned.

In the pursuit of evidence-based policy making at any level, evaluations of active labour market programmes would ideally answer the questions of what works for whom and under what circumstances. In practice, however, the multitude of evaluations that have been carried out have such diverse findings regarding the success or otherwise of the different approaches that it is difficult to draw clear conclusions and certainly not with any confidence that the results achieved will be transferable from one country/region to another.

More recently, there is a growing body of meta-analysis (see examples discussed in section 4.2.4) that uses the results of individual evaluation studies and combines them in order to identify any potential common patterns in terms of success/failure and key contributory factors. Even with this type of meta-analysis, however, findings are not entirely consistent, though – in theory at least – one would expect that findings should become progressively more reliable through time as the volume and quality of evaluations available to include in the meta-analysis increases and the methods used for the analysis become more sophisticated (e.g. taking into account the scale of impacts as well as their direction).

Whilst findings per typology and operation and target group are discussed below in evaluation question 1.5, one important point is that evaluation of programme effectiveness has to be undertaken in line with objectives and that employment outcomes do not tell the whole story. Improvements in employability, for example, are much more difficult to measure because of their mostly **intangible nature** that can be particularly difficult to capture through the indicators of the ESF monitoring framework.

Such result indicators focus on measurable labour market outcomes and cannot be readily or easily attributable to the specific operations implemented through the ESF nor can capture 'soft results' in terms for example of increased self-confidence or increased cooperation among labour market stakeholders. Soft results are particularly important for programmes targeted at the most disadvantaged where the objective is often to bring people a step closer to the labour market and achieving employment outcomes would still be a future goal.

Although increased employability should result, eventually, in increased employment chances and eventually employment, there is certainly a time lag and current monitoring arrangements might underestimate the actual benefits of participating.

In addition, even though the use of programme-specific indicators has been actively encouraged, the majority are still labour market focused and few 'soft' indicators have been adopted. The lack of relevant indicators in the set of common indicators required by regulation, which tend to drive the selection of data collected in monitoring processes, creates a risk that ESF evaluations will not have access to data suitable for assessing the impact of programmes in relation to their objectives, including elements linked to the quality of employment obtained.

Another key finding of the literature (e.g. Card et al, 2015 and Kluve, 2006 – see further in section 4.2.4) is that, apart from the service/sanction type programmes (e.g., guidance and counselling or job-search assistance and corresponding sanctions in case of non-compliance), the positive impacts do not (on average) become apparent until at least a year after people have left the programme and often later. This creates a problem for evaluation of ESF programmes since ESF monitoring requirements set the observation point for the common longer-term result indicators to show the situation of participant six months after exit. Unless evaluations are specifically designed to take into account a longer time-frame and efforts are made to collect the necessary data, there is clearly a significant risk that the full impact of the programme is missed. In the light of these limitations, requirements have been set in the current programming period to carry out counterfactual impact evaluations which can try to address such issues, and their use is fostered also by studies commissioned by DG EMPL<sup>73</sup>. However, the number of evaluations is still limited, they can vary in methods, quality and coverage and, especially, seldom present results disaggregated by target group and typology of operation.

This introductory note is also intended to contextualise the findings presented in the following sections, and to warn caution in interpreting them.

**COVID-19 pandemic:** It has to be noted that the fieldwork for this evaluation was carried out before the COVID-19 (coronavirus) outbreak reaching Europe. This study does thus not cover the support provided to respond to the ongoing pandemic, nor its consequences for the implementation of the said support. The recently adopted Corona Response Investment Initiative (CRII) will affect the support to Employment for the remainder of the current implementation period and the proposals for the next programming period will also aim at mitigating the consequences of this pandemic.

The COVID-19 pandemic is a major shock to the global and European economy. Already at the end of March 2020, a substantial negative economic impact on Europe has materialised, at least for the first half of 2020 and possibly longer if the pandemic is not contained rapidly. For the future, the degree of the negative outlook will depend on a number of factors such as the lack of supply of critical materials, the effectiveness of containment measures, the downturn in manufacturing in the EU, work days lost in businesses and public administration and negative demand effects due to mobility restrictions, travel cancellations etc.

## **4.2 Effectiveness**

### **EQ1 - Effectiveness: How effective has the ESF been in achieving the objectives of Thematic Objective 8?**

After experiencing delays in some countries in the starting of the ESF operations, **progress of implementation of employment and mobility operations at the end of 2018 is overall in line with the targets originally set**, and in line or above that of other Thematic Objectives of the ESF as well as of the previous programming period.

Differences can be found among regions with a weak versus strong socio-economic context, and indicate that, **other things being equal, implementation of ESF support to employment and labour mobility is slower in regions with an unfavourable socio-economic context**. Overall, access to employment measures are those most advanced across all regions suggesting that the focus was initially based on fighting urgent unemployment needs. Although women and elder workers are supported with good effects in mainstreamed operation, structural activities which are specifically designed for them experience slow implementation and are also coupled with small budget especially in weaker socio-economic contexts.

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<sup>73</sup> See for example Iseri Europa, IES and Ecorys (2019) Pilot and feasibility study on the sustainability and effectiveness of results for European Social Fund participants using Counterfactual impact evaluations" recently carried out for DG Employment

The main issues affecting implementation highlighted are of regulatory nature and linked to the perception of high **administrative burden, often because of the multilevel governance of the programmes and compounded by low administrative capacity of actors involved in the implementation**, as well as reaching out to disadvantaged individuals especially in rural areas. In terms of outreach, job-seekers and inactive people and long-term unemployed were the most successfully supported groups, and money generally went to regions most in need, except for some delays in implementation.

**Managing authorities have carried out mitigating actions** to address these as well as better target their programmes on the changing needs of the population and harder to reach individuals.

**Evidence on the actual contribution to the overarching objectives of ESF support to employment is quite positive**, both from a micro as well as macro perspective. The limited but growing number of studies focusing on the **effects of support indicate that these are most often positive, typically stronger for individuals at a certain distance from the labour market and women**. The intensity of support provided plays a role in determining the scale of effects (the stronger the higher), but these do not vary substantially across socio-economic contexts. What matters the most is that the **support offered is in line with labour market and individual needs**, which can be obtained in **close partnerships** with local employment services, employers, NGOs, social services and universities. These findings are underpinned qualitatively by stakeholders' impressions including on **soft outcomes** (e.g. increased self-confidence, motivation, active engagement and cooperation). In addition, **at the macro level, effects are globally positive** and stronger in regions that (i) are net receivers of EU support, (ii) have larger labour supply and (iii) have stronger export orientation. Many of these are in Belgium, Italy, Poland, Portugal, Slovenia, Slovakia, Spain and to some extent the United Kingdom.

Evidence on the quality of employment gained is comparatively thin also given the lack of dedicated monitoring requirements, but points to **significant shares of stable employment being achieved especially in more favourable contexts** and indication of improved employment conditions for many.

**Evidence on the contribution to labour mobility is also limited**, with geographical mobility accounting for a modest share (4.3%) of EU funds and occupational mobility being embedded in adaptability measures. **Where operations are implemented and evaluated, the findings seem to be however positive.**

#### **4.2.1 EQ 1.1. To what extent have the financial implementation and the achievement of the expected outputs progressed according to the targets set in the programmes? What are the main factors involved (delays in implementation, ESF absorption...?)**

##### **Progress against targets is on track after early delays**

Progress of implementation of employment and mobility operations, after experiencing delays in some countries in the start-up of operations, is generally in line with the targets originally set, and in line, or above that, with other Thematic Objectives of the ESF, as well as of the previous programming period. We believe the level of progress is on track to reach financial and participation targets by 2023, based on good indications stemming from the achievement of most performance framework milestones to date.

##### **However, progress is varied across regions and investment priorities**

However, differences in progress appear between regions in clusters with a weak versus strong socioeconomic context, and indicate that, other things being equal, ESF implementation is slower in regions with an unfavourable socio-economic context.

Additionally, differences appear also across investment priorities. Access to employment operations (Investment Priority 8.i) significantly over perform other investment priorities. Their performance is strong and consistent across regions. Conversely, strong cross-cluster variation appears in other investment priorities, especially in active ageing (Investment Priority 8.vi).

**Implementation has progressed more quickly when it was addressed to needs which remained comparatively constant and widespread among the population**

Progress in investment priorities with a stronger presence of inactive persons or long-term unemployed is higher than average. Operations that respond to widespread and persistent needs were implemented at a faster pace, especially where obstacles to participation, such as disabilities or multiple disadvantages are absent. The econometric analysis indicates that the reduction of unemployment rates in countries/regions are associated with lower financial progress, further stressing the fact that in several member states the improvement of labour market conditions resulted in a reduction of the pace of TO8 financial implementation.

**ESF T08 operations, especially in the early stages, focused on tackling urgent employment challenges**

Despite the variations across investment priorities and regions, progress of financial and physical (output) indicators suggests that the focus of implementation in the early years of the programming period has been on tackling urgent unemployment challenges, partly at the expense of more structural longer-term policies. Member States however indicate that the targets set for these other priorities are still relevant, and further progress is expected in the coming years to ensure full implementation across all priorities.

**Regulatory requirements have slowed implementation especially in presence of limited administrative capacity, although mitigating actions by Managing Authorities have helped to some extent**

Amongst the main obstacles to implementation reported regulatory issues seem to play a key role. These include issues with the setting up and the operation of the monitoring systems, the definition of simplified cost options, duplications of controls but also the application of the state aid regulations in the case of continuous vocational training. This is coupled, especially in countries with a weaker socio-economic context, with reduced administrative capacity, the late adoption of the Operational Programmes and designation of the relevant authorities, the concurrence of Youth Employment Initiative operations and beneficiaries' ability to submit project proposals and the availability of co-financing. Single fund and multi fund programmes, conversely, show similar performance. Responses to the public consultation tend to confirm that administrative burden for beneficiaries and Managing Authorities are the most important obstacles to ESF implementation.

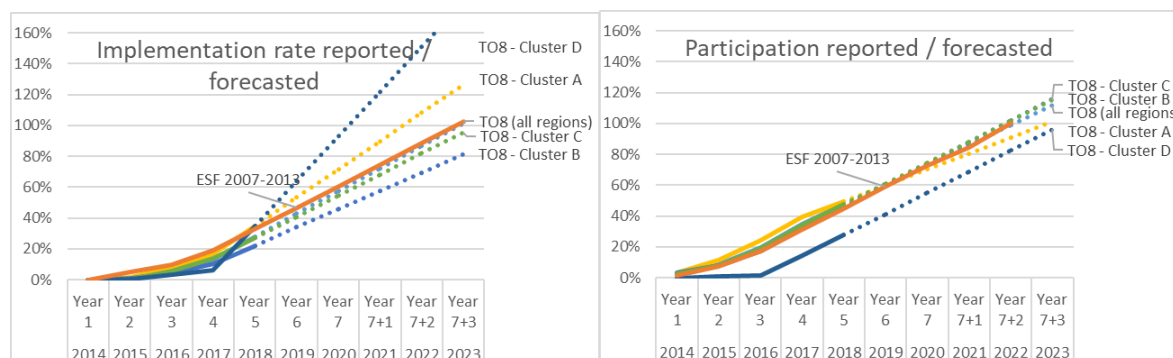
Managing Authorities across the EU have implemented a range of mitigating actions which have effectively sped up implementation, but with persisting delays in some investment priorities and contexts.

***Progress of financial implementation and participations to support generally on track***

Overall, the development of financial implementation and the achievement of expected outputs of TO8 by the end of 2018 are roughly in line with expectations. The overall implementation rate across all EU Member States for TO8 investments lies at 28%, which puts TO8 investments on track to reach 100% by 2023, the final year in which expenditures can be claimed. The number of outputs reached are also approximately in line with expectations, largely following the pattern of the 2007-2013 programming period,

making it similarly likely that ESF programmes will be able to meet their final targets if they maintain the current level of implementation<sup>74</sup>.

Figure 23. Implementation rate and participation reported and forecast, by cluster



Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on September 6, 2019). (Cluster A – Strong start/limited progress, Cluster B – weak start/limited progress, Cluster C – average start/visible progress, Cluster D – strong start/substantial progress)<sup>75</sup>

Differences between different types of region are relatively modest, with less developed regions (25% implementation rates) only slightly behind the implementation rates found in transition (28% implementation rates) and more developed regions (33% implementation rates). This is slightly magnified if one looks at the four clusters (A, B, C and D), in which types of region were grouped based on their starting position and progress towards a range of socio-economic indicators. Cluster A, which combines regions with a strong starting position and limited progress, shows relatively high implementation rates (35%, against 28% EU average). Cluster D regions (strong start / substantial progress), trailed the other regions for the first four years, but reported a considerable increase which now puts them at the same level of implementation of regions with a strong start and limited progress (Cluster A: 35%). Cluster B (weak starting point and lower than average progress) scores below average (22% against 28% EU average), reflecting the challenges of funding employment measures in context with adverse socio-economic conditions.

**Other things being equal, slower pace of financial implementation in weaker socio-economic contexts**

To start with, we focus more closely on financial implementation. The econometric analysis carried out (see annex V for details) confirms the dichotomy appearing between Cluster A/D (strong start) and Cluster B/C (weak start) even when taking into account the potential role of the composition of the background characteristics of the target groups addressed – to exclude that the observed difference in progress is related to the target group addressed, or to the Investment Priorities they are made of. Differences between clusters are however smaller when considering the share of budget that covers eligible operations selected for support. This may predict a smaller difference in implementation rate between different clusters in the future.

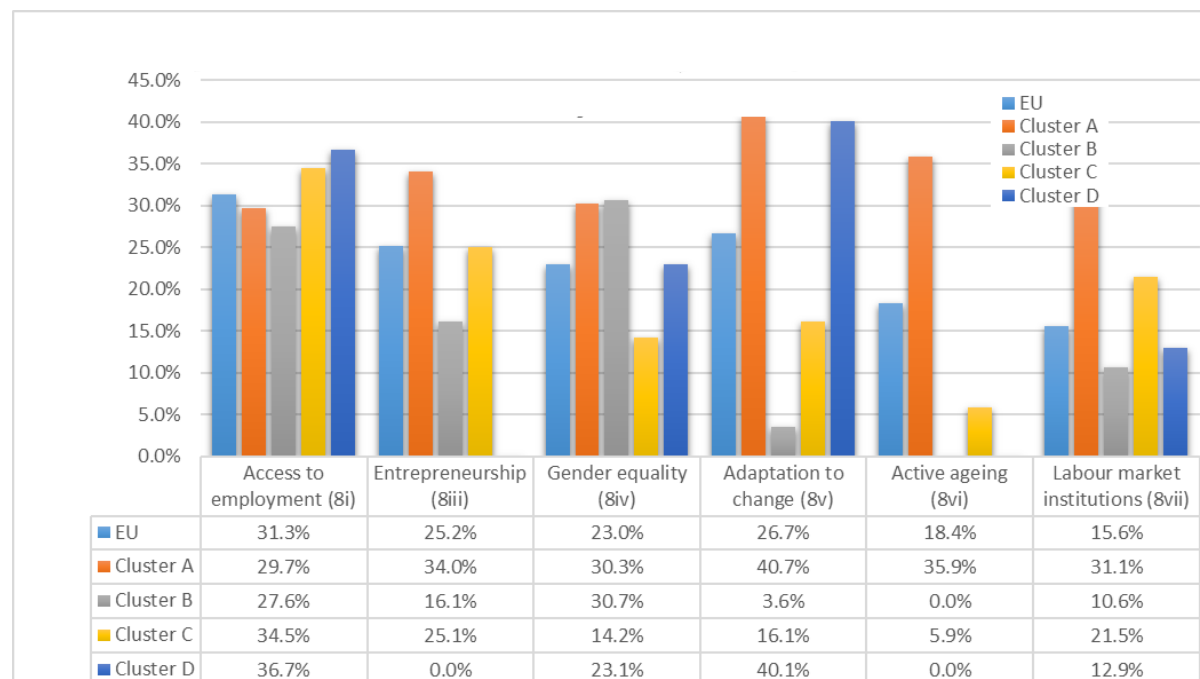
<sup>74</sup> As shown in figure 23, the projected forecast uses the improvement of 2018 in relation to 2017 as benchmark. Other metrics, such as the average implementation rate since the start of the project are more likely to underestimate the potential of ESF programmes to meet their programming targets, due to various limitations in reporting in earlier years.

<sup>75</sup> The benchmark for participations is based on a comparison of the annual participation figures compared against the final targets set for all participation indicators. All indicators (common and programme-specific) were screened to count the total number of participations targeted (and reached) by programmes. Where programmes use non-exclusive target categories (for instance to measure specific target groups; cf. unemployed and long-term unemployed), only one of these overlapping indicators is included to avoid double counting of the same participation. As such, this figure serves to get a sense of the current reach of the programme. The figure presents the share of the targeted number of participations, as achieved by programmes in each cluster region. For 2007-2013 the cumulative annual number of participations is compared against the final participation figure.

### **Larger differences of progress of financial implementation in smaller investment priorities**

Differences are more marked across investment priorities. As shown in Section 3.3.1 implementation is aligned across regions for access to employment operations (Investment Priority 8.i), which receive by far the largest budget allocations. However, Investment Priorities with relatively smaller financial allocations show more substantial differences.

Figure 24. Implementation rates, by Cluster and Investment Priority



Source: author's elaboration based on SFC2014, Annual Implementation Report 2018 (data extracted on 6 September 2019).

For the Investment Priority on Active ageing (8.vi) for instance, a large contrast is recorded between Cluster A regions (strong starting point and limited progress, 35.9% implemented), and the other clusters (between 0 and 5.9%). Similarly, in Cluster B regions (weak start and limited progress) the implementation of operations in adaptation to change (8v), and support for labour market institutions (8.vii) is considerably behind regions in other clusters (and especially Cluster A).

The econometric analysis carried out (see annex V for details) confirm that access to employment (Investment Priority 8.i) and entrepreneurship operations (Investment Priority 8.iii) clearly outperform the remaining Investment Priorities even when taking into account the potential role of a range of contextual factors as well as the background characteristics of participants supported. Active ageing (Investment Priority 8.vi) seems to be lagging further behind the rest.

### **Strong demand of support is a factor driving up the pace of programmes' financial implementation**

The econometric analysis of monitoring data also indicates that the level of financial progress of Investment Priorities where there is a stronger presence of inactive or long term unemployed is higher, suggesting **that operations targeting needs which are comparatively widespread and constant among the population tend to proceed at a faster pace**, especially where obstacles to participation such as disabilities or multiple disadvantages are absent. Conversely, lower financial progress is registered in



programmes where the presence of young people<sup>76</sup> is higher, likely due to the concurrence of Youth Employment Initiative and ESF youth employment investments. This implies that, for instance, operations for gender equality (Investment Priority 8.iv), where the share of participants who are under 25 years old is above average at approximately 20%, might well catch up in the future as implementation of Youth Employment Initiative activities, which were frontloaded, begins to be phased out. In a similar vein, the econometric analysis indicates that increasing employment rates in Member States are associated with lower financial progress, further stressing the fact that **in several Member States improving labour market conditions implied a reduction in the pace of TO8 financial implementation**, which is also in line with the feedback from the Managing Authorities as reported in the Annual Implementation Reports as well as feedback from the case studies, as detailed further below. All in all, this indicates that the 'demand-side' of support is an important factor which concurs to determine the pace of financial implementation.

In addition, in the econometric analysis it was also tested if there are notable differences depending on the structure of the Operational Programmes, notably comparing programmes which only deliver support through the ESF (i.e. single-fund programmes), with:

- ESF + Youth Employment Initiative programmes
- ESF + Youth Employment Initiative + Other funds (ERDF, CF etc)
- ESF + other funds

It is worth noticing that in the frame of TO8 operations, there is no indication, other things being equal, that the financial performance of multi-fund Operational Programmes is lower than single fund ones. If anything, the performance of ESF + Youth Employment Initiative programmes seems to be slightly higher than average, but the differences are small<sup>77</sup>.

***Differences in financial progress across investment priorities might remain large in the near future***

One notable finding is that that whilst differences between clusters are less marked when it comes to project selection rates – suggesting that there might be catch up in the near future – differences amongst Investment Priorities are even wider, which warrants attention.

***Progress in terms of volume of participations recorded vis-à-vis the targets set by Managing Authorities is generally in line with progress of financial implementation***

Attention is now turned to the progress of participations recorded by the ESF monitoring data in employment and mobility operations. To gauge such progress, the values recorded are compared with the target values set by Managing Authorities in their Operational Programmes.

In general, the analysis shows that **the progress reported towards output indicator targets** is broadly in line with the progress of financial indicators.

Monitoring data analysed econometrically indicates that **the context significantly affects target achievement of output indicators**. This is more evident when taking into account the clusters rather than simple differences among categories of regions (which could be affected by additional country-specific factors or simply overlook other

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<sup>76</sup> Young people are outside the scope of this study, but because it is impossible to filter out monitoring data which is related to them in absence of micro-data in order to avoid any bias on the estimates of TO8 programmes which is due to their presence, their share is used as a covariate in the regression. Thanks to this, the actual expected TO8 values are identified, 'net' of the bias from young participants.

<sup>77</sup> It is worth noticing here that "other things being equal" means also controlling for the share of those above 25 y.o. in each programme. As explained earlier in the report, ESF Investment Priorities targeting them are indeed progressing slower than average, but if we exclude them, the concurrence of ESF and Youth Employment Initiative per se does not appear to have affected significantly the financial performance of the programmes.



socio-economic features that affect implementation). The difference among clusters when assessed against Investment Priorities as well as the composition of the target group addressed, is rather striking. The expected value of target achievement is up to approximately 50 p.p. lower in Cluster B/C (weak starting point) than Cluster A/D (strong starting point).

The analysis also suggests that some characteristics of the target group addressed affect target achievement, and in particular increasing shares of migrants and individuals belonging to ethnic minorities as well as inactive and long term unemployed are positively correlated with progress of output indicators in each Operational Programme. This further underpins the fact that these **categories** were **in great need of support** and, especially in countries with a favourable context, they **have been reached out, despite under-reporting**.

The variation across Investment Priorities remains strong. Access to employment (Investment Priority 8.i), entrepreneurship (Investment Priority 8.iii) and adaptability operations show target achievement rates which are consistently higher than gender equality (Investment Priority 8.iv), active ageing (8.vi) and especially labour market institutions operations (8.vii).

***Overall, the analysis of progress of financial indicators and participations suggests a focus in the early years of implementation on fighting urgent unemployment needs***

Despite the cross investment priority and cross regional variation, progress of financial and physical (output) indicators suggest that the focus of implementation in the early years of the programming period has been on fighting urgent unemployment, at the expense of more structural longer-term policies. Member States however indicate that the targets set at the outset for these other priorities are still relevant, and further progress in these priorities is expected in the coming years to ensure full implementation across all priorities.

***The analysis of progress of indicators specifically selected for the performance framework confirms the good performance of TO8 operations, also in comparison to other Thematic Objectives, although this is not to say there are no delays registered***

The notion that the overall implementation of TO8 (either measured in financial implementation or in outputs achieved), reached advanced levels that puts it on track with the programme's final target is confirmed by an assessment of the results of the Performance Framework. This consists of targets that were set in the form of mid-term goals to be achieved by the end of 2018 (milestones), and final targets to be reached by the end of 2023. Milestones, which have been subject to revisions in some duly justified cases, have been mostly met<sup>78</sup> and are another indication that most programmes are on track towards meeting their final targets in 2023. Only Austria and Slovenia did not meet, on average, the minimum threshold of the financial milestones set for TO8. Denmark and Ireland appear not to have met the minimum threshold for their TO8 output targets, but this is caused by an issue related to the monitoring system and is not representative of their levels of implementation<sup>79</sup>. Figure 25 and Figure 26 below display the average

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<sup>78</sup> To notice that the actual achievement (or failure to achieve) the performance framework milestone values is calculated at the level of each Priority Axis according to the regulations. However, Priority Axes might comprise several investment priorities, both within and beyond the scope of this study (TO8 excluding Investment Priority 8.ii). Hence, instead of counting the number of TO8 Priority Axes which have met the milestones (which would be impossible as very often Investment Priority 8.ii contributes to that), a different measure of progress towards the milestone values is discussed in the text. This is notably the average achievement rate of indicators selected for the performance framework but calculated at the Investment Priority level, which is an indication of the "average" progress of operations towards the milestone values, rather than an exact count of the number of Priority axis which have achieved their milestones.

<sup>79</sup> It should also be recalled that values in the figures reflect the situation as of data from 6 September 2019. Adjustments to both milestone values as well as values of the relevant indicators have been suggested by Managing Authorities and agreed by the EC in some cases after the cut-off date.

achievement rate of indicators selected for the performance framework at Member State level, looking at both the original milestone values as well as the revised ones.

Figure 25. Comparing milestone revisions against achievement – financial milestones

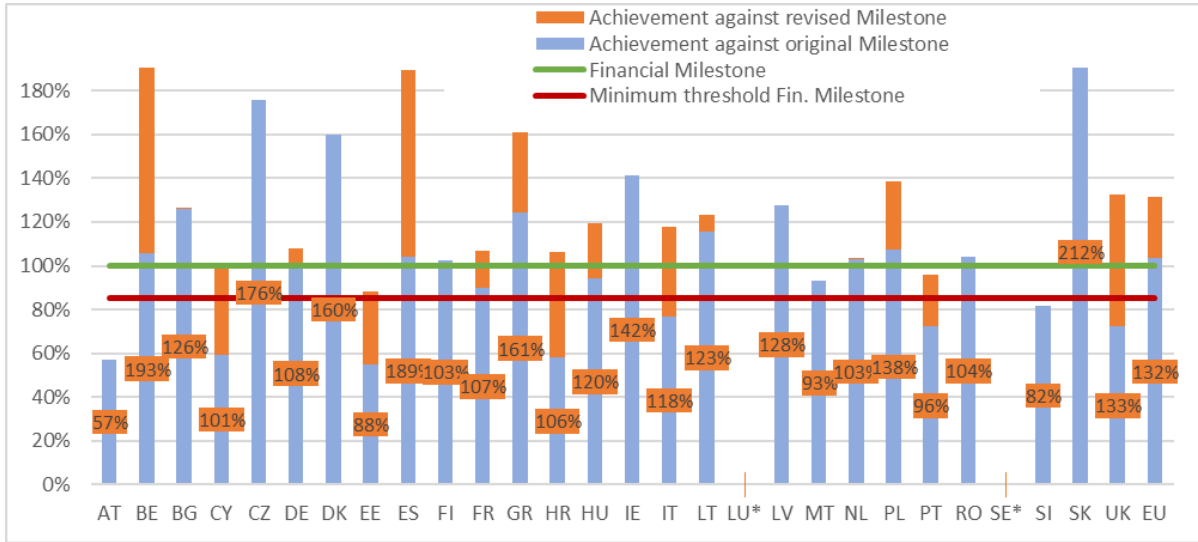
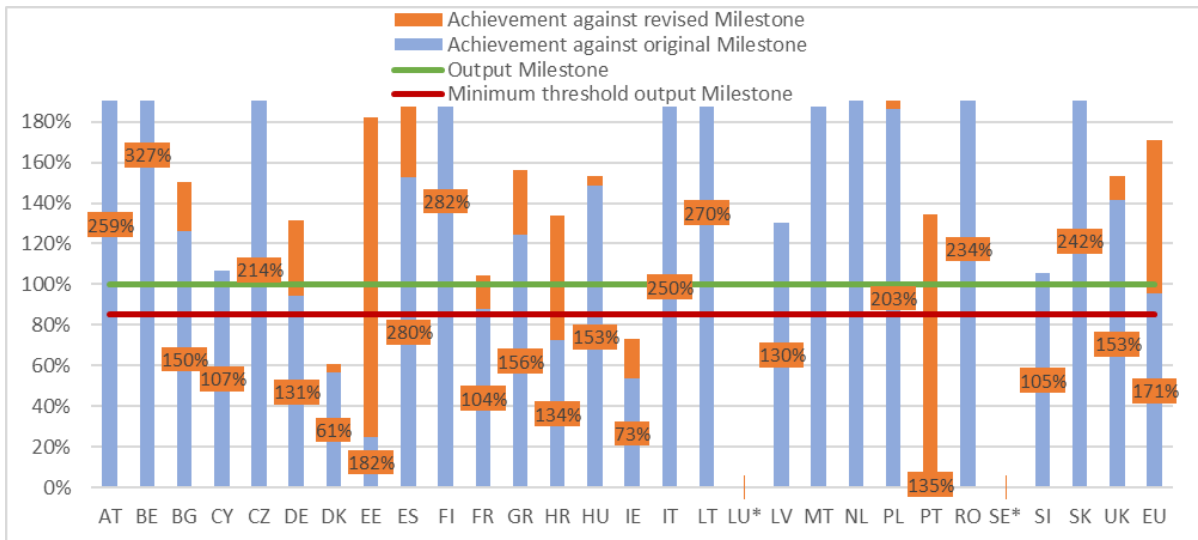


Figure 26. Comparing milestone revisions against achievement – output milestones

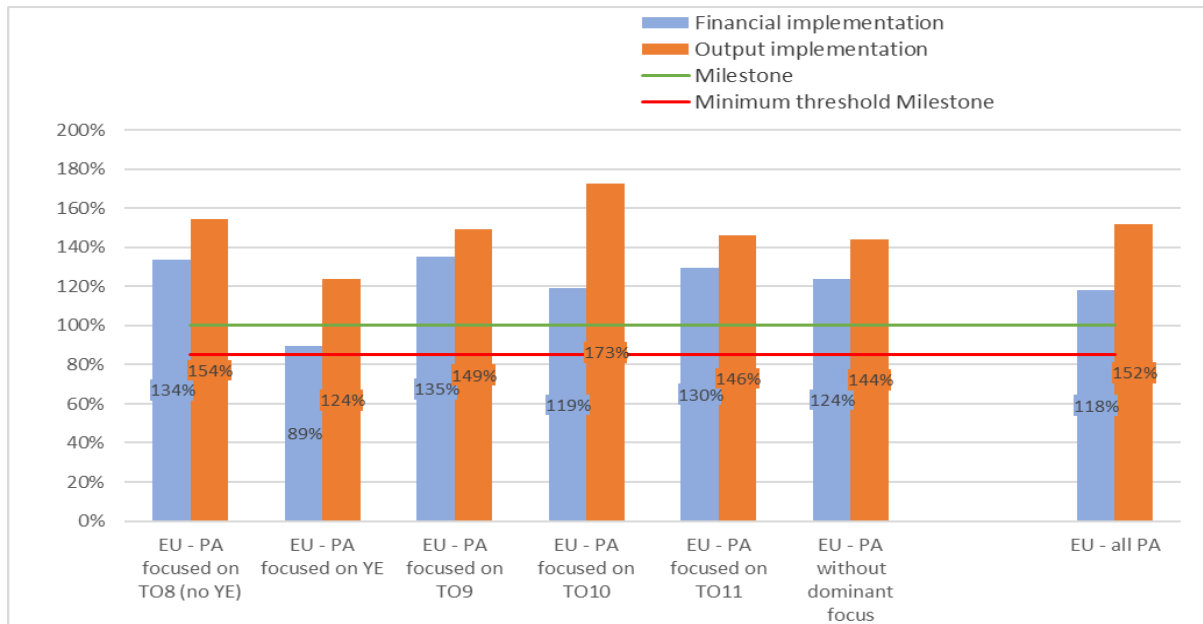


Source: SFC2014, based on Operational Programme data reported in Annual Implementation Report 2018 (data extracted on September 6, 2019)

As presented in Figure 25 and Figure 26 above, milestone values of both financial and output indicators have been met by most Member States, although in a few cases only after duly justified revision of the milestones.

Figure 27 below, compares the average achievement rate of performance framework indicators for financial and output (participations) indicators to that of other strands of the ESF.

Figure 27. Progress towards 2018 Milestones in Performance Framework– by type of Priority Axis



Source: SFC2014, based on Operational Programme data reported in Annual Implementation Report 2018 (data extracted on 6 September 2019)<sup>80</sup>

If one compares the progress of performance framework achievements of Priority Axes that contain TO8 investments with those of other Thematic Objectives (as well as youth employment) it is apparent that progress for TO8 investments is above average.

In addition to the desk analysis of monitoring data, various evaluation reports carried out in the frame of the Operational Programmes (a synthesis of which is presented in Annex VI) indicate that the implementation of TO8 operations is generally in line with the objectives. There are, however, cases in which it is lagging behind.

***Lack of administrative capacity at the level of both Managing Authorities as well as beneficiaries, in connection with regulatory issues and related administrative burden, seem to be the leading factors affecting performance***

Member States continue to report on a variety of challenges that they had to overcome especially in the early years of implementation. Evidence from the different sources (both field and desk research) was triangulated and organised across different broad typologies, notably regulatory and organisational, programming, implementation and contextual (legal, social, economic) challenges. These are obviously intertwined to a certain degree, but help focus on different angles of the matter. Amongst the most recurring obstacles to implementation mentioned throughout the Annual Implementation Reports, several refer to difficulties in complying with the **regulatory requirements for programming and especially for monitoring implementation**, including the set up and functioning of **IT systems for recording and storage of data and difficulties in collecting sensitive data from participants**<sup>81</sup>. In addition, the implementation of **Simplified Cost Options** is mentioned as a cause for delays. As the implementation of the ESF progresses, it is expected that these obstacles become less burdensome thanks to a learning curve. Lastly, the **duplication of audit and controls are also mentioned as hindering factors**,

<sup>80</sup> Targets and progress in the performance framework are set at Priority Axis level, which combine multiple Investment Priorities and sometimes multiple Thematic Objectives. Priority Axes are defined to focus to a specific Thematic Objective, when at least 50% of the allocated amount within a Priority Axis is allocated to a Thematic Objective. Youth Employment is considered separate from TO8.

<sup>81</sup> For instance, in France, Spain and Germany, issues with the collection of data for inmates, information about the household condition, information on people with disabilities or other disadvantaged was made complex also due to the existence of national legislation limiting the use or storing of such sensitive data.

especially in France and Spain, Portugal, Hungary and Poland, due to ambiguities about the interpretation of some eligibility criteria, the application of state aid rules, the VAT status of beneficiaries and the related risk aversion from Managing Authorities in postponing the submission of expenditure.

This evidence is largely confirmed by the case studies as well as the feedback received at the EU focus group. In particular, issues with the **state aid principle in the case of continuous Vocational education and training** and the multi-enterprise training meant delays in Italy and Croatia. In addition, **changes required to the legislative framework in order to implement operations** (e.g. in the case of the Brandenburg Operational Programme, the relevant regulation for implementing the Social Innovation operation was only provided in 2018), have also affected implementation. Such issues are obviously exacerbated by those of a more organisational nature, like the time required for the **designation of Managing Authorities**, which caused delays in the reporting of eligible expenditure. **Lack of human resources** is also mentioned quite often, especially for regional Operational Programmes, but also in Romania (shortage of human resources regarding the Managing Authorities and Intermediate Bodies and the time delays occurred when needing to prepare and accommodate new staff). Such issues are probably more apparent by the increased pace of implementation in 2017-2019 and the approaching of the performance framework review, which has meant that for many Managing Authorities significant work to ensure that the level of certified expenditure and registered output and results fully reflected the progress on the ground. Again, especially in countries with several regional Operational Programmes (e.g. Italy), the need to coordinate actors in a framework of **multi-level governance** was not always straightforward.

The public consultation provides some additional evidence on the main hindering factors experienced by responding organisations. Overall, almost three-fourths of them agree on the existence of **administrative burden for beneficiaries** (76.0% of respondents) **and for Managing Authorities** (73.8%). These are effectively the issues mentioned more frequently by stakeholders.

This is ultimately in line with the fact that progress is slower in weaker socio-economic contexts, given the related lack of administrative capacity.

### ***Issues linked to the economic context also play a role, but often in different directions***

Once more, the socio-economic context was mentioned as a reason for the slow pace of implementation, both in case of too favourable conditions as well as in the case of too stagnant labour markets.

The **improvement of labour market conditions** is considered in the Annual Implementation Reports as a factor that hampers implementation since it erodes the pool of potential participants. For example, the *good economic situation* in Denmark meant that progress made with regard to Investment Priority 8.v was rather moderate. More specifically, enrolment of firms into projects has been successful, but the participation of employees in these enrolled firms has been more challenging due to the good economic conditions as this makes them less inclined to allocate staff to upgrading. Similarly, regarding the German Operational Programme, operations supporting more general start up counselling under Investment Priority 8.iii were not absorbed at the expected level due to the good labour market situation. And also in the Czech Republic, the recorded economic growth had a positive impact on the overall labour market situation and there was a big decrease in the number of job seekers as well as structure in their composition (those at a closer distance from the labour market found employment autonomously, so the share of disadvantaged job seekers increased) .

Conversely, the *poor economic situation* in a number of countries and regions has had a negative impact on the implementation of the TO 8 operations so far reported by organisations in the public consultation, with 71.3% of them reporting **structural**

**problems** such as lack of employment opportunities and low education and skill level of participants as hindering factors.

***Issues linked to programming, including their late adoption, as well as implementation have meant delays but are progressively being addressed***

Concerning **programming**, obstacles have especially concerned **incorrect target setting** and **late approval of the Operational Programmes**. Late approval has affected particularly countries and regions in Clusters B and C, which could partly explain the delay in target achievement. **Implementation** challenges are also mentioned quite often and concern the **beneficiaries' ability to submit project proposals, the availability of co-financing especially for smaller organisations but also local authorities due to budget cuts<sup>82</sup>, the Managing Authorities' ability to reach disadvantaged groups, and also the priority given to Youth Employment Initiative operations**.

Difficulties with the availability of matching funds for beneficiaries have been signalled as a factor affecting performance by 64.4% of respondents, and problems in reaching out to potential participants by 60.3%, roughly two-thirds of them. It is interesting to note, as highlighted before, that whilst the econometric analysis provides some evidence on the fact that the competition with the **Youth Employment Initiative**, especially for young people in non-8.ii Investment Priorities might have affected target achievement, some background characteristics of the target groups appears to have in some cases even favoured implementation, in the sense that for instance inactive and long term unemployed are typically correlated with higher financial and physical progress. This could also be explained by the fact that such difficulties were already anticipated in the design of the operation and in target setting, but also by the fact that these are traditional ESF target groups and somewhat simpler guidance and counselling operations are often directed towards them.

In any event, Managing Authorities have made significant efforts over the years to mitigate the impact of the issues described, and it is clear from the analysis of performance that, on average, this has worked to good effect.

**4.2.2 EQ 1.2 How and to what extent does ESF contribute to the achievement of the general objectives of Thematic Objective 8? In particular, to what extent have the ESF operations, contributed to the positive evolution of the employment situation, the labour mobility, the self-employment and the other objectives of Thematic Objective 8 up to now? How did it contribute to addressing problems faced by target groups?**

**The employment and mobility operations have so far demonstrated positive effects**

Evidence on the effects for participants as well as for the economy as a whole of the employment and mobility operations is overall positive, although important limitations exist regarding the evidence, such as a dearth of evaluations tackling effectiveness of operations, difficulty in aggregating evaluation results, difficulty in collecting micro-data, limitations in assessing soft outcomes and the comparatively low (although growing) number of counterfactual impact evaluations.

**1.3 million people in employment as a result of T08 operations (2014-18)**

At the end of 2018 1.3 million people were in employment upon leaving, and another 0.7 million people gained a qualification to improve their position on the labour market after participation to support funded through T08. The number of people that were in

<sup>82</sup> Some instances of lower progress due to lack of co-financing in Spain, for local employment plans in the Asturias, in the UK, for operations involving smaller third sector organisations and local authorities in Scotland, in Germany, upskilling actions for the disadvantaged people in Bayern, in Italy, due to budget cuts at the regional level and so forth.

employment six months after the operation further increased, from 1.3 million immediately after leaving to 1.6 million six months later.

**Significant cross-regional and cross country variations exist**

Target achievement is generally lower in regions with an unfavourable context and for investment priorities which are not directly tackling unemployment (thus beyond Investment Priority 8.i – access to employment), in line with the analysis of progress in TO8 implementation.

**The labour market characteristics of the participants influences success rates**

The analysis of success rates (calculated as the share of participants for whom positive results are recorded) suggests that, in addition to contextual issues, it is the composition of the background characteristics of participants addressed explains part of the variance in success rates. Increasing shares of low skilled, inactive or longer-term unemployed and migrants are coupled with lower success rate in a statistically significant manner, for both immediate and longer term results.

**Lower success rates do not imply lower effectiveness of TO8 support: net effects are generally stronger in respect of participants at a certain distance from employment**

However, it is very important to highlight that lower success rates do not imply lower positive effects, as the net contribution of ESF support to participants' status, including employment rates, might be a lot higher than in the case of participants already closer to the labour market or in areas where getting into employment is easier. Indeed, the growing body of evidence from counterfactual impact evaluations shows consistently positive net outcomes across a range of regions, countries and clusters as well as target groups, despite some variation which is discussed in evaluation question 1.5 below. It also suggests that net effects are generally stronger in the case of high unemployment rates and participants which are rather distant from the labour market, provided suitable operations are offered to them.

In addition to effects on employment an indication of additional soft outcomes is quite widespread across Operational Programmes, regions and forms of support, including better self-confidence, health, social inclusion, quality of (self) employment as well as structural improvements. However, there is under-reporting of soft outcomes.

**The macroeconomic analysis suggests that not only the effects on participants but also those on the economy as a whole are positive**

In macroeconomic terms, according to the exploratory work carried out together with the Joint Research Centre through the general equilibrium model RHOMOLO, investment in employment and mobility up to 2018 would translate into the creation of 47 000 jobs in the long term and an increase in GDP of 0.06% in the long term (2030). At the same time, labour supply, i.e. individuals either working or looking for a job, should increase by 22 000 units.

Such estimates, which should be treated with caution due to the many simplifying assumptions needed to carry out the simulation and might be underestimated, indicate that not only the direct effects on those receiving support are positive, but also the overall macroeconomic ones, which include taking into account the indirect effects of increased taxation to fund the operations as well as any distortion to the economy which might follow from support externalities<sup>83</sup>.

**The evidence on the operations carried out within TO8 which support labour mobility is somewhat mixed**

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<sup>83</sup> Externalities of a large policy might be both positive (increased productivity attracting further investments, improving social cohesion, health etc) as well as negative (the cost of support increases taxation in the short term, might lead to "crowding out" private investments etc.)

In terms of volume, an allocation of slightly above EUR 800 million has been estimated (based on the screening of Annual Implementation Reports), which is roughly 4.3% of the total costs reported for TO8 operations for geographical mobility. This figure appears to be rather low, but additional support for occupational mobility will be embedded in investments linked to adaptability to change, with little possibility to analyse that separately. Most operations concerned with geographical mobility combine multiple types or consist of integrated pathways, and are funded through access to employment (Investment Priority 8.i). In as much as the support to Labour Market Institution (Investment Priority 8.vii) supports labour mobility, which is small compared to mobility in access to employment, that tends to be in the form of support to Public Employment Services in using and expanding EURES.

The case studies suggest that in some countries, such as Germany and France, the effects on mobility are significant and positive. In other cases, such as Spain and Romania, the operations have faced a mild reception from the beneficiaries or it is still too early stage to produce results. Evidence from counterfactual studies is very limited also in the literature, but there is an indication that mobility support produces significant positive effects at a comparatively low cost.

Answering this question requires a mix of evidence which pays due heed to the strengths and weaknesses of each source. Contribution to the general objectives of the fund can be discussed both from a micro (those receiving support) and a macro perspective (the economy as a whole) and should not be limited to hard findings on jobs or new businesses created, but include also a range of soft outcomes on which unfortunately hard evidence remains scarce.

The text below runs through each of the sources analysed and goes from the micro to the macro perspective, so that all angles can be duly appraised. The starting point is that of monitoring data, to get a sense of the overall volume of activities carried out and the related results. This is important to gauge the scale and breadth of results being achieved, across the EU, by participants. However, monitoring data can suffer from multiple sources of bias, including under-reporting, the fact that individuals would have achieved such results anyway as well as low suitability to capture 'soft' results. Hence, attention is turned to available 'partial equilibrium' counterfactual evaluations which can shed some light on the net effects for those receiving support, i.e. the effects directly generated by the support. Counterfactual impact evaluations contain a key piece of information on the contribution of the operations towards achieving the Fund's objectives, but although growing in number, their availability is still limited. Hence, they lack granularity and standardisation, which hamper comparability.

In addition, one should also consider what happens to the economy as a whole as a result of the employment and mobility operations and not just the direct effects on those benefitting from it. To account for both positive and negative externalities of support, the results of the exploratory research carried out by the Joint Research Centre through the general equilibrium RHOMOLO model are discussed. Although heavily caveated, findings from this model are important to complement the analysis of the overall contribution of the support to the Fund's objective. Crucially, as the sources of quantitative evidence covering each of these aspects remain limited given the complexity of actual implementation and the many simplifying assumptions necessary to estimate quantitative outcomes in social sciences, qualitative evidence needs to be fully taken into account including to understand to what extent intermediate or soft outcomes are being achieved thanks to employment and mobility support. Therefore, this section discusses key qualitative evidence gathered from the stakeholders from the field analysis, including interviews, focus groups and the all-important public consultation.



#### 4.2.2.1 Overview of common result indicators

**Over 1.3 million people in employment, 0.7 gained a qualification, 0.2 in continued education and 20 thousand people looking for a job immediately after TO8 support**

To start with, the overview of cumulative results (Section 3.3.3) up to the end 2018, confirms the main focus of investments in TO8, which is to lead individuals to work. Following the 6.8 million participations registered in TO8 operations, **in total, 1.3 million people were in employment upon leaving, and another 0.7 million people gained a qualification to improve their position on the labour market. Less often, TO8 investments led to 'activating' individuals into job searching (0.03 million) or into continued education (0.2 million).**

**Number of participants in employment increases slightly six months after the support, but with considerable differences across Member States and target groups**

**The number of people that were in employment six months after the operation further increased, from 1.3 million immediately after leaving to 1.6 million six months later.** This increase masks **considerable differences across Member States.** In half the Member States the number of people in employment six months after an ESF operation was in fact lower than after four weeks (in Austria, Cyprus, Czech Republic, Germany, Denmark, Estonia, Spain, Finland, Croatia, Hungary, Portugal, Sweden, Slovenia, and United Kingdom). At EU level, **ESF investments led to an improvement in the labour market situation to 0.3 million people that were already employed when entering an ESF operation.** A total of 0.1 million unemployed participants older than 54 years old were employed six months after the ESF operation, as well as 0.3 million unemployed with a disadvantage. These results are related mainly to the larger Member States with a focus on fighting unemployment (Spain, France, Italy, and Poland).

#### 4.2.2.2 Progress towards 2023 targets (target achievement)

**The level of achievement of 2023 targets set on selected result indicators can give some insight into the contribution of the operations to the achievement of TO8 objectives**

Overall figures need to be put in perspective to see if the objectives of TO8 support are on track to be met. Evidence on the overall intervention logic of TO8 investments<sup>84</sup> confirms that the specific objectives identified by Managing Authorities and the related target set are appropriate in achieving the overall objectives of the Fund. Therefore, **a good way of measuring whether the programme is progressing towards achieving its objectives is to look at the target achievement of indicators,** which is calculated as the 2018 value of selected indicators over the 2023 target values of the same indicators. In evaluation question 1.1, it was shown that **access to employment (Investment Priority 8.i) and entrepreneurship operations (Investment Priority 8.iii) clearly outperform** the remaining Investment Priorities even when taking into account the potential role of a range of contextual factors as well as the background characteristics of participants supported. Active ageing (Investment Priority 8.vi) seems to be lagging further behind the rest, but the situation warrants attention also in the case of Investment Priority 8.iv. It also indicates that the level of progress of Investment Priorities where there is a stronger presence of inactive or long term unemployed is higher, suggesting **that operations addressing those in high need tend to proceed at a faster pace,** especially where obstacles to participation such as disabilities or multiple disadvantages are absent. Conversely, lower financial progress is registered in programmes where the

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<sup>84</sup> See for instance FGB, Ceps and COWI (2016), The analysis of the outcome of the negotiations concerning the Partnership Agreements and ESF Operational Programmes, for the programming period 2014-2020, European Commission, DG Empl, Luxembourg: Publications Office of the European Union, 2016 ISBN: 978-92-79-62769-9 doi: 10.2767/90132

presence of young people<sup>85</sup> is higher, most likely due to the concurrence of Youth Employment Initiative and ESF youth employment investments and where improving labour market condition mean a slower pace of implementation, which however only reflects the lower need for ESF support rather than its lack of effectiveness. It also showed that **progress is overall in line with plans, that the Performance Framework Milestones have been typically met** and that target revision did not affect disproportionately the achievement rates. **In comparative terms too, the progress of TO8 investments is in line or above that of other Thematic Objectives.** But with progress being mostly on track especially for Investment Priorities on access to employment (Investment Priority 8.i), entrepreneurship (Investment Priority 8.iii) and adaptability (Investment Priority 8.v), it remains to be seen whether the activities implemented are being followed by the expected results.

Table 9 below shows the average target achievement or result indicators at Member State level. It presents the results of two methods of approximation of target achievement. The 'average output target achievement' shows the average of the target achievement for each indicator with a target in the country for that Investment Priority (given as '%'). The columns to the right measure weighted average target achievement ('Av. W'), which takes into account the fact that indicators with higher numerical targets have a larger impact on the total average than indicators with low numbers. Despite that it is not a perfect measure of progress, it serves as meaningful reference against the average target achievement, as this second method is less susceptible to outliers.

Table 9. Target achievement of result indicators – by Investment Priority

	Access to employment (8i)		Entrepreneurship (8iii)		Gender equality (8iv)		Adaptability (8v)		Active Ageing (8vi)		LM <sup>86</sup> institutions (8vii)	
	%	Av. W	%	Av. W	%	Av. W	%	Av. W	%	Av. W	%	Av. W
AT	72%	72%			75%	80%	0%	0%	58%	58%		
BE	119%	89%	117%	116%			185%	1%				
BG	16%	7%	64%	2%			230%	267%			4%	21%
CY	183%	183%									0%	0%
CZ	70%	67%			155%	151%	878%	42%			0%	0%
DE	32%	43%	51%	39%	62%	73%	55%	42%				
DK			12%	24%			14%	14%			236%	396%
EE	32%	35%										
ES	38%	27%	24%	16%	38%	72%	3%	3%			75%	27%
FI	38%	30%					26%	26%				
FR	38%	43%	77%	22%			57%	123%	0%	1%	10%	3%
EL	24%	28%	0%	0%	62%	77%	0%	0%			17%	13%
HR	10%	13%									1%	0%
HU	46%	64%					154%	284%				
IE	13%	12%										
IT	36%	54%	0%	0%	14%	14%	26%	18%	9%	7%	30%	1%
LT	61%	87%										

<sup>85</sup> Young people are outside the scope of this study, but because it is impossible to filter out monitoring data which is related to them in absence of micro-data in order to avoid any bias on the estimates of TO8 programmes which is due to their presence, their share is used as a covariate in the regression. In doing so, the actual expected values of financial progress/target achievement and so forth for TO8 are identified.

<sup>86</sup> Labour market

	Access to employment (8i)		Entrepreneurship (8iii)		Gender equality (8iv)		Adaptability (8v)		Active Ageing (8vi)		LM <sup>86</sup> institutions (8vii)	
	%	Av. W	%	Av. W	%	Av. W	%	Av. W	%	Av. W	%	Av. W
LU	86%	86%										
LV	77%	77%					0%	0%				
MT	9%	16%										
NL	79%	77%							75%	116%		
PL	67%	57%	28%	26%	18%	6%	35%	26%	27%	18%	7%	1%
PT	72%	49%	47%	69%	19%	10%	16%	52%			118%	118%
RO	0%	0%	0%	0%			2%	2%			0%	0%
SE	350%	76%										
SI	52%	39%							0%	0%		
SK	72%	35%			11%	30%					9%	9%
UK	33%	18%			15%	3%						
<b>EU</b>	<b>55%</b>	<b>42%</b>	<b>36%</b>	<b>21%</b>	<b>42%</b>	<b>52%</b>	<b>55%</b>	<b>43%</b>	<b>26%</b>	<b>18%</b>	<b>32%</b>	<b>20%</b>
More dev.	61%	43%	45%	23%	52%	78%	62%	37%	24%	13%	44%	140%
Trans.	38%	30%	29%	17%	38%	40%	36%	21%	0%	1%	59%	8%
Less dev.	56%	45%	31%	22%	34%	32%	57%	50%	28%	19%	8%	6%

Empty fields mean that no output targets have been defined by Operational Programme in that Member State for that particular Investment Priority.

0% means that no progress has been achieved towards a particular target set for that Investment Priority

Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on 6 September 2019)

### ***Achievement rates of result indicators broadly in line with progress of output and result indicators***

The progress towards results targets set to be achieved by 2023 is relatively balanced in view of the progress towards output targets. Access to employment operations also progressed more towards their result targets than other Investment Priorities. Currently, an average of 55% of all result targets has been achieved at EU level (42% if we take into account the actual size of the targets). Progress in transition regions (38%) is considerably lower than in less developed (56%) or more developed regions (61%). Progress in Sweden and Cyprus is somewhat of an outlier, due to possibly incorrect target settings in that Investment Priority. Progress towards the result targets is still relatively modest in Bulgaria, Croatia, Ireland, Malta, and at this moment not yet reported for Romania. Adaptability investments show overall a similar progress towards the targets, though are also influenced by a number of outliers (Bulgaria, Czech Republic, Hungary). Progress towards the result targets for investments in entrepreneurship, gender equality, active ageing and Labour Market Institutions are slightly lower, and vary between 30% and 40%. While slightly lower than for other Investment Priorities, these appear overall within acceptable limits.

### ***The econometric analysis of data confirms that target achievement is lower in weaker socio-economic contexts and in presence of high shares of people with disabilities***

The econometric analysis carried out on target achievement of result indicators, which made an additional step in excluding outliers by looking at their standard deviation and distribution, is affected by a modest explicative power but tends to confirm some of the elements mentioned in assessing the progress of output indicators, and particularly:

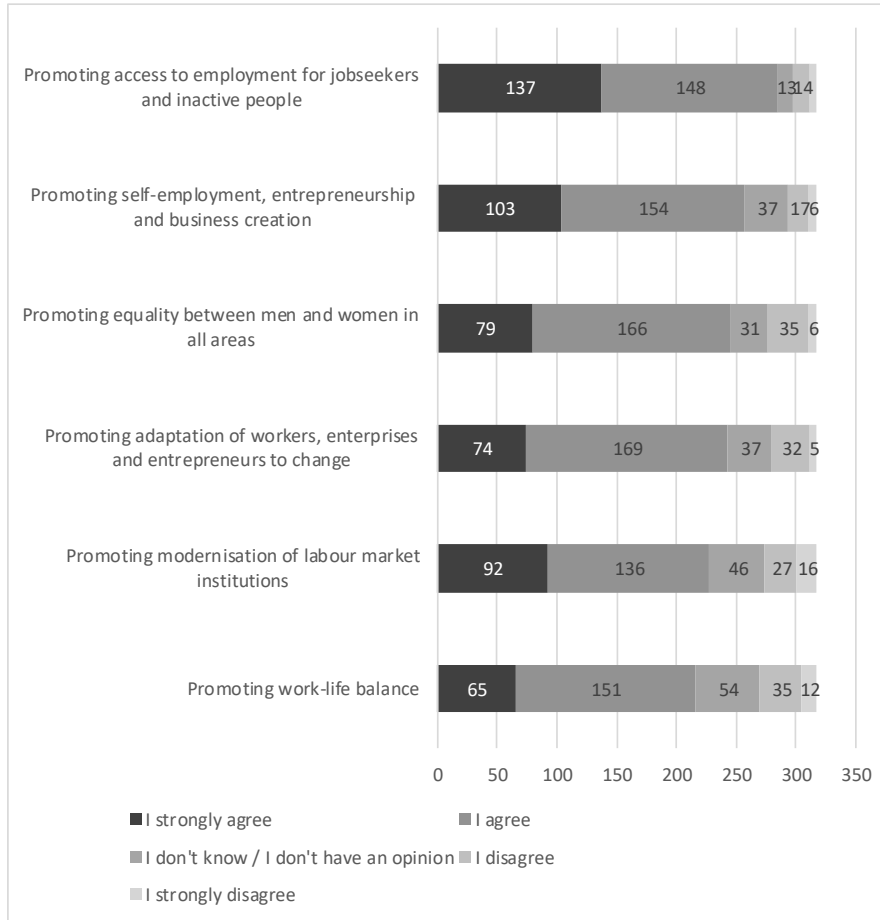
- **Context matters:** this is apparent especially when looking at differences across clusters (which have a much stronger statistical significance than category of regions) and suggest that **regions with a weak start (Clusters B and C) continue to face difficulties in achieving their targets.** Differences are in the range of 25 to 50 p.p., with Cluster B (weak starting point and low progress) scoring worse than Cluster C (average starting point and visible progress), and Cluster D (strong start and improving conditions) scoring better than Cluster A (strong start, low progress).
- **Some background characteristics of participants are significantly correlated with target achievement,** and especially **increasing shares of people with disabilities are negatively correlated with target achievement of result indicators, suggesting harder than expected difficulties in achieving results for them.** High shares of inactive and other disadvantaged are also accompanied by lower target achievements of result indicators but not in a statistically significant manner. Lastly, also the performance of those below 25 years old remains low but, again, these operations do not form part of this study and are used only to understand whether young participants can affect target achievement in Investment Priorities where their presence is strong, such as for instance on women in employment (8.iv).

***Access to employment measures continue to outperform other investment priorities, also according to stakeholder's views, followed by support to self-employment/entrepreneurship***

In terms of differences across Investment Priorities, access to employment measures continue to significantly outperform the other priorities, confirming that **much of the focus in the first years of ESF implementation was on fighting significantly high unemployment rather than more structural long-term policies.** Again, the performance of Investment Priorities 8.iv, 8.vi and 8.vii seems particularly low but will be discussed in detailed in the dedicated evaluation questions (EQ 1.7 and 1.8).

Results from the public consultation are largely in line with the quantitative analysis of data, and show that respondents agree mostly on the successful help of ESF in **promoting access to employment for jobseekers and inactive people** (89.9% agree, of which almost half strongly agree). This is followed by **promoting self-employment, entrepreneurship and business creation** (81.1%), **promoting equality between men and women** (77.3%) and promoting the adaptation of workers and enterprises to change (76.7%).

Figure 28. Organisations' responses to the question: "To what extent do you agree that actions supported by the European Social Fund successfully help achieving the following objectives?" (317 respondents)



Source: Final Report, Public Consultation on the Evaluation of the EU Support to Employment and Labour Mobility by the European Social Fund

The results most commonly experienced by the 53 responding ESF participants within the public consultation seem to mainly consist of the **improvement of the quality of the labour market position and help in looking for a job** (10 respondents mention each of them), whereas very few said it helped achieving better work-life balance (3) and entering or going back to education and training (2).

Evidence from the case studies also supports the idea that operations in the three Investment Priorities that are the main focus of this section are contributing to achieving the intended objectives. In particular:

- Around one-third of the participants in the French national Operational Programme has experienced a significant improvement with regard to access to employment for those benefiting from operations of Investment Priority 8.i (main result is the participant transitioning from a temporary to a permanent job with an equivalent employment rate for men and women six months after).
- Progress with respect to outputs has been matching the expected targets for the Danish Operational Programme in relation to the Investment Priority 8.iii operations, whereas the achievement for some of the more qualitative targets has been weaker (for example, getting to a successful start-up takes time and which accordingly takes place relatively late in the project). Similarly, the German national Operational Programme actions supporting SMEs under Investment Priority 8.iii reached more than their expected targets in terms of output and results (e.g. micro-mezzanine fund for start-ups at federal level has been very successful so far). In the French

national Operational Programme, participants under Investment Priority 8.iii have created or taken over an existing business. Positive results are registered comparatively more often for men and originally employed participants, than for women and unemployed or inactive participants.

- With regards to Investment Priority 8.v actions in the French national Operational Programme, 12 months after entry into a Contrat de sécurisation professionnelle (Professional employability agreement), 38% of participants are no more registered at the Public Employment Service and the time spent in a Contrat de sécurisation professionnelle is shorter in 2018 than in 2014. Surveys indicate that the effect of a participation for people in unemployment at entry (84% of participants) is significant.
- In addition to direct employment or educational results, some of the Operational Programmes show good results regarding to softer outcomes, such as for example is the case for the Rheinland-Pfalz Operational Programme under the Investment Priority 8.v the 'New Opportunities' action four counselling units have been supported to reach the hidden labour reserve. Even though it is slightly below target in terms of expected results, many people took small steps in (re)-entering the labour market.

#### **4.2.2.3 Success rates**

In addition to target achievement, one should also consider success rates, that is, the share of participants achieving some results immediately after receiving ESF support or six months after exiting from it. To start with, one should recall the main limitations linked to the analysis of success rates, notably: (i) under-reporting, due to ongoing operations and the fact that results are registered later than participations; (ii) overestimation for those at a smaller distance from the labour market, which are more likely to find employment also in absence of support; and (iii) lack of comparability between different typologies of operations (some can be short in duration or do not directly aim at participants' employment). However, success rates provide a first indication of the extent to which participation to ESF can lead to result. In addition, they have the advantage of being more 'objective' data in the sense that they are neither affected by estimates made by the Managing Authorities when setting the targets to be reached and which can also reflect their level of ambition, nor can they be amended.

Average success rates are described in section 3.3.3. From a simple look at the data, and without factoring in explanatory factors such as the differences in the socio-economic context, target groups background characteristics and so forth, the figures appear in line with the progress of financial and output indicators. This means higher success rates for Investment Priority 8i (access to employment) and Investment Priority 8iii (support to entrepreneurship). However, given the above, the results of their analysis through econometric techniques are discussed below, as this is a better account for important differences among socio-economic context, target groups addressed and investment priorities.

In line with what was found in the econometric analysis on youth employment data for the 'Study for the evaluation of ESF and Youth Employment Initiative support to youth employment', the results on success rates are rather mixed, with a slightly **more shaded role of contextual factors overall and a stronger relevance of characteristics of the target group addressed, especially when it comes to employment results.**

*If one looks at the ensemble of common immediate results, these are typically higher in access to employment measures, for individuals between 25-54 years old and in areas with higher levels of the EU quality of government index*

**Looking at the ensemble of immediate result**, calculated as the sum of people in employment, in continued education, gaining a qualification or starting to look for a job the following emerge:

- The success rate of the variable 'any result' is strongly correlated with the different Investment Priorities, with **8.i (access to employment) over performing the rest** and particularly Investment Priority 8.vi (active ageing) but also Investment



Priority 8.vii (modernisation of labour market institutions) with 8.iv (women in employment) lagging behind by approximately 22 to 24 p.p. The remaining Investment Priorities (self-entrepreneurship and adaptability) make no exception but close somewhat the gap with access to employment (at approximately 12 to 15 p.p. lower than the expected<sup>87</sup> success rate).

- Although Cluster A (good starting point and low progress) slightly over performs the rest, differences are small and not statistically significant. This suggests that the **socio-economic context does not play a strong role in determining success rates as measured by the sum of immediate result indicators**. One important reason for this is that differences due to the socio-economic context might be overshadowed by the underlying diversity in typologies of operations which are carried out by the different programmes and are a stronger explanatory factor, especially considering that 'simpler' or intermediate results (e.g. continued education) could be pursued in weaker-socioeconomic contexts and drive up success rates.
- **Background characteristics of participants affect, in some cases in a statistically significant manner, success rates**. These are higher for those between 25-54 years of age and for the inactive or longer term unemployed. Especially for the latter, this might be due to the fact that also "intermediate" results are counted for them (not only being in employment but starting to seek employment, or being in education and training). **Increasing shares of participants which are older than 54 years old in a programme are correlated with lower success rates**, in line with the fact that in these programmes financial progress is lower and so is target achievement. Therefore, their presence is likely to affect progress in a significant manner with respect to implementation as well as results.
- **The EU quality of governance index<sup>88</sup>, which is a measure of quality and transparency of public services, is positively correlated with success rates**, at a 99% level of significance (4 p.p. of additional success rate each 10 p.p. of higher quality of government index). Although an imperfect measure of the administrative capacity, high levels of this index suggest that citizens are pleased with the functioning of the public administration. Higher levels of this index are coupled with higher success rates. This can be the result of several factors, but ultimately it might especially be that there is lower under-reporting of results and/or a smoother implementation of operations in areas with higher levels of quality of governance index, other things being equal. It ultimately suggests that administrative capacity matters, in line with evidence from other sources.

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<sup>87</sup> Values calculated through the econometric analysis are "expected values" in statistical terms, as they represent the mean value of probability distribution. It is a probability distribution and not the actual value as lacking micro data there is no exact information as to the individual success rate of one participant with given background features, in certain specific investment priorities, regions and so forth. Hence, the expected value is estimated econometrically.

<sup>88</sup> "The European Quality of Government Index (EQI), 2017 edition, developed by the Quality of Government Institute of Gothenburg University, is the only measure of institutional quality available at the regional level in the European Union. Institutional quality is defined as a multi-dimensional concept consisting of high impartiality and quality of public service delivery, along with low corruption. Funded by the European Commission in 2010 and then again in 2013 and 2017, the European Quality of Government Index aims at capturing average citizens' perceptions and experiences with corruption, and the extent to which they rate their public services as impartial and of good quality in their region of residence" – more info available at [https://ec.europa.eu/regional\\_policy/en/newsroom/news/2018/02/27-02-2018-european-quality-of-government-index-2017](https://ec.europa.eu/regional_policy/en/newsroom/news/2018/02/27-02-2018-european-quality-of-government-index-2017)



***Focusing on immediate employment results, their key drivers are the background features of participants (low shares of employment results for the low skilled, older participants, migrants and minorities)***

**When focusing on immediate employment results only**, the role of the Investment Priorities is slightly less significant. Conversely, some background features of participants become more relevant, including:

- **increasing shares of low skilled are negatively correlated with immediate employment** (an increase of 1 percentage point in the share of low skilled leads to -0.14 p.p. of success rate for longer term employment);
- **increasing shares of older participants are negatively correlated with immediate employment** (an increase of 1 percentage point in the share of participants over 54 years old leads to -0.25 p.p. of success rate for longer term employment); and
- **increasing shares of migrants and minorities are negatively correlated with immediate employment** (an increase of 1 percentage point in the share of migrants and minorities over the total participants leads to -0.17 p.p. of success rate for longer term employment).

***The situation for longer-term employment results is roughly similar to that of short-term ones but the background features of the target group become even more important in determining employment rates***

The situation does not change much when it comes to longer-term employment result indicators. It is worth noting that the expected rate of employment six months after exiting the operation for Cluster A (good starting point and low progress) and Investment Priority 8.i (access to employment) is slightly higher than the immediate one, at 42.8% (longer-term) vs. 37.6% (immediate). But here a key element should be mentioned: that of employment gained by participants even in absence of the operation. Looking at the balance between the relevance of the Investment Priorities and that of specific characteristics of the target group addressed, it is quite apparent that the form of support received (reflected to some extent in each Investment Priority as suggested in Section 3.3.3) is less correlated with success rates than in the case of immediate results, and that the features of the target groups are even more strongly correlated with employment after six months. In particular:

- **increasing shares of inactive are negatively correlated with immediate employment** (an increase of 1 percentage point in the share of inactive leads to -0.16 p.p. of success rate for immediate employment);
- **increasing shares of older participants negatively correlated with immediate employment** (an increase of 1 percentage point in the share of participants over 54 years old leads to -0.27 p.p. of success rate for immediate employment); and
- **increasing shares of migrants and minorities negatively correlated with immediate employment** (an increase of 1 percentage point in the share of migrants and minorities over the total participants leads to -0.21 p.p. of success rate for immediate employment).

The context does not seem to be a major driver, but **Clusters B and C in particular (bad starting point) are accompanied by consistently lower success rates**, with the difference with Cluster A not being statistically significant by a very small margin, **suggesting that unfavourable market conditions continue to affect success rates although the characteristics of the target group addressed seem to have a higher impact on that. So ultimately the smaller role played by Investment Priorities in determining success rates can either be explained by the fact that for some Investment Priorities employment results need more time to materialise, or by the fact that spontaneous dynamics are the main driver of occupational outcomes**

– which seems to be underpinned also by the strong correlation of the background characteristics of the participants with success rates.

***Employees see their labour market position improve especially in favourable socio-economic contexts and in self-employment/entrepreneurship and adaptability measures, in line with the objectives of the related support***

Finally, attention is turned to longer term success rates for the employed, measured as the share of employed participants with an improved labour market condition at six months upon leaving support. It should be anticipated however that because skills levels and age of the employed are not reported separately in the System for Fund Management nor can be proxied reliably (employed represent typically a small share of participants, except for Investment Priority 8.v and Investment Priority 8.vii), the below model for this background characteristics of the target groups cannot offer control, which mean there could be stronger bias from omitted variables.

Bearing in mind the limitation above, the model suggests the following:

- the expected value of the success rate, defined as improved labour market condition, for employees participating to the operations in Investment Priority 8.i in Cluster A (favourable context, little progress) is 11.2%;
- **this is reduced by 9 p.p. in Cluster C** (regions with low starting point and significant progress) whereas the other clusters do not appear correlated in a statistically significant manner with the success rate, although in general **coefficients are negative for Cluster B (bad starting point and limited progress) and positive for Cluster D** (strong starting point and significant progress); and
- the success rate is higher in **Investment Priorities 8.iii, 8.v and 8.vii**, by 8.1, 6.4 and 17 p.p. respectively. Coefficients are statistically significant. This might well be due to the target population (i.e. their skill level and their occupations) given the focus on those at a greater distance from the labour market in Investment Priority 8.i, and it is in general consistent with the objective of each Investment Priority.

***Ultimately, it is apparent that the performance of access to employment (Investment Priority 8.i) is very strong especially when taking into account improved employability. There is an equally strong indication that finding and maintaining an employment strongly depends on the characteristics of the target group. In this respect, the low skilled, older workers and migrants appear to be facing the hardest challenges. For them, it is also most likely that the net effect of the operations is comparatively higher, given their distance to the labour market, as further discussed in EQ1.5.***

#### **4.2.2.4 Evidence of impacts on participants from micro-level counterfactual impact evaluations**

***There is a growing body of evidence confirming that the net effects of support are positive and sustainable across a range of target groups and typologies of operations***

To overcome the known limitations about result indicators and success rates, it is paramount to look at evidence from available counterfactual impact evaluations that seek to isolate the contribution of TO8 from external factors. These are still limited in number and coverage, and are mainly related to the objective of bringing people into employment, either through Investment Priority 8.i (access to employment) alone or together with other TO8 investment priorities.

Whilst the details of each evaluation are included in Annex VI and discussed by typology of measure/target group in evaluation question 1.5, it is worth reporting here the main findings of the counterfactual impact evaluations.

That said, there is growing body of evidence on the positive employment effects generated by ESF support on direct beneficiaries (participants) to the operations.

Box 1. Net effects on employment chances of participants to TO8 support

- In Latvia, the probability of being in employment after the 'Training on the job' measure is about three times as large among participants as among the control group.
- In Piemonte, the job vouchers have had significantly positive (around 12 p.p. of higher employment chances), effects especially for those participating to more intensive forms of support and migrants, and the same goes for both basic as well as specialised training (8 p.p. of higher employment chances on average).
- In Cataluña, the 'Work and training' programme for those above 45 years of age also had positive effects on occupational chances (around 12 p.p.).
- In Andalucía, activities supporting access to employment are found to have positive effects too (+13% of transition rates).
- In Baleares 'Visibles programme', participation to the supported programmes significantly increased transition to employment, with increased probabilities of being in employment at 12 months 22.6 p.p. higher than the control group.
- In Sardinia, Friuli Venezia Giulia, Andalucía and Finland the impact of operations financed under TO8 was more modest but still reported as positive. The same goes for Slovakia and the 'Job chance' programme, a public work scheme with an increase in employment chances for participants which averages around 3 p.p.
- Lastly, a counterfactual impact evaluation on training for access to employment in Toscana (although funded under TO10) shows that there are significant employment effects achieved for participants, and that these increase over time for both those seeking a first job as well as the unemployed (in the range of 7 to 30 p.p. of higher chances of receiving an employment contract within 18 months of the support, though the increase is very small for open-ended ones).

Only in Asturias the counterfactual impact evaluation<sup>89</sup> showed that vocational training had no effect on the employability of the participants, although qualitative evidence collected through surveys on participants suggest that some soft outcomes were nevertheless achieved.

Significantly, results appear to be consistently positive across a range of regions, countries and clusters, although no counterfactual evidence is yet available for Cluster D regions.

#### **4.2.2.5 Further evidence on soft or intermediate outcomes**

***Indication of additional soft outcomes is quite widespread across operational programmes, regions and forms of support, including better self-confidence, health, social inclusion, quality of self-employment as well as structural improvements***

Positive soft outcomes were also highlighted in many evaluations. For instance, coaching projects in Hamburg helped to build a close relationship between coaches and participants, to solve their most urgent problems and to increase their potential, strengths and self-confidence. Still in Germany a higher responsiveness of SMEs towards future skills needs was reported. Additional soft outcomes refer to mobilisation and awareness raising of employees, or improved Human resources and organisational development of enterprises, especially SMEs.

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<sup>89</sup> Fco. Javier Mato Díaz (Coordinador) Israel Escudero Castillo Rosario González Arias Oviedo, (2017) EVALUACIÓN DEL PO-FSE 2014/2020 DEL PRINCIPAL INVESTMENT PRIORITY ADO DE ASTURIAS PARA EL INFORME ANUAL A PRESENTAR EN 2017 available at [https://www.asturias.es/Asturias/descargas/PDF\\_TEMAS/Europa/POFSEA\\_2014\\_2020/Informe\\_Evaluacion\\_20\\_17\\_PO\\_FSE\\_Asturias\\_14\\_20%20.pdf](https://www.asturias.es/Asturias/descargas/PDF_TEMAS/Europa/POFSEA_2014_2020/Informe_Evaluacion_20_17_PO_FSE_Asturias_14_20%20.pdf)

In Spain, it is worth noting the positive indirect effects achieved for participants such as on activation of self-employment.

In Italy, for example in Piemonte, better quality of entrepreneurial ideas as well as an active engagement of the associations in recruiting prospect entrepreneurs is reported.

#### 4.2.2.6 Macroeconomic perspective

***In addition to micro-level evaluations, macroeconomic models, despite many caveats and limitations, also tend to confirm small but positive and sustainable effects on employment***

As anticipated, unlike micro-level counterfactual impact evaluations, macro-studies assume that the support offered might affect the environment in which it is implemented. This is, after all, the ultimate purpose of cohesion policies. Yet, their results should be interpreted with caution, given the broad range of simplifying assumptions they need to use in determining results in a 'controlled environment' which seeks to replicate real world dynamics.

#### Macroeconomic modelling in Veneto

In addition to a counterfactual impact evaluation on participants, in Veneto the potential impact of 'Continuing vocational training', estimated through a macroeconomic model, was found to reduce unemployment and increase employment, though there were no effects evident on value added (and hence GDP). A total of 27 219 workers were involved. The measure is reported to increase the employment rate by 0.1 of a p.p. a year from 2019 to 2023 (compared to a scenario where the measure does not exist), and to reduce the unemployment rate by 0.8-1.5 of a p.p. 70% of people interviewed reported that the projects had positive results.

#### Results from the RHOMOLO simulations

From a broader EU macroeconomic perspective, the results from the modelling work carried out by the Joint Research Centre through RHOMOLO – and given the general caveats with modelling and specific caveats about RHOMOLO clarified in Section 1.4 (limitations to the research) – indicate the following:

- At EU level, it is found through the modelling that **19 000 jobs are expected to have been generated by 2023 due to the ESF investments employment and mobility, with long-lasting effects generated by such structural policies and the related change in productivity. The increase shows persistence in the long run (by 2030) when the GDP is still 0.06% higher relative to the baseline and more than 47 000 jobs are expected to have been created.** This positive but comparatively small values should be read in the light of four key facts: (i) that the overall investment is modest compared to the GDP and uneven across regions; (ii) that on top of overall macroeconomic effects, there are additional direct benefits to those receiving support; (iii) that these are just partial estimates given the programmes are still ongoing; (iv) that the EU cohesion policy supports investment in physical capital along with human capital – through the ERDF to start with and such investments might work together with those from the ESF in human capital; and (v) that RHOMOLO can only reasonably capture a limited range of benefits linked to TO8 policies, which might further imply underreporting. **The key element here is that the productivity enhancing human capital investments ensure the actual creation of jobs in the medium to long run,** and although the effects might seem modest at EU level, they are stronger in some regions, with a number of regions located in Southern European states with the potential to reap most of the benefits, which can be quite important given the size of the policy. **In addition, the modelling work suggests that besides people moving from unemployment to employment, also the labour supply, that is, the sum of unemployed and employed, will be increased by**

**approximately 22 000 persons by 2030, with many people shifting from inactivity to activity.**

- The modelling work also suggests that **employment outcomes are typically focused on the low skilled, in line with the fact that this is the main target group of the policy.** One should consider that, based on RHOMOLO's underlying economic theory, in the short term there might be: (i) substitution effects (more skilled workers can lower overall labour demand, as fewer workers are needed to produce the same output. Only at a later stage the increased productivity boosts salaries, demand and output finally triggering new hirings); and (ii) displacement effects (people benefitting from ESF support might be favoured by employers with those not benefitting from support having fewer employment opportunities as a result, especially in the first years of implementation)<sup>90</sup>. However, these are not particularly visible in the simulations carried out with RHOMOLO, and soon enough the rise in the average productivity of the labour force resulting from ESF investments in human capital increase employment opportunities for all, including the high skilled. Although beyond the scope of the RHOMOLO simulation, it is also worth mentioning that with skill biased technical change<sup>91</sup> and the increasing pace of automation, up- and re-skilling for the low skilled becomes all the more relevant for them to enter in or maintain employment.
- Also from the modelling work, it turns out that **the productivity enhancing investments offset in most regions the crowding out effect on private investments that might occur due to public investment.** This means that the increased productivity stimulates further private investments more than the potential adverse (displacing) effect of government consumption on private investments. Nevertheless, the modelling work also suggests that employment in some less developed regions e.g. of Southern Italy might diminish due to skills mobility (workers which are attracted by higher salaries elsewhere). However, this latter result should be tested with the combination of both TO8 and ERDF investment, as the concurrent expansion of human and physical capital may generate different effects also in these regions.

Differences across regions and the reasons leading to these are discussed in evaluation question 1.6 below.

#### **4.2.2.7 ESF contribution to labour mobility**

##### ***Labour mobility is a multifaceted concept***

Finally, a separate note should be made about ESF contribution to labour mobility. Labour mobility is a multifaceted concept, which includes, to start with, both geographical and occupational mobility, but also takes different forms depending on whether we consider low or high skilled workers, intra-national or supra-national mobility, temporary, return or permanent mobility, and so forth.

##### ***Lack of suitable indicators and dedicated funds makes assessment on support to labour mobility hard***

Against this framework, the current level of knowledge on the support to labour mobility within the ESF is limited. The European Court of Auditors carried out an audit of the EU

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<sup>90</sup> On the potential adverse effects of active labour market policies, including displacement effects, see for instance: (i) Escudero, V. (2014) Are active labour market policies effective in activating and integrating low-skilled individuals? An international comparison, MPRA Paper No. 55319, posted 16. April 2014 03:56 UTC available at <https://mpra.ub.uni-muenchen.de/55319/> ; and (ii) Bruno Crepon & Esther Duflo & Marc Gurgand & Roland Rathelot & Philippe Zamora, 2013. "Do Labor Market Policies have Displacement Effects? Evidence from a Clustered Randomized Experiment," *The Quarterly Journal of Economics*, Oxford University Press, vol. 128(2), pages 531-580.

<sup>91</sup> See for instance Card, David and John E. DiNardo. "Skill-Based Technological Change And Rising Wage Inequality: Some Problems And Puzzles," *Journal of Labor Economics*, 2002, v20(4,Oct), 733-783.



support to labour mobility between October 2016 and July 2017, focusing on five Member States (Germany, Luxembourg, Poland, Romania and the UK)<sup>92</sup>. It was found that operations promoting labour mobility receive EU support mostly through the ESF (TO8 or transnational cooperation) and the Employment and Social Innovation (EaSI) programme, with its EURES (European Network of Employment Services) axis. The study reports that monitoring of such activity under the ESF is difficult due to the lack of dedicated indicators or earmarking mechanism for allocations. In addition, it also underlined that the EaSI-EURES has similar policy objectives to those of the ESF with regards to labour mobility, implying that the complementarity of both EU funds is challenging. However, ESF has actually a more national focus than EaSI-EURES and can focus to a larger extent on regional mobility, including intra-regional (urban-rural) mobility. In addition, dedicated indicators on labour mobility might fail to capture key dimensions of mobility, such as for instance focusing on fair mobility. Stakeholders consulted indicated that transnational mobility policies might risk exacerbating the brain drain in some EU countries, thus indicating the need to fine tune indicators measuring results of mobility policies.

***Occupational labour mobility is typically embedded in adaptability operations and hard to disentangle; geographical mobility, on which the study found separated evidence, accounts for a low share of ESF TO8 budget***

Against this background, the mapping of operations under TO8 shows that almost all mobility operations can be found under the 'Access to employment' Investment Priority 8.i, and to a lesser extent in support to labour market institutions (Investment Priority 8.vii) mostly by supporting Public Employment Services in using and expanding EURES. Most operations in the area of mobility combine multiple types or consist of integrated pathways. It also shows that when reporting on mobility operations, ESF stakeholders typically discuss geographical mobility. In fact, occupational mobility is largely embedded within the broader strand of adaptability to change operations. As shown in the Table below when focusing on geographical mobility, a total of slightly under EUR 800 million has been reported as costs for mobility operations in Annual Implementation Reports across the EU, which is roughly 4.3% of the total costs reported for all TO8 operations. Although this value is arguably rather modest vis-à-vis the overarching 'Employment and mobility' TO8 objective, it is likely underestimated due to the existence of occupational on top of geographical mobility. Yet, instances in which occupational mobility is described as such are at best scarce.

***Support to geographical labour mobility is found especially under access to employment measures and included in integrated pathways***

This is confirmed by indicators, with a few (16) specific output indicators identified in four member states (Belgium, Germany, France and Poland), the vast majority of which in access to employment (Investment Priority 8.i, with the exception of Poland) that track support to labour mobility. Additional indicators can be found for the same purpose but with a focus on young people, thus outside the scope of this report. Looking at target achievements, the average rate in Investment Priority 8.i is rather high (at around 90% of the 2023 target) but is zero for the other Investment Priorities. Here the representativeness is however very low as that only applies to one country.

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<sup>92</sup> European Court of Auditors, Special report no 06/2018: Free Movement of Workers – the fundamental freedom ensured but better targeting of EU funds would aid worker mobility <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=44964>

Table 10. Overview of mobility operations – by type of operation and Investment Priority

	Access to employment (IP8i)	LM <sup>93</sup> institutions (IP8vii)	Other IP	Total TO8 (excl. IP8ii)	% of all TO8 operations
	(in € million)				%
Work-based learning	-	-	-	-	0.0%
Education & Training	0.2	-	-	0.2	0.0%
Guidance & Support	13.7	-	-	13.7	0.6%
Financial incentives	19.5	0.2	-	19.7	1.1%
Support for entrepreneurs	-	-	-	-	0.0%
Institutional capacity	-	4.9	-	4.9	0.6%
Women in employment	-	-	2.2	2.2	0.2%
Adaptability	-	-	-	-	0.0%
Active ageing	-	-	-	-	0.0%
Integrated pathways	366.9	11.7	-	378.6	31.9%
Other	-	-	-	-	-
Combined	398.4	17.9	1.6	418.0	12.0%
Total	798.8	34.7	3.8	837.3	4.3%

Source: mapping by authors, based on qualitative screening of Annual Implementation Report2015-2018 <sup>94</sup>.

**Mixed evidence on effectiveness of geographical labour mobility from the case studies, with generally positive results in Germany and France, but challenges in Spain**

In terms of qualitative evidence to the support of labour mobility derived from the case studies covering 20 Operational Programmes in 10 Member States, the findings are somewhat mixed, with some countries showing positive results (especially Germany and France) whilst others being still in an early stage of implementation or with low success. In particular:

- In Spain, labour mobility operations seem to be a challenge for the coming years and the next programming period. So far, no adequate operations (and results) can be reported.
- In Italy, labour mobility operations are found and, in some cases (especially Investment Priority 8.vii), consist of support to Public Employment Services, but no data on outcomes are available.
- In Hamburg, the 'Service centre for the mobility of workers' is aimed at supporting the integration of migrants. The desired target groups have been reached and the planned outputs achieved. The centre is well known by migrants because of cooperation with foreign communities in Hamburg and the linguistic and technical expertise of the consultants employed. The centre adopts both a reactive (advice, support and mediation) and preventive (e.g. information campaign) approach. It affects the working conditions of migrants in Hamburg both indirectly, by interacting with employers, and directly, through support for workers. The centre has improved transnational cooperation between authorities in different EU Member States and the understanding of the authorities in Germany as well as in the countries of origin of migrants through information campaigns.
- In Romania, despite the increase in financial incentives for mobility programmes, participation is still very low. According to the case study, this can be partly attributed to the low interest from the target population and to the fact that the subsidies are not very flexible. Lacking dedicated indicators, however, results are difficult to assess.

<sup>93</sup> Labour market

<sup>94</sup> Operations are classified as 'mobility' in case the description of the operation in the Annual Implementation Report makes explicit reference to labour mobility, which is typically geographic mobility. It is therefore possible that the actual scale of mobility operations is larger than estimated.



- In France, target indicators point to good progress of mobility operations. In the island of La Réunion, where the issue of mobility is crucial, the number of participants in mobility measures funded under 8i ('Mobility Students Scholarship' and 'Mobility of jobseekers') exceeded the targets. However, for the 'Educational and vocational mobility' measure, no participants were recorded due to direct competition with Youth Employment Initiative activities. In terms of results, 44% of the 2023 target (number of participants with a positive outcome) was reached for 8i. In addition, 58% of participants in the 'Mobility of jobseekers' measure (8i) obtained a sustainable job (defined as being either with a permanent contract or a fixed-term contract of more than six months) immediately after exit. And a third of participants obtained a permanent job between six months and one year after the end of support, 66% after two years or more.

### ***Preliminary evidence in the literature that relocation measures work to good effect***

Caliendo et al (2015)<sup>95</sup> is one of the few examples of counterfactual evidence on measures supporting labour mobility, looking at relocation assistance for the unemployed in Germany. The study found that (compared to non-participants) the support provided gains in terms of nominal wages (albeit from a low level), job progression and employment prospects. Results were considered 'remarkable' bearing in mind the low costs compared to other types of active labour market policies with fewer positive results, but that overall success of the programme was hampered by low take-up.

### ***Stakeholders consider language training and recognition of qualifications as the most useful measures to promote geographic and occupational mobility***

Lastly, the public consultation provides some evidence on respondents' opinion regarding the type of operations that best supported labour mobility. Overall, **language training** is the type of operation that respondents mention the most as successful in promoting geographic and occupational mobility (53.0% of respondents mention it), followed by recognition of qualifications (48.9%) and validation of competencies and skills (46.7%).

#### **4.2.3 EQ 1.3 To what extent were the target groups reached by the operations, including disadvantaged persons, especially those from marginalised communities and those leaving education without qualifications? To what extent higher education institutions/universities were beneficiaries of T08 investments (in terms of numbers and size projects)? Have any Member States invested in developing graduate tracking systems or graduate tracer studies or similar operations for measuring outcomes of graduates on the labour market?**

##### **Operations under T08 are generally reaching those who need support most**

Overall, the analysis suggests that employment and mobility investments are progressing well especially for participants in high need of support, including inactive and long-term unemployed and migrants. Over one in four participations registered comes from a rural background, and, despite some issues reported with eligibility criteria also as a result of gold-plating (e.g. for migrants) one in eight has a migrant or minority background. These groups are particularly targeted in more developed regions, or in regions with improving labour market conditions and which have progressively increased their focus on individuals at a greater distance from the labour market. According to organisations responding to the public consultation, job-seekers and inactive people and long-term unemployed were the most successfully supported groups. However, there is less agreement about the extent to which ESF operations support migrants or individuals with a foreign background or people in remote areas, whilst monitoring data suggests that operations have been less effective in respect of participants aged over 54 years old.

<sup>95</sup> Caliendo, M., Künn, S., Mahlstedt, R., 2015. The Return to Labour Market Mobility: An Evaluation of Relocation Assistance for the Unemployed, IZA Discussion Papers, No. 9183

**Outreach work to identify and recruit participants has been generally successful but challenging for some groups (including asylum seekers and migrants)**

The analysis from the case studies indicates that the outreach has been overall effective across all clusters and the operations considered attractive for the target groups. Some issues with low interest from participants or insufficient targeting for elder participants were nevertheless highlighted in Romania and France respectively. Positive results are frequently measured for disadvantaged participants in favourable socio-economic contexts, but seldom in less developed areas. A few issues with outreach have also been highlighted, including issues with the interpretation of eligibility criteria for undocumented migrants, asylum seekers, ROMA, including lack of eligibility for operations specifically targeting their needs (e.g. information on labour rights) as well as scarce interest from end-beneficiaries.

**TO8 resources were allocated to the regions that most needed support and implementation generally follow suit, but with delays in some less developed areas**

From a broader perspective, the assessment of monitoring data in the RHOMOLO report suggests that the bulk of TO8 allocation went to regions where it was most needed and that in many cases expenditure followed suit. Nevertheless, in line with the findings in evaluation question 1.1, the pace of implementation seems slightly slower in some weaker areas, including slower progress of expenditure.

Evidence on the support to higher education institutions is also limited given that youth employment operations are outside the scope of this report, but it is however reported in Romania, Denmark and Spain. For the same reason, the development of graduate tracking systems is also slightly beyond the focus of this report, but it was found in a pilot project in Romania.

***Background characteristics of participants addressed vary broadly across regions and Investment Priorities, with disadvantaged and migrants especially targeted in more favourable socio-economic contexts***

Background characteristics of participants in TO8 investments show substantial differences among Member States. Approximately 1.8 million participations refer to people from a rural background, representing 26% of all participations in TO8. A total of 0.9 million participations were recorded for individuals with a migrant or minority background<sup>96</sup>. The latter group is relatively more targeted in more developed regions (20%) than transition (8%) or less developed (5%) regions. This is particularly clear in the Netherlands (71%), Sweden (62%), Luxembourg (47%) and Austria (44%).

The share of people with disabilities participating in TO 8 investments is relatively similar across the EU, except for Sweden, where 38% of TO8 participations are recorded for individuals with disabilities or other disadvantaged targeted are roughly similar. Finally, individuals linked to the category of other disadvantaged are most often included in the United Kingdom (35%), Poland (34%) and considerably less in other Member States.

***TO8 most successful in reaching out to job seekers and inactive people, less to homeless or those at risk of poverty, though they are the focus of TO9***

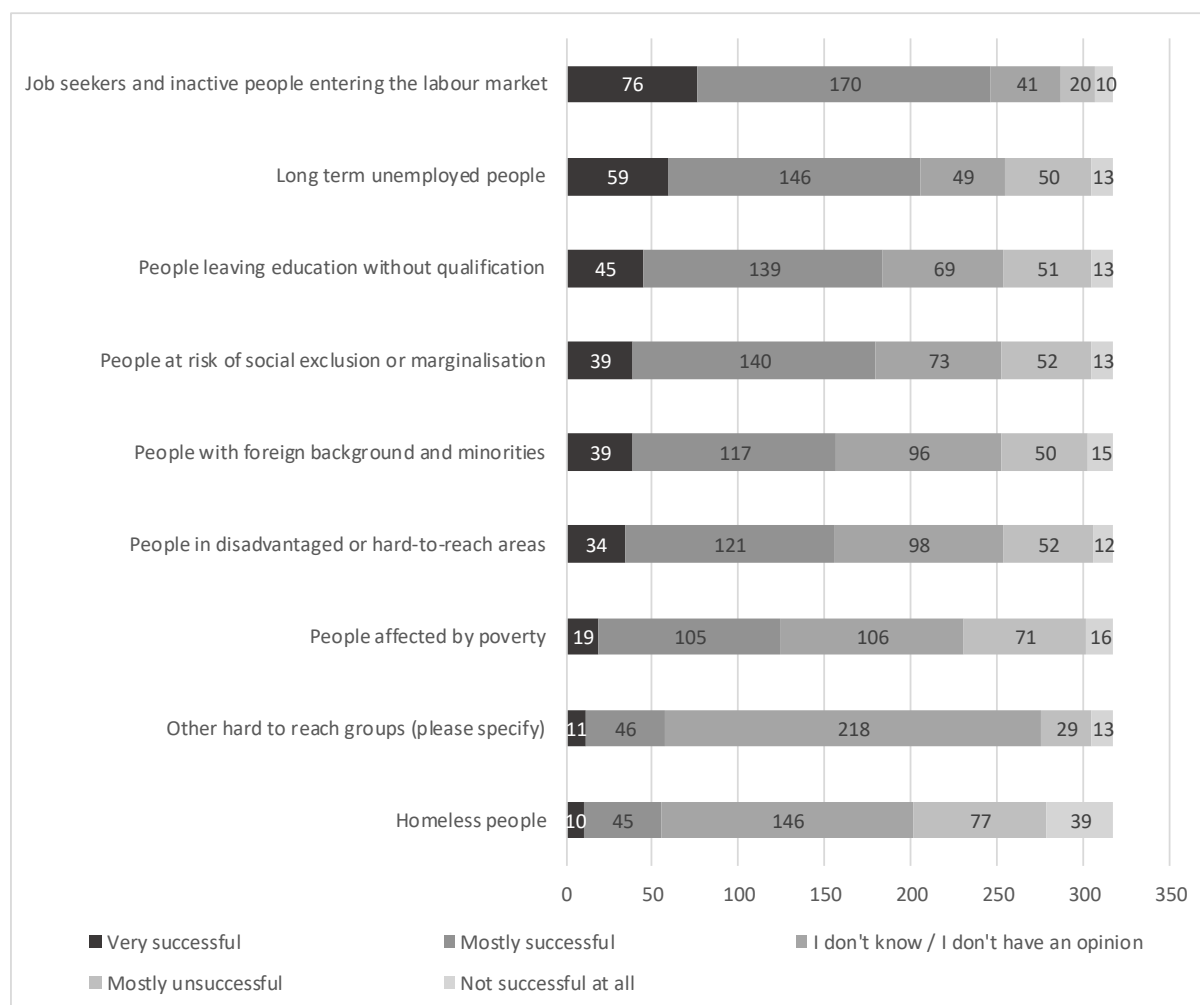
Organisations responding to the public consultation expressed their opinions on which target groups were successfully supported by ESF (see Figure 29). The majority believes that ESF is mostly successful in supporting **job seekers and inactive people** (77.6%),

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<sup>96</sup> Non-national permanent residents in a country, people with a foreign background or nationals from a minority (according to national definitions). More details available at <https://ec.europa.eu/sfc/en/system/files/ged/ESF%20monitoring%20and%20evaluation%20guidance.pdf>, page 43

and long-term unemployed (64.7%). More than one in two also believes that ESF effectively supports people leaving education without qualification (58.0%), and people at risk of social exclusion (56.5%). They seem to agree less on ESF ability to support migrants (49.2%) or individuals with a foreign background or people in remote areas (48.9%) and they are more sceptical about TO8 ESF support to people affected by poverty (39.1%) and homeless people (17.4%). However, it should be noted that these target groups are typically targeted under TO9.

Figure 29. Answers to the question: "In your opinion, how successful were the actions by the European Social Fund in providing support to the following target groups?" (317 respondents)



Source: Final Report, Public Consultation on the Evaluation of the EU Support to Employment and Labour Mobility by the European Social Fund

Looking at typologies of target groups reached by different categories of operations (presented in Annex I and based on the screening of the operations and not on monitoring data from output indicators) we observe that the unemployed or inactive are – not surprisingly – the most targeted group across most operation categories. This is especially the case for **work-based learning** that is almost exclusively directed at unemployed and inactive (91%), for **guidance and support** operations (90% unemployed) and for **financial incentives**. The latter operations tend to be mostly directed at young people (especially in Italy and Spain), although they are not a specific target of such operations. In countries such as Greece guidance operations are used for improving adaptability of employees and focus on the re-orientation of professional qualifications of employees in the private sector. A total of 15% of the budget for guidance and support operations are targeted to older.

### ***Education and training are most often targeted to the unemployed, and continuous training to employees***

Likewise, **education and training** operations are largely focused on the unemployed (68%), although in this case a sizeable share of the budget also addresses people in employment (22%) in the framework of Continuous Vocational Training. This is especially the case in France and, although to a lesser extent, Belgium, Finland and Germany. A total of 14% of education operations screened across the Annual Implementation Reports are explicitly targeted at people with some sort of disadvantage; with Sweden and Slovenia targeting such operations almost exclusively to this category.

### ***Entrepreneurship support offered to different target groups***

Conversely, groups targeted by **entrepreneurship support** are more varied, and often combine both unemployed (32%), employed (32%) or even institutions (29%). Some 18% of such operations screened reach disadvantaged individuals, mainly in Belgium, France, Italy, and Poland. A small share focuses specifically on female entrepreneurs (3%), particularly in Spain, France, and Italy.

### ***The operations have reach out more easily to target groups with constant and general needs for support (inactive, long-term unemployed, migrants) and no specific obstacle to participation***

As already described under evaluation question 1.1 (Section 4.2.1), the econometric analysis in Annex V shows that **increasing shares of inactive or long-term unemployed are positively correlated with financial progress**, further stressing that operations implemented in areas with widespread and persistent needs among the population and with no significant obstacles to participation (such as a disability or a multiple disadvantage) are implemented at a higher pace. It is also worth noting that increasing shares of low skilled are not correlated with lower progress. This also suggests the high relevance of the operations towards such target groups.

### ***Slower progress in case of older workers and disadvantaged***

Financial progress of programmes with a high share of people over 54 years of age is lower than average, and the same goes for high shares of 'other disadvantaged'.

### ***Positive results frequently measured for disadvantaged participants in favourable socio-economic contexts, seldom in less developed areas***

Finally, as shown in section 3.3.3, there is evidence of significant shares of results being achieved by disadvantaged individuals especially in areas with a more favourable socio-economic context, with an average of 36% in Cluster A regions, and countries in the Scandinavian area but also the UK, Estonia, Poland and Austria at around or above 50%. Conversely, the share of results being achieved by disadvantaged participants is just 13% in regions with a weak socio-economic context and low progress.

### ***Several examples of reaching out to different target groups across regions***

The case studies help gain a more detailed overview of outreach mechanisms implemented by ESF Operational Programmes. **The evidence seems rather positive across all clusters and target groups**, and particularly:

- For **Cluster A** regions (Germany, Denmark, France and Luxembourg) the outreach to the target groups is considered to have worked well. The four selected German programmes addressed different target groups. The **Niedersachsen** and the **German national Operational Programmes** focus on employed participants, including self-employed (approximately two-thirds of overall participations), and with at least upper secondary education. In the **Rheinland-Pfalz Operational Programme** the focus is mainly on inactive persons whereas the **Brandenburg Operational Programme** focuses on unemployed.
- **Cluster B and C** regions: In the **Romanian Operational Programme Human Capital**, participation in the operations is deemed to be very attractive to most

target groups. Unemployed people account for the highest share of participations in all the **Italian Operational Programmes** (in the Campania Operational Programme the share of unemployed participants is 68%). In terms of TO8 measures, these are considered to be mostly 'general' (i.e. there are no specifically targeted measures for specific groups except for the employment vouchers that are specifically targeted towards people who have been unemployed for longer than six months). There is also a good share of employed people participating in the National Operational Programme and the Campania Operational Programme operations through industrial crisis management schemes, in preventative adaptability measures, and all of them have improved their labour market position six months after participating to support. Migrants' participation (16%) is important mostly in the Piemonte Operational Programme. Overall, in Piemonte, those who mostly benefitted of the services were unemployed with an intermediate level of difficulty in accessing labour market. In **Croatia**, significant efforts were made in order to reach out to hard-to-reach and marginalised groups, primarily through tenders where SMEs, civil society organisations, local government units, trade unions, non-profit organisations and the like were eligible applicants.

- For **Cluster D** regions the shrinking pool of individuals which were unemployed or inactive but generally at a shorter distance from the labour market has meant a progressive narrowing down of the scope of the target groups. In the Czech Republic, in the first calls, the target groups were described relatively broadly as unemployed and job seekers. The target groups were gradually specified in more detail. People at risk in the labour market, irrespective of the reason for that, became the most relevant target group. Most of them were persons aged 55 or above, people with disabilities, the long-term unemployed and people with cumulative handicaps on the labour market.

***Money mostly went where it was needed the most, but actual implementation does not always follow suit in weaker socio-economic contexts***

Finally, inputs from the RHOMOLO modelling on the progress of expenditure, also suggest that the money typically went where it was most needed, with regions with the highest shares of unemployment not only receiving the bulk of funds (programming) but also having the largest shares of expenditure on the ground with respect to their GDP (implementation). Nevertheless, inspecting the regional distribution more closely, one can observe that in a few areas with high unemployment, especially in Spain, Croatia, Portugal, the low financial progress meant that money is yet to be fully spent in implemented operations.

***A few issues are reported with addressing hard to reach individuals, migrant and minorities, older workers and dependents, including eligibility issues***

Despite an overall positive picture of the capacity of TO8 operations to address different target groups, across the selected Operational Programmes for in-depth study, a variety of challenges have been identified. These refer to both achieving best results in terms of access to employment and ensuring the best possible approach to match the specificities of each target group. In particular, the following difficulties were mentioned:

- Participants were not very keen to engage in training activities prior to job placement (e.g. this was the case with Roma communities in Romania).
- In the Extremadura Operational Programme a sparsely populated region, the limited economic dynamism, and the presence of groups further from the labour market and of micro SMEs posed obstacles to reaching the target groups.
- From a monitoring point of view, projects for specific groups often lack specific targets and result indicators and relevant achievements are not easily captured.

Stakeholders at the EU focus group also reported issues with eligibility requirements, and more specifically the way these are interpreted at Member State level, which at times hamper outreach. It is worth mentioning that eligibility for vulnerable individuals is



particularly important because ESF can support in 'preserving' their skills and thus avoiding falling into 'vulnerability traps'. For instance, issues of potential gold-plating have been reported especially in the field of ESF support for undocumented migrants or asylum seekers, family reunification, people with disabilities, but also Roma and people in the informal labour market, with Member States applying stricter eligibility criteria than those directly stemming from the ESF regulation. Towards them, there is also potentially a lack of support offered in terms of, e.g., awareness raising of labour rights. Likewise, eligibility issues are found posing some difficulties in the case of support for social enterprises, as, for instance, associations and NGOs might have different legal statuses not always in line with the calls' requirements.

***Several operations have addressed higher education institutions, but evidence is scattered and very little information on graduate tracking systems***

A number of Operational Programmes support higher education institutions. This is the case particularly in Romania, especially under Investment Priority 8.i (access to employment), 8.iii (support to self-employment/entrepreneurship), 8.v (adaptability), with a great majority under 8.iii. The Danish Operational Programme aims to support an entrepreneurial culture by targeting (higher) education institutions. It should not be overlooked that the success of such operations depends on the readiness of the business environment (e.g. presence of incubators or other start-ups).

In the Spanish National Operational Programme, these operations are aimed at supporting advanced studies, whereby the beneficiaries are not the institutions but the students taking part in the programmes who receive grants (as Red.es in the field of ICT) and for hiring researchers (Consejo Superior de Investigaciones Científicas, CSIC). In the Catalonia Operational Programme, some operations focused on higher education institutions, receiving financial support to hire young staff. In the Extremadura Operational Programme no specific support for higher education institutions is foreseen but operations aimed to foster the mobility of researchers are implemented. The involvement of higher education institutions in TO8 operations in Germany is limited. At federal level universities are involved in the EXIST programme, where a chair for start-ups has been established as well as new operation centres, which only have started in November 2019. In Niedersachsen the social innovation projects involve universities in some cases.

So far, no evidence has been found of the setup of tracking systems or graduate tracker studies or similar activities for measuring outcomes of graduates on the labour market. However, in Romania, the Executive Unit for Higher Education Research, Development and Innovation under the Ministry of Education, is piloting a project to track the graduates, but this is at a very early stage. Although operations did not specifically include graduate tracking systems in the Luxembourg Operational Programme, a number of operations led to personalised support for participants based on an evaluation of their skills, adapted with training and follow-up.

**4.2.4 EQ 1.4 What was the quality and timeliness of employment obtained?**

**Generally, the quality of employment offered has been positive with some variations across investment priorities**

Evidence on the quality of employment received is quite scarce, but is generally positive and confirms that participants improve their chances of being in stable employment thanks to TO8 support. Some variation is found in connection to the form of support offered as well as the socio-economic context in which operations take place, with those of shorter duration in weaker areas less likely to lead to open-ended contracts. Available counterfactual evaluations confirm this, although the net rise in stable employment is typically smaller than the overall increase in employment chances. The public consultation also confirms consensus on the fact that participating in TO8 support results in the improvement of participants' labour market condition.

Some variation is however seen across Investment Priorities in the different Member States, with a tendency of operations in the access to employment Investment Priority 8.i to produce results earlier but which are slightly less stable over time, also Investment Priorities in which the incidence of Vocational education and training is higher (such as adaptability – Investment Priority 8.v) seeing their results materialise at a later stage.

***Evidence is comparatively scarce, also due to monitoring and evaluation requirements which are lighter than in youth employment operations***

The issue of quality of employment is investigated through the screening of evaluations and the case studies, as aggregated monitoring data is not directly relevant to answering this question. Some additional evidence was gathered based on the stakeholders' feedback to the public consultation. It is worth noting that in the case of the Youth Employment Initiative, specific requirements linked to the monitoring, evaluation and reporting on the quality of employment gained by participants were set. This included the assessment of the quality of jobs obtained within the two mandatory evaluations run in 2016 and 2019, and a dedicated analysis to be reported in Annual Implementation Reports by Managing Authorities. However, for other ESF operations, no such requirement existed. This might have meant less attention on this issue. Furthermore, the definition of quality employment is not univocal and different studies interpret it in different ways. Usually this is defined in terms of contract typology (open-ended vs fixed term); retribution; and alignment with employee's skills and qualifications. A more indirect way of assessing the quality of employment obtained refers to the quality of the support received.

***When relevant information is found in evaluations, the results seem generally positive, but the evidence is not clear-cut. Contextual issues seem to play a role***

In general, only a few evaluations report detailed information by Investment Priority, but the available evidence shows that the share of participants with an open-ended contract after participation ranges from 70% or over (for Investment Priority 8.iv in Małopolskie and Investment Priority 8.iii in the National ESF Operational Programme) to less than 30% (for Investment Priority 8.i in the French regional Operational Programme Centre). However, participants are mainly working on a full-time basis and are generally satisfied with the job obtained (see Annex VI – Synthesis of TO8 evaluations). More specifically:

- In Toscana, just over half of the participants in "Traineeships" operation had a long-term employment contract after participation, and more than half of those surveyed were very satisfied with it. For 'Training' operation, 68% were satisfied with the quality of teachers and the combination of theoretical and practical lessons. A third of participants in employment that participated in a Public employment services support programme had a short-term contract, and the majority of those surveyed were satisfied with the support received, and 88% with their current job.
- In Małopolskie, among those in employment six months after leaving, over 70% of Investment Priority 8.iv participants had an open-ended employment contract, 55% for Investment Priority 8.v and 65% for Investment Priority 8.v.i. However, in Lubuskie most participants in Investment Priority 8.i and Investment Priority 8.iii who found a job were mainly on fixed-term (full-time) contracts. In Wielkopolskie, after six months, 7% of the participants had moved from precarious to stable employment, 4% improved their job, 2% moved from part-time to full-time employment. After six months, 44% of participants experienced increased job satisfaction, even though, 81% of participants did not feel better in terms of work-life balance.
- The results of the 2017 survey of participants in the French National ESF Operational Programme show that among those who were unemployed or inactive upon entry, 72% were in sustainable job (mainly with an open-ended contract) after six months for Investment Priority 8.iii operations (71% in full-time jobs), 47% for Investment Priority 8.v (85% in full-time basis) and 30% for Investment Priority 8.i ones (71%



full-time). For Investment Priority 8.v operations, the corresponding share among those already in working entry was 72% (78% in full-time jobs).

- In La Réunion, 58% of participants in the 'Mobility of jobseekers' measure (Investment Priority 8.i) obtained a sustainable job (defined as being either with a permanent contract or a fixed-term contract of more than six months) immediately after leaving. A third of participants obtained a permanent job between six months and one year after the end of support and two-thirds after two years or more.
- In the French region Centre, the evaluation assessed the quality of the offers made to participants in vocational training (Investment Priority 8.i). Some 26% of women and 33% of men received one or more offers with 60% of them being offers of employment, often full-time (69%) but rarely open-ended (24%) and also rarely with a wage higher than the minimum (47%). Nevertheless, 80% of the respondents reported that the offers matched their expectations. Some 38% received a good quality job offer after training (i.e. open-ended, full-time, with a wage higher than the minimum, and meeting their expectations). After six months, 26% of participants in employment had open ended contracts, two-thirds were working full-time, their jobs mostly matching their qualifications (69%), with a net salary between EUR 1 000 and EUR 1 500 for the majority (55%) and below EUR 1 000 for 32%. Almost two-thirds of participants in traineeship after six months had achieved placements of good quality (i.e. paid and facilitating integration into the labour market).
- In Wales, those finding a job after having participated to 'Communities for Work' were generally satisfied with it (but less so with the wages proposed).
- Across the TO8 operations in the Brandenburg Operational Programme, the share of those being employed immediately after the end of the operation (2 178 participants) is quite high in relation to those achieving an immediate result in general (2 740 participants). Six months after leaving the operation 2 290 participants were still employed, and additional 170 have improved their labour market situation.
- In Italy, in the National Operational Programme on Services for Active Labour Market Policies, for those projects for which such data is available, more than 60% of individuals that benefitted from an employment incentive were still employed after 12 months, that is at the end of the 'compulsory' period foreseen in order for companies to receive the full incentive. Conversely, in the Piemonte Operational Programme, the rate of employment after six, 12 and 16 months gradually increased to 40%. The effect on open-ended contract employment of having participated in traineeships and work experience is always positive except for after a period of six months' traineeship (compared to 12 and 16 months).
- Evidence obtained so far points out that in the case of the Spanish Operational Programmes, in general terms, the results obtained have some weakness in terms of sustainability over time, since the immediate results are not maintained in the long-term except in the case of the activities carried out in the Extremadura Operational Programme.

Evidence from evaluations on similar typologies of operations of the last programming period have also been screened in order to highlight some key findings that might help us shed light on the current period. Such evidence is more mixed. In Wales for example the majority of participants in employment after the ESF operation had a permanent contract and worked for more than 30 hours per week while in Sardinia in Italy, the quality of the jobs obtained 12 months after the training programmes was assessed as low. The late effects of the 2008 financial crisis and related economic stagnation might however have concurred to such results.

***Not all available counterfactual impact evaluations assess net effects in terms of increased probability of being in stable employment, but when they do so, effects are small but generally positive***

When it comes to counterfactual impact evaluations, we can see, as already discussed in Section 4.2.2.4 and expanded below in 4.2.5, that the increase in the probability of being

in employment due to TO8 support is generally positive and statistically significant. A few studies also investigate the probability of gaining an open-ended contract, and particularly:

- In Spain, according to the evaluation of the “Visible Programme”, 12 months after the end of the support participants were 23 p.p. more likely to be in employment and in particular 11.6 p.p. in open-ended contract.
- In Italy:
  - In Piemonte, the evaluation of the “Job voucher” measure points to increased employment chances for participants, although there are differences depending upon the typology of operation offered. These are magnified if one focuses on the chances of being in stable employment: no significant effects are measured for job counselling, and 4 p.p. points of increased chances in case of work or training related measures.
  - In Friuli Venezia Giulia, the overall average increase in employment chances due to the support offered is around 5.5 p.p., peaking at 14 p.p. for traineeships. However, if one looks at the effects on the probability of being in stable employment, this is zero for the whole population and just above 3 p.p. for those participating to traineeships.

The evidence presented above indicates that the improved employability of participants addressed by TO8 support does not just improve their possibilities of being employed but also, though to a lesser extent, to be in stable employment.

***Evidence on the timeliness of employment, suggest that in access to employment operations participants find employment soon but in other investment priorities and when education and training is involved results take longer to materialise***

As to the timeliness of employment, as discussed under evaluation question 1.2, monitoring data shows that success rates of unemployed and inactive participant in employment within four weeks after exit of the operations are higher in Investment Priority 8.i (access to employment), whereas especially in Investment Priority 8.iv (women in employment) and 8v (adaptability to change) employment results appear at a later stage. This would be consistent also with the main typologies of operations carried out, as the literature confirms that guidance and support, as well as financial incentives, see their outcome materialise earlier than education and training, which is more often carried out especially in Investment Priority 8.v.

***According to the public consultation, one of the most frequent benefits from participating to TO8 support is the improved labour market position***

In the public consultation questionnaire, ESF participants were asked to specify in what way the support they received was helpful or if it was not helpful at all. Responses show that the most frequent results of the support experienced by responding participants are the **improvement of the quality of the labour market position**, together with help in looking for a job (10 respondents mention both of them or 18.7%). These are followed by gaining self-confidence and improving general skills and knowledge (7%). Although the survey is not *per se* representative, this indicates further that the element of quality of employment is generally present in the design and aims of the measure.

**4.2.5 EQ 1.5. Which types of operations were the most effective and most sustainable, for which groups and in which contexts (e.g. more developed, less developed and transition regions, urban and rural areas etc.)?**

<b>The type of operations is a key determinant of employment effects</b>
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Existing evidence from the meta-analysis<sup>97</sup> on active labour market policies, as well as the comparatively few counterfactual impact evaluations on employment and mobility (TO8) support which discuss the difference of effects across target groups within the ESF, suggest that the different typologies of operations might indeed have different outcomes for the different target groups as well as over time.

In general, net effects seem to be positive in the short term especially for service/sanction type programmes (job counselling, guidance, orientation), whereas these are stronger for traineeships and job incentives in the medium- to long-term (from one to two year onwards). Public work typically shows lower net employment effects, but in some cases this can also be explained but the aims of the support. Effects of vocational and educational training are positive upon the condition that this is personalised, adjusted to labour market needs and possibly coupled with work experience. This is made easier if training is offered to employees on very concrete problems faced by enterprises and also allows change management.

Effects of the different forms of support tend to be heterogeneous also across the characteristics of the target groups as well as the support they receive. For instance, job guidance and counselling can be very effective for the low skilled and migrants both in the short and medium to long term, but less useful to graduates. Self-employment support too seems to have worked to good effect especially for the low skilled. Work based learning seem to generate homogeneous effects on the probability of employment across all skill groups in the medium- to long-term.

Lighter forms of support such as job counselling can however be ineffective for those at a greater distance from the labour market, such as the inactive, unemployed for more than two years or with multiple disadvantages. They also appear to show lower than average benefits for the high skilled.

Counterfactual evidence is scarce on support to enterprises though studies on survival rates show results which are small but positive and growing over time. In addition, the case studies confirm that initiatives such as the micro-mezzanine fund in Germany, the 'Fit 4 Entrepreneurship' project in Luxembourg (regions with a strong start) but also self-employment support in Italy and Spain (regions with a weak or average start) is considered as effective by stakeholders based on available data.

There is no conclusive evidence on the fact that net effects of support vary depending on the socio-economic context but a general consensus that the driving factor is its form, quality and suitability to the varying needs of the target groups as well as the economy rather than the context in which it unfolds.

Stakeholders of the public consultation, who may or may not be able to reflect counterfactually on what would have happened in case of absence of support, indicate training as the most effective for of support for access to employment, financial support for entrepreneurship, flexibility for women in employment and active ageing, job counselling for adaptability. Several examples of projects which are working well towards different target groups are also reported by stakeholders.

**There is evidence that larger net effects are for those at a certain distance from the labour market, but not too far away from it**

The deadweight effect (people who would have found employment even in absence of the operation) is however highest for those very close to the labour market, which

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<sup>97</sup> For example, Butschek, S. & Walter, T., 2014. What active labour market programmes work for immigrants in Europe? A meta-analysis of the evaluation literature. *IZA Journal of Migration* (2014) 3:48. doi: 10.1186/s40176-014-0023-6; Card, D., Kluve, J., Weber, A., 2015. What Works? A meta-analysis of recent active labour market program evaluations. *IZA Discussion Paper No. 9236*; Kluve, J., 2006. The effectiveness of European active labour market policy. *IZA Discussion paper no. 2018*; Vooren et al, 2019. The effectiveness of active labour market policies: a meta-analysis. *Journal of Economic Surveys* (2019) Vol. 33, No. 1, pp. 125-149. doi: 10.1111/joes.12269

should also suggest considering whether public support is actually needed for them especially in areas where labour demand is very high.

**Net effects are lower for older participants aged 54 and over but more for women than men across all age groups**

In terms of age, the impact tends to be stronger for those in the 25-54 age cohort, and lower for older participants, but this is based mostly on the literature and meta evaluations as available evaluations on the ESF show conflicting results with both higher than average and below average results for the older age group.

In terms of gender differences, women tend to have comparatively larger net effects than men in the few evaluations this is measured, but this is underpinned also by a large body of evidence assessed by the meta-evaluation screened. The effects on migrants are generally mixed, though there is a slight prevalence of above average effects.

These are however just indications as there is insufficient comparative evidence to come to clear-cut conclusions. Hence, there is a need to not only further the use of counterfactual impact evaluation but also to encourage a stronger focus on the heterogeneity of the effects among them.

**4.2.5.1 Benchmarks and lessons from the literature review**

***A review of the meta-analyses and operations assessed across four broad categories: services/sanction, training, employment subsidies, direct job creation***

To kick start a first systematisation on the effectiveness and sustainability of typologies of operations, the most relevant literature (meta-analysis) on the effects of Active Labour Market Policies was undertaken. Meta-analyses looking at the factors influencing the effectiveness of Active Labour Market Policies utilise the findings of their existing studies/evaluations in order to cross-correlate the results and find common patterns. Typically, the Active Labour Market Policies grouped into four broad categories for the purpose of analysis, though the precise definitions and names used may vary between studies. To avoid confusion by using different category names between studies, (and also for the sake of consistency with other parts of this report) the summary findings below refer to the four following categories that follow the terminology of the Labour Market Policies database:

- **Services/sanctions:** operations aimed at increasing job-search efficiency such as guidance and counselling or job-search assistance and (in some studies) corresponding sanctions in case of non-compliance;
- **Training:** all forms of education/training including institutional (classroom based) training, workplace training and apprenticeships / dual system;
- **Employment incentives:** time-limited wage subsidies and/or financial incentives offered to workers applying to jobs in the open market (i.e. primarily private sector). It is relevant to:
  - note that **start-up grants/loans** and other **support for self-employment** are explicitly included in this category. Relevant programmes are generally (relatively) small in terms of both expenditure and participants and there are insufficient evaluations/studies to support a separate category;
  - programmes designed to support **mobility of labour** are not explicitly mentioned in any of the meta-analyses covered but may be covered as a form of financial incentive for workers, allowing them to relocate or commute in

order to take up work. Evaluations/studies dealing specifically with this type of support are even scarcer than for start-up incentives<sup>98</sup>;

- **Direct job creation:** provision of (time-limited) jobs, usually of community benefit that are additional to the demand of the regular labour market (primarily public sector).

***The first meta-analysis showed that the overriding factor for the effectiveness of Active Labour Market Policies is the typology of operation***

One of the earliest meta-analyses looking at the factors influencing the effectiveness of active labour market policies (Kluve, 2006) took into account the type of programme, the design of the evaluation study, the institutional context (indicators related to employment regulation, ease of hiring/firing, etc.) and the economic context at the time of implementation. The study found 'surprisingly clear-cut' evidence that **the type of programme is the over-riding factor** in determining the effectiveness of Active Labour Market Policies and that the other contextual factors considered had no systematic relationship with effectiveness. **Employment incentives and services/sanctions** (i.e. operations aimed at increasing job-search efficiency such as guidance and counselling or job-search assistance and corresponding sanctions in case of non-compliance) **were found to produce the strongest positive effects**, with a 40%-50% higher likelihood of producing positive results than training programmes, which were found to have only a low chance of producing positive employment outcomes. Direct job creation programmes were found to be so ineffective (in terms of employment outcomes) that the study recommended that they are discontinued unless there are clear alternative justifications for their use.

***Some consolidated evidence that effects of training need time to materialise and public work/community service might not generate increased employment chances***

A more recent analysis (Card et al, 2015) with a wide evidence base (covering over 200 evaluations) and a more elaborated assessment of impacts over a longer time period found that, on average, **active labour market policies have virtually zero impact** (in terms of employment) in the short-term (less than a year after programme completion) but **increasing positive effects in the medium (one to years years) and longer term** (two to three years). The time profile of impacts varies, however, with the type of programme: the service/sanction type that focuses on 'work first' has the largest short-term impact, while training and (private sector) employment incentives have smaller short-term impacts but larger long-term effects. Finally, in line with the earlier findings of Kluve (2006), **direct job creation programmes have virtually no impact or even negative impact** throughout the time period covered, though again this finding presumes that employment is the primary objective of the programmes. A key point from these findings is that, apart from the service/sanction type programmes, the positive impacts do not (on average) become apparent until *at least* a year after people have left the programme and often later. This creates a problem for evaluation of ESF programmes when the longer-term result indicators are fixed to show the situation of participant one year after exit. Unless evaluations are specifically designed to take into account a longer timeframe and efforts are made to collect the necessary data, there is clearly a significant risk that the full impact of the programme is missed.

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<sup>98</sup> One example is Caliendo et al (2015), which looked at relocation assistance for the unemployed in Germany. The study found that (compared to non-participants) the support provided gains in terms of nominal wages (albeit from a low level), job progression and employment prospects. Results were considered "remarkable" bearing in mind the low costs compared to other types of Active Labour Market Policies with fewer positive results but that overall success of the programme was hampered by low take-up.

***Differences across target groups are noted: effects are stronger for women and individuals at some distance from the labour market***

The meta-analysis conducted by Card et al (2015) also took into account the different target groups treated by programmes. Positive impacts were more pronounced for **women and for long-term unemployed** - both key targets for TO8 - **but less so for older workers and young people**. There were some differences also by **type of programme**, with training and employment incentives most effective for long-term unemployed while service/sanction type programmes were more effective for 'disadvantaged' groups in general. The Card et al study does not define the criteria used to classify participants as disadvantaged but the finding that service/sanction type programmes are most effective is somewhat in contradiction with the findings of another meta-study looking exclusively at the impact of active labour market policies for immigrants. Butschek and Walter (2014) found that only employment incentives (private sector wage subsidies) produce significant positive employment outcomes for immigrants. Direct job creation programmes again produced negative results while the impacts of training and service/sanction type programmes were largely insignificant. It is important to note, however, that headline findings such as "only wage subsidies can be confidently recommended to European policy-makers" need to be treated with some caution. As the authors note later on in the study, there is currently little evidence available to assess the impact of language courses and general introduction programmes for immigrants (which would seem to be a fundamental prerequisite for improving their employability). The "only wage subsidies work" type statement thus needs to be qualified with a "... of the types of programme studied". Nevertheless, findings such as these might be used to assess the relevance of ESF programmes (right type of programme for the target group).

***Though not according to all studies, but the socio-economic context might affect Active Labour Market Policies impacts***

One additional point arising from the Card et al (2015) study is that the **positive impact of active labour market policies is more pronounced in periods of slow growth and higher unemployment**. This finding contradicts the earlier findings of Kluve (2006) which found no significant relationship between effectiveness and the economic context.

***Some reviews point to the limited effectiveness of Active Labour Market Policies***

Although both Kluve (2006) and Card et al (2015) find certain types of active labour market policies to be more effective than others, another meta-study looking at the effectiveness of Active Labour Market Policies for recipients of unemployment benefits (Filges et al, 2015) found no significant difference by type of programme, though they clearly note that this contradiction may be related to differences in coverage (participants from any target group vs. unemployment benefit recipients only) and the analytical methods used. Using two different methods of analysis, Filges et al (2015) found the impact of Active Labour Market Policies to be relatively small and quantified this in layman's terms by saying that for every 15 unemployed people that participate in an Active Labour Market Policy there will be just one extra person in employment one year later (compared to a control group of recipients of unemployment benefits that did not participate). Other reviews similarly highlight the limited effectiveness of Active Labour Market Policies and regret the lack of cost-benefit analyses to see if the significant expenditure on Active Labour Market Policies is justified by the limited returns (e.g. Crépon and van den Berg, 2016). The prospect of trying to quantify small positive effects together with the time delay in seeing positive impacts identified by Card et al (2015) raises further questions about the practicality of identifying clear impacts from ESF support using only the available monitoring data and indicators.

***Differences across typologies of operations imply different stages at which the impact becomes visible***

The most recent meta-analysis of active labour market policies' effectiveness (Vooren et al, 2019) aims to improve on previous studies by taking into account the scale of the



impact and also to adjust for the macroeconomic context. The study found **Active Labour Market Policies in general to have a small positive effect** (as per some of the other studies mentioned above) **but with significant differences in type of programme and in the time-profile** in which the effects appear (as per Card et al, 2015, but with differences in the detail). Both direct job creation and employment incentive type programmes were found to have negative impacts in the short-term due to lock-in effects (participants are not actively seeking work), though the impact of employment incentives becomes positive after 12 months compared to 36 months for direct job creation. Training and service/sanction type programmes (called 'enhanced services' in the new study) have positive impacts in both short and long-term.

***Evidence on effects of start-up incentives and job mobility is very thin, but positive***

Examples of studies assessing the effectiveness of start-up incentives include Caliendo & Künn (2010) and Behrenz et al (2016), which considered programmes in Germany and Sweden respectively. Both found positive outcomes compared to control groups, particularly for those with lower levels of education/qualifications. About job mobility, one example is Caliendo et al (2015), which looked at relocation assistance for the unemployed in Germany. The study found that (compared to non-participants) the support provided gains in terms of nominal wages (albeit from a low level), job progression and employment prospects. Results were considered 'remarkable' bearing in mind the low costs compared to other types of Active Labour Market Policies with fewer positive results but that overall success of the programme was hampered by low take-up.

**4.2.5.2 Preliminary insights from the analysis of monitoring data and public consultation**

***Success rates based on monitoring data might be affected by strong bias, but the econometric analysis can help to better appraise them***

Due to the lack of information at the level of typology of operation, the analysis of monitoring data cannot be used to systematically assess which operations in which contexts are producing the best results. However, monitoring data analysed econometrically can help us appraise the extent to which a different balance in the shares of target groups addressed in a programme is correlated to the success rates. This, in turn, is an indication of how target groups perform when 'other things being equal', meaning giving a proper consideration to for example the Investment Priority through which these are supported as well as the socio-economic context in which they live (and so forth). One important caveat should be recalled here: success rates, defined as the proportion between participants and those having obtained a result measured by the ESF monitoring system, need to be interpreted with caution as: (i) there might be a time lag between the entry to the operation and the materialisation (and reporting) of the result which is likely to generate underreporting of results and artificially low success rates, and (ii) there might be spontaneous dynamics affecting them, i.e. results which would have been achieved even in absence of the operation, which is likely to overestimate the success rates.

***Differences in gross success rates appear with access to employment measure slightly over performing the rest***

That said, success rates seem to be affected to a large extent by the Investment Priority. In some cases, e.g. for active ageing (Investment Priority 8.vi), this is likely due to the fact that operations offered are very "light" (see evaluation question 2.1 for further information on the cost per participant), such as awareness raising or guidance. Lower costs are registered also for women in employment (Investment Priority 8.iv), which again can suggest a lower intensity of support that, in turns, is correlated with success rates. Another issue affecting this is the composition of the operations within the different Investment Priorities. **The high frequency of guidance, work-based learning and financial incentives in access to employment measures (Investment Priority 8.i) might explain the above average success rates.**



***The most relevant driver is the participants' background characteristics, which further suggest that monitoring data is biased and cannot inform us about the actual effects of the operations***

But the most relevant aspect is that of target groups' characteristics. The analysis shows that particularly employment results are lower where there is high concentration of inactive and longer-term unemployed, low skilled migrants and especially workers above 54 years old. This however should be read in light of the fact that **these target groups typically lay at a greater distance from the labour market**, so it is somewhat self-evident that their gross employment results will be lower. Thus, **their presence should be considered as a factor explaining low values of success rates** (or target achievement, though Managing Authorities should know in advance the struggle target groups face in the labour market) **rather than low effectiveness**.

As the evidence on net effects explained in the next section shows, in many cases these are very low for those that are close to the labour market, rising with the increasing distance from it and then tend to diminish for some categories of particularly disadvantaged.

#### **4.2.5.3 Available comparative evidence from Counterfactual Impact Evaluation**

##### **Different typologies of operations**

***Counterfactual Impact Evaluations shed some light on the different effects of different typologies of operations for the different target groups (heterogeneity of effects), but there is too few of them***

As anticipated, existing evidence from credible meta-analysis on active labour market policies, as well as the comparatively few counterfactual impact evaluations on employment and mobility support (TO8) which discuss heterogeneity of effects within the ESF, suggest that the different typologies of operations might indeed have different outcomes for the different target groups as well as for different time horizons.

**In general, net effects seem to be positive in the short term especially for service/sanction type programmes (job counselling, guidance), whereas these are stronger for traineeships and job incentives in the medium to long-term** (from one to two years onwards). Public work/**community service typically shows lower net employment effects, but in some cases this can also be explained by** the aims of the support. Effects of vocational and educational training are positive upon the condition that this is personalised, adjusted to labour market needs and possibly coupled with work experience.

These findings are in particular drawn from the following evaluations:

- In Piemonte:
  - By the end of 2017, over 11 000 people were given 'Job vouchers' (Investment Priority 8.i and Investment Priority 8.v), a measure targeted at the unemployed and disadvantaged in order to facilitate access to several active labour market programmes. The measure combines different components. **The strand having received only guidance has a net employment effect of just above 5 p.p.** at 12 and 16 months, whereas more intensive forms of support report better results. In particular, **employment chances are 26 p.p. higher for those having had a traineeship and 31 p.p. higher** (sustainable but slightly decreasing) for those having had incentivised employment. Estimates about open-ended contracts, are however a lot less favourable, with no effect of just guidance and counselling and around 4 p.p. for traineeships and subsidised employment.
  - In 2015 and 2016, training courses were offered to participants in the form of both basic training as well as specialised training. The effects are rather aligned and positive for the two measures (at around 8 p.p. of sustainable positive

employment effects). **Stronger effects for longer trainings, in line with the higher intensity of support.**

- Already from previous programming periods, a measure supporting entrepreneurship was funded named 'mettersi in proprio'. It consists of guidance and support in developing a business plan as well as finding financial support. Results confirm small but increasingly positive **results on the survival rate, starting from 2.4 p.p. at one year rising to 10 p.p. after four years from the support.**
- In Friuli Venezia Giulia, net employment effects are found to vary across operations. While the average effect is positive, the evaluation study also shows some interesting heterogeneity across the different measures with **positive effects for traineeships** (+10.4 p.p.) and the combination of traineeships and Vocational education and training (+8.6 p.p.), **but negative effects for Vocational education and training only** (-2.4 p.p.).
- In Slovakia, the Job Chance programme is a **public works** programme for carrying out state and local government public services. Its primary aim is to increase the involvement of disadvantaged people who are able to work and the long-term unemployed in public sector employment to earn a regular income. Its net effects are small but positive, with overall increases in employment chances of 3.7 p.p. at 12 months and 2.2 p.p. at 18 months. There is some small variation across regions and target groups but these are so small that seem not relevant according to standard statistics.
- In Asturias, the counterfactual impact evaluation showed that **vocational training had no significant effect on the probability of finding a job**. There was however some satisfaction among participants as a result of the perceived economic and psychological consequences of being in work.
- In Sardinia, the 'relocation contract for unemployed', which offers mostly **job guidance and counselling services**, funded under Investment Priority 8.v provided support to around 2 000 individuals. The net effects are estimated through matching techniques and the treated and non-treated show good balance in their common support, meaning that the control group is a very good match and results should be reliable. Employment chances are higher after nine rather than six months but positive at all times (at 2.5 and 5.9 p.p. respectively).
- In Cataluña the '**work and training**' programme for those above 45 years of age also had large and positive effects on occupational chances (**around 12 p.p.**).

### Differences across target groups

*Differences across target groups are also under-emphasised in evaluations, but people at a certain distance from the labour market and women seem to be those benefitting the most from support*

- Operational Programme Piemonte:
  - (Job vouchers) - In terms of the differences across measure and skill level, effects are slightly higher for the low skilled, but there is cross-measure variation: job counselling is virtually ineffective for those with higher ISCED levels whilst remains useful for the low skilled. Conversely, traineeships seem to be more effective for the high skilled, though the difference diminishes in the long-term. The labour market status also matters when it comes to effectiveness: in general those very close to the labour market have lower effects than those at some distance (i.e. unemployed for one to two years) but the effects are even lower especially for light support (job counselling) in case of inactivity or very long term unemployment (above two years). It is interesting to note that in the case of 'subsidised employment' the net effect on the inactive is higher. Older workers (above 50 years old) show smaller net effects for most measures, except maybe activation measures after 16 months.

- (Training courses) - Effect heterogeneity plays an important role here as well, which means that we see significant cross-target group variation both in terms of intensity of the effects as well as their sustainability. For the 2015 sample the net effect is lower than average for non-EU nationals and those unemployed for over two years, but higher than average for those unemployed between one to two years than just one year. For the 2016 sample, vocational training has been beneficial for people over 40 years only at an early stage, achieving a benefit of almost 15 p.p. Conversely, younger people see the effect of training gradually rising over time, particularly those between 25 and 40 years old, but without reaching the highest levels.
- Operational Programme Friuli Venezia Giulia - Low skilled participants to the PInvestment PriorityOL programme show stronger net effects (7.5 p.p. vs. no statistically significant effect for those with tertiary education). Effects are slightly larger for women and especially for migrants, and stronger for young people vs. older ones.
- Operational Programme Umbria - The net effect of the WELL programme on unemployed graduates is uncertain, and there is some indication that displacement effect might have occurred.
- Operational Programme Andalusia - According to the counterfactual analysis, the programme had positive effects in terms of the transition rates (+13%). Those with greater difficulties to access the labour market most benefited from their participation: +25-30% for women, people aged 45 or over, people without secondary education, the long-term unemployed, and +60% for older LTU's and for people without previous work experience.
- Operational Programme Sardinia - Participants are categorised across four classes based on their distance from the labour market. Results are stronger for those at a certain distance from the labour market, but not overly far from it. Deadweight is very strong for those close to the labour market and the net effect is even negative. Small but positive effects for those at a larger distance. It is interesting to note that for them, no employment would be seen in absence of the support (zero employment rate for the control group).

#### **4.2.5.4 Evidence from the public consultation**

##### ***The public consultation adds some qualitative evidence on what works by TO8 objective***

The public consultation provides some information on organisations' views regarding the most effective operations in achieving the various objectives of TO8. The collected views are of importance to help gauge what works best although respondents are not necessarily in a position to answer to this question 'counterfactually', meaning that they would not know for certain what would have happened in the absence of support.

##### ***Training and job counselling are deemed effective for jobseekers***

Most respondents believe that **training** (vocational skills, language skills, traineeships, validation of competencies) helps jobseekers and inactive people entering the labour market (72.2% of respondents indicated this operation as most successful), as well as **support in finding a job** (69.1%).

##### ***Financial support deemed effective for self-employment/entrepreneurship***

Regarding the objective of supporting self-employment and entrepreneurship, respondents seem to believe that **financial support and microcredit** are the most effective operations (62.8% of respondents indicate it).

### ***Flexible working arrangements for gender equality***

Most respondents (53.0%) indicate **flexible work arrangements** as the most successful operation to support gender equality in the labour market, followed by access to quality childcare (49.2%).

### ***Little evidence on active and healthy ageing, but flexible working arrangements tend to be favoured***

Concerning the promotion of active and healthy ageing, almost one quarter (24.6%) of respondents stated they wouldn't know about the most effective operations to reach this objective, indicating that there might be less knowledge or interest among organisations on how to achieve this objective. In any case, according to organisations the most successful type of operation seems to be flexible arrangements for older workers (42.3% of respondents).

### ***Job counselling for adaptability***

Overall, **career guidance for individuals** is the operation that organisations mention the most as being successful in promoting adaptability of workers and companies to change (47.0% of them selected it).

Regarding the promotion of public employment services and the employment support systems, the most selected successful operations are **strengthening the cooperation between labour market institutions and stakeholders** (45.1%), the improvement of Public employment services (44.8%), training of staff (43.5%).

### ***Language training for labour mobility***

**Language training** seems to be the most successful type of operation to promote geographic and occupational mobility (53.0% of respondents indicate it), followed by recognition of qualifications (48.9%) and validation of competencies and skills (46.7%).

#### **4.2.5.5 Additional qualitative evidence from the case studies**

The case studies provide for a range of findings on projects which are deemed to have worked to good effect in the different clusters.

#### ***In Cluster A, entrepreneurship measures are working well***

In Cluster A, there are good examples of effective support to entrepreneurship and public employment services: in **Finland**, projects aiming at improving customer satisfaction of employment support services, personal counselling and guidance have been relatively more effective than those aimed at developing service structures. This has been partly due to the ongoing restructuring of regional governments and social and health care services, since the operational context was in a constant state of change. In the **Luxembourg** Operational Programme, the Fit 4 Entrepreneurship project led by the Chamber of Commerce was particularly successful. It focuses on a personalised approach towards entrepreneurship candidates and is supported by individual entrepreneurs. In **Germany**, The Micro-Mezzanine Fund – the first experience with this type of fund - has been running very well and much better than expected. It reached 245% in transition regions and 73% in more developed regions.

#### ***In Clusters B and C, self-employment/entrepreneurship support seems to be working well too. Intensity of support should vary depending on the target group***

In Clusters B and C, also in the **Spanish** National Operational Programme, positive results have been obtained by the operations focusing on entrepreneurship, with rates of new companies created reaching 85% of the participants in the operations. For vocational training, long training courses have higher employment effect on participants in the case of the **Piemonte** Operational Programme but, due to their length, they are very selective in participation because not all the unemployed can afford to invest such a long time. For the self-employment/company start-up operations, the supporting services delivered are generally effective, especially those services aimed at developing business-plans and

helping the potential entrepreneur in finding funds. In general, guidance and job-search activities are more important, for employment, for third country nationals and for people with low levels of formal education

***In Cluster D, positive results with women in employment measures***

In Cluster D, some notable results have been achieved also in the area of women in employment (Investment Priority 8.iv). For instance, in the Czech Republic, the most important results of the programme implementation include the building of childcare capacities, especially through children's groups, where in the future programming period the capacities should be further increased through the use of ESF+.

***Upskilling measures very suitable to employees***

In general, it was noted that qualification measures for employed persons might be very effective, as they are targeted to the needs of the enterprises, are not costly and reach a large number of persons. They also support the transformation of enterprises and adaptation to change.

**4.2.6 EQ 1.6 What main factors (geographical, socioeconomic, organisational...) had a bigger impact on the effectiveness of ESF operations under Thematic Objective 8, by type of operation?**

**The socio-economic context and the distance of the target groups from the labour market might affect the "gross" results of the operations, but it is the form and suitability of the support offered to participants to determine its net effects, irrespective of where it is implemented and to whom**

Information from the monitoring data discussed for evaluation question 1.1 clarifies that there are a range of factors that have affected the implementation of the programmes, thus indirectly affecting also its effectiveness in the sense of any delays in the offer of support. If the focus is on target achievement as well as results (success rates), it is clear that both the socio-economic context and the distance of the target groups from the labour market affect such indexes. In addition, in Cluster A and D regions (strong starting point), the programmes seem to perform generally well in different contexts and also in rural areas, but there are still differences especially for operations aimed at women in employment, which work better in more developed regions. In Cluster B and C regions, the situation seems more favourable in comparatively more developed or urban areas.

However, evidence from counterfactual impact evaluations points to the fact that the net effects of the policies depend on the form, quality and suitability of the support offered to the varying needs of the target groups as well as the economy rather than the context in which it unfolds.

**Personalised operations and integrated approaches tend to be more effective than other forms of operations**

Public consultation provides some information on the responding organisations' opinion regarding factors that helped promoting the participation of people in employment support operations. The main success factors are personalised services and opportunities, services that are in line with labour market needs, flexibility of duration, flexibility in the way operations are implemented and financial benefits for participants.

The case studies and evaluations provide an additional body of evidence of the different elements playing a role in the successful implementation of the programmes. From an organisational point of view, the integrated approach, the management capacity and the presence of a strong partnership are some of the factors considered as essential for the success of TO8 operations. This is confirmed also by EU level stakeholders who participated at the focus group. Additional success factors mentioned include the involvement of employers or job-seekers in the definition of the training, as well as the



regional structures in the case of qualification operations. However, the key message is to intercept the actual upskilling needs of each environment.

**Participants from rural areas are more challenging to reach and engage**

Yet difficulties in reaching and engaging participants, especially from rural areas, and heavy administrative burden were reported as major challenges for the implementation of TO8. This is at times coupled with an uneven involvement of partners in all phases of the programmes' design, implementation and evaluation.

**Macroeconomic analysis suggests that regions that are net receivers of EU support, are exporting regions and have a sizeable labour force tend to reap comparatively larger benefits from ESF operations**

In addition to the short or medium term effects on those receiving support (thus partial equilibrium effects), in macroeconomic terms and based on the experimental simulation from RHOMOLO, effects in the medium to long run appear to be stronger in regions that (i) are net receivers of EU support, (ii) have larger labour supply and (iii) have stronger export orientation. Caution should be taken in interpreting them as they might also reflect the ongoing nature of the data used for the simulation which might lead to under reporting. However, these dynamics should not be considered particularly sensitive to changes in input data.

**4.2.6.1 Geographical and socio-economic factors**

**Monitoring data**

Information from the monitoring data discussed for evaluation question 1.1 clarifies that there is a range of factors that have affected the implementation of the programmes, thus indirectly affecting also its effectiveness. Nevertheless, the focus of this evaluation question is on the achievement of results and effects and the way the context can affect this.

***Gross results are generally higher for individuals at a closer distance from the labour market, but they are not a good indication of whether ESF TO8 support makes a real difference to them***

Looking at target achievement as already done for evaluation question 1.2, it is clear that an unfavourable economic context, after also considering the characteristics of the participants addressed and the different Investment Priorities, plays a role with Cluster B (weak starting point and low progress) and Cluster C regions (bad or average starting point and low progress) lagging behind. In terms of success rates, though the regressions appear as not statistically significant, the sign of the relation between the socioeconomic context and success remain negative for Clusters B and C (weak starting point). It also appears that **the more one focuses on employment and longer term results, the stronger is the role of target group's characteristics, and their distance from the labour market**. Related to this, one should consider that, as clarified in evaluation question 1.5, that success rates are over-estimated for those close to the labour market and that in many cases the net effects are stronger for those further away from it. So **the high presence of harder to reach individuals should be seen as a factor which necessarily reduces (gross) rates of employment after participations as well as success rates, but does not necessarily mean that the programmes have been ineffective in supporting them**.

## Findings from evaluations

### ***Effects of Active Labour Market Policies are not strongly dependent on the socio-economic context; differences in effects, if they exist, favour more disadvantaged areas and individual at a certain distance from the labour market***

Evidence from meta-analyses and other reliable studies on Active Labour Market Policies suggest a null (Kluve, 2006)<sup>99</sup> or inverse correlation (Card et al (2015), Escudero, V. (2015)<sup>100</sup>) between the socio-economic context and net effects of Active Labour Market Policies, which tend to be higher where unemployment is higher and towards individual at a certain distance from the labour market. This is a key message which underpins the importance of providing support in areas and towards people who need it the most, even beyond any related political consideration.

## Findings from the case studies

### ***Programmes implemented in regions with a favourable socio-economic context, are implemented quite smoothly across different target groups and also in rural areas***

In Cluster A and D regions, the programmes seem to perform generally well in different contexts and also in rural areas, but there are still differences especially for operations aimed at women in employment, which work better in more developed regions. In particular:

- In **Denmark**, a regional growth strategy is pursued, however this strategy is not differentiated by type of region. Hence no separate strategy is in place for rural areas (with the exception of the Southern Denmark Growth Forum). The operations in rural areas have been anchored in the general growth strategy for the regions. An evaluation of this approach shows that both firms and people are over-represented in ERDF and ESF supported operations in rural areas. This indicates that ERDF and ESF funded operations were effective in developing the rural areas. Among participants, 37% are found in rural areas. Overall though, no conclusions can be drawn yet in terms of results related to different contexts.
- In **Germany**, ESF has the distinctive advantage of supporting those groups and operations (especially in the regions) that are not covered by mainstream labour market projects. While the transition regions still suffer from structural disadvantages (e.g. underperformance with regard to high-technology start-ups), the implementation progress of the German National Operational Programme seems to hint at some new dynamics in SMEs:
  - Both the number of persons employed and the number of SMEs reached is significantly higher than expected in transition regions, and in more developed regions lower than expected;
  - The Micro-Mezzanine Fund – the first experience with this type of fund - has been running very well and much better than expected. It reached 245% in transition regions and 73% in more developed regions.
  - In the Brandenburg Operational Programme, the operation supporting specific target groups and topics related to women, works better in more developed regions due to that fact that in transition regions there are fewer actors that are able to implement good projects. Whereas for operations under Investment Priority 8.iii, 44.4% of the participants have achieved either employment or self-employment. However, this rate was much lower when broken down for older participants or the disabled. For participants who were not in employment, the result (in terms of looking for a job) is very low (0.4%). Similarly, in the Niedersachsen Operational Programme, operations

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<sup>99</sup> Kluve, J., 2006. The effectiveness of European active labour market policy. IZA Discussion paper no. 2018.

<sup>100</sup> Escudero, V. (2015) *Are active labour market policies effective in activating and integrating low-skilled individuals? An international comparison*, R esearch department Working paper No. 3, ILO



supporting specific target groups and topics related to women work better in more developed regions, where more actors are able to implement good projects. For the Social Innovation operation, support structures are very important to provide input for the method projects are selected. There are significantly more projects in more developed regions, as the innovative potential and the number of actors able to develop suitable projects is much higher. Innovation readiness is considered key from stakeholders, especially when it comes to the possible upscaling of projects.

- In less developed regions there is more demand for structural operations, as there is less overall capacity to support female participation in the labour market. However, it was found that the regional coordination units ('Support for women' Förderung der Integration von Frauen in den Arbeitsmarkt operation) may be considered to be more effective in transition regions, as there is little competition with other support institutions.
- In the case of the Rheinland-Pfalz Operational Programme, where the focus is on reaching the difficult target groups of SMEs in need of adaptation and the hidden labour reserve, factors enhancing the effectiveness relate to having a good support structure (e.g. dissemination events in the case of SMEs and counselling units across the country in the case of women).
- In **Finland**, the relevant ESF funding has not spread evenly among the different regions. This has been due to a fact that Eastern and Northern Finland face more challenging situation in terms of unemployment and available jobs, and a larger share of ESF has been directed there. Also, it should be noted, that the national level projects are coordinated from one region but affect all of them.
- For the **Czech Republic**, The most significant differences identified between individual regions of the Czech Republic are primarily related to the degree of problematic nature of clients of labour offices (unemployment rate, specifically the share of long-term unemployed persons) and secondly to the related volume of funds devoted to operations provided in the form of Active Labour Market Policies. The regional differences had an impact on the selection criteria.

***In Cluster B and C regions, the situation seems more favourable in comparatively more developed or urban areas, whereas it is less so for rural areas***

- In the **Spanish National Operational Programme**, most of the operations (showing to be more effective, are those carried out in the most developed and transition regions, except for in the case of long-term insertion in the labour market (six months after finishing the operation), in which the best results take place in the least developed region (Extremadura).
- As there are more private than public employers in urban areas in **Croatia**, whereas in rural areas it is the opposite, residents of urban areas have benefitted more from ESF.
- In Italy, in the Operational Programme "System for Active Labour Market Policies", geographical factors appear to be relevant – in positive terms – for the less-developed regions as measures seem to produce higher employment rates for recipients. However, focusing the attention on women only, employment rates are higher in transition regions.
- In general, it was observed that higher diversity in terms of sectors of the companies can be achieved in urban areas, as opposed to rural areas where entrepreneurial initiatives concentrate on fewer activities.

#### **4.2.6.2 Programming and organisational factors affecting implementation**

##### ***Individual centred approaches, administrative capacity and a strong involvement of partners are key elements of successful implementation***

#### **Findings from evaluations**

Evaluations have discussed a range of success and factors for the implementation of the programmes.

From an organisational point of view, **the integrated approach, the management capacity and the presence of a strong partnership are some of the factors considered as essential for the success of TO8 operations.**

In particular:

- In Hamburg, the evaluation of seven coaching projects funded under Investment Priority 8.i identified the following success factors: an adaptable and integrated approach, a well-developed network of coaches and other actors, cooperation with employers, involvement of Chambers of commerce and associations, a relatively long duration of the projects (three years or more) and a low staff turnover. In addition, the reasons for the successful implementation at the Operational Programme level are among others: a good management of the programme, the close cooperation between the co-financing authorities and the project promoters, the experience of project promoters and their good local networking. In Piemonte, the capacity of the implementation body to match people to the most relevant enterprise, the effectiveness of operations in changing the behaviour of participants (a more active attitude to job search) and the provision of incentives for employers can explain the success of the 'Job vouchers' scheme (Investment Priority 8.i).
- In Toscana, the achievement of the Performance Framework was possible thanks to a detailed planning of activities, an effective system of incentives, the introduction of procedural improvements, major investment in the information systems, the use of the region's own resources at the beginning of the period, the timely adoption of measures to accelerate spending (such as automated selection procedures).
- In the Netherlands, employee involvement is considered as crucial in the 'Subsidised advisory projects' (Investment Priority 8.vi). In seven out of 10 projects, the staff representative was involved in the preparation and implementation of the advisory projects, primarily through discussions with the adviser and the employer, participation in surveys and working groups or taking part in training courses.
- In Lubuskie, the evaluation attributes the success of the support provided to those in difficult labour market situations to the financial assistance given (job subsidies and subsidies for starting a business, as well as internships and training programmes), the personal involvement of participants and adjustment of support to the needs of both participants and the labour market. In addition, the fact that various types of institution (such as social assistance and local family support centres) cooperate with each other to provide support to people who are far from the labour market is considered crucial.
- In Thüringen, the measures aimed at the recruitment of skilled labour ('Support for the involvement of international professionals' and 'Protection of skilled workers' – 8.v) were successful because of the intensive support offered to target groups, in particular to SMEs which generally had limited time and personnel to adequately recruit skilled workers and trainees.
- In Spain, interviews with implementing bodies of the Operational Programme Employment, Training and Education highlighted the capacity to implement the operation in line with the timing and contents planned, the previous experience in similar operations and the involvement of local institutions as key strengths.
- In Finland, the success factors with regard to Sustainable Growth and Jobs Operational Programme were the provision of personalised support and the

establishment of networks of operators. In addition, the study on productivity and well-being at work found that the successful factors explaining the integration between the two dimensions are the business orientation of the development needs and the involvement of management, staff and workplace representatives.

- In Wales, the reported factors associated with strong performance of the 'Communities for Work' initiative include buoyant local labour market conditions, skilled and experienced staff, effective team working on the front line, strong partnerships with the wider support system and relevant and accessible training provision.
- In Denmark the following success factors were mentioned in the mid-term evaluation report:
  - For support to entrepreneurship (Investment Priority 8.iii):
    - anchoring of consultancy, support and education relating to entrepreneurship in the entrepreneurship environment in specific locations;
    - establishing an entrepreneurial culture among teachers and students; and
    - in terms of implementation rules, overlaps of operations of ESF priority axis 1 and ERDF priority axis 2 have been reduced and the eligibility criterion, that a firm must have been established within three years, is reconsidered.
  - For support to adaptability (Investment Priority 8.v):
    - synergies between different priority axes have been strengthened; and
    - more responsibilities have been given to project owners in aligning the targets of ESF with firm targets, in involving management and staff in upgrading skills and competencies and defining specific learning objectives.

### **Findings from the case studies and feedback from EU level stakeholders**

***Alignment to labour demand and labour market needs is also key. To ensure that, highly operational support should be favoured with the involvement of job-seekers in the design of the operations***

The case studies also highlight a range of success factors for the effectiveness of the operations, listed below:

- Qualification operations work best, when supported by regional structures and closely aligned to the needs of the labour market. Only for the group of unemployed most distant from the labour market, qualification operations might not be enough.
- Highly operational operations (such as those that are especially oriented towards the acquisition of knowledge and skills in specific areas with the potential to provide jobs) and operations that provide personalised support seem to be the most effective in achieving the expected results.
- The involvement of the job-seekers in the designing of the operations, as well as involvement of private and third sector organisations has proven to be successful. Personal coaching as well as the emphasis on the modelling of practices, networking, and peer-learning were beneficial from the perspective of employability outcomes. Attention has to be paid that the number of clients is not too high as not to endanger quality counselling and guidance.
- Efficient organisational structure and strong link with social partners for training and insertion measures.
- In Greece, there are a few programmes for the unemployed offering training in ICT, language classes and other subjects. After a first wave of projects, it was decided to

go to the regional Public Employment Services and involve through them other private employment agencies as well as employers, to generate bottom-up skill need assessments. This allowed the preparation of a very targeted training and professional experience programme in a specific area, which resulted in participants being happy about the jobs they gained as well as employers benefitting from their updated skills.

- Likewise, in Bulgaria, social partners have been involved in the upskilling of the workforce, but also social services are being increasingly included, with positive results on the outreach of participants.

### **Findings from the public consultation**

In order to identify success factors that help increasing participation to ESF operations, organisations responding to the public consultation were asked to express their opinion on **factors that help in promoting participation of people in employment support operations** (See Figure 30).

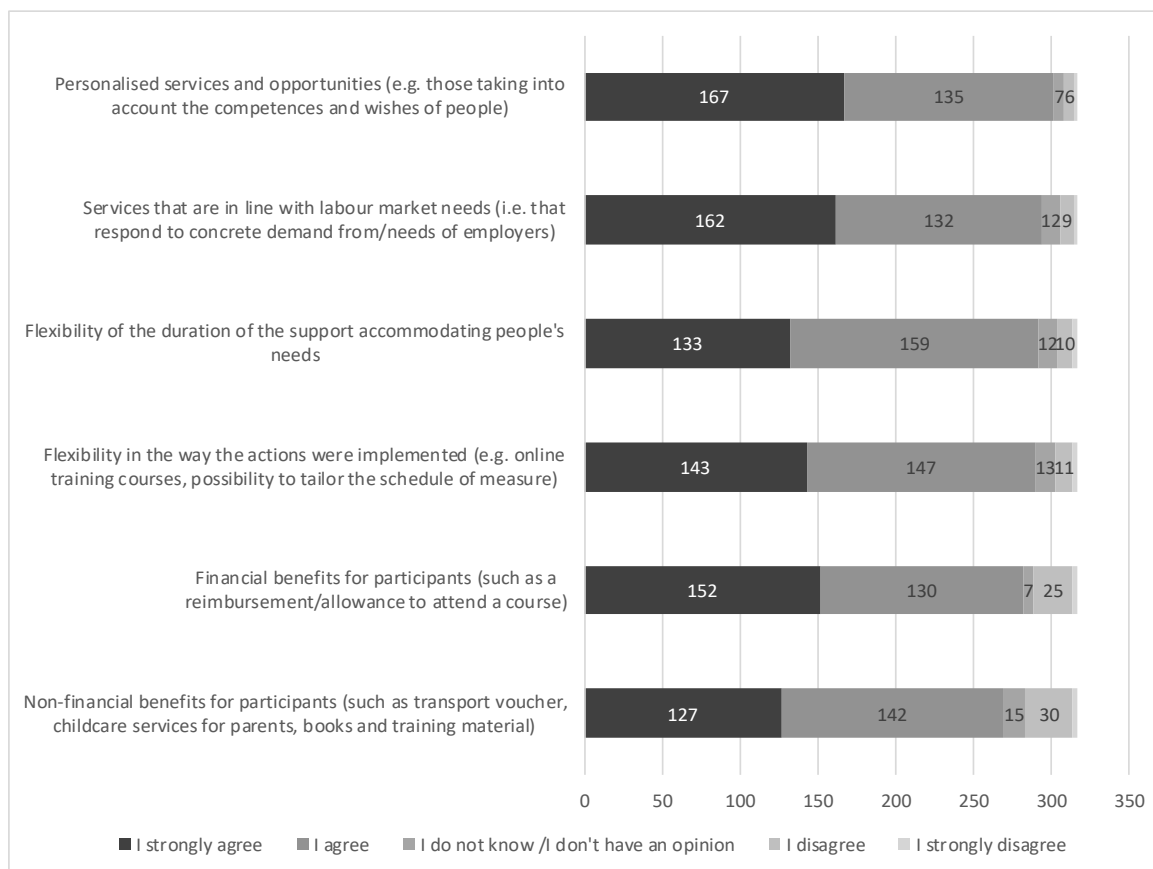
#### ***To improve outreach and relevance of support for participants, close alignment with labour market and individual needs are necessary***

Overall, for all factors listed in the survey, more than 80% of respondents agreed or strongly agreed that they help in promoting participation, often with high shares of strong agreement. In particular, concerning **personalised services and opportunities** there are 95.3% of respondents agreeing (of which most strongly, as presented in Figure 30); followed by **services that are in line with labour market needs** (92.7%, of which most strongly); **flexibility of duration** (92.1%); and **flexibility in the way operations are implemented** (91.5%).

Just below 90% mention financial and non-financial benefits for participants (89.0% and 84.9% respectively). The shares of respondents saying they do not know is low and below 5%.

Respondents referring to Italy show higher shares of disagreement for all factors involved in the question. At the same time, respondents referring to Bulgaria show higher shares of agreement compared to the others for all factors, except for flexibility of duration where Germany has a slightly higher share of agreement. In any case, across countries and factors of success, shares of agreement are never below 78%.

Figure 30. Answers to the question: "To what extent do you agree or disagree that the following factors help in promoting participation of people in employment support actions?" (317 respondents)



Source: Final Report, Public Consultation on the Evaluation of the EU Support to Employment and Labour Mobility by the European Social Fund

In a related open question, 12 respondents also mention as success factors the **creation of partnerships**, which are believed to have positive impacts in bringing together different experience and help designing meaningful solutions to address different needs.

***Difficulties in reaching and engaging participants, especially from rural areas, and heavy administrative burden were reported as major challenges for the implementation of TO8 operations***

Evidence from the evaluations indicates a range of factors which might hamper performance, in particular:

- In Bayern, for the 'Coaching, counselling and qualification of women' operation (financed under Investment Priority 8.iv), major problems were reported in reaching the originally planned number of participants, partly due to the fact that many women only visit the service centres for short consultations and are therefore not counted as regular participants. Due to a lack of experience, this could not be sufficiently taken into account when planning the target values. Further reasons cited were difficulties in activating the 'hidden reserve' target group. In addition, the project-executing agencies criticised the low capacity for public relations work and the high proportion of funds to be spent on project management and administration.
- In Italy, the major problems in terms of the implementation of 'La Nuova Stagione' (Investment Priority 8.i) concern difficulties in activating internships for recipients over the age of 35 years and for those living in less developed regions (Calabria, Sicily, Basilicata, Puglia, Campania).

- Similarly, in Łódzkie, difficulties to reach participants living in rural areas were reported (only 6% of project participants came from rural municipalities).
- According to the assessment of the usefulness of Traineeships in Pomorskie, difficulties were reported in recruiting participants, mainly due to low unemployment level and the resulting limited pool of people fulfilling the eligibility conditions, and the high expectations of employers in relation to the trainees. In addition, the low level of remuneration was reported among the most frequent reasons for interrupting traineeships.
- In Śląskie, as well, the difficulty to find participants following the improvement of the situation on the job market was reported (the registered unemployment rate falling from 9.6% in 2014 to 5.2% in 2017). For applicants of 'Active forms of counteracting unemployment' and 'Supporting adaptation processes to changes on the regional job market' the following barriers were highlighted: the need to provide funds for substantive expenses within projects (costs of providing support to project participants, including subsidising their wages), the requirement to achieve employment effectiveness in relation to people in a difficult situation on the job market, the requirement to increase the number of employees in the company benefitting from subsidised employment compared to the average over the last 12 months.
- In Spain, the main weaknesses in implementing the Operational Programme Employment, Training and Education are the administrative procedures which absorb an excessive amount of work, and the difficulty in reaching the expected number of people in the less developed regions.
- In the Canarias, difficulties in the implementation of the Operational Programme mainly relate to the delay in approving the programme, the designation of the intermediate body, and the approval of the regulatory rules. In addition, budgetary constraints reduced the available management staff.
- In Castilla la Mancha, the main deficiencies of the implementation process are the insufficient number of human and IT resources, and the low cost absorption compared to what was planned due to the institutional weakness of the ESF structures.

#### **4.2.6.3 Insights from the macro-economic modelling (RHOMOLO)**

***Effects in the medium to long run appear to be stronger in regions that (i) are net receiver of EU support, (ii) have larger labour supply and (iii) have stronger export orientation***

Most of the evidence discussed thus far is about partial equilibrium results or effects, in the sense that they are focused on those receiving support and on direct change engendered by the support. However, factors that affect effectiveness and cost-effectiveness are discussed also in the macroeconomic modelling carried out by the Joint Research Centre through the RHOMOLO model, which takes into account also general equilibrium dynamics and interactions which happen in real world policy.

Although the model needs necessarily to rely on several simplifying assumptions as anticipated in section 1.4, some key insights can be drawn from it. In general, it was found that effects in the medium to long run are stronger in regions that (i) are net receivers of EU support, (ii) have larger labour intensity and (iii) have stronger export orientation. This is particularly apparent if one looks at multipliers, so in terms of euros generated per euro invested.

In geographical terms this means that regions such as Belgium (Brussels-Capital, East Flanders), Italy (North-Centre: Emilia Romagna, Piemonte, Lazio, Umbria, Trento, Veneto, Toscana) Poland (Lubuskie, Opolskie), Portugal (Norte, Centro),<sup>101</sup> Slovenia, Slovakia,

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<sup>101</sup> For Portugal, high values of the multipliers might also be partly explained by the low unit cost of support, which, however, depends from the fact that it is often short-term support offered under Investment Priority 8.v.

Spain (Andalucia, Castille-La Mancha, Extremadura, Comunidad Valenciana, Catalonia), to some extent the United Kingdom (Wales) and Bulgaria might be well placed to reap the benefits of the employment support. For these it is generally a good combination of high funding in view of the good progress of the programmes but also export orientation and capacity to attract workers also from other regions which raises multipliers. Conversely, regions with higher level of imports and low labour intensity may risk not benefitting in the long-term from these productivity enhancing investments in human capital as they cannot satisfy the increased demand through internal resources. In addition, the newly upskilled workforce might be attracted in regions where salaries and employment opportunities are higher. The level of displacement of private investments due to public investments is also higher in some areas. This dynamic is particularly strong wherever the public sector already accounts for a very large share of spend and investments, such as in the south of Italy. Nevertheless, the sensitivity analysis carried out by the Joint Research Centre on these results also shows that multipliers are significantly affected by the unit costs of the operations, which, as explained below in evaluation question 2 (efficiency) are subject to great volatility given the ongoing nature of data entry. In addition, whilst unit costs might differ in relation to the specificity of support provided, to keep the analysis tractable, some simplifying assumptions are used in RHOMOLO. This means that results of the simulations might not entirely reflect the actual increases in participants' productivity linked to slightly different forms of support with different unit costs. Thus, such analyses should be replicated in the future as better data becomes available.

#### **4.2.7 EQ 1.7 To what extent has the ESF contributed to structural changes in national education systems, vocational training systems, public employment systems or employment policies?**

**ESF TO8 investments to structural changes are modest overall, but larger in less developed regions, where it is most needed. In these regions, however, implementation challenges exist**

ESF TO8 investments, with the exception of Investment Priority 8.vii, focus on supporting individuals and organisations (mostly Small and Medium Enterprises) rather than structures and as such are not directly conducive to structural changes. The main evidence in this respect therefore concerns effects of operations under Investment Priority 8.vii supporting the modernisation of labour market institutions (mainly devoted at strengthening employment services), which receive a relatively low share of budget within TO8 although with notable differences among Member States. These types of investment are mostly concentrated in less developed regions, but it is exactly these regions that face the highest obstacles in implementing structural support operations. Main typologies of operations implemented concern the development of programmes, tools and instruments through which Member States seek to introduce and rollout improvements, quality assurance instruments or other types of innovations in Public Employment Services or other labour market institutions. Public Employment Services investments are implemented especially in Cyprus, Croatia, Italy, Romania and the Czech Republic.

**There is little evaluation evidence of ESF support to the modernisation of labour market institutions, but it is generally deemed important although not always sufficiently visible**

The only available evaluation carried out on this theme concerns operations supported in France. It underlines their relevance together with the need of stepping up the visibility of such operations among Public employment services operators. In Italy, no evaluation evidence is available but these investments are generally deemed, on the basis of beneficiary feedback and the literature, to play a role in contributing to the improvement of the quality and the outreach of the Public Employment Services, although important disparities still remain (see for example the 2<sup>nd</sup> report on the evaluation of the Youth Guarantee). In other countries such as Croatia and Romania the



operations are still in their early implementation stage and their results will be visible in the next years.

**The ESF has also enhanced capacity in active labour market policies and relevance of educational institutions**

Notably, in addition to supporting labour market structures through *ad hoc* operations, the ESF plays a significant role in fostering the introduction of other types of structural changes, albeit in an indirect way. These changes can be broadly defined in terms of an improved capacity of ESF stakeholders coordinating and providing Active Labour Market Policies and include for example the development of new governance models and new tools, growing knowledge and awareness of labour market occurrences, such as skills forecasting, and improved approach to policy making.

The link between ESF TO8 and support to vocational and educational system is not as clear-cut as that with the employment systems, but there is evidence that the ESF can support the working of educational institutions and improving their relevance vis à vis the provision of relevant skills.

***ESF TO8 investments are primarily focused on supporting individuals and organisations (mostly SMEs) rather than structures***

The focus of the analysis in answering this question will be on Investment Priority 8.vii operations, aimed at the modernisation of labour market institutions and therefore more apt to bring about structural changes in the functioning of these organisations. In doing so, we also try to capture other structural effects brought about by the ESF TO8 investments and that can have potentially significant impact, although such changes are likely to come by as unintended outcomes or as longer-terms results and are not easily assessed. This is particularly the case for changes on national education systems that are not usually supported by TO8 investments (rather under TO10) and, to a lesser extent, in vocational training systems.

***At the EU level the overall share of investments on labour market institutions is relatively low but considerable variations among Member States can be found***

Half of the Member States allocated ESF investments to Investment Priority 8.vii. As a result, at EU level the overall share of investments to labour market institutions is relatively low (4% of the total investments in employment objectives, equivalent to roughly EUR 1.3 billion), but considerable variations can be found among Member States with the highest shares of allocated budget found in Southern and Central European countries, such as Cyprus (48%), Croatia (25%), Italy (16%), and Romania (10%).

These differences in allocation are reflected in the fact that this type of Investment Priority is more often found in less developed regions (6%), and to a lower extent in more developed regions (3%), while it is hardly programmed in transition regions (1%). When combining different regions in thematic clusters, investments in labour market institutions are most pronounced in regions with a comparatively weak start, and limited progress (Cluster B). Arguably, these regions are also the regions that would benefit most from a more structural approach to employment policy, in view of persisting unemployment levels despite the economic upswing in the second half of the 2010s.

***Operations aimed at the modernisation of labour market institutions face some implementation challenges***

However, the fact that exactly these regions also face more challenges in the implementation of projects funded by this investment priority raises concern. This type of investments in Cluster B reached an implementation rate of only 10.6%, which is the lowest among the four clusters defined, and considerably below the EU implementation rate of 15.6% for this particular type of investment. When comparing the implementation in individual Member States, it appears that this underperformance is particularly caused by Romania (0% implemented), Bulgaria (0% implemented) and Croatia (0.2%

implemented). Other countries with substantial investments in this area are already on track, such as France (31.3%), Italy (19.7%), and the Czech Republic (12.9%).

The screening of ESF Operational Programmes shows that the institutional support operations under TO8 can be roughly split in two broad areas:

- The development of programmes, tools and instruments through which Member States seek to introduce and rollout improvements, quality assurance instruments or other types of innovations in Public Employment Services or other labour market institutions. This is a major component of the TO8 investments in Italy, Slovenia, Greece, Spain, Bulgaria, Cyprus, Germany, the Czech Republic and in some cases, such as in Italy, Slovenia and Germany, this is combined with training measures for staff.
- The second major component relates to the development and maintenance of transnational partnerships, found mainly in programmes in Germany, Bulgaria, Hungary, and Slovakia.

This categorisation and division is broadly reflected in the operations planned under the selected Operational Programmes for the in-depth analysis.

***Operations aimed at supporting the Public Employment Systems play a role in contributing to structural changes in the relevant Member States***

Unfortunately, there are no Thematic Evaluations on the topic, and very little evidence on the effectiveness of Investment Priority 8.vii investments. This is partly due to lack of specific evaluation activities but also to the low level of implementation of these operations that in some countries have just started or are due to start soon. Our assessment is therefore mostly based on the assessment of Investment Priority 8.vii operations as presented in the case studies and relevant insights gathered from the EU-level focus group.

Analysis from case studies confirm, as anticipated, that the main contribution to structural changes comes through the funding of operations aimed at supporting the Public Employment Services system. This is particularly the case of Italy, Croatia, Romania, France and the Czech Republic.

In Italy, the level of resources earmarked for the modernisation of the Public Employment Services is quite significant and above the EU average (16% of ESF TO8 budget). ESF investments are carried out both at the level of national and regional Operational Programmes. At national level the funding focuses on systemic operations and is aimed at improving the quality of services and their coordination, the monitoring and evaluation systems of the Public Employment Services, supporting inspection services and providing development and consolidation of the EURES Network. In particular, the National Operational Programme on Systems for Active Labour Market Policies work on several different levels:

- coordination and standardisation of services between the central and regional levels and across the regions (who have the responsibility for running the Public employment services);
- operational support to Public employment services staff across the Italian territory through the preparation and circulation of documents, tools and the provision of ad-hoc technical assistance services (e.g. on regulatory and legal aspects) – this is particularly relevant in view of the important changes that have taken place in the Italian legislative framework concerning the role of the Public employment services;
- training of Public employment services staff through dedicated personnel present at local level.

At regional level, operations focus on meeting staffing needs, training of personnel and strengthening the data collection and monitoring functions.

Although no evaluative evidence on the ESF contribution to the modernisation of Public Employment Services is (yet) available for Italy, there is a general agreement among stakeholders (including beneficiaries)<sup>102</sup> that the ESF plays an important role in supporting the Public employment services through investments under Investment Priority 8.vii, although at differing degrees. This role is particularly important and relevant especially considering the overall poor performance of the Italian Public Employment Services system that is chronically affected by lack of human and financial resources (and whose quality significantly varies across regions). ESF TO8 investments are contributing to a more coordinated and homogeneous delivery of services by the Public employment services, supporting and accompanying important regulatory changes in the Italian context. Even so, there remain important margins for improvement, for example by promoting a 'cultural' shift among the Public Employment Services from being passive to active recipients of assistance (in a sustainability perspective) and towards a more proactive approach towards support to businesses.

The only thematic evaluation on the ESF support to modernisation of labour market institutions was very recently carried out in France. Preliminary findings confirm the relevance of the objectives of the operations particularly with reference to Specific Objective 'Experimenting new types of services for job seekers and businesses'. The operations answer to the identified needs both on the side of the structures themselves (evolution / adaptation of service offers, digitalisation, etc.) and end beneficiaries (appropriation of new service offers, digitalisation of the job search process, new forms of employer relations, etc.). At the same time the evaluation points to a low visibility of this support which is linked to the low 'awareness' of operators, as well as to a difficulty in mobilising Investment Priority 8.vii resources for training operations for advisers from different structures. The evaluation concludes that Investment Priority 8.vii tackles real and relevant needs but that its promotion, support and implementation are not sufficient to allow a transversal appropriation of the capacity of the ESF to support the developments in progress.

Important investments are being also implemented in Croatia and Romania, although these are still under preparation or in the very early stages of implementation. In Croatia, intensive preparatory work was carried out in 2018 related to the Public Employment Services capacity building projects. In Romania, due to the late start of projects supporting the Public Employment Services (beginning of 2018 or even mid-2019), there are no results registered as of the end of 2018.

In Bulgaria support to Public employment services has been instrumental in improving service coverage in remote areas where the labour force tends to be low-skilled, through so-called mobile Public Employment Services. Here mobility of Public employment services officials was key to bridge employers, also through improved local partnerships, and job seekers, thanks to better profiling of individuals. At the same time, social support services were involved to provide accompanying measures including considering the family situation and difficulties, as a way to encourage activation.

One additional insight comes from responses to the public consultation. Some 71.9% of respondents believe that ESF TO8 investments are successful in promoting the modernisation of labour market institutions (against 89.9% that believe they are successful in promoting access to employment and, on the other side of the spectrum, 62.8% that believe it is successful in promoting active and healthy ageing). In order to reach this objective, the most successful operations relate to strengthening the cooperation between labour market institutions and stakeholders (selected by 45.1% of respondents), the improvement of the services provided by the Public Employment Services (44.8%), and training of staff (43.5%).

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<sup>102</sup> See for example the Second Evaluation Report on the implementation of the Youth Guarantee, <https://www.anpal.gov.it/documents/20126/41598/RAPPORTO-COMPLETO-gg2-def.pdf/6f4b96fc-d4d9-7dd3-d361-a3003ca7797a?t=1562317889143>, p. 18

**ESF TO8 investments also contribute to improving the capacity of ESF stakeholders (institutional bodies, social partners and beneficiaries alike)**

Essentially, in addition to supporting labour market structures through *ad hoc* operations, the ESF plays a significant role in fostering the introduction of other types of structural changes, albeit in an indirect way. These changes can be broadly defined in terms of an improved capacity of ESF stakeholders coordinating and providing Active Labour Market Policies.

It includes the development of new governance models and the production and mainstreaming of new tools and processes, increased knowledge and awareness of labour market occurrences, and in general an improved approach to policy making.

In Greece, the involvement of public and private employment services in a bottom-up skill needs assessment enabled the definition of targeted training and professional experience programmes in specific sectors. The setup of an integrated database to improve supply and demand matching has led to the creation of a working tool to be used by different stakeholders.

The Italian National Operational Programme for Active Labour Market Policies, for instance, finances operations supporting and informing policy making and delivery through the development of tools and models for the mapping and analysis of professional/training needs and labour demand, with a view to decreasing skills mismatch at various levels. In Finland the coordinating body of the one-stop shops for employment guidance – introduced by the ESF – has developed the national and peer-learning context for the individual centres.

In more general terms it could be said that the ESF has promoted a better awareness of policy makers about labour market phenomena and policies as well as new ways of working (multi-level governance). In Italy for example, ESF support, and particularly TO8 investments have contributed to improving the overall governance set up of Active Labour Market Policies, particularly with reference to a greater dialogue and coordination among the central and regional authorities charged with Active Labour Market Policies (through the establishment of an *ad hoc* committee), as well as the improvement of the monitoring of data on the services provided by the Public Employment Services and participants.

Likewise, the introduction of the European funds in Croatia has also led to a change in the mindset and approach to planning, creating an awareness of the needs of multi-year, strategic planning and a more systematic reflection on activities. This applies to structural changes in the Croatian Employment Service – to which a significant share of funding from TO8 was allocated – as well as in general public policy planning. In Spain TO8 ESF operations contributed to strengthening the organizations implementing the operations, which would not have taken place without the EU intervention (process effect). Although TO8 ESF operations involve a lot of administrative burden, the organizations have become more efficient and professionalised, e.g. in terms of adoption of effective procedures such as simplified/unit costs (as it is the case of the Public Employment Service of Catalonia).

**There are examples of the ESF support to the working of educational institutions for improving the provision of relevant skills, but evidence is scattered**

The link between ESF and vocational and educational system is not as clear-cut as that observed with the employment systems. There are examples of educational organisations that have benefited in various forms and countries from TO8 support, where funding from the ESF enabled them to respond to identified needs and to bring education closer to the labour market and can thus become drivers of change at the local and national levels.

In Denmark entrepreneurship operations under TO8 have a bearing on the national education and vocational training systems, as they include entrepreneurial training/education operations. As per the mid-term evaluation of the Danish ESF Operational Programme, some of the additional effects of Investment Priority 8.iii have been detected in terms of increasing an entrepreneurial culture at the level of (higher)

education institutions. In Germany higher education institutions have been involved in a very few cases. At federal level, universities are involved in the EXIST programme, where a chair for business start-ups has been established and the new operation Centres of the future, which only has started in November 2019. In the Länder Operational Programme very little evidence of the involvement of universities could be found. In Niedersachsen the Social innovation projects involve universities in some cases, and this might also be the case in the upcoming projects in Brandenburg, but it is generally difficult to track.

**4.2.8 EQ 1.8 What was the concrete contribution of the T08 operations to the promotion of gender equality and active ageing which are also objectives of T08?**

**Net effects of standard ESF T08 operations tend to be higher for women although the specific investment priority for women in employment (Investment Priority 8.iv) lags behind others**

According to the mapping of operations, operations specifically and primarily aimed at promoting women in employment amount to EUR 0.98 billion or roughly 5% of the total T08 investments. This does not cover all relevant investments as mainstreaming of gender equality across all Thematic Objectives is a key pillar of the ESF equality strategy. Accordingly, Operational Programmes typically include conditions as part of the selection process to ensure the gender equality dimension is sufficiently taken into account in the project. This has ensured a balanced gender representation across most programmes in the different socio-economic contexts.

In terms of performance, according to the econometric analysis, the investment priority on women in employment (Investment Priority 8.iv) seems to be lagging behind other investment priorities with respect to nearly all dimensions assessed (financial progress, progress of output and result indicators towards target, success rates). This is likely due to the slow start of the relevant operations.

Net effects of active employment policies funded under T08 tend to be higher for women than for men, but there is no clear-cut evidence about the effectiveness of operations focused on supporting women in employment, with system operations being in particular more difficult to assess and their results captured

Several reasons seem to be responsible, at least partly, for the mixed results such as entrenched gender stereotypes, lack of dedicated resources and the complexity of factors underlying gender employment gaps coupled with methodological challenges which negatively affect effectiveness of operations aimed at promoting women on the labour market.

The case studies also indicate as successful actions which are aimed at mitigating gender inequalities, such as incentivising the participation of women in specific training activities or the creation of a specific operation focused on business support services for the creation of businesses by women.

Existing evaluations show however generally encouraging results for women, especially where differences in net effects by target group are assessed (as per some counterfactual impact evaluations, further explained in evaluation question 1.5), and based on the finding that women tend to have comparatively larger net effects than men.

However, more horizontal evaluations indicate that promotion of gender equality should be further strengthened, especially in Clusters B and C regions (weak starting point).

**The active ageing Investment Priority is underperforming relative to others, and operations with large shares of participants above 54 years old show low performance**

Evidence on the promotion of active ageing is limited but generally some issues have been highlighted. Monitoring data is not quite suitable to capture the benefits of the operations in the active ageing investment priority and, for instance, the vast majority

of current participants registered in the Investment Priority 8.vi (active ageing) are Polish women receiving medical check-ups.

However, even just looking at financial progress and in cases where specific targets have been set, it would appear that this Investment Priority is underperforming the rest of employment and mobility operations. Looking beyond the Investment Priority of active ageing, large shares of participants aged 54 or older are registered especially in Investment Priority 8.i and Investment Priority 8.v, together accounting for nearly four out of five TO8 participations of the over 54 years old participants. These are thus typically included in mainstream access to employment or adaptability operations. Yet, performance of programmes with high shares of older workers seem to perform below average with respect to financial and output indicators, as well as success rates especially for employment results.

**Despite this, net effects of TO8 support for older workers seem to be comparable to – or just fractionally lower than – those for other target groups**

However, this should not necessarily be seen as low effectiveness. Counterfactual impact evaluations show that older workers have net effects which are slightly lower or in line with other age cohorts, suggesting that their low “gross” employment rates might just be because in absence of the support older workers would simply remain outside of the labour market. Rather, there seems to be room for improving the strategies for addressing them. In this respect, field analysis in Denmark and France confirms that some operations might not be fully suitable for older workers. Finally, yet importantly, it seems necessary to speed up implementation of active ageing operations especially in transition and less developed regions.

#### **4.2.8.1 Promotion of Gender Equality**

***ESF support for specific gender equality operations under its dedicated investment priority is highly relevant but received only limited attention***

Dedicated ESF investments in the area of gender equality (Investment Priority 8.iv) are relatively modest across the EU, representing 7% of the overall budget allocated to TO8. Fewer than half of the Member States allocated funding to the dedicated Investment Priority, which represents a substantial share of the ESF investments to the overall theme of employment and labour mobility only in Austria (47%), Czech Republic (22%), Greece (18%), and Poland (13%).

Likewise looking at the distribution of actions implemented across the Operational Programmes, operations that consist of measures that seek to primarily promote women in employment represent a total reported costs of EUR 0.98 billion, which is a modest share, roughly 5%, of total TO8 investments reported thus far. They can be found across slightly fewer than half of the Member States, most visibly in the Czech Republic (24%), Finland (13%) and Greece (11%), and to a lesser extent in Poland (9%), Slovakia (8%), Germany (7%) and Spain (5%). In Austria (17%) and Bulgaria (23%), these are often combined pathways. In Austria, support to women in employment is typically combined with education and training operations, whereas in Bulgaria with adaptability operations. No major differences can be observed among different categories of regions, or clusters of regions. Support to women in employment is almost entirely implemented under the dedicated Investment Priority (Investment Priority 8.iv), covering equal access to employment and career progression, reconciliation of work and private life and promotion of equal pay for equal work, as well as facilitating self-employment. Other strategies focus on fighting gender stereotypes and segregation in the labour market through e.g. awareness raising operations aimed at employers and companies. In some instances, gender support structures are promoted.

In addition to operations directly targeting women, mainstreaming is a key pillar of the ESF strategy to supporting gender equality. Accordingly, the majority of the Operational



Programmes reviewed (as part of the country cases) include gender equality as a horizontal theme and introduce specific conditions as part of the selection process thus ensuring that the gender equality dimension is sufficiently taken into account in the project.

***Participation of men and women in ESF TO8 projects is comparatively balanced across Investment Priorities with some more marked differences across Member States. Analysis of participations, however, is not necessarily a good proxy of gender balance of TO8 ESF investments***

Overall women's participation in TO8 operations is slightly higher than men's across all regions and particularly so in less developed ones. Likewise, Investment Priorities are overall gender balanced, with Women in employment, Active ageing, Modernisation of labour market institutions and Access to employment being more skewed towards women and Adaptability more towards men<sup>103</sup>. Entrepreneurship is almost exactly balanced.

When going at country level the situation is more fragmented (as shown in 3.3.3), with the majority of Member States showing imbalances of above 10 p.p. either towards women (Austria, Spain, Finland, Greece, Latvia, Poland, Portugal, Romania and Slovakia) or men (Belgium, Germany, Ireland, Luxembourg, the Netherlands and the UK). In a few cases, these imbalances reach 20 p.p. or higher: Greece, Latvia and Poland towards women (respectively 82%, 60% and 66%) and Ireland towards men (69%).

It should be stressed however that gender balance in ESF operations goes well beyond the sheer volume of participations registered and is rather concerned with, for example, the intensity and quality of the support provided. This could be measured for example in terms of the financial support going to women. Unfortunately, the ESF monitoring system does not allow tracking down these figures (according to a gender budgeting approach) which could otherwise provide a significant element in assessing the gender balance of the support offered. In Germany, where the Federal Operational Programme monitors the implementation of gender equality as part of its approach to gender budgeting, it was found that roughly two-thirds of the participants in TO8 operations were women – which is quite a considerable result – but that women received overall 52% of the expenditure, with considerable differences among the three investment priorities addressed (Investment Priority 8.iii: 19.5%, Investment Priority 8.iv: 100%, Investment Priority 8.v: 55.1%). This example goes to show the importance of adopting a gender budgeting approach in ESF Operational Programmes.

***Investments promoting women's employment are lagging behind other Investment Priorities in terms of financial and physical progress***

In terms of performance, according to the econometric analysis carried out and presented in Annex V, the Investment Priority on women in employment (Investment Priority 8.iv) seems to be lagging behind other priorities with respect to nearly all dimensions assessed (financial progress, progress of output and result indicators towards target, success rates) with the exception of longer-term employment rates (on which however the low explanatory power of the regression warrants caution in interpreting the values).

One of the obstacles mentioned with regard to achieving the desired results include the fact that operations related to gender equality seem more difficult and slower to implement, as public administrations might not be adequately equipped in designing relevant measures or as potential users are not aware of the opportunities offered (as in the case of France and the Piemonte Operational Programme in Italy). Importantly, as indicated in the German case study, indicators are not fully fitting when it comes to measuring outcomes for women in employment, including soft ones or those linked to more structural changes.

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<sup>103</sup> As explained below, the over-representation of women in active ageing interventions is however mostly due to large-scale medical checks campaign carried out by the Polish Operational Programmes



Besides issues with under reporting, the low progress of indicators with a target (including programme specific indicators) seems to be rather correlated to the lower volume of activities carried out thus far by programmes in this area, as implementing actors have focused initially on standard measures aimed at fighting unemployment (and thus possibly overlooking the need to implement gender specific measures).

***Net effects of active employment policies funded under TO8 tend to be higher for women than for men, but there is no clear-cut evidence about the effectiveness of operations focused on supporting women in employment, with system operations being in particular more difficult to assess and their results captured***

When assessing the extent to which ESF TO8 effectively promoted gender equality it should be recalled in the first place that, based on the analysis of evaluation findings and meta-analysis of available counterfactual impact evaluations, net effects of active employment policies funded under TO8 tend to be higher for women than for men (Section 4.2.5).

Restricting the field of analysis to dedicated operations, there is some (limited) evidence regarding the capacity of the ESF TO8 investments to effectively promote women's participation in the labour market, either by supporting them individually (e.g. through childcare or guidance support) or by tackling gender employment gaps on a more systemic level. In terms of individual support, preliminary evidence of the Czech ESF Operational Programme investment in the development of childcare facilities shows a positive effect on women's employment. The share of employed women grew significantly: 75% of women were back in employment after the child entered the micro-crèche which represents an increase of 31% compared to the situation before the intervention.

In Germany, in the Western Länder, where female participation in the workforce is traditionally low, ESF TO8 supported operations are providing some counterweight in this respect with some of the operations showing a very high female participation, such as the operation on mobilising the hidden reserve in Rheinland-Pfalz. In Bayern, the majority of participants in a coaching, counselling and qualification project for women reported that it improved their employment situation (but the finding needs to be confirmed in future surveys due to the small sample size). In Schleswig-Holstein, the counselling services for women wishing to re-enter the labour market were assessed positively in terms of their functioning and usefulness.

In Spain positive results in terms of female employment were achieved for the most vulnerable groups of women, especially those living in rural areas and that benefited from measures implemented by specialised third sector organisations, due to their better knowledge of women's needs and stronger staff motivation and preparation.

Several positive examples can also be found in terms of a more systemic approach to gender equality on the labour market. In spite of several implementation difficulties, the ESF Czech Operational Programme promotes the coordination of local and national policies on equal opportunities and their implementation or adaptation. In Veneto, the evaluation of the 'Equal opportunities in changing work' initiative confirmed that the projects helped raise awareness among SMEs of the issue relating to work-life balance and introduced innovative support for the employability of women, while the 'Promoting social innovation and transmitting ethics' initiative was reported to be positive with 75% of surveyed enterprises having adopted corporate social responsibility measures, including measures favouring women's participation. The Finnish Operational Programme focuses on general awareness raising actions combined with more specific operations supporting female leadership and entrepreneurship.

Respondents to the public consultation provide a more nuanced response concerning the capacity of ESF TO8 investments in promoting women's employment. It is assessed as being a relatively successful objective, with 77.3% of respondents believing that ESF operations were successful in promoting equality between men and women (to put this into perspective at the two opposite ends we have promoting access to employment with

89.9% of positive responses and active ageing with 62.8%). Organisations involved in ESF operations are even more positive than other respondents concerning ESF capacity in promoting equality between men and women (80.7% vs. 77.3%).

ESF is deemed less successful in promoting work-life balance (68.1%). This is somehow counterintuitive with respect to the positive assessment concerning the effectiveness of ESF in promoting gender equality, given that reconciliation is often associated with the promotion of gender equality on the labour market.

Concerning the effectiveness of operations, 53% of respondents indicate flexible work arrangements as a most successful action in supporting gender equality in the labour market, followed by access to quality childcare (49.2%). This is followed at some distance by training (34.1%), gender mainstreaming (26.2%) and awareness raising campaigns (24.0%).

Among the four countries for which a disaggregation was statistically significant, respondents from Italy are relatively more positive about ESF effectiveness in promoting equality between men and women (77.1%) and those from Croatia the relatively less so (67.4%). Respondents from Italy are particularly positive about the effectiveness of measures promoting work-life balance (79.2% against 19.6% from Croatia).

***Embeddedness of gender stereotypes, lack of dedicated resources and the complexity of factors underlying gender employment gaps coupled with methodological challenges negatively affect effectiveness of operations aimed at promoting women on the labour market.***

Several Operational Programmes are struggling to achieve the expected results in terms of women's employment. A number of reasons seem to be responsible for the weak results, at least partly, including the embeddedness of gender stereotypes and the fact that behavioural changes call for a broad and consistent approach and are in general difficult to bring about and to measure. This is coupled with a low awareness on the side of some policy makers as to the causes underlying gender imbalances and the difficulty in programming and implementing measures that go beyond the standard and well-tested Active Labour Market Policy measures.

In the French National Operational Programme financial efforts focus on reducing the obstacles faced by women. Even though women are well represented among participants (around 50%), the results are overall less favourable than for men, with around 20% of women in employment after their participation compared to 32% for men; and while the employment rate after six months is equal for men and women (58%), women are more likely to take up a temporary job more frequently than men do.

In Spain there is a significant amount of operations with a higher participation rate of men than of women, mainly in training activities in traditionally male-dominated sectors. The horizontal evaluation of all ESF Operational Programmes carried out in 2018, highlights that even though the principle of gender equality is clearly mentioned in the Partnership Agreement no clear indications or strategy are provided as to their concrete integration. It is reported in particular that the participation of territorial organisations responsible for gender equality in the programming and implementation phases of the Operational Programmes is not systematic and that only a minority of Operational Programmes have gender-specific indicators that go beyond the level of participation in terms of gender equality. Yet, it highlights how the ESF projects helped to raise awareness among the general public of the gender issue and the Spanish authorities have started to take account of gender equality in their working procedures. The evaluation of Operational Programme Asturias indicates that there is a transversal objective of equality between men and women in the programme, but it is considered not to have been successful. This is likely to be due to the low visibility of the objective, the small budget and the absence of specific activities to promote self-employment among women.

In Germany, the gender budgeting approach promoted by the Agency for Horizontal Objectives ('Agentur für Querschnittsziele') has shown that in spite of a balanced

representation at the federal Operational Programme level, important gender resource gaps exist with the majority of funds benefitting male participants. This is coupled by an imbalanced representation of women across the entirety of ESF TO8 investments in the country. Even when implementing positive measures to mitigate gender inequalities, a lack of a common methodology for the application and evaluation of the horizontal gender equality principle from the same perspective by all the persons involved in management of the Operational Programme, can negatively affect the results.

There is a lack of established monitoring mechanisms to measure the extent to which the actions incorporate the gender perspective transversally throughout their design and implementation processes. In Germany, as in other Member States the decentralisation of competencies poses problems for the appropriate tackling of gender equality issues, in a coordinated and effective way (and this could apply to other countries characterised by a multi-level governance of ESF). Also, it was noted by stakeholders how the demand driven nature of ESF TO8 operations, indirectly support existing gender biases. This is especially the case with operations on the reconciliation of family and professional life, which mainly reach women and does not explicitly target gender equality. It is found that horizontal segregation remains pertinent amongst qualified workers as well as among many entrepreneurs.

***Promotion of gender balance since the selection processes operations is implemented by most Member States, although more evidence would be needed as that it makes a difference***

In Denmark, increased attention on promoting gender sensitivity in the application process of entrepreneurship projects has been registered lately, with the call for applications for entrepreneurship including requests to highlight gender sensitivity. However, the effects of this increased focus have been limited in terms of providing more projects with a dominant focus on female entrepreneurship. In the Romanian Human Capital Operational Programme, in the selection process, additional scores are given to projects that propose concrete human resources instruments on ensuring equality between women and men. These may refer to equal access for women and men; equal pay for equal work; promote a friendly working environment for mothers, including flexible work schedules; promoting women's economic independence; and promoting the use of benefits related to childcare leave by men.

#### **4.2.8.2 Contribution to Active Ageing**

***ESF TO8 investments in active ageing are very small and limited to a few Member States, but it should not be overlooked that older workers are mostly reached outside of the dedicated priority***

As of the end of 2018 operations that primarily support active ageing represent only a marginal share of ESF investments in TO8 and are almost exclusively funded under Investment Priority 8.vi, which focuses on active and healthy ageing, and for a smaller share under Investment Priority 8.v (Adaptability). They are largely concentrated in a small number of Member States such as Finland (86%) and Austria (78%) with a substantial majority of TO8 investments are allocated to this type of operation, followed by the Netherlands (31%). A major component of these operations consists of guidance and training of employers (51%), often combined with awareness raising programmes (41%). This combination was for instance adopted in Austria, Finland, Latvia and Slovenia. In Finland and Poland, the active ageing support focuses particularly on health and safety at work (46% of total investments in active ageing). In the Netherlands, and Italy, ESF support consisted primarily in the development of policies and strategies (36%).

Approximately 11% of ESF TO8 participants are 54 years old and above. Outside of the Investment Priority 8.vi, they are mostly reached under access to employment and adaptability priorities (11%) and to a lesser extent entrepreneurship (8%) and gender equality (3%). The dedicated Investment Priority is mostly targeted at employed participants, showing that the majority of operations are aimed at keeping older workers into employment and prolonging their working lives.

### **Financial and physical progress of investments dedicated to active ageing is falling behind that of other Investment Priorities**

The analyses of financial and physical progress (which include programme specific indicators) show that progress is particularly low in all regions (except Cluster A regions, i.e. those with a good starting point and a good programme) and that higher shares of participants above 54 years of age are coupled with lower target achievement of output indicators. The latter is very meaningful as the presence of participants over 54 years old is scattered across the vast majority of programmes and most consistent in absolute terms in access to employment operations and adaptability. Ultimately, this means that people over 54 years old in active ageing measures represent only 10% of the participations for the same peer group in the entire TO8.

### **Limited evidence of ESF TO8 contribution to active ageing points to moderately positive effects**

Evidence about the contribution of ESF TO8 investments to active ageing from desk and field research is rather scarce also given the fact that such operations are implemented only in a limited number of Member States. Nevertheless, it adds interesting insights in the activities and results achieved through investment in active ageing.

Projects supported in the Netherlands (where active ageing plays an important role in the ESF Operational Programme intervention logic) are reported to have improved the dialogue between employers and employees and reduced short-term absenteeism due to illness. In Estonia, the programme contributed to build a new model of cooperation. While in Poland, the impact on the participants involved in activities related to health was more mixed, with 28% of participants having increased their earnings in Pomorskie but in Łódzkie fewer than 5% having improved their labour market situation.

Older participants are also registering positive results in a few counterfactual impact evaluations and as they take part in operations funded across TO8 investment priorities (outside Investment Priority 8.vi). In particular, in Cataluña, the 'work and training' programme for those over 45 years of age also had large and positive effects on occupational chances (around 12 p.p. though counterfactual results for those above 54 years old are not yet available). In the various counterfactual impact evaluations carried out in Piemonte the results for those over 50 years old are slightly lower compared to other age groups but remain positive.

Responses from the public consultation are less positive with active and healthy ageing being the least selected objective among TO8 investments for being successful (62.8% against 89.9% of respondents having selected access to employment as being a successfully achieved objective). This might be due to the fact that active ageing operations are less known by respondents, being less frequently implemented across Member States. This is indicated by the fact that almost one-quarter (24.6%) of respondents stated they would not know about the most effective operations to reach this objective. Taking this into account, the flexible arrangements for older workers are considered as most effective to achieve this objective (42.3% of respondents indicate them as most successful), followed by health and safety at the workplace (35.6%), supporting employers for the retention of personnel and helping workers to keep their jobs (29.7%), intergenerational learning (22.7%), hiring incentives (22.4%) and awareness raising (18.0%).

## **4.3 Efficiency**

### **How efficient has the ESF been in the achievement of the objectives of Thematic Objective 8?**

**The average unit costs for TO8 operations are aligned with benchmarks (€1 300 for participations and €3 600 for results)**

There are variations between countries, although related more to the typology and delivery mechanisms for operations than country-specific factors. Active ageing has lower unit

costs but lower levels of effectiveness suggesting that too little expenditure can result in the reduced quality of operations, and not just cost savings. Actual and planned costs are broadly in line and in some cases with higher outputs and lower costs than anticipated. Cost variations are influenced by a range of factors and the evidence collected to date suggests that the implementation costs (administration) of more innovative, tailored approaches can be 2.5 times higher than for standardised approaches.

**New monitoring systems and databases have been hampered by delays, with increased costs in some cases**

Actual and perceived administrative burdens have hampered effective implementation, through delays, but also impacted on cost-effectiveness. New monitoring systems and databases were developed at Member State level to take into account regulatory changes since the 2007-2013 programme, but the more significant factor has been a shortfall in administrative capacity, which in turn affects implementation. There have been additional costs with recruiting and delivering ESF to harder to reach groups, especially those in remote/rural areas.

**Some organizational arrangements, including management and control, audit and monitoring, have proved to be burdensome although the response from respondents to the public consultation were generally positive**

Organizational arrangements, though arguably improving over time, are still being perceived as burdensome by a significant number of stakeholders, especially with respect to management and control, audit and monitoring. Delays – especially in the early part of the programme – were recorded as Managing Authorities struggled to implement the new rules and procedures from the EC regulations, including the introduction of Simplified Cost Options.

Delays have been compounded by weak administrative capacity among some Managing Authorities or intermediary bodies that affects the implementation of ESF programmes beyond the mere procedure for designation of authorities. A concern is that the capacity at Member State level is under threat in some countries as savings are sought.

Despite commendable improvements with respect to the 2007-2013 programming period, the current monitoring system shows limitation which affect implementing bodies and evaluators alike as, in addition to administrative burden, there are limitations to the quality and reliability of quantitative evidence produced, especially with respect to soft outcomes, quality of employment and labour mobility. It is however very challenging to strike a balance between the contrasting needs of data producers and data users, so it is not surprising that some criticisms emerge from the analysis.

**There are some limited examples of gold plating**

Some instances of gold plating in terms of eligibility criteria towards vulnerable groups, dependants and undocumented migrants have been reported. This includes also eligibility for NGOs in entrepreneurship measures. Eligibility issues have been reported also in the field of transnational mobility.

**The visibility of T08 operations is relatively weak**

Finally, evidence on the visibility of ESF T08 operations remains thin, but there are several good examples of effective communication. Among stakeholders however remain significant shares of potential participants not aware of or familiar with the ESF, also due to the fact that as people are involved, their dignity should be fully respected also in advertising the benefits related to the support offered.

**4.3.1 EQ 2.1 To what extent were operations cost-effective? What type of operations were more or less cost-effective? In what contexts? What were the determining factors?**

**The benchmark of unit costs per participation are broadly in line with generally accepted benchmarks but costs need to be appropriate to the needs of the client group and higher costs linked to high success rates can be justified**

These benchmarks include previous programmes. Higher unit costs (once outliers are discounted) can be justified if they are providing specialist support, targeting hard to reach groups or providing the basis for future operations. Conversely, low unit costs may not be especially beneficial, especially if linked to low financial implementation rates and low levels of effectiveness. This appears to be the case for Investment Priority 8.vi (Active Ageing) which has low unit costs for participation and low success rates. Here, higher unit costs might lead to more effective operations. Aside from Investment Priority 8.vi and Labour Market Institutions (Investment Priority 8.vii) there are limited variations between unit costs of Investment Priorities.

**The type of operation and its delivery is the main determinant of costs and unit costs**

Operations vary considerably in respect of their duration and intensity which clearly influences costs. The evidence from the analysis of effectiveness highlights the better results where support is more tailored and intensive. The characteristics of the participants is another and linked influencing factor as those furthest away from the labour market generally requiring more support, with greater costs.

**Operations are least cost-effective when they are not sufficiently targeted (and the converse appears to be true)**

The least cost-effective operations are not in line with labour market (e.g. job counselling for individuals with very complex obstacles is likely to have limited effectiveness, and low cost-effectiveness). For the higher skilled participants job counselling may be less effective (the participant being likely to gain employment) but traineeships linked to employers is more effective. It is a question of linking the operation to the needs of the participant. It is also so for job counselling for those who are very high skilled, as they would make it anyways into employment (high deadweight). Effectiveness peaks for those who are at some distance from the labour market, but not too far away from it. In any case, the forms of support matters. For the high skilled, traineeships appear to a better option.

**Actual and planned costs are broadly in line but innovative approaches are inherently more expensive than standardised operations**

One judgement of whether costs are appropriate is the extent to which they are commensurate with planned costs and evidence from the evaluations suggests that actual and planned costs are broadly in line and in some cases with higher outputs and lower costs than anticipated. Cost variations are influenced by a range of factors and the evidence collected to date suggests that the implementation costs (administration) of more innovative, tailored approaches can be 2.5 times higher than for standardised approaches.

**The benefits of ESF T08 operations tend to outweigh the costs over time**

In broader macroeconomic terms, according to the experimental estimates from RHOMOLO ESF investments seem to be cost effective with benefits outweighing costs. The long-term multiplier (discounted euro of GDP generated per each euro invested) is also generally positive and above 1 in eight Member States and over 50 regions. The multiplier is larger for regions with high labour intensity, export orientation and that are net receivers of EU funds. The multiplier is also larger for regions with lower cost of participation, but this might represent a limitation of the analysis rather than a finding, given such values are not entirely reliable at this stage of the implementation.



### ***Lower costs do not automatically lead to greater cost-effectiveness***

An assessment of cost-effectiveness can include – but goes beyond – a simple measure of unit costs, whether it be cost per participation or cost per result. It is clear from the data and the analysis that ESF operations across T08 vary considerably in type, duration and intensity, and are applied to client groups with different support needs and different distances from the labour market. Providing more support, for longer, for a participant may cost more but may be the appropriate strategy, as long as the operation is effective. Equally, operations with low costs and low unit costs may be outwardly attractive, a means of spreading budgets across a larger cohort, but if the unit costs are too low they may not prove to be effective, and even if they lead a positive outcome, very low cost operations may not directly influence those outcomes.

We therefore, need to assemble a range of evidence, from several sources, including the analysis of SFC data, econometric analysis, case studies and thematic ESF evaluations for which differences in effects by typology of operation or target group are taken into account<sup>104</sup>. The evidence from the Thematic Focus Group and the Public Consultation exercise is largely absent for the former, and limited for the latter.

#### **4.3.1.1 Unit Costs**

##### ***Unit costs need to be treated with caution but provide a 'ball-park' guide for comparative purposes***

We can measure unit costs in respect of participations and results. The latter is problematic for two main reasons a) it under states results and therefore amplifies unit costs, which focus on employment outcomes, qualifications and entering education, but not on soft outcomes (e.g. increased self-esteem or progression towards employment – which can take a considerable period of time for those furthest away from the labour market), coupled with a general level of under reporting, and b) many of the operations with results are still ongoing<sup>105</sup> and therefore under play total results. In addition, cost per results can be affected by the distance of the clients from the labour market as well as contextual factors. Nevertheless, such analysis provides useful benchmarks and can be seen as upper limits, with lower unit costs likely as operations are completed and there is a fuller picture of results.

#### **Costs per Participation**

##### ***Average unit costs per ESF participation are broadly in line with past programmes but there are variations between Member States and types of operations***

The results of comparing the number of individual participants registered against the total eligible expenditure declared are presented in Table 11 below<sup>106</sup>. Overall, the table shows an **average cost per participation in ESF T08 investments of EUR 1 309**. This is roughly in line with the unit costs that were found in the Study supporting the update of the data reported in the 2007-2013 ESF ex-post evaluation (EUR 1 215)<sup>107</sup>. This is a lower

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<sup>104</sup> One major obstacle is that counterfactual evaluations which discuss effects in comparative terms (by target group, by typology of operation) are very seldom carried out. In addition, not all of the evaluations cover cost-effectiveness. This was highlighted in the German case study which commented on the wide range of variables (different interventions, different client groups, different duration for the interventions) and the non-completion of many interventions) impacting negatively on the ability to conducted methodologically sound evaluations.

<sup>105</sup> Operational Programmes sometimes record participants after operations are fully implemented and other times when operations are partly implemented. The project selection rates are a good measure of the extent to which programmes are progressing in their implementation and are a relevant variable in assessing the progress of programmes from a financial side. However, they do not represent a good basis for calculating unit costs by comparing project selection rates with the number of participations or results, as the costs of project selection are often allocations recorded before the participations are entered or once the operation is over.

<sup>106</sup> The total number of participants is calculated by summing common output indicators 1, 3, and 5, which present exclusive and complete types of output indicators for individuals participating in an operation.

<sup>107</sup> Available at: <https://ec.europa.eu/social/main.jsp?catId=738&langId=de&pubId=8158&furtherPubs=yes> (17.09.2019)x



average unit cost than one reported for youth employment operations for the 2014-2018<sup>108</sup> period. Benchmarking with national programmes (not involving EU funds) and especially private operations (e.g. run by businesses) is not strictly valid, given different parameters, objectives, targets and operation types.

**This aggregated figure masks significant differences across Member States, in part due to under-reporting.** Though the variation between figures reported is high (ranging from EUR 8 129 in Sweden to EUR 440 in Portugal<sup>109</sup>), most of these differences are not necessarily meaningful for an efficiency assessment: large differences are often explained by the ongoing nature of the entry of monitoring data, and may vary considerably from year to year<sup>110</sup>. In addition, also the form and duration of the support matters. Inter-country variations are discussed in 4.3.2 (evaluation question 2.2).

Table 11. Eligible expenditures declared to EC per participation – by Investment Priority

Cost per output (€)	Overall	Access to empl (8i)	Entrepreneurship (8iii)	Gender equality (8iv)	Adaptability (8v)	Active Ageing (8vi)	LM <sup>111</sup> institutions (8vii)
AT	6 455	5 261		11 517			
BE	924	887	653		2 915		
BG	3 195				3 195		
CY	3 629	3 629					
CZ	2 825	3 293		2 015	1 876		26 149
DE	2 792	2 495	5 119	2 601	2 557		
DK	2 564		1 690		5 189		
EE	1 166	1 166					
ES	622	692	860	69	56		
FI	1 810	1 981		2 660	1 434		
FR	1 394	582	1 218		2 715		3 198
EL	2 748	4 308	3 607	1 606			5 127
HR	2 938	3 313					266
HU	2 305	2 221			5 192		
IE	7 717	7 717					
IT	592	598		683	646	1 022	354
LT	1 678	1 678					
LU	1 916	1 916					
LV	934	934					
MT	2 435	2 435					
NL	646	646					
PL	1 861	2 226	7 974	2 747	1 379	91	2 531
PT <sup>112</sup>	440	1 426	6 856	320	197		
RO	2 159	36 632	987		1 208		
SE	8 129	8 129					
SI	2 631	3 393				904	
SK	1 847	1 798		2 307			9 863
UK	1 481	1 449		5 217			
<b>EU</b>	<b>1 309</b>	<b>1 237</b>	<b>1 935</b>	<b>1 317</b>	<b>1 497</b>	<b>142</b>	<b>955</b>
More dev.	1 037	828	1 332	878	1 840	866	548
Transition	1 464	1 042	1 554	1 592	2 962		3 537

<sup>108</sup> Figure to be added once the YE report is approved

<sup>109</sup> It should be noted that, for instance, in Portugal, the low average value is influenced by the nature of support, as several short-term/low cost participations are counted under Investment Priority 8.iv and 8.v. This is however not an isolated case, but a general caveat which is fully acknowledged in this study. For instance, in Poland too under Investment Priority 8.vi there is a very low unit cost which is explained by a large-scale project of medical check-ups for women. Such issues are always considered in interpreting the results of this study.

<sup>110</sup> Note that the analysis attempts to filter out the most obvious cases of reporting inconsistencies. Investment Priority are only included in the analysis if eligible expenditures and at least 100 participants are reported.

<sup>111</sup> Labour market

<sup>112</sup> See footnote 98

Cost per output (€)	Overall	Access to empl (8i)	Entrepreneurship (8iii)	Gender equality (8iv)	Adaptability (8v)	Active Ageing (8vi)	LM <sup>111</sup> institutions (8vii)
Less dev.	1 684	2 087	3 351	1 932	653	114	7 181
<p><i>An empty field can mean either that (1) an Investment Priority was not selected in that Member State, (2) that no eligible expenditures were reported for that Investment Priority yet, or (3) that none or no more than 100 participants were reported.</i></p>							

Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on September 6, 2019). Investment Priority with less than 100 participants excluded

For Investment Priorities with a low number of participants (such as in Romania in Investment Priority 8i), it is possible that the actual number of participations is higher than reported at this moment, which would result in lower unit costs than those presented. The same holds true for values on the lower end of the scale (compare Portugal, Spain, and Italy); in these cases, it is likely that Member States recorded the number of participations accurately in SFC database, but still need to file declarations for these expenses in the monitoring system.

Next to these caveats about the data in individual Member States, it is also important to keep in mind that the values reported are not standardized based on purchase power parity in Member States; they represent directly the eligible expenditures divided by the aggregated outputs reported. Quite possibly, an analysis based on standardized values that take purchase power parity into account would show considerably higher costs per outputs in Member States with lower than average GDP (cf. Bulgaria, Croatia, Hungary, Poland, Portugal, Slovenia). This is later tested and discussed as part of the econometric analysis exercise.

***Unit costs appear to be broadly in line with planned/expected costs but where higher can often be explained by the needs of the client group***

The evaluations provide some context and in some cases comparisons between actual and planned unit costs which is good guide as to whether costs are in line with planned budgets and expectations. In Wales for example, the actual cost per participant was measured at EUR 1 700 for the Communities for Work (8i) against a target unit cost of EUR 1 200. The comparison for results was relatively close with EUR 7 500 against EUR 7 200. Further analysis showed that **higher than expected costs related to the make-up of participants (higher costs related to those further away from the labour market – long-term unemployed, economically inactive)**. There was a similar situation in Germany, where the evaluation for the Schleswig-Holstein ‘Advisory network of skilled workers in specific areas’ was higher than planned but expected to fall over time’. Conversely, the **evaluations have also provided examples of operations where the unit costs are lower than anticipated/planned**. In Ceuta (Spain) unit costs are lower than planned for 8i (EUR 6,500/8,500), 8ii (EUR 5 900/8 600) and 8iii (EUR 2 700/4 300) although no clear explanation is provided. There is a similar story in Asturias and Melilla (Spain)<sup>113</sup>, whilst the French national ESF Operational Programme have average unit costs lower to those planned (EUR 1 096/1 145) with a similar story for results (the greatest variance being the Training of Workers operation with average costs per participant of EUR 1 382 (actual) against EUR 1 638 (planned)).

A good example of the difficulty to compare the unit costs per operation and judge their efficiency is the case of the Operational Programme Brandenburg where the evaluation calculated the unit costs per output and produced the largely divergent costs depicted in the table below.

<sup>113</sup> The evaluations also illustrate some anomalies, not all of which are explainable at this stage. For example in Madrid the unit costs reported against 8i are significantly greater than those planned (EUR 180,000/9,000) and for 8iii (EUR 16,200/500). These figures clearly demand further scrutiny.

Table 12. Relative unit costs from the Brandenburg (Germany) Operational Programme

Investment Priority and operation	Committed funding in EUR mio	Participation (counted in persons or SME <sup>114</sup> )	Costs per Participants/SME in EUR	Costs per participation as planned in Operational Programme
Investment Priority 8iii – average	42.4	5,951 persons	7,125	5,291
Support for start ups	36.4	5,683 persons	6,405	
Innovation need courage	3.3	248 persons	13,306	
Individual operations	2.7	20 persons	135,000	
Investment Priority 8v – average	22.7	4,110 SME	5,523	4,351
Qualification	12.4	3,993 SME	3,105	
Social partnership	4.6	64 SME	71,875	
Culture and creative industries	5.7	53 SME	107,547	

Based on the above table, one may conclude that 'qualification' is the most cost-effective operation, but in fact, each of these operations contain several other operations (e.g. qualification contains a service point work and parents, regional offices for qualification etc.), while some target individuals and others target SMEs (most of Investment Priority 8iii operations target individuals and most of Investment Priority 8V operations target SMEs). Therefore, the costs are not comparable amongst themselves. Even when operations are addressed to a similar target group, e.g. SMEs, the nature of the operations may differ substantially, e.g. 'social partnership' develops capacities in organisations to adapt to changes and 'culture and creative industries' includes a networking and support operation and support to individual enterprises, with much higher costs per participating Small and Medium Enterprises.

Another example depicting how difficult it is to compare unit costs is from Italy, as shown in the table below (based on data availability).

Table 13. Unit Costs comparing Italy National Operational Programme with Campania and Piemonte OPs

Operation	Unit cost per output		
	National Operational Programme	Campania	Piemonte
Incentives	4,042.00	7,142.86	
Employment support services Information, guidance, childcare services		2,569.75 814.60	386.47
Training Training vouchers		4,600.00 3,636.36	4,929.58
Work experience in public administration		(work experience) 5,494.51 (traineeships) 10,000	

Based on the above table, it is very difficult to reach conclusions on the cost-effectiveness by operation or by Operational Programme, the reasons being:

<sup>114</sup> Small and Medium Enterprises

- the unit cost for incentives are different, probably due to the different targeting (ordinary unemployment for the National Operational Programme versus people with disadvantages/disabilities for the Campania Operational Programme);
- the unit cost of employment support services differ between Operational Programmes (more expensive in Campania than in Piemonte due to different advancement of operations) and within the same Operational Programme (in Campania, due to information costing less than individualised support/follow-up for finding a job or filling a vacancy);
- for training, training vouchers are less costly than training accessed through “traditional” mechanisms;
- the unit cost for work experience is very different within the same Operational Programme (Campania) because the two operations (work experience and traineeships), although both labelled as “work experience”, are significantly different in terms of target populations, objectives and general scope.

## **Costs per Result**

### ***Average unit costs per ESF result are broadly in line with analogous programmes***

A similar analysis was performed to analyse the costs of immediate individual results (obtaining employment, qualifications, entering education or searching for jobs)<sup>115</sup>. Also, for this analysis, the declared expenditures are compared with the immediate individual results reported.

The results of this analysis are presented in Table 14 below. Note that the costs declared for investment priorities are compared with the *immediate* results achieved<sup>116</sup>. Overall costs per short-term result for the Member States in the analysis amount to EUR 3 628 for TO8 operations. Again, this is broadly comparable with analogous programmes.

Behind this value are substantially larger variations among Member States than found in the analysis of costs per output. These variations are mainly caused by the relatively fragmented way of reporting individual short-term results in SFC so far, which should improve in the coming years<sup>117</sup>. However, a unit cost analysis of results (similar to an analysis of the unit costs per participation) can be insightful to compare Member States with regard to the extent to which results and eligible expenditure are registered into SFC in relatively equal shares. When used for this purpose, unit costs do not necessarily give insights to efficiency, but tell us more about the balance in reporting between results and financial progress. Table 14 below suggests that many Member States still report relatively small numbers of results in relation to their budgets, particularly in Sweden, Slovakia, Finland, Austria, Greece, Ireland, and Luxembourg, in part due to ongoing operations and the time lags in reporting on completed operations.

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<sup>115</sup> The total number of individual results was calculated by summing common result indicators 1-4, which all present exclusive types of results in terms of improved labour market position of individual participants that may be reached. CR05 was not included as it is not an exclusive category from common result indicators 1-4; it would introduce double counts and therefore taint the analysis. Nevertheless, the figures presented should be read with some caution, since participants could achieve more results at the same time.

<sup>116</sup> Defined as within four weeks of the completion of a participation.

<sup>117</sup> Note that similar to the analysis of costs per output, the most obvious cases of under-reporting were filtered out by only including Investment Priority that report at least 100 immediate results and eligible expenditures.

Table 14. Eligible expenditures declared to EC per immediate result – by Investment Priority

Cost per output (€)	Overall	Access to empl (8i)	Entrepr. (8iii)	Gender equality (8iv)	Adaptability (8v)	Active Ageing (8vi)	LM <sup>118</sup> institutions (8vii)
AT	10 583	8 826		17 218			
BE	2 195	2 215	1 309				
BG	-						
CY	4 891	4 891					
CZ	4 335	4 349		19 971	2 611		
DE	3 871	5 537	5 401	4 849	3 629		
DK	8 516		8 905				
EE	7 693	7 693					
ES	2 158	2 132	5 128	998	83		
FI	13 264	10 264		44 943	43 987		
FR	3 261	1 133	3 566		7 698		7 021
EL	13 656	11 458	127 400	19 647			
HR	4 435	4 435					
HU	4 235	4 050			12 959		
IE	12 378	12 378					
IT	2 158	1 932		17 272	22 967	16 950	1 282
LT	3 415	3 415					
LU	12 028	12 028					
LV	2 250	2 250					
MT	6 165	6 165					
NL	4 700	4 700					
PL	4 175	2 947	57 684	16 883	10 869		
PT	1 822	3 598	8 994		675		
RO	8 098		7 531		48 343		
SE	22 650	22 650					
SI	9 169	9 169					
SK	15 049	14 455		120 501			
UK	2 897	2 897					
<b>EU</b>	<b>3 628</b>	<b>3 130</b>	<b>6 547</b>	<b>10 044</b>	<b>4 078</b>	<b>16 950</b>	<b>2 688</b>
More dev.	3 189	2 675	3 685	6 193	4 195	16 950	2 302
Transition	3 634	2 662	4 114	8 044	5 882		8 592
Less dev.	4 233	3 780	20 036	20 872	2 496		

An empty field can mean either that (1) an Investment Priority was not selected in that Member State, (2) that no eligible expenditures were reported for that Investment Priority yet, or (3) that none or no more than 100 immediate results were reported.

Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on September 6, 2019). Investment Priority with less than 100 immediate results excluded

#### 4.3.1.2 Appropriate Costs

##### **Getting the appropriate balance between costs, and outputs/results is challenging**

The appropriateness of the costs of operations is another issue. Getting the right project scale to meet demand, be viable but not be over specified in terms of scale or scope is an implementation challenge. In the Netherlands, the evaluation of the 'Sustainable employability programme' reported that had the scheme been smaller, employers would not have supported it. There was a similar assessment for projects in Lubuskie, in Poland, where a survey of beneficiaries reported that a smaller project would have recorded,

<sup>118</sup> Labour market

disproportionately less results, and indeed could have reported disproportionately higher results with more ESF resources.

### ***Higher start-up costs can impact on cost-effectiveness***

Both the evaluations and the case studies highlight the impact of start-up costs (which vary between operations) but which can lead to higher unit costs in the short term, potentially decreasing over time, which should be evident by the time of the final evaluation. In some cases, ESF has supported structures designed to be transferred into national instruments (illustrated in the Operational Programme Brandenburg). In the same light ESF has supported innovation but with cost implications. Hence, even if ESF costs are higher than nationally funded operations, this can be outweighed by the capacity of ESF to support innovation, e.g. social innovation (Operational Programme Niedersachsen and Operational Programme Brandenburg), but also launching and testing supporting infrastructures (the case of Operational Programme Brandenburg).

### ***Achieving efficiencies is one objective but Managing Authorities often pay more for innovation, integrated and personalised provision***

A general point is also made that some operations are instrumental in achieving the output and results targets in the Operational Programme, and higher costs have been justified accordingly (e.g. support to business start-ups in Denmark as being the main contributor to Investment Priority 8iii (Entrepreneurship) outputs. **For some programmes it appears that cost-effectiveness was not the primary focus of implementation.** In Luxembourg, for example, there was a deliberate choice of the Managing Authority to support integrated operations, which are more costly, but prepare better for labour market integration as they combine personalised assessment, assistance with defining the project, professional, training, job search and preparation of an application, with the aim to develop an entrepreneurial profile, to structure the business project and to launch and pilot the business project. In Spain, **integrated support, e.g. combining training and employment was more expensive but had positive effects in terms of the employability of participants.** In the case of the Operational Programme Rheinland-Pfalz in Germany, a focus on an integrated counselling approach was more expensive than working with operations addressing a clearly defined target group that receives a clearly defined support (unit cost per non-employed participant was approximately EUR 4 100).

There is **limited evidence on the impact on costs by organisation type but the type of the implementing organisation, as highlighted in the Czech case, where projects implemented by NGOs was more cost-effective than the projects implemented by central institutions**, such as the Labour Office.

Some case studies (Germany in particular) highlight the reasons for cost variations and in particular the rationales for higher costs, including the following:

- for implementing bodies: coordination, reporting, consideration of EU regulations and rules for programming, participation in ESF events and training, horizontal objectives, audit, publicity, monitoring rules;
- programme management: ESF specific events and training, publicity, consideration of EU regulations and rules, audit, IT systems, settlement of accounts, financial control, participation in evaluation, counselling of beneficiaries to explain the rules;
- beneficiaries: collection of participant data, audit, declaration, publicity, horizontal objectives, proof of expenditures; and
- final recipient: Questionnaire for data collection, interviews after participation, declaration

Operations with focus on target groups and on knowledge generation (among these IQ – Investment Priority8v, EXIST Investment Priority8iii, Stark im Beruf - Investment Priority8iv, Perspektive Wiedereinstieg – Investment Priority 8iv) put a strong focus on structural support, networks and capacity building. They build on existing structures and also establish new ones. The management costs are above the average, and a higher



share is needed for programme design and guidance and for technical support of the final beneficiaries and end recipients. Unit costs are significantly higher, but the overall management costs are below the average. However, in other operations management costs are high, and considered too high by beneficiaries, but there are trade-offs as **higher levels of innovation and individualised services generally equate to higher implementation costs**. In contrast standardised operations (among these “passgenaue Besetzung” Investment Priority 8v, Unternehmenswert Mensch Investment Priority 8v, Unternehmensberatung – Investment Priority 8iii, v) in general have a low focus on innovation, structural change and knowledge generation. The largest share of the expenses is on programme administration, while control and scientific monitoring has low costs. This type of operation supports well proven operations and the unit costs for operations and per participation are much lower than the average.

**It has been estimated that the different in implementation costs between a bespoke, tailored and innovative approach, against a standardised approach could be in the region of 2.5 times higher.**

#### **4.3.1.3 Factors influencing costs**

##### ***The type of operation is the prime determinant of costs***

In the above sections, we have highlighted some of the factors that influence costs, including start-up costs, organisation types etc. **The analysis suggests that main factor determining cost is the type of operation, which, in turn, tends to be affected by the distance of participants from the labour market but also by a range of other factors**. For instance, the low skilled are often coupled with low unit costs, which might be due to the fact that this group tends to be targeted for lower cost job guidance and counselling and basic training. **This section should be read in conjunction with Section 4.2.5.3 above which has addressed the effectiveness of the typology of operations**. From the earlier analysis of effectiveness the evaluation of the Piemonte Operational Programme highlighted that participants having had a traineeship had employment chances 25 p.p. higher, and 31 p.p. for those having had had incentivised employment, whereas guidance alone stands at 5 p.p. The costs are higher for the traineeships and incentivised employment (although unit costs are not available for the latter) suggesting that the balance of costs and results is broadly appropriate. There is though limited evidence that a specific type of operation is inherently more cost-effective than other given the range of factors involved except that targeted, more intense (and often more costly) operations tend to generate the best results.

##### ***Training and education had the highest level of agreement when ESF participants were asked about the cost-effectiveness of different types of operations***

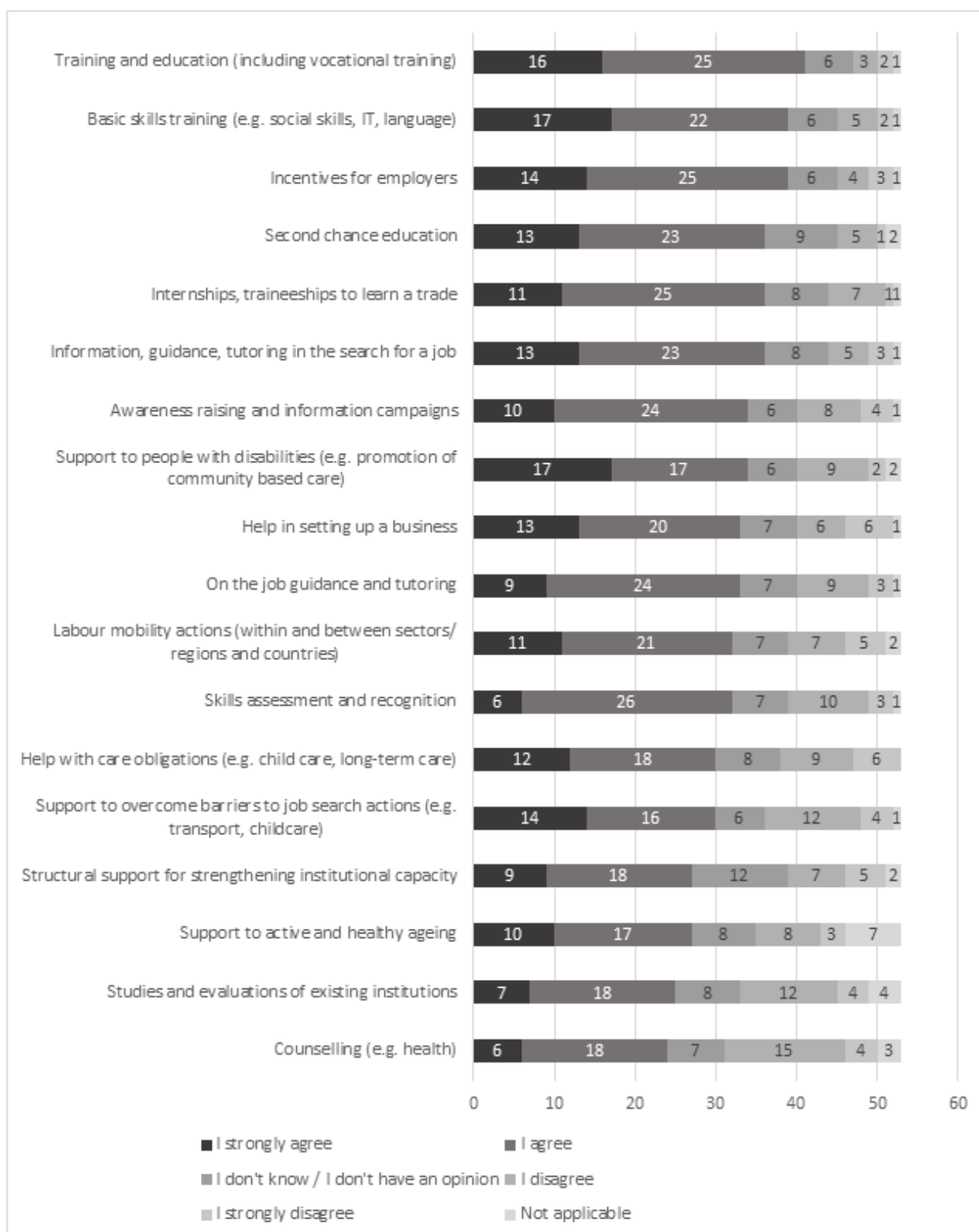
Some additional evidence comes from the public consultation, albeit rather limited with 53 respondents from ESF participants which makes it difficult to draw firm conclusions (see Figure 31). As might be expected a relatively high number of respondents said that they did not know (or were not in a position to make a judgment) especially in respect of the use of ESF in strengthening institutional capacity. It should also be recalled that respondents are not necessarily able to think counterfactually, i.e. to guess what would have happened in absence of support and assess cost-effectiveness as a result. **Nevertheless, the operations that received the highest share of agreement as what was cost-effective were training and education (77.4% agreed/strongly agreed that it is a cost-effective operation) followed by basic skills training and (financial) incentives for employers (both at 73.6%) and second chance education, internships, education and guidance (all at 67.9%)**. General counselling (45.3%) was ranked as the least cost-effective. 15 respondents offered views on their reasoning for saying that operations were not cost-effective, 3 commenting on what they perceived to be inadequate tailoring of operations to the needs of participants and 2 commented on perception of poor quality of provision. In addition, organisations were asked *‘is there anything you wish to add regarding the efficiency of the actions implemented by the European Social Fund in supporting employment and labour mobility’*.



21 responded and whilst not commenting on specific types of operations there were general observations on the organisation of operations that in the view of respondents could improve cost-effectiveness, namely, simplifying procedures and being more responsive, more quickly to new labour market challenges (e.g. the move to digitalisation), involving end-users in the design of operations (to improve their effectiveness), and better coordination at the national and regional level to avoid duplication and better integration of ESF with national funds.

*Figure 31. Answers to the question: "If we define cost-effectiveness as the fact that the resources invested were proportionate to the results achieved, to what extent do you*

agree or disagree that the following actions implemented through the European Social Fund were cost-effective?" (53 respondents)



Source: Final Report, Public Consultation on the Evaluation of the EU Support to Employment and Labour Mobility by the European Social Fund

### Higher costs can also be associated with supporting harder to reach groups

A key determinant – and often used as the justification for higher unit costs – is the characteristics of the client group. **Harder to reach groups can require more investment to identify, to recruit (and retain) and to progress to results.** As part

of an overall employment and lifelong learning strategy, higher costs are legitimate in a balanced portfolio of operations. In the case of Germany, the Niedersachsen Operational Programme, has targeted women who are not covered by mainstream national/regional programmes. The participants are far away from the labour market and the immediate aim is not to get this group of women into employment but to provide the support that moves them closer to paid employment. There are similar examples in other Member States (e.g. in Spain, where a focus on disadvantaged groups has proved to be more costly, but was chosen for bringing good results in terms of employability, especially for groups who are more distanced from the labour market).

The findings from the econometric analysis, which should however be treated with some caution<sup>119</sup> given the variability of the data, support the above assumptions, and suggest that inactive participants are associated with higher unit costs, reflecting the more complex nature of the operations which target them. Increasing shares of **low skilled, on the other hand, are associated with lower costs**, which may be due to bias from unobservable in the estimates, or to the fact that comparatively simpler – and lower cost – operations are offered to them. Lower costs can also be associated with increasing shares of young people in the programmes.

**To deliver the objectives and targets of Operational Programmes there needs to be a balanced approach to costs and generally the evaluations and case studies point to higher cost operations offset by those with lower unit costs.** This also accounts for support costs. For example, in Romania, a key factor is the quality of IT management systems, since insufficient development and operation of their IT system added extra administrative burden and increased the costs of operations.

#### **4.3.1.4 Average unit costs by Investment Priorities**

##### ***Average unit costs are broadly comparable across Investment Priorities***

Table 11 and Table 14 above give an **indication of average unit costs across each Investment Priority and with generally limited variance between the Investment Priorities and with the EU averages in the case of participations**, more so for immediate results, due in part to the methodological limitations discussed earlier. There are variations within Investment Priorities between operations with Table 15 presenting analysis taken from the relevant evaluations. These show greater levels of variance but generally between specific operations. A pattern between Investment Priorities is harder to discern.

The case studies provide some insights, but given the caveat that you cannot always compare certified expenditure with the outputs directly, especially at a mid-point evaluation:

- support for self-employment (within Investment Priority 8.iii) considered to be cost effective in Spain and Croatia, and especially popular in the latter as it provided individuals with financial support in terms of social security contributions, purchase of equipment and material necessary to start up and run their own business for one year;
- activities supporting gender equality (under Investment Priority 8.iv) proved to be cost-effective in the Czech Republic, especially the establishment and use of children facilities (clubs and children groups) as a means to support the employment of parents.

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<sup>119</sup> In order to exclude 'outliers' observations with less than 5% of the implementation rate, 100 participants or a success rate for the indicator 'any result' below 2% have been excluded from the analysis. In addition, costs per participant greater than EUR 10,000 or results EUR 100,000 have also been excluded.

Table 15. Average costs by investment priorities

Investment priority	Country/Region		Average cost per output	Average cost per result
8i	Ireland (2018)	Education and Training Board (ETB) training of unemployed	EUR 5,000	:
		Springboard	EUR 2,165	:
		ICT skills conversion	EUR 2,199	:
		Momentum	EUR 9,661 (2014)	:
	France national Operational Programme (2017)	Guidance for inactive jobseekers and	EUR 553	EUR 1,500 (employed participant)
	Madrid (2017)		EUR 180,000	:
8iii	Denmark (2018)	Advices to entrepreneurs	EUR 10,468 (completed projects) EUR 7,145	EUR 60,988 (participants who started a new business) (EUR 81,112 for completed projects)
		Teaching entrepreneurship	EUR 3,037	EUR 48,160 (participants who started a new business)
	France national Operational Programme (2017)	Support to entrepreneurship	EUR 723	EUR 1,100 – EUR 2,800 (participants who started a new business)
		Madrid (2017)		EUR 16,200
8iv	Madrid (2017)		EUR 58 (per participant) EUR 1,953 (per entity)	:
8v	Denmark (2018)	Skills development in SMEs	<u>Per participant:</u> EUR 6,349 EUR 7,971 (completed projects)	EUR 6,971 (participants with enhanced competence level immediately after participation)  EUR 11,668 for completed projects
			<u>Per SME:</u> EUR 20,638 EUR 37,899 (completed projects)	
	France national Operational Programme (2017)	Training of workers	EUR 1,382	EUR 8,400 – EUR 31,000 (per participant having obtained a qualification)
		Training for redundant workers	EUR 2,700 (planned)	:

Source: Evaluations carried out by the Member States on TO8 for the 2014-2020 programming period (which had been identified by the Evaluation Helpdesk)

### Active ageing has low unit costs but also lower levels of effectiveness

We therefore, look at the econometric analysis which concludes that variations between Investment Priorities are not striking, with the exception of Investment Priority 8. Vi (Active Ageing). Here we have a low unit cost for participations which mirrors the analysis from the SFC data in Table 11 above. The finding is also generally true when considering longer term results (notwithstanding limited data observations to conduct the econometric analysis. However, given relatively low success rates in respect of this Investment Priority, a conclusion that can be drawn is that some of the operations are not sufficiently specified to deliver the targeted results, and as with the low skilled may be offered 'simpler' low cost operations. Indeed, in some of the examples already cited above, from the case studies and the evaluations, there are instances where Managing Authorities have

increased scope, scale and costs to improve effectiveness. We do not have many comparable examples in the field of active ageing.

It is worth revisiting the findings from evaluation question 1 (Effectiveness) to help explain variances in cost effectiveness between Investment Priorities. The analysis highlights issues around Investment Priority 8.vi (Active Ageing) and in particular:

- **under reporting of results:** It is likely that older workers will have gained soft outcomes, especially around self-esteem/confidence;
- **target achievements:** The meeting of targets is behind for Investment Priority 8.vi (Active Ageing), also for Investment Priority 8.iv (Gender Equality) and more so for Labour Market Institutions (Investment Priority 8.vii), which also had low costs per participation. Access to Employment (Investment Priority 8.i) had a strong start as the early part of the programme was still focused on the EU labour markets immediately post-crisis. Nevertheless, low rates for Investment Priority 8.vi and Investment Priority 8.vii coupled with low unit costs suggest that effectiveness might have been constrained by relatively lower financial inputs, per participant;
- **lower levels of support:** Increasing shares of older participants negatively correlated with immediate employment (an increase of 1 point in the share of participants over 54 leads to -0.25 p.p. of success rate for longer term employment). It was also the case for the low skilled. The positive impact of vocational training decreases with age and in general other positive outcomes are generally less for older workers, in part because 'lighter' forms of support – often accessed by those over 54 – such as job counselling tend to be less effective unless part of an integrated approach and less effective for those furthest away from the labour market;
- **the econometric analysis:** Which suggests a correlation between success rates and target groups with those over 54 generally have lower success rates than younger groups, but also the long term unemployed and the economically inactive. Again, this can be linked to the type of operation.

The Spanish case study provides good evidence of cost-effectiveness by Investment Priority with those operations not sufficiently implemented omitted for the analysis. It takes in 5 Operational Programmes spread across three of the four clusters, and builds on analysis undertaken in the ESF evaluations. The analysis covers Investment Priority 8.i to 8.v so unfortunately does not add to the discussion on Active Ageing above, but it does provide estimates of levels of efficiency and compares programmed and implemented unit costs for selected operations (it does not claim to be a comprehensive analysis and the expenditure and implementation periods vary<sup>120</sup>).

The most recent evaluation report for Castilla La Mancha (2019) calculates the efficiency of the Operational Programme with respect to the productivity indicators, including only values of the operations for which one or more operations have been selected and implemented, and for which there is implementation data (both financial data and on participants). Thus, the values observed at 31/12/2018 have been considered both in relation to the expenditure actually paid out of each operation that appears in the accountability system of the Regional Government, as well as in the total number of participants registered in the completed operations and projects.

- Low efficiency level: <50%
- Average efficiency level: ≥50% and ≤80%
- High efficiency level: > 80%

In all cases the implemented unit costs are lower than the programmed costs, presenting a different story to the 2017 evaluation (based on 2014-2016) data which reported low levels of efficiency, which could be an indication of the data deficiencies of early evaluations (incomplete operations etc.). Overall, the analysis is rather inconclusive in respect of variations across the Investment Priority with broadly similar levels of efficiency.

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<sup>120</sup>Some restricted to 2014-2016 to provide information to the 2017 evaluations

Table 16 however, gives an indication of relative levels of efficiency for different types of operations with entrepreneurship showing as the most cost-effective.

Table 16. Efficiency Analysis ESF Operational Programme for Castilla-la-Manche

Investment Priority	Specific Objective	Programmed expenditure (P)	Indicator target (M)	Programmed unit cost (P/M)=E	Real expenditure (C)	Observed value (O)	Implemented unit cost (C/O)=F	Efficiency (E/F)
8i	8i1 Professional guidance	5,000,000.00 €	17,246	289.92 €	2,768,691.87 €	14.585	189.83 €	152.73 % High
8i	8i3 Permanent hiring	26,495,605.00 €	1,683	15,743.08 €	6,627,816.96 €	878	7,548.77 €	208.55 % High
8i	8i5 Labour experience acquisition	67,862,670.25 €	12,576	5,396.20 €	61,123,414.30 €	20.960	2,916.19 €	185.04 % High
8iii	8iii1 Entrepreneurship	12,000,000.00 €	3,701	3,242.37 €	974,540.01 €	805	1,210.61 €	267.83 % High

Source: 2019 Evaluation of the ESF Operational Programme Castilla-La Mancha.

#### 4.3.1.5 The macroeconomic perspective: multipliers

##### **Macro-economic simulations suggest that over time the benefits of ESF support should outweigh costs**

There are also additional findings from the macroeconomic simulation carried out with RHOMOLO, which focus on the overall macroeconomic effects of the programmes. These should be read bearing in mind the limitations highlighted in section 1.4, but tend to indicate that:

- in the long run (by 2030) the **benefits of the support should outweigh the costs and especially so in several regions targeted by the policy**. This is particularly true of a range of regions in the whole Spanish territory (in the North such as Catalonia, Basque Country, Asturias, Navara, Galicia, Cantabria, Aragon, as well as in the South, Andalusia and Valencia). Multipliers effects are also higher than one in Belgium, especially in regions surrounding Brussels-Capital (BE10). Several other regions located in countries like Bulgaria (Yugozapaden), Italy (Emilia-Romagna, Molise, Basilicata), Cyprus, Poland (Mazowieckie, Podlaskie, Lubuskie), Latvia, Malta and the UK. The regional variation of these multipliers reflects more the economic structure of the country and the spill over effects across regions (e.g. regional labour mobility from Brussels Capital to peripheral regions; North versus South economic activity in Italy) rather than the efficiency of TO8 operations in themselves;
- **the fact that multipliers are higher than 1 in several regions is not a trivial finding as public investment is in general likely to displace private investment (crowding out effect)**. In addition, it might be that upskilled workers displace those not benefitting from the support. The costs of the support might also exert downward pressure on the economy, given the related tax increases. But despite these potential effects **RHOMOLO seems to confirm that investment in human capital for under the ESF is generally cost-effective and produces cost-efficient outcomes in at least part of the areas where it is most needed**; and
- the factors driving differences in cost-effectiveness tend to be similar to those driving effectiveness. In essence, the **capacity of a region to make the most of the increased production and demand with internal labour and its export orientation (the stronger the better) are significant factors affecting the**

**magnitude of the multiplier**<sup>121</sup>. Conversely, the presence of a comparatively larger public sector, might reduce cost-effectiveness due to crowding out effects of public investment on private investment.

As anticipated under effectiveness (evaluation question 1.2) and in the limitations section, such estimates should be treated with caution as they can carry along bias, including underestimation.

#### **4.3.2 EQ 2.2 Are there significant cost differences between Member States/Regions in the implementation of the operations? What are these differences related to?**

##### **Whilst the monitoring data suggests cost variations between Member States there are factors that complicate comparisons**

Whilst the unit cost data presented in evaluation question 2.1 suggests that there are significant cost differences between the Member States the same caveats need to be applied and direct comparisons treated with caution, given the wide range of variables e.g. incomplete operations, different economic and target group, different balance of operations etc.

In some cases, there are differences between regions, within Member States, which are probably ultimately due to the heterogeneity of the content, length and target groups of the operations.

##### **Where similar operations are undertaken in different regions within Member States the unit costs are broadly similar**

There is however, evidence of variations between regions within some Member States and especially between urban and rural/more remote areas with additional costs of delivery, often greater for rural/more remote areas. Overall, cost differences between Member States can largely be explained by a range of factors (client group characteristics, type of operations) rather than factors inherent to specific Member States.

##### ***Differences in unit costs driven essentially by composition of the ESF client group and types of operation offered***

Whilst the figures in Table 11 and **Error! Reference source not found.**Table 14 suggest significant variations in unit costs between Member States there are factors that better explain the differences than simple territorial factors, notably:

- The composition of the ESF client group, which will be linked to the different economic circumstances at Member State level. We concluded above (evaluation question 2.1) that the client group was a key determinant of cost variations.
- The labour market strategies at Member State level and the balance of operations (national and ESF). We concluded above (evaluation question 2.1) that the nature of operations (type, duration, level of intensity) was also a key determinant of cost variations.

The examples from the evaluations and case studies details operations with unit costs varying considerably between Investment Priorities and Member States (see evaluation question 2.1) but without clear patterns.

##### ***Socio-economic context does not play a major role in determining differences of unit costs***

**Based on the econometric analysis the socio-economic context does not play a statistically significant role in determining differences in the average cost per**

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<sup>121</sup> In addition, the cost per participation remains a key driver of differences in the multipliers, all the more so as the RHOMOLO simulations cannot distinguish between the micro-level effects of interventions which are similar in nature but might be associated with different costs and effects due to the lack of detailed data on both sides. But this is rather an issue for the simulation than a finding of the study.



**participation and any differences remain modest even if parity of purchasing power is applied to unit costs.** Looking at the unit costs by participation there are variations between different types of regions with average unit costs of EUR 1 037 for more developed regions, EUR 1 464 for transition regions and EUR 1 684 for less developed regions against the EU average of EUR 1 309. These are not major variations. Higher unit costs in less developed regions could be explained in part by a higher proportion of hard to reach groups. However, in contrary evidence unit costs per participation are generally higher in Cluster D regions (those with a strong starting point and improving conditions) suggesting that in such regions a shrinking pool of potential participants (requiring more outreach and targeted provision) has led to higher costs.

So we might conclude, on the basis of available evidence, that there are no major differences that can be attributed to different Member States and that variations arise from a variety of factors that can result in seemingly contradictory evidence.

We also looked at variations within Member States, but again these are due to a variety of factors, drawing on the case studies in particular. In many cases, operational programmes are designed at national level (e.g. Czech Republic and Spain) and whilst the balance of operations varies between regions, reflecting regional and local needs, the delivery principles do not vary.

In Croatia, ESF is used partly to help reduce regional disparities and labour market imbalances but without significant differences in costs. As elsewhere, Croatia reported higher costs for hard to reach groups. Projects in the coastal regions tend to target seasonal workers with job creation programmes more prevalent in inland and urban areas. However, projects based in rural areas often attracted higher transport and delivery costs (less critical mass than projects in urban areas). Similar experiences were reported in more dispersed and in the Operational Programme Niedersachsen (Germany) and in Spain, where costs were higher in rural areas due to the costs of mobility and the extra cost involved in finding the target groups. An example from Denmark showed that the costs per output were found to be 3.77 times higher in transitional regions compared to developed regions, but this may be due to agglomeration and location advantages when it relates to entrepreneurship and skills upgrading in firms or to the different stages of progress in projects across regions (and countries).

***Similar projects implemented in different regions tend to have broadly similar costs (urban-rural variations notwithstanding).***

In Romania, a project implemented in all regions with the same objective to support the unemployed secure a job, registered similar cost/unit values with the one implemented only in Bucharest-Ilfov region, which is more developed and considered more expensive in terms of employment costs. In this case the value of subsidies, both for the unemployed and for the employers, is similar, due to legislation. In another example from Spain where the Public Employment Service applies employment incentives to different types of contracts (which are the same in all territories) or applies scales of unit costs (e.g. a common cost for training per hour, etc.), there are no significant cost differences between regions in the implementation of the operations.

**4.3.3 EQ 2.3 To what extent were the organizational arrangements, including management and control systems at all levels conducive to the effectiveness of operations? Was there administrative burden, in particular gold plating involved?**

There are mixed perceptions on the appropriateness of organizational arrangements. The recent (2020) public consultation presents a generally positive picture – the majority of the 238 ESF delivery organisations who responded stating that arrangements were appropriate but confirmed some reservations over management and control systems and monitoring and reporting systems. This partly contrasts with evidence of delays – especially in the early part of the operational programme – as Managing Authorities struggled to implement the new rules and procedures from the EC regulations, including the introduction of Simplified Cost Options. There have been delays in designating

authorities – which delays implementation and also delays from the EC side in producing guidelines. However, these delays have been compounded by weak administrative capacity among some Managing Authorities or intermediary bodies that affects the implementation of ESF programmes beyond the mere procedure for designation of authorities. A concern is that the capacity at Member State level is under threat in some countries as savings are sought.

Some instances of gold plating in terms of eligibility criteria towards vulnerable groups, dependants and undocumented migrants have been reported. This includes also eligibility for NGOs in entrepreneurship measures. Eligibility issues have been reported also in the field of transnational mobility.

Issues affecting performance of the programmes have already been discussed in answering evaluation question 1.1 and in Annex I. Also, in the evaluations screened, several problems were highlighted including complex administrative procedures, insufficient financial support, inadequate timing and payment delays that had an impact on the implementation of the operations supported. In this section, the evaluation identifies those organizational arrangements, which are associated with administrative burden and that had the most visible impacts on the effectiveness of operations. A central question is whether the administrative burdens mentioned relate to the Regulation or national procedures.

***Operationalising the EU regulations has created an additional administrative burden for Member States as they sought to implement the new rules***

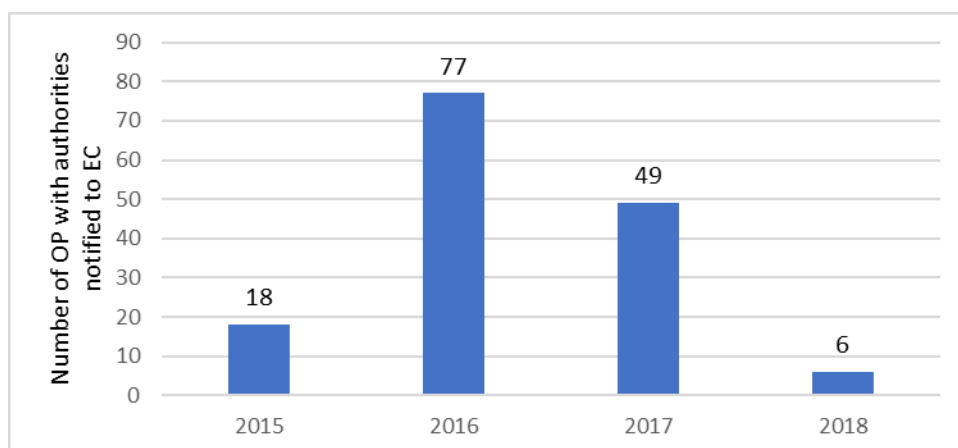
A major issue regarding the management and control systems in place for ESF Operation Programmes has been the formal procedures to designate the fund authorities. Articles 123-128 of the Common Provisions Regulation specify in detail the types of authorities that need to be designated, and their functions. To further support Member States in this process, the European Commission published a guidance document by the end of 2014, in which the roles and functions of fund authorities received further attention.

Particularly in the first years of the implementation period, Member States struggled with completing this process. This is clearly evidenced in Figure 32, where the timeline of the formal notifications of authorities to the European Commission, as foreseen in Article 123 of the Common Provision Regulation, are presented<sup>122</sup>. A total of 55 Operational Programmes only formally designated all relevant authorities after 2016, well into the implementation period for ESF 2014-2020. The process has not been helped by capacity constraints within Managing Authorities, in part a result of austerity measures at Member State level (see also Chapter 5 – lessons on the effective implementation of ESF T08 operations).

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<sup>122</sup> While we only present the 150 Operational Programme with investments in employment and mobility (T08, not including the investment for youth employment), these Operational Programme do not differ from other Operational Programme in this respect.

Figure 32. progress in the designation of managing authorities



Source: SFC 2014: designation of authorities

### ***Delays in the designation of certifying authorities has a negative impact on the implementation of ESF T08 operations***

Without the designation of a certifying authority, no certification of expenditure can take place, and thus no payment claim can be submitted to the European Commission. As such, this has an immediate impact on the possibilities of programmes to implement.

The reasons for such delays in the designation process, most commonly mentioned relate to the difficulties of setting up systems of administrative monitoring. Such systems are crucial forms of input for the relevant authorities to perform their tasks in line with the Common Provision Regulation. Some Member States indicate that the publication of the EC guidance (which came late in 2014), substantially affected their timeline for designating authorities. Member States depended on the guidance, and particularly for the purpose of defining the parameters in the development of adequate monitoring systems. It is also important to note that the designation of authorities does not only have to be in line with the Common Provision Regulation and EC guidance, but also need to satisfy national legislation and audit specifications.

These complexities were a particular cause for delays in the early years in regions and Member States with a comparatively weaker administrative capacity, due to changes in government or key personnel, or re-shuffle of competences among relevant authorities, were those that were most factors. In Romania for instance, all of the above factors were present and taken together contributed to substantial delays in implementation.

### ***Weak administrative capacity at the Member State level leads to delays and other inefficiencies***

Weak administrative capacity among Managing Authorities or intermediary bodies also affects the implementation of ESF programmes beyond the mere procedure for designation of authorities. For example, a mid-term evaluation of the implementation of the ESF Operational Programme on La Réunion highlights management and administrative issues that have impacted on the implementation of the Operational Programme: including payment delays, complex administrative procedures and a lack of information to beneficiaries.

In the case of the Knowledge Education Growth Operational Programme in Poland, the assessment of the readiness of enterprises to implement public activities indicates that the main reasons for the low level of participation of SMEs in public procurement include a high level of bureaucracy as well as inadequate tender procedures. Deficiencies in administrative capacity is also mentioned as a factor in Czechia, which is of relevance in view of further plans to reduce administrative staff at the Managing Authority. Thirdly, in Croatia, the significant capacity shortfall has a sizeable impact on the implementation of the ESF.

***The introduction of Simplified Cost Options created an additional administrative burden as Managing Authorities got used to the procedures, but should reduce costs and administrative burdens***

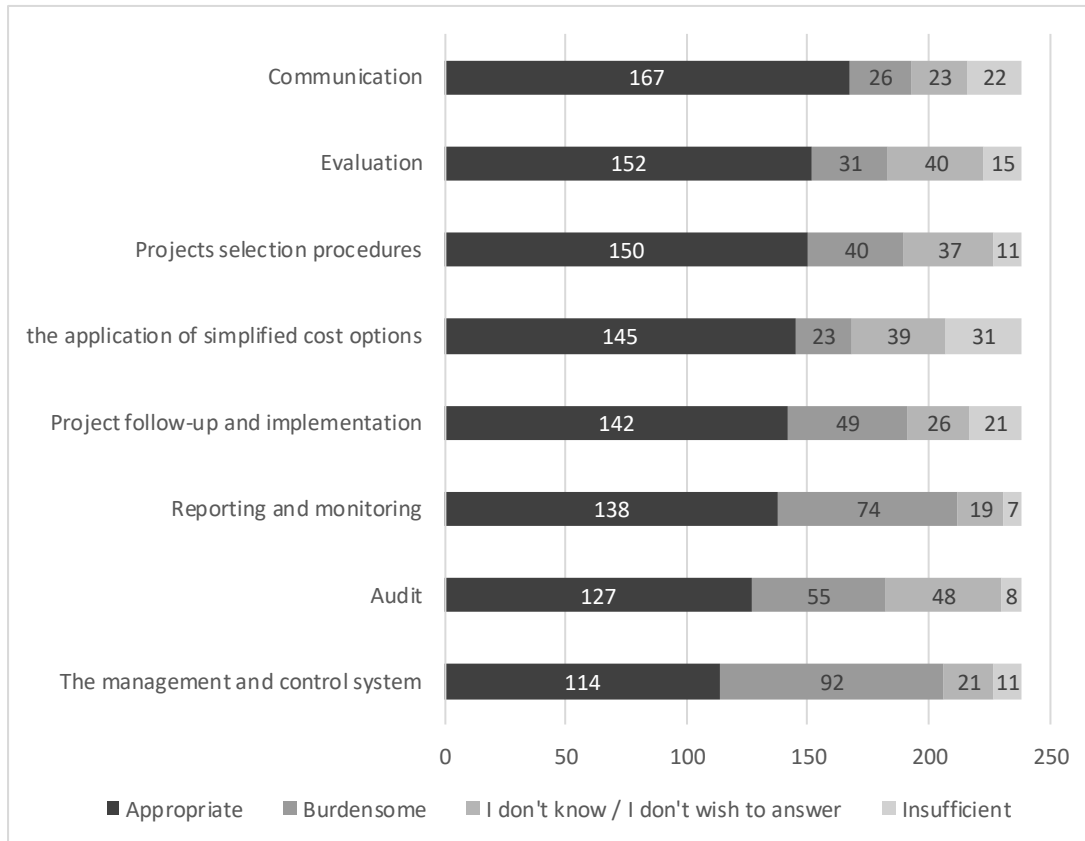
The 2014-2020 programme period introduced Simplified Cost Options (SCOs) as a measure to help Managing Authorities and beneficiaries reduce their administrative costs in the implementation of ESF. While these indeed have the potential to do so, this potential can only be realised where Managing Authorities are sufficiently familiar with the rules and procedures involved. In various Member States, we found evidence of some confusion and (the perception of) legal uncertainties revolving around the use of simplified cost options which in turn has hindered the effective implementation of ESF, particularly in the early years. For instance, the Spanish mid-term evaluation of the national Social inclusion and social economy Operational Programme reports that the main difficulties encountered in the execution of the programme were the lack of information on the simplified cost system. The extent to which the difficulties with SCOs have been resolved and processes are leading to simplification, reduced administrative burdens and costs can be tested in the ex-post evaluation.

***Organisations involved in the delivery of the ESF generally believe that the administrative arrangements are adequate, but significant shares of respondent which consider them burdensome exist, especially with respect to monitoring, auditing, management and control.***

There is a more positive perspective from the 238 organisations who responded to the public consultation. Interestingly, this provides a more up-to-date view (2020) and could signal that administrative arrangements have now 'settled in' as 'early programme' difficulties are resolved.

The public consultation provides some insights in relation to administrative burden. Responding organisations involved in ESF were asked to qualify different types of administrative arrangements. Most of them consider appropriate arrangements related to communication (70.2%), evaluation (63.9%), projects selection procedures (63.0%), application of simplified cost options (60.9%), project follow-up and implementation (59.7%), reporting and monitoring (58.0%) and audit (53.4%). However, management and control system arrangements are appropriate by slightly less than half of respondents. The highest shares of respondents saying that **arrangements were burdensome** is found for the **management and control system** (38.7%) and **reporting and monitoring** (31.1%), although they do not reach half of respondents. Respondents referring to Germany and Italy seem to be more negative about the management and control system compared to the rest of respondents.

Figure 33. Answers to the question: "How would you qualify the following administrative arrangements for the implementation of ESF supported actions?" (238 respondents)



Source: Final Report, Public Consultation on the Evaluation of the EU Support to Employment and Labour Mobility by the European Social Fund

### **Some examples of gold plating have been reported by EU level stakeholders**

Some examples of gold plating have also been reported by EU level stakeholders, including the fact that especially for some groups eligibility rules, and more specifically the way these might be interpreted at the Member State level, at times limit or hamper outreach. For instance, issues of potential gold-plating have been reported especially in the field of ESF support to undocumented migrants or asylum seekers, family reunification, people with disabilities, but also ROMA and people in the informal market, with Member States employing more restrictive eligibility criteria on them than those directly stemming from the ESF regulation. Towards them, there is also potentially a lack of support offered in terms of, e.g., awareness raising of labour rights

Likewise, eligibility issues are found to create some difficulties in the case of support for social enterprises, as, for instance, associations and NGOs might have different legal statuses not always in line with the calls' requirements.

Finally, eligibility issues as a result of gold plating have also been raised in the field of transnational mobility in operations which support labour mobility (e.g. purchasing the ticket to travel abroad).

#### **4.3.4 EQ 2.4 In particular, how timely and cost-efficient were the procedures for reporting and monitoring?**

##### **There have been – and remain – challenges in implementing monitoring systems and in recording soft outcomes**

According to the better regulation guidelines, a monitoring system should follow five governing principles: comprehensiveness, proportionate, minimise overlaps, timely and accessible. Despite commendable improvements with respect to the 2007-2013

programming period, especially with respect to issues of counting properly ESF direct participants, making the most of administrative sources as well as standardising data collection through common indicators, the current monitoring system shows limitations in the quality and reliability of quantitative evidence produced which affects implementing bodies and evaluators alike. A lack of usable information on soft outcomes also limits the comprehensiveness of the analysis carried out, and might lead to overlooking part of the key benefits for ESF participants. Some suggestions are put forward in Chapter 5.

From the perspective of implementing bodies, issues with the setting up and operation of the monitoring system, including IT issues, issues with the collection of sensitive data as well as with longer term indicators, have meant delays and complications. Several Member States are facing problems – not easily resolvable – in acquiring personal information from participants which has an indirect effect on the quality and effectiveness of ESF operations.

***Collecting personal information on participants is proving challenging and impacting on effective implementation of the ESF T08 operations (e.g. effective targeting, baseline analysis, understanding the needs of the client group etc.)***

Issues related to setting up or implementing the **management control and monitoring systems have continued to be the most commonly reported issues even in Annual Implementation Reports 2017 and 2018** screened (in 18 and 20 Member States, respectively).

A key issue has been collecting background characteristics for participants; it has proved challenging and time-consuming in many Member States to organize the relevant surveys among beneficiaries to collect the data required and process the data in line with the standardized requirements<sup>123</sup>. In Spain for instance, a Managing Authority reported problems dealing with participants that had not completed any formal educational qualification. Various Managing Authorities report that particularly the data required to collect longer-term indicators (those at six months after the support ends) proves onerous, both for the Managing Authority and for beneficiaries.

Related to this is the challenge to **collect sensitive data from beneficiaries**, which proved a challenge in Germany, Spain and Luxembourg. In Germany, around one-third of participants do not give their consent to store the data collected in surveys, while local legislation ensures that these can still participate in ESF projects. In Luxembourg and Spain, the collection of data on sensitive information was also mentioned as challenging, which often results in delays and/or inaccuracies in the collection of monitoring data. Even though the processes are compliant with the EU data protection Regulation (GDPR), Managing Authorities indicate that it has become harder to collect such data. This creates problems in compiling the common indicators, particularly for people in vulnerable situations (for whom data collected on their background is often restricted by national law). The removal of the requirement to collect data on the household situation of participants alleviates this challenge, as this proved the most difficult.

***There have been delays and issues in developing and implementing IT monitoring and cost/payment systems***

The **setting up of IT systems** to process and store monitoring data has proved challenging as well, and was mentioned by 14 Member States in 2017 and by 9 Member States in 2018, thus a more limited but still consistent number. A multitude of requirements, the development of various parallel systems, or technical challenges to get everything up and running all contributed to a substantial level of delay in implementation.

In various Member States implementation had already started while work continued to develop the required IT systems. In Spain for instance the IT application was launched in January 2018, after which the certification of expenditures and the recording of other monitoring data started. Only from this moment reimbursements were filed, which proved

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<sup>123</sup> Recall that Annex I and II of the ESF Regulation present a list of common indicators for which programmes need to collect detailed micro-data for participants in operations.



a bottleneck for the implementation of the large variety of activities under TO8. In 2018, the challenges are related to a familiarization with the new system. Also, where IT systems are up and running, some Annual Implementation Reports mention that these systems do not allow exporting data in line with EC regulations. In this case, reporting depends on manual manipulation of participant / financial data in complex spreadsheets, which is prone to errors (Italy, France, Belgium, Portugal, Poland, United Kingdom, Finland, Greece).

Due to the extent and complexity of requirements on Managing Authorities, twelve Member States explicitly mentioned the **lack of resources** (financial and staff) in Managing Authorities to conduct their activities efficiently. Frequent staff turnover and overall low numbers of staff, particularly for Managing Authorities responsible for regional Operational Programmes complicate the effective and efficient implementation of ESF funds, particularly in 2017-2019, when the number of ongoing calls is above average, whereas the additional requirements related to ongoing amendments to programming and verifications for progress to the Performance Framework place an additional burden on understaffed Managing Authorities.

***Monitoring systems are failing to collect, store and utilise information on soft outcomes and micro-data in a consistent manner, across all Member States***

From a substantive point on the quality and relevance of indicators and monitoring procedures, it should be recalled that according to the better regulation guidelines the purpose of a monitoring system is twofold: on the one hand, to provide actors involved with the implementation with information on the progress of the programmes and, on the other hand, to provide evaluators with the data they need to carry out evaluations.

The better regulation guidelines also indicate that, to fulfil such purposes, the monitoring should follow five governing principle and be **comprehensive, proportionate, minimise overlap, timely and accessible**.

From this perspective, the **lack of information** that can be meaningfully used for aggregation and comparison across programmes **on soft outcomes**, means that the comprehensiveness of the system is not entirely verified, although this issue applies to thematic objective to a larger extent than for employment and mobility. It is noteworthy, from this perspective, that there is no common indicator on labour mobility, leading to scarce evidence on the theme. In addition, there is no dedicated reporting arrangement focusing on the quality of employment gained.

The monitoring system is however in proportionate (in terms of measuring only relevant outcomes) and does not require Managing Authorities to newly collect information which might be available in administrative registers, to minimise overlap. Nevertheless, **the collection, storage and accessibility of micro-data**, which would be paramount to the end of sound evaluation, **has proved challenging**. Despite efforts being undertaken by the Consortium to gather and systematise micro-data on a selection of case studies and operations, **the great fragmentation of information available, the time it takes for Managing Authorities to gather and share the data and the lack of detailed information on typology of operations** supported which can be linked to information on outputs and results make comparative analysis virtually impossible.

As already noted in the study "Pilot and feasibility study on the sustainability and effectiveness of results for European Social Fund participants using Counterfactual impact evaluations" recently carried out by Ismeri Europa, IES and Ecorys for DG Employment (2019), some Member States are simply not in a position to gather, systematise and share micro-data; for others, privacy issues means they are reluctant to share it with external



contractors. This is however a serious issue which affects various analytical tools, including the econometric analysis, the simulations from RHOMOLO<sup>124</sup> and the analysis of unit costs.

Finally, in terms of timeliness, there are some unavoidable issues implied by the time lag between the entry to the operation and the registration of the results (all the more so with longer term results). The fact that financial and physical information might become available at different points in time means problems for the reliability of any analyses which considers the relationship between these two dimensions.

Despite the considerable efforts in standardising the monitoring arrangements across the EU and the clear improvements to the monitoring data that made, amongst others, this evaluation possible, concerns remain as to whether the current level and quality of available information fully justifies the costs. The biggest area of work seem to be that of micro-data and their link to typologies of operation, which would aid greatly both micro and macro evaluation. Time lags, conversely, should become less and less significant as the implementation progresses.

#### **4.3.5 EQ 2.5 How visible were T08 funded operations?**

**Despite a range of positive examples of good visibility of the operations of employment and mobility funded by the ESF, hard evidence on communication and visibility activities remains scarce**

This is limited to one evaluation in France which found that from one third to half of participants (shares for the national and regional level, respectively) pointed to the lack of visibility of ESF operations. The public consultation shows that individuals' main reasons for not participating to ESF operations were a lack of awareness and not knowing where to ask for information. During the EU level focus group, it was raised that the fact that ESF risks being not very visible to the public because it is hard to 'show' the contribution of ESF given that it has an essentially human dimension, as opposed to funds dealing with infrastructure. Moreover, ESF visibility might also depend on participants' willingness to share their experience, and the need to respect their dignity.

**There have been effective promotional activities that have helped to increase the visibility of ESF T08 operations**

Nevertheless, the judgement from stakeholders from all clusters and socio-economic contexts suggest that the several initiatives carried out (events, social media, promotion of projects by the same beneficiaries, websites and just word of mouth) have been effective in disseminating ESF opportunities as well as results.

Among key success factors are the dissemination of concise and attractive visual material, success stories also through public relation/communication agencies, and presence in the media. Main obstacles encountered include lack of resources for the promotion of initiatives and the fact that the subjects discussed are sometimes hard to communicate. Participants to the EU level Focus group suggested that communication could be simplified and improved, also through a more effective 'branding' (e.g. the European flag) and better storytelling, using ESF participants' personal stories for example.

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<sup>124</sup> The simulations from RHOMOLO largely rely on estimated data. Conditional distributions of target group's features (e.g. for each programme, how many participants were inactive AND low skilled - and so forth) are not available, so these had to be estimated econometrically in a separate exercise carried out by FGB and the JRC. But there is no definite indication as to the goodness of fit of such estimates. In a similar vein, also the typologies of operations had to be inferred from annual implementation reports that however do not specify this as a mandatory information. Thus, in many cases, we could just produce informed estimates. Lastly, even where the cost of the operations by typology is known, there is no systematic indication of its link to the output and results generate. Values are known only in aggregated form at the level of each investment priority, which could however encompass thousands of operations. All these problems could be contained or solved if micro-data became available

### ***Social media is the most effective communication tool to increase the visibility of ESF T08 operations***

Most respondents to the public consultation considered **social media campaigns** as the best channel of information (70.4% of respondents). The least popular channels seem to be the distribution of flyers and advertisements in newspapers. It is interesting to note that the information channels actually experienced by young people are slightly different, with **most respondents** having **learned about the support measures they benefited from through employment services and employment info centres** (43.4%), followed at a distance by social media (18.9%).

30.2% of them replied that they were not aware of them, 15.5% replied they did not know where to ask for information and 9.3% responded that the operations were difficult to reach from where they lived. These results indicate that visibility should be improved.

Although most respondents to the public consultation replied that they are very familiar with ESF (53.9%) and very few (5.6% of respondents) that they never heard of ESF before, this familiarity is particularly spread among organisations involved and ESF participants. In fact, organisations involved in ESF show the highest rate of respondents saying they are very familiar with ESF or have an idea of the goal and scope and know at least one activity (94.9%). Looking at respondents who were involved in ESF as participants, 62.3% of them are very familiar and 26.4% know at least one activity funded by the ESF. Familiarity with ESF is **not as much spread among citizens who were never directly involved with ESF** (only 26.4% are familiar with ESF and 16.4% of them never heard of ESF before). This might indicate that more efforts should be made to increase visibility of ESF and its operations and results among the 'general public', to be able to reach out better to the target groups and potential beneficiaries.

### ***But a wide variety of communication tools are used***

Across the different cluster regions, various dissemination activities have taken place to make the TO 8 funded operations visible. These include the following:

- Ministry websites;
- Different kinds of events (press releases, workshops, information days, meetings with various types of stakeholders);
- Social media, through Facebook and Twitter accounts;
- A specific Romanian project within the Operational Programme on Human Capital has as a general objective increasing the level of information and promoting ESF good practices and initiatives among the general public, employees of the managing authority or implementing bodies, members, observers and guests in the programme's monitoring committee, and for the beneficiaries and potential beneficiaries of the programme (a communication campaign started in March 2019);
- Project beneficiaries promoting Operational Programme funding, in order to attract the target group members and according to requirements for EU funding;
- Project promotion at national level through employment agencies;
- Websites promoting funding sources with dedicated pages of Operational Programme operations; and
- Word of mouth dissemination (considered to still be the most effective way according to Spanish stakeholders).

Specifically, in the case of the Croatian, Spanish and German selected Operational Programmes, the stakeholders interviewed perceive the T08 funded operations as highly visible and the return of the investment in communication activities is high. Also in the Czech Republic, communication is viewed as an integral part of the projects. The ESF portal<sup>125</sup> is perceived as very positively by users as required information can be easily found. Visitors appreciate the complexity, quality and availability of information provided.

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<sup>125</sup> <https://www.esfcr.cz/>

Promotions are prepared for specific calls, but there is no need to invite the applicants to ask, people ask themselves.

***France provides the strongest evidence of the effectiveness of different communication tools***

However, besides a survey in France, no actual evidence was provided so far on the effectiveness of communication activities nor the perceived visibility of the TO 8 operations. At the French national level, the survey among participants carried out by Amnyos and Edater (2019)<sup>126</sup> emphasises the lack of visibility of the ESF funding (around one third of the participants according to national level survey increasing to more than half according to a regional level one). Furthermore, several interviewees within the scope of this evaluation commented on the fact that the lack of knowledge and/or difficulty understanding the ESF rules might have deterred participation to operations.

In terms of success factors, in the Czech Republic, the Managing Authority actively focuses on the search for specific positive stories and themes within the supported projects that have the potential to significantly improve the awareness of effective impact of Operational Programme funds on society. Currently, a Public Relations agency is to be recruited to present ESF results. There will be media communication to the general public about the results of the Operational Programme. The Managing Authority has commissioned several evaluations of communication activities and publicity including collection of public opinion.

Greatest contribution made to communication were considered to be through informative campaigns and a concisely designed visual for individual operations designed to promote employment. For example, the operations in Croatia were known under the notable names "Get a job in Croatia!", "From measure to career" "Realize your dream in Croatia" and were significantly covered by media and therefore easily receptive to the public.

The case study analysis also highlights some obstacles to the visibility of employment and mobility support. In certain instances, **subjects were considered difficult to communicate**, thus making dissemination more challenging (i.e. the Social Innovation operation in Niedersachsen). In addition, resources were regarded scarce for the promoting of the programme among new one applicants especially.

Visibility of ESF was also discussed during the focus group and some interesting contributions were made. In particular, the discussion highlighted the fact that ESF risks being not very visible to the public, as it is **hard to 'show' the contribution of ESF** given that it has an essentially human dimension, as opposed to, for instance, ERDF and cohesion funds dealing with infrastructure. In this case, it is easier to 'tag' the new infrastructure with the funds' name. ESF visibility sometimes also depends on participants' willingness to admit they have received ESF support. These two elements create inherent difficulties in communicating the relevance of ESF support.

Participants suggested the need to simplify communication and to make it more direct also through better use of social media. In fact, the discussion raised the question of whether it makes sense to advertise operations under the specific name of the fund. Some noted that citizens do not care much about the exact funding source and that the important thing is to let them know that it is **EU funding without specifying which one in order to avoid complications**. Using the EU flag might be an efficient way to signal this, given that it is a univocal and easily recognizable symbol. It was also suggested to try telling stories about ESF support in a more 'personal' way.. For example, in Bulgaria a commercial was prepared about a woman from the ROMA communities telling her personal story about how ESF helped her, and this aided visibility.

Lastly, it was noted that although it can be important to communicate with the general public, thinking about how to **reach out to "small-scale" potential beneficiaries**, such as associations and small NGOs, is also important. In fact, some of them may refrain from

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<sup>126</sup> Amnyos, Edater, 2019, «Evaluation de la priorité d'investissement 8.7 concernant la modernisation des institutions du marché du travail», Report for the Ministry of Labour, DGEFP, Décembre 2019

applying because they think it is too burdensome and complicated and they do not have clear information about steps to be taken to access funding opportunities.

#### **4.4 Relevance**

##### **EQ 3. Relevance: How relevant have the operations funded by the Thematic Objective 8 been?**

###### **The relevance of operations funded by TO8 is shown by its general alignment to the needs of target groups and its contribution to the labour market integration of the unemployed**

In response to the high level of unemployment across the EU at the start of the programming period, ESF funded a large variety of (immediate) employment measures, such as providing individual guidance to job seekers, integrated approaches, hiring incentives to employers, or supporting apprenticeship models. These operations responded to the immediate needs of target groups, by helping the unemployed enter the labour market in difficult economic contexts, based on the individual needs and link the unemployed to sectors showing labour shortages. At the same time, smaller budgets were allocated to measures in the area of gender equality, active ageing or labour market institutions.

###### **The continued relevance of ESF is shown by its ability to adjust to changing socio-economic conditions across the European Union**

The broad definition of objectives, types of operations and intended target groups allowed programmes the flexibility to respond to changes in the implementation context without additional procedures. Formal amendments of operational programmes were also common, through which formal changes in the allocated budgets and revisions to indicators could be made. Operational programmes in different types of regions sought to respond to the specific needs at local level by making different choices as considered most appropriate.

###### **Overall, ESF targeted the most relevant groups from the design phase**

The way ESF programmes are designed ensured that they cater for the needs of individuals in different socio-economic situations and in different contexts. With improving employment conditions in the labour market, ESF is increasingly used to address the long-term unemployed and other groups with specific vulnerabilities. These groups did not benefit as directly from the improvement in the labour market as the general population, which underlines the relevance of ESF investments towards these target groups. One exception mentioned by stakeholders is the fact that refugees without legal status also cannot be targeted by ESF operations, even though such operations could prove relevant in improving their subsequent labour market position once their application has been granted.

###### **The focus for TO8 operations has been to reduce immediate barriers to employment and help individuals close the gap towards the labour market, but more emphasis might be necessary to tackle strongly embedded gender gaps or address the specific needs of older workers**

Attention is mainly given to such immediate needs, with relatively limited means focusing on more structural long-term measures, such as active ageing and gender equality. These priorities are defined as dedicated investment priority, but are also expected to be mainstreamed across programmes more generally. While the operations under both specific investment priorities are relevant, the limited budgets allocated to it also reduce the impact on strongly embedded gender gaps or practices regarding older workers. Both target groups are more commonly addressed in other priorities, but often without taking the specific needs of these two target groups into account. A more targeted approach, with commensurate level of funding, could help to further enhance the relevance of operations these target groups

**4.4.1 EQ 3.1. To what extent were the objectives and the operations funded by the ESF relevant to the needs of target groups?**

**The evaluation findings show that TO8 operations were generally aligned to the needs of the target groups and contribute to the labour market integration of the unemployed**

In response to the high level of unemployment across the EU at the start of the programming period most attention was given to (immediate) employment measures, such as providing individual guidance to job seekers, integrated approaches, hiring incentives to employers, or supporting apprenticeship models. Less attention was dedicated to more structural employment measures, such as gender equality, active ageing or labour market institutions.

**Operations were found to be useful in improving skills and helping unemployed enter the labour market**

This is particularly true for operations that focus on an individual centred approach i.e. taking into account the individual needs and linking the unemployed to sectors showing labour shortages. Operations that combine several types at the same time (supported by multiple funds or not) including an individual need assessment, guidance, training as well as activation of the demand side of the labour market (by providing incentives to employers and entrepreneurs) were considered most relevant. To align the operations with the needs, it is important to involve actors that are familiar with the target group as intermediate body or beneficiary. Beyond the individual support the ESF investment in the demand side of the labour market contributes to long term developments (such as establishing and entrepreneurial culture, especially for the countries that have a job shortage).

Findings from the experimental research on the macroeconomic effects carried out through RHOMOLO suggest that, in the long term, benefits can stretch to those indirectly targeted by the policy, depending on the socio-economic structure of each region. Such externalities mean that, for instance, in Spain high-skilled employment would increase in the long run as much as those for the low skilled, which is the main direct target group. This is relevant in view of the high unemployment rates of tertiary graduates in the area, indirectly benefitting from support.

***ESF employment investments focused mostly on short-term employment needs (access to employment) and less on more structural measures in the area of gender equality and active ageing***

The majority of the TO8 budget is allocated to access to employment (Investment Priority 8.i), which is programmed by all Member States, except of Denmark (it focuses solely on supporting entrepreneurship, adaptability of workers; and labour market institutions). Adaptability is the second-largest priority, which receives substantial investments in most Member States, especially in Germany and France. Other Investment Priorities receive smaller investments in absolute terms and are only (relatively) substantial in specific countries, such as gender equality in Austria, active ageing in the Netherlands, and entrepreneurship in Denmark. While understandable from the perspective of short-term labour market needs, particularly the low level of investments in active-ageing across the EU understates the relevance of such investments, in view of the growing demographic challenge facing Europe. Similarly, the current level of ESF investments in the area of gender equality is relatively low if it is compared to the magnitude of the challenges to be tackled. Investments in labour market institutions only receive a small share of ESF budget.

These investments generally reflect the needs identified in the programmes based on the labour market situation in 2014, as well as Country-specific recommendations. The

majority of Member States received Country-specific Recommendations relevant to Investment Priority 8.i<sup>127</sup>, while the recommendations for the other Investment Priorities are more scattered. Investments of the ESF differ per type of region, with less developed regions (mainly in Southern Europe) investing a larger share of ESF budget on access to employment, compared to more developed and transition regions, given the relative high unemployment figures in these regions.

Some countries, especially those in the north-west of Europe, showed positive developments to the employment situation during the programming period, sometimes leading to lower than expected take up of operations amongst the target groups that report higher employment figures (such as in Germany and Denmark). Nevertheless, Member States still face enduring challenges for the target groups most at risk in the labour market, such as people aged over 55, long-term unemployed, low skilled, women and persons with disabilities, which underlines the continued relevance of ESF programming in these contexts.

***The different types of operations chosen for the different investment priorities are a relevant response to their objectives***

Different types of operations are supported under each Investment Priority:

- For Investment Priority 8.i most operations relate to the mainstream type of operations of Active Labour Market Policies, such as providing individual guidance to job seekers; integrated approaches; Vocational education and training; hiring incentives to employers; or supporting apprenticeship models. Activities such as basic skills training; accreditation of prior learning; arrangement at the workplace for individuals; and the development of tools and instruments are supported to a lesser extent. In most cases different activities for individuals are combined in an integrated manner (guidance, training, accreditation prior learning, job searching and matching etc.), ensuring that ESF does not only simply support isolated operations, but supports operations that feed into an individual, tailor-made plan for participants. In a limited number of cases, the supply side (increasing the qualification and skills of job seekers) and the demand side measures (incentives to hire job seekers as well as providing work experience places) are combined. Investment Priority 8.i generally shows the most diverse range of target groups by supporting people that are unemployed in general, long-term unemployed, disadvantaged, older persons, inactive, women young unemployed, low skilled, employment services, migrants, and also enterprises.
- For Investment Priority 8.iii most operations that support self-employed/ entrepreneurship offer financial support, being the most frequently used operation, followed by guidance for individuals, awareness raising activities, support to social enterprises, and entrepreneurship training. When considering the target groups addressed by Investment Priority 8.iii, the operations focus on the unemployed (starting up their own enterprise), women, disadvantaged, enterprises, long-term unemployed, older workers, the inactive, young unemployed and employees.
- Investment Priority 8.iv supports operations relating to the provision of childcare facilities, individual guidance for women; vocational training, arrangements to improve work-life balance, development of tools and instruments, awareness raising programmes for employers, change management in organisations, and financial incentives. Operations in this area often target women, the unemployed, enterprises and employees.
- Investment Priority 8.v supports a wide variety of operations and most of them relate to employers that facilitate management of change in organisations to prevent or

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<sup>127</sup> Country-specific Recommendations that are considered relevant for Investment Priority 8.i are generally referring to increasing employment, reducing labour market segmentation or strengthen Active Labour Market Policies and outreach to certain groups. In some case specific reference is made to disadvantaged groups in general or in other cases to specific target groups (long term unemployed, young people, women, older people, low skilled, migrants).



mitigate the consequences of economic restructuring. Furthermore, ESF investments support the Public Employment Service and other labour market institutions (including social partners) to assist practices promoting occupational and geographical mobility of employees. Furthermore, ESF supports social innovation and provides employment incentives for employers to hire staff. Moreover, ESF supports the development of programmes, tools and instruments (like cooperation training programmes, outplacement programmes, or instruments to support social dialogue between employers and employees) and supports networking between employers, and training and research institutes in order to promote further education (or skills validation), as well as innovation power (sharing knowledge and stimulate mobility of PhDs). Networking between employers is also supported to develop tools, instruments and good practices for managing economic and demographic change and employing ageing workers and secure skilled workers (e.g. establishing a regional mechanism to record labour market needs in training, skills development and research). In some cases, operations were supported to support future relevant sectors, branches and occupations, such as the green sector or other sectors that are prioritised within the regional economy. With regards to individuals, ESF supports career guidance for individuals, traineeships, vocational training of individuals (upscaling technical competences and qualifications according to labour market needs, but also basic skills when needed), support arrangements at the workplace individuals (like individual training plans), and self-employment incentives, and subsidised employment. These operations are usually combined in an integrated and individualised approach (as defined for outplacement programmes). Investment Priority 8.v focuses most on enterprises, employees, employees at risk, and the unemployed.

- Investment Priority 8.vi mainly supports the development of tools and instruments for organisations, raising the awareness on healthy ageing and providing incentives for companies to hire older workers. Most support is given to consultancy activities, helping companies and sectors develop active ageing policies, operation plans, tools and work forms for managing health risk factors in companies. ESF also supports hiring incentives for older workers at the national level and the promotion of new forms of organisation in employment and flexible employment (such as part-time, telework, etc.), and intergenerational learning at the work place (where seniors are mentoring a younger employee). Investment Priority 8.vi focuses on entities (such as employment services, local / regional and national public organisations, enterprises, and social partners) and, albeit indirectly, individuals like the unemployed and employees.
- Investment Priority 8.vii supports a wide variety of activities, such as labour market studies and monitoring activities (including supporting new innovative tools to monitor labour supply and demand and forecast for the future). Furthermore, it supports monitoring and evaluation arrangements of Public Employment Services, the development of innovative job matching instruments and the improvement of career guidance (including online instruments, new diagnosis tools, improved mediation and individualised support). Other operations relate to increasing the quality and efficiency of services provided by the Public Employment Services by introducing minimum and common standards, by establishing *ad hoc* task force, and facilitating new working processes and Active Labour Market Policy instruments, training of staff, improving ICT infrastructure and introducing performance based systems of Public Employment Services. Moreover, ESF supports the cooperation between labour market institutions and employers on regional as well as sectoral level (creating platforms for sharing experience and knowledge) and facilitates events for knowledge sharing between different labour market actors.
- Also related to this Investment Priority is the transnational exchange of good practices and experience (also by enhancing the EURES network and integrating this in the employment service), as well as supporting transnational mobility of job seekers (by supporting information events, job fairs, language training and



intercultural competences, and more). In a few cases, it was mentioned that ESF was used to support the development of a framework for social economy and social entrepreneurship, as well as to implement the mechanisms and systems created by social partners in the previous ESF period. In a limited number of cases, ESF was also used to support projects focusing on the strengthening of professional and analytical capacities of social partners, the building of infrastructure and of communication platform of social dialogue, and the development of social partnerships on national and international levels.

Nine out of ten respondents to the public consultation consider **operations aiming at placing a person in a job** to be useful (88.9%) and eight out of ten consider useful operations aiming at improving the quality and welfare of human resources in companies and organisations (80.9%), operations aiming at helping a person perform better in an existing job (79.1%) and information and awareness campaigns (79.1%).

### ***Operations funded by ESF are relevant to the needs of most target groups***

In-depth analysis of a few Operational Programmes and summaries in the country case studies provide evidence that Member States have developed operations that are relevant to the needs of the unemployed, entrepreneurs, women, employees, older workers, and labour market institutions. The objectives and the operations funded by the ESF are, for the majority of operations, closely aligned to the needs of the target groups addressed.

Individual centred approaches based on the needs of target groups were especially considered relevant. A clear example is for instance a German operation in its federal Operational Programme that focuses on difficult to reach target groups. The counselling offered, under the heading of gender equality measures, was based on a tailor-made package of measures. Similarly, in Finland, personal guidance and need assessment was the starting point of its operations, which ensures relevance to local beneficiary needs. Other country reports refer to skills assessment (as the case for Luxembourg), as a strong point assuring that support is addressing a clear demand.

Another element that made the supported operations relevant for the target groups was the use of an integrated approach, combining several operations at the same time (depending on the needs). This was reflected in the case of the Campania Operational Programme (Italy), where the needs were addressed by pursuing different types of measures related to recipients' profiles and characteristics (providing pathways combining guidance, counselling, upskilling and reskilling training, and companies' incentives for long term unemployed). Also, in Germany, the National Operational Programme combines operations targeted at SMEs, individuals and intermediaries (social partners), and strengthened regional structures. Also, in the case of France, operations within TO8 focused on several dimensions, first of all on the factors that remove the obstacles that prevent sustainable integration on the labour market including guidance to the labour market, acquiring relevant skills (especially for those of a low qualification level), guidance to elaborate a professional plan, etc. The need for more integrated approaches was also pointed out in the Romanian Human Capital Operational Programme, however from a more negative point of view, concluding that a more integrated approach, especially for the disadvantaged groups (e.g. through multi-fund operations) was missing. In the case of the Puglia Operational Programme in Italy, it was indicated that the operation was weakened through a too narrow focus on training, not sufficiently addressing the occupation needs of the target.

Other examples refer to the role (and importance) of specific (and specialised) intermediate bodies and beneficiaries in programme implementation that are linked to the target groups. Operations with the involvement of such organizations were adapted to the specific needs of the target groups such as women and possible entrepreneurship candidates (Spanish Chamber of Commerce and Foundation EOI); migrants in the Catalonia Operational Programme; or population in rural areas in the case of the Extremadura Operational Programme. Case studies also point to the fact that the operations that include different social partners were crucial for both employers and

workers, as they developed new ways in personnel and organisational development based on joint decisions. Especially the cooperation between new partners at regional level allowed to develop innovative ideas in response to specific topics as well as changing needs.

Member States mostly focused their operations on the target groups most in need. However, one crucial finding is that investing only in the supply side of the labour market is not sufficient. The French Case study indicates the possible employment benefits of operations that aim at fostering entrepreneurship and business creation. In this case specific attention was given to women, responding to the lower share of business creation. The importance of investing in the demand side of the labour market was also confirmed in Finland where the evaluation of the development initiatives that were integrated within the company's everyday practices showed that they were the most sustainable. In Germany higher than expected demand from SMEs of operations under Investment Priority 8.v was recorded, and the financial allocation subsequently increased. Luxembourg mostly focused its operations on sectors with highest potential for new employment, assuring that the demand side of the labour market is taken into account.

The case of Denmark clearly refers to the importance of investing in entrepreneurship and business creation on the long-term, by investing in entrepreneurship education in primary and secondary education. Participants in the public consultation also underlined how ESF could further increase its support to businesses directly, mostly through microcredit schemes and targeted financial support. However, in doing so, it is important that fund management also pays attention to beneficiary needs, and focus on reducing bureaucracy, simplifying procedures and lowering entry requirements for both beneficiaries and participants in activities.

A reflection on how the macroeconomic dimension affects the overall relevance of employment and mobility investments also is offered by the experimental work carried out by the Joint Research Centre with RHOMOLO. Despite the limitations recalled elsewhere in the report and in Section 1.3, the analysis sheds some lights on the externalities which are likely to occur due to employment and mobility investments. In particular, in some regions of Spain where the focus of the operations is typically on the low skilled, the increased employment in the long term involved also graduates, which is relevant to the high unemployment rates of people with tertiary education in the same areas. In other regions, increased employment can be more skewed towards other skill levels, and this does not only depend on the direct beneficiaries targeted by the operations but is contingent upon the socio-economic structure of each region.

#### **4.4.2 EQ 3.2. To what extent were the Operational Programmes flexible and able to adapt to changes in the implementation context, notably the evolution in the situation of employment and mobility?**

**The Operational Programmes have proved to be flexible enough to allow adaptations throughout the programming period, which ensured that programmes were able to respond to changing needs**

Objectives, types of operations and intended target groups have been defined relatively broadly in most programmes. These have provided the flexibility to respond to changes in the implementation context without additional procedures. Formal amendments of operational programmes were also common, through which formal changes in the allocated budgets and revisions to indicators are made. These adjustments were tracked and show different patterns across different regions, in line with the changing situation of employment and labour mobility.

***The broad selection of priorities and target groups ensured that most programmes were flexible enough to adjust to changing needs***

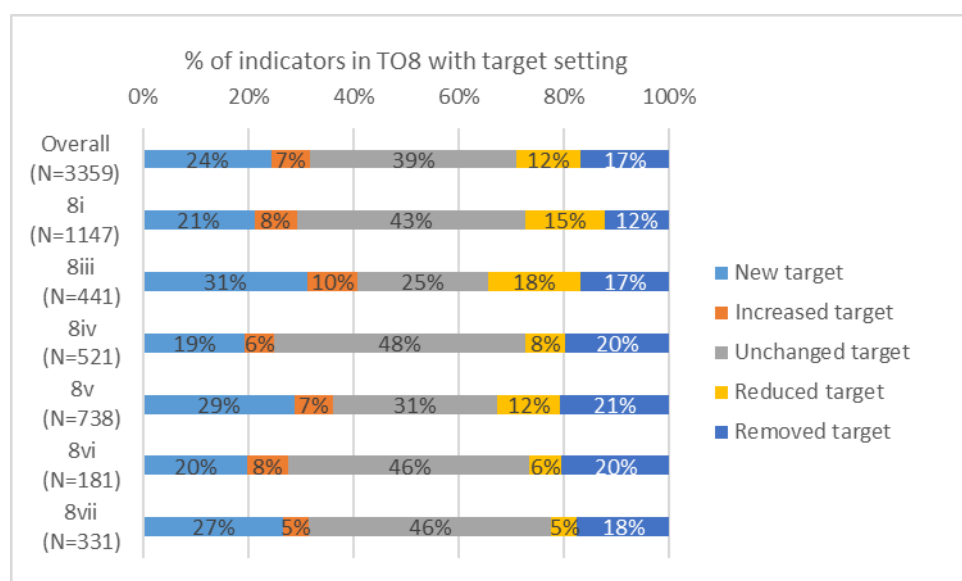
Member States define their objectives, types of operations and intended target groups in the Operational Programmes in a relatively broad manner, which permitted rapid

adaptations to changing needs when necessary, without additional administrative procedures. The exact scope of such adaptations to programmes cannot be established, as such minor adaptations are not documented, but Member States make use of the possibilities to enact such changes. Our assessment of the 21 case studies gives ample evidence of how programmes were able to flexibly respond to changing socio-economic contexts. In the German National Operational Programme for instance, the increasing importance of digital skills for employment received additional attention in the last calls for proposals, within the broader programmed framework of skills for employment. As such, this involved a slight modification of calls for proposals, which continued to fit within the broader framework set by the Operational Programme. Another example is Denmark, where the improved economic situation reduced the possibilities for firms to free staff to participate in long-term skill upgrading that was initially foreseen. Facing lower demand for such operations than expected, additional operations were set up the support briefer training sessions focusing on more specialised skills. In Spain, particularly in regions where the unemployed rate improved substantially, existing employment operations were reformulated to benefit not only the unemployed, but also people with a precarious or temporary job situation. In response to the rapidly improving of youth employment rates since 2014, the Czech Republic was able to re-balance its Operational Programmes to focus more specifically on older unemployed workers, whose unemployment rates were not improving at the same rate.

**The high level of programme amendments further confirms the flexibility of programmes to changing needs**

Substantial changes to Operational Programmes need to go through a formal amendment procedure and be approved by the European Commission. All ESF Operational Programmes have undergone at least one formal amendment since the start of the programming period. This shows that programmes are not fixed, but evolve flexibly over time. The scope of such amendments varies substantially, but mostly refers to reallocation of resources and changes to indicators and their targets. As shown in Figure 34 below, some 39% of all indicators for TO8 investments with a target remained unchanged, while similar shares of indicators increased targets or defined new indicators (31%) or reduced targets and/or removed indicators (29%). This is roughly in balance as most often certain targets are reduced and/or removed and consequently replaced with new targets of (slightly) different indicators.

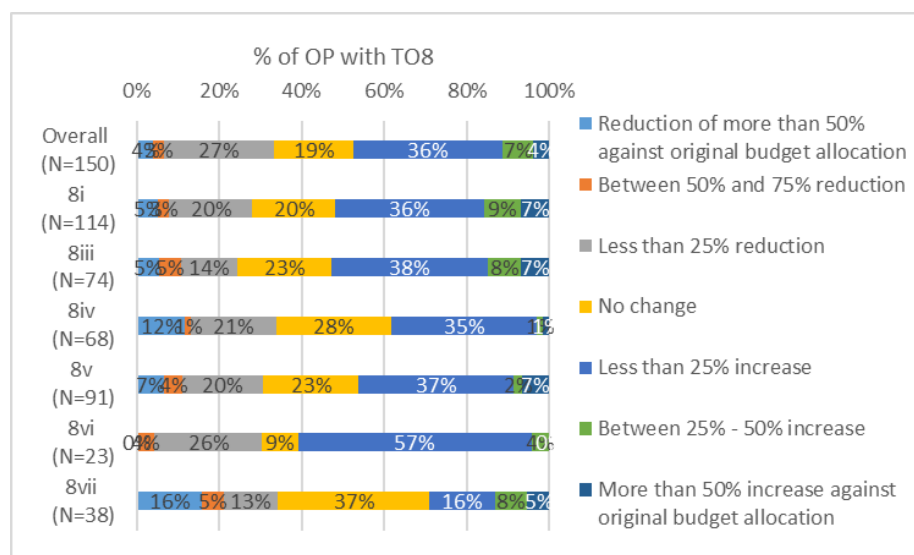
Figure 34. Changes to TO8 targets in TO8 - by type of change



Source: Authors' elaborations based on SFC2014

Not surprisingly, the adjustments found to the target setting of indicators are generally related to adjustments in the allocation of budgets to different Investment Priorities. If the demand for operations within a certain priority is lower than expected, programmes have the flexibility to propose a re-allocation of the budget to a different one, which logically implies a revision of the initial implementation and result targets defined. Figure 35 below shows that revisions to the allocated budgets were quite common since the start of the programming period, with only 19% of the Operational Programmes not implementing changes to the TO8 budget allocation to investments, with 47% included budget increases and 33% reduced the budgets allocated to TO8<sup>128</sup>.

Figure 35. indicators in TO8 for which a target by extent of the change

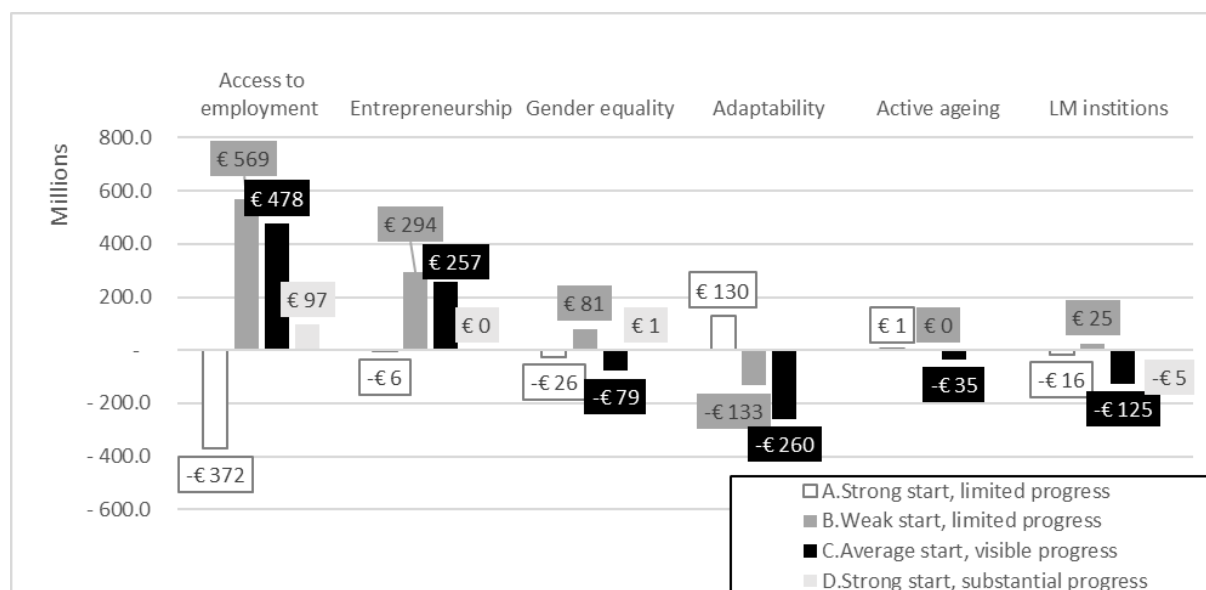


Source: Authors' elaborations based on SFC2014

This evaluation further mapped in detail what types of changes were made in these budget allocations, which allows to better understand how programmes adjust to changing needs. While overall investments to the access to employment priority have increased since the start of the programming period (see also Annex I), a breakdown by clusters clearly shows how programmes have responded to changing needs. The Operational Programmes in regions that already had a better socio-economic starting position in 2014, but where a limited additional progress could be achieved by active labour policies directed at unemployed, reallocated EUR 372 million to other priorities. Most of these were reallocated to priorities beyond employment and mobility (such as social inclusion and education), but within TO8 one also sees additional attention given to operations with a workforce adaptability focus. This shift is particularly relevant exactly for this cluster of regions, where efforts instead can focus towards a future transformation of the workforce, rather than short-term employment policies. In other clusters of regions, either those with a weaker socio-economic position in 2014 or those clusters that show considerable improvements in socio-economic indicators, the reverse can be seen. Budgets are being reallocated from more long-term future priorities such as adaptability, active ageing or labour market institution towards budgets for supporting acutely unemployed. These have increased substantially, with more than EUR 1.1 billion for employment policies, and another EUR 0.6 billion increase in entrepreneurship policies focused at unemployed.

<sup>128</sup> The sample of Operational Programmes only includes Operational Programmes in which TO8 investments (excluding youth employment) are programmed

Figure 36. Overview changes in Investment Priority allocation – by clusters of regions



Source: SFC2014, based on Operational Programme data used for Annual Implementation Report 2018 (data extracted on 6 September 2019), in comparison to Annual Implementation Report 2015 (extracted 15 July 2016).

The above finding is also confirmed by the public consultation results in which most organisations involved in ESF (68.2%) indicated **ESF programming was able to adequately adapt** to the evolving socio-economic context since the start of the programming period. Respondents to the public consultation confirmed that ESF was flexible in terms of target revisions and adapting to changing needs of beneficiaries, which can be observed not only by the regular reviews of targets, but also by the broad definitions that can be adapted to changing socio-economic contexts.

A small minority of respondents to the public consultation pointed to limits of such flexibility, which they mostly link to the rigidity of implementation design, procedures and requirements, an excess of cumbersome bureaucracy, and the lack of accuracy of the needs assessment and targeting of measures.

**4.4.3 EQ 3.3. Were the most relevant groups, in the different socio-economic contexts (e.g. more developed, less developed and transition groups; urban and rural areas etc.), targeted starting from the design stage? Were the most important needs of these groups addressed?**

**Overall, the ESF T08 operations targeted the relevant groups that had been identified during the programming phase**

Operations catered to the needs of individuals in different socio-economic situations and in different contexts and particularly those in vulnerable situations. This is shown by the analysis of the intervention logics of the Operational Programmes as well as by the relatively better performance in terms of output target achievement shown by the Operational Programmes with higher shares of vulnerable participants. This points to a good capacity of operations to meet the different needs of target groups. Whilst no major shifts in programme strategies and targets groups have been recorded since the start of the programming period, adjustments that have been are in line with the changes in the socio-economic context: as the overall unemployment rates decreases there is a shift towards vulnerable categories within this group.

***While ESF investments address relevant target groups, a number of specific target groups could be better addressed with more specific operations***

The answer to this question can be tackled from different angles. From a general perspective, based on the analysis of monitoring data we can say that the output target achievement of Operational Programmes that involve higher shares of vulnerable participants, in terms of their education level, employment status and migrant background<sup>129</sup>, is relatively better than that of other Operational Programmes (see Annex V). These Operational Programmes mostly belong to Clusters A and D, i.e. countries with a good starting position. This could imply that fewer difficulties are encountered in involving the planned target groups and that therefore their operations are in line with the needs of vulnerable individuals that are at the core of most ESF TO8 operations. This also points to a good absorption of vulnerable individuals and therefore a good relevance of operations tackling their needs.

A different perspective looks at whether needs have changed since the start of the programming period, as can be derived from an analysis of the socio-economic context, and whether these are reflected in changes in the Operational Programmes. Overall the analysis of the socio-economic context (see Annex III) points to a general improvement especially as regards employment and unemployment rates, although some countries, e.g. in South Europe, are still lagging behind. However, the situation of most vulnerable individuals, such as the long term unemployed or migrants, did not show the same improvement. While unemployment levels of the general population have returned and surpassed pre-crisis levels, those of long-term unemployment have not. This underlines the continued relevance of ESF for these target groups, who are increasingly addressed by ESF in recent years. Likewise, the need to improve the employment situation of women continues as relevant as before, as progress towards gender equality has been only marginal. Civil society representatives participating in a focus group conducted for the purpose of this evaluation indicated that this may be explained by the more generic focus of such measures on 'women', while these are insufficiently tailored to more specific vulnerabilities of female participants. More specific measures, focusing specifically on women with a specific vulnerability (as opposed to women in general), could improve the chances of success.

In view of the particularly high influx of refugees in 2015, and the urgency of these migrants to adapt to local labour market conditions, it is notable that ESF is currently not able to support timely operations that help such recent migrants prepare themselves for the labour market. Under the current Regulation, the ESF can only play a role in the education and training necessary to enter the labour market after an individual obtained a legal residence status.

This limits the relevance of ESF to this particular target group, who tend to spend months awaiting a decision on their asylum request, a period that in theory, could be better used to provide relevant training. Civil society participants also confirmed that from the perspective of this target group's needs, the current ESF eligibility criteria prevent a response in line with this group's needs.

Increasing the adaptability of workers and companies, in terms of skills and qualification of workers, is another important priority that continues to be relevant for the ESF to focus on. The analysis shows that there is still considerable age discrimination across the EU in terms of active ageing and active inclusion of older workers– particularly in Southern and Eastern Europe. Furthermore, the risk for older people to be at risk of poverty or social exclusion than younger people has increased.

Against the backdrop of the changing socio-economic context, we now move to analyse in more details the Operational Programme changes that have been implemented since the start of the programming.

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<sup>129</sup> Without considering disabled individuals or those with multiple disadvantages



***Detailed analysis of the Operational Programmes shows how the improving labour market situation in most Member States prompted a shift towards more vulnerable target groups***

Looking at changes implemented by the Operational Programmes that have been selected for in depth analysis in the case studies, we notice a clear shift towards strengthening the participation of the long-term and vulnerable workers (National Operational Programme and the Piemonte Operational Programme in Italy, the National Operational Programme in Spain and Romania), including through self-entrepreneurship and self-employment (Romania, Spain- Extremadura, and Italy-Puglia). In Finland, resources were shifted in order to include migrants and refugees, as their inflows increased during the implementing period and had not been accounted for during the programming phase. Support to the vulnerable was also included in the National Operational Programme in France with a focus on individuals who had stopped working in order to take care of dependants by increasing the participation in the labour market of women to improve work-life balance. At the same time, Spain has increased its focus on quality and stable employment (National Operational Programme in Spain), the German National Operational Programme has increased support to mobile workers from abroad.

These shifts are in line with the changes in the socio-economic context highlighted above and not particularly differentiated among typologies of regions. As the overall unemployment rates decrease, there is a shift towards vulnerable categories within this group. Likewise, attention is placed on improving the quality of employment (by tackling precariousness e.g. Spain) or improving the skills gaps (supporting inflow of qualified workers from abroad in Germany)

**Box 2. *Main changes in the target group selection introduced in the selected ESF Operational Programmes***

- In Italy the Operational Programme on the system for Active Labour Market Policies increased focus on supporting long-term unemployed in less developed regions, while at the same decreasing focus on migrants;
- In France the National Operational Programme focuses on people who have stopped working to take care of dependants;
- In Romania, the National Operational Programme focuses on the long-term unemployed and vulnerable (including through extending the integrated Public employment services DB to these categories in addition to people not in employment, education or training). Individuals who intend to set up a business (unemployed / inactive / people who have a job and set up a business for the purpose of creating new jobs). Under Investment Priority 8vii more focus on the long-term unemployed and vulnerable groups is given;
- In the German National Operational Programme operations were added to support mobility of workers from abroad;
- In the Spanish National Operational Programme operations to support the long-term unemployed were added for the digital economy, also support to interim workers, subsidies promoting stable employment and at the same time the focus on rural areas has been reduced;
- In Spain, Extremadura operations to support self-employed, social entrepreneurs and returners to the region after the crisis were added;
- In Piemonte additional training for the long-term unemployed, the vulnerable and in general those who risk being marginalised in the labour market were also included. Stronger emphasis on those who have recently lost employment rather than those at risk of losing it;
- In Puglia self-entrepreneurs are added as target group under Investment Priority 8.i'



The analysis of the case studies identified some additional information concerning the way the different Operational Programmes ensured that the most important needs of the target groups are addressed.

The German Operational Programmes are well tailored to the needs of target groups. This is done by envisaging operations and promoting projects that are focused towards specific target groups (women, migrants, low qualified persons). In the Länder Operational Programmes, ESF has established regional structures that are able to develop and support regionally tailored operations. In this regard it is worth mentioning the Niedersachsen Operational Programme as an example of the Förderung der Integration von Frauen in den Arbeitsmarkt (FIFA) and KoSt operations under Investment Priority 8.iv: both operations are very relevant to the needs of (mainly) female target groups. The support units (KoSt) provide easily accessible counselling for women trying to re-enter the labour market whilst at the same time linking to qualification measures. These support units are even more relevant for transition regions, as other support is lacking there. The Förderung der Integration von Frauen in den Arbeitsmarkt (FIFA) operations provide measures for both employed and unemployed women.

In Romania, the beneficiaries' manual highlights relevant target groups from different socio-economic segments by establishing quotas. Accompanying measures have been introduced to support individuals taking care of dependents (crèches, afterschool, etc.). Measures for self-employment and entrepreneurship were available to inactive and unemployed people.

The clear focus of the Italian Operational Programmes on the unemployed, employed, inactive and regional operators was strongly reflected in the design of operations and throughout the implementation. This focus is said to be the result of three factors: i) the occupational situation of the above mentioned target groups (a situation which was critical when the Operational Programmes were designed but remained critical also in the following years, especially because three Operational Programmes cover Southern Italy regions ); ii) the relevance of ESF as the main (if not the only one) funding source for the measures and the target groups covered by TO8 itself; and iii) the Member States' strategic decision to use TO8 (net of Investment Priority 8.ii) for addressing target groups employment needs.

During the design of the three Spanish Operational Programmes<sup>130</sup>, organisations that represented different target groups such as employees and employers, self-employed persons, social entrepreneurs, ROMA, persons with disabilities, people suffering from drug-dependence, children's rights, immigrants and refugees, or people suffering from poverty and social exclusion were consulted.

In the Czech Republic, the highest need for operations is among the groups that are still most at risk on the labour market - persons aged above 55 years old, disabled, long-term unemployed, low-skilled and persons with disabilities. Conversely, the focus on young people decreased, due to improvement in their labour market conditions.

In terms of success factors, operations that have their design specifically tailored to the unique needs of each target group and offer a combination of measures to respond to these. The inclusion of representatives of specific target groups in the design of TO8 operations increased the alignment with the actual needs of those groups.

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<sup>130</sup> 2014ES05SFOP002 - National Operational Programme Employment, training and education - ESF; 2014ES05SFOP007 - Cataluña ESF; 2014ES05SFOP016 - Extremadura ESF

**4.4.4 EQ 3.4. Were the TO8 operations undertaken suitable to support active ageing and gender equality? How the TO8 operations implemented fall within the broader context of TO8?**

**Gender equality is still a major challenge within the EU which is tackled through a dedicated investment priority and also other Investment Priorities, but efforts should be increased**

The overall intervention logic of gender equality strategy is suitable and potentially contributing to an improvement of women's situation. ESF support to gender equality is primarily aimed at answering to the most pressing needs of women by promoting their activation and employment, mainly through the provision of Active Labour Market Policies, reconciliation measures and support to self-employment. These measures can be funded both through the dedicated investment priority (Investment Priority 8.iv) and through other Investment Priorities where gender equality is a priority. While these operations are relevant in answering the needs of women they generally do not have the capacity to impact on strongly embedded gender gaps.

The ESF also promotes a more systemic change aimed at breaking gender stereotypes (linked to low employment levels as well as to vertical and horizontal segregation) by raising awareness of employers and employees, promoting the development of flexible work. These operations are generally funded under Investment Priority 8.iv although the relatively limited allocation of funds to Investment Priority 8.iv (taking place in about only a half of the Member States) and in general to gender specific operations points to the need to further step up efforts in promoting gender equality across the EU28. More attention in programming through a wider use of sex disaggregated targets is also recommendable, given they are seldom defined. **Active ageing is a central priority for the growth and social inclusion of the EU, yet resources specifically dedicated to tackling these issues are marginal and mostly concentrated in a very small number of Member States**

The ESF promotes active ageing by supporting longer working lives, the participation of older persons in the labour market through training, life-long learning and reconciliation measures and promoting a healthy ageing and independent living. As in the case of women, the majority of older workers or jobseekers are reached through operations funded outside Investment Priority 8.iv (notably Investment Priority 8.v and Investment Priority 8.i). These operations are relevant in that they tackle the needs of the intended target groups but are not specifically focused on the longer-term objective of prolonging healthy working lives. Overall issues linked to active ageing risk remaining underemphasised, probably due to a relatively low level awareness by policy makers.

**4.4.4.1 ESF support under TO 8 to gender equality**

As already mentioned (see evaluation question 1.8), in addition to a dedicated priority under TO8, gender equality is a horizontal principle in the structural funds and in particular of ESF and should thus be promoted at every stage of the programming phase (identification of needs, implementation and evaluation), according to a mainstreaming approach. Accordingly, an assessment of the relevance of gender equality strategy in the ESF should not only look at specific operations targeted at women under the dedicated investment priority for gender equality (Investment Priority 8.iv), but also at how the needs of women in the labour market are considered across all Investment Priorities.

***Gender equality in employment continues to be a highly relevant objective***

Gender equality remains a major challenge across the EU-28. Marginal progress towards gender equality can be observed between 2012 and 2017, although countries such as Estonia, France, Italy, Cyprus and Portugal showed more substantial progress. While the overall employment rates have improved, differences in employment rates for women and

men remained largely unchanged, and seven of the 14 countries with differences of more than 10 percentage points show a further deterioration by 2018 (noticeably in Cyprus.)

Reconciliation of work and private life continues as a major obstacle to women's access to the labour market. Over a third of inactive women aged 25-64 do not seek employment due to family and caring responsibilities. Such responsibilities affect the quality and type of women's employment, illustrated for instance by the share of women in part-time employment. This is particularly strong in countries with overall higher employment rates, such as Belgium, Germany, Luxembourg and the UK, and particularly so in Austria and the Netherlands. The importance of gender equality is further emphasised by the fact that around half of the Member States had received Country-specific Recommendation in the area of gender equality since 2014.

***ESF support for specific gender equality operations under its dedicated investment priority is highly relevant but received only limited attention***

Against this backdrop, dedicated ESF investments in the area of gender equality (Investment Priority 8.iv) are relatively modest across the EU, representing 7% of the overall budget allocated to TO8. Less than half of the Member States allocated funding to the dedicated investment priority of gender equality, which only represents a substantial share of the ESF investments to the overall theme of employment and labour mobility in Austria (47%), Czech Republic (22%), Greece (18%), and Poland (13%). Likewise if we look at the distribution of operations implemented across the Operational Programmes, operations that consist of measures that seek to primarily promote women in employment represent a modest share of total reported costs of EUR 0.98 billion, roughly 5% of total TO8 investments reported thus far<sup>131</sup>. While these operations in no Member State correspond to a large share of the eligible costs, they can be found across slightly less than half of the Member States. These are most visible in the Czech Republic (24%), Finland (13%) and Greece (11%), and to a lesser extent in Poland (9%), Slovakia (8%), Germany (7%) and Spain (5%). No major differences can be observed between different types of regions, or clusters of regions. Operations of this type are almost exclusively employed in the dedicated investment priority (Investment Priority 8.iv), which focuses on equality between men and women, in terms of access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work, as well as in facilitating self-employment. Other strategies focused on combating gender stereotypes and segregation in the labour market through e.g. awareness raising operations aimed at employers and companies. In some instances, gender support structures are promoted.

***While not all Member States programmed gender equality as specific investment priority, all Member States address gender equality horizontally in their programmes in some way.***

Various Member States in which relevant gender inequalities persist did not allocate funds under the dedicated Investment Priority. This is the case of Cyprus and the Netherlands, for instance, which face a relatively high gender gap in part-time employment, or Spain, which reserved a relatively limited budget to the dedicated priority of gender equality (only 2%, compared to 7% in EU). This does not mean that such Member States did not pay attention to gender equality in their ESF programmes. Gender equality is often an **implicit objective in other investment priorities**, according to a mainstreaming approach to gender equality. This is indeed a central objective of the ESF Regulation, and there is sufficient evidence that this indeed takes place.

In Spain for instance, there are specific operations under other Investment Priorities particularly focused on women, mainly in access to employment, such as the training programmes for women employed in SMEs; and entrepreneurship (Investment Priority

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<sup>131</sup> This figure only relates to investments and interventions that are primarily and mostly addressed to women or to increase gender equality in the workplace, and as such it leaves out a large part of ESF investments benefiting women as part of gender mainstreamed employment actions.

8.iii), such as the specific measures to prioritise the participation of women in the Empleaverde operation of the Fundación Biodiversidad. In France, gender equality is also well addressed by the French TO8 operations, with two main sets of operations aimed at promoting entrepreneurship among women (Investment Priority 8.iii) and vocational training for female employees (Investment Priority 8.v). Some operations focus on combatting stereotypes against women by proposing individual support and by favouring access to employment in traditional male occupations.

Other means to ensure the horizontal integration of gender equality is by mobilising relevant stakeholders; this is in general recognised to be a key element for a successful mainstreaming and was clearly confirmed by civil society participants during the focus group. For instance, in Poland a working group on equal opportunities for men and women was established. In Spain the involvement of the gender equality bodies is intended to guarantee the observance of the principle of equality between women and men throughout the programming process and the implementation of any intervention. So-called 'Equality Opinions', produced by the National Institute for Women and Equal Opportunities were included as an annex to the Operational Programmes.

In addition to issuing an opinion, the institute collaborated in the revision of the Operational Programmes, in order to comply with the principle of equal opportunities between women and men. This type of mainstreaming is more difficult to capture through monitoring and mapping data since it is usually blended under the different operations. Moreover, though meaningful by itself, horizontal mainstreaming alone does not reduce gender inequalities as these also require more targeted approaches with a long-term perspective. In Finland gender equality is one of the key objectives of the Operational Programmes; while female employment is at very good levels, the gender segregation level and wage differences in Finnish working life are among the highest in Europe. To this end, the Operational Programme promotes measures addressing gender segregation in education and working careers through the introduction of educational and information materials, methods, guides etc. with a view to raising awareness. Measures target both employed and unemployed men and women and are supposed to have an effect on work and education choices of individuals. Another important element of the gender equality strategy is the promotion of female leadership and entrepreneurship.

To further stimulate beneficiaries to include a gender perspective across all ESF projects, some Member States offer specific positive incentives; for instance, in Portugal, as in many other Member States, bonuses are applied to projects that promote equal opportunities (e.g. in projects resulting from female or young entrepreneurship, the rate of support of disabled or disadvantaged trainees). In many Member States eligibility and selection criteria for ESF funded projects explicitly foresee the respect of the principle of gender equality (although the effectiveness of such provisions is debated).

***However, such horizontal mainstreaming does not always consist of targeted measures. This approach risks reinforcing embedded gender stereotypes and might overlook gender-specific challenges, such as the need for quality employment in non-segregated sectors for women. Sex disaggregated targets are also underused***

Focus group participants from civil society organisations and institutional bodies, as well as other interviewed stakeholders underlined the importance of such measures, which go beyond merely defining women as a vulnerable group, but instead focusing on the specific vulnerabilities that limit personal development. At the same time, they highlighted how the horizontal approach to gender equality, if not adequately supported through targeted operations, might run the risk of overlooking more gender-specific challenges, including quality employment (full time/open-ended vs. low skilled/low paid jobs) in non-segregated sectors (which are typically characterised by higher wages) and risks reinforcing embedded gender stereotypes (such as that reconciliation is a measure in favour of women rather than the whole family). This may result in lower visibility and diluted effects; it also avoids the implementation of specific measures, such as those related to gender pay gap,

conciliation of family and labour, and creating co-responsibility for targets within companies. In as much as the setting of dedicated target values for the operations can be considered a proxy of accurate programming and nuanced recognition of target groups' specific needs, the limited use of sex-disaggregated targets tend to confirm that gender equality issues remain underemphasised. Approximately one in twenty-five indicators with a final target value define this by sex.<sup>132</sup> The situation is comparatively more favourable for the indicators selected by the performance framework, for which approximately one in five foresee a sex-disaggregated<sup>133</sup> milestone value. Obviously, the fact that there is no disaggregated target for men and women might well be a deliberate and fully legitimate choice, but it might also suggest that the Managing Authority would consider that the goal of the Investment Priority has been reached irrespective of its gender balance.

Such uncertainties are reflected in the public consultation where respondents are relatively least convinced of the usefulness of ESF TO8 operations aimed at enhancing greater equality between men and women.

More efforts shall therefore be devoted by programming bodies to fully understand and tackle the underlying causes of gender inequality and this should be done by implementing gender specific operations, as well as through a wider use of sex-disaggregated targets and a greater involvement of gender equality organisations in programming and implementing such operations, moving from consultation towards active participation.

#### **4.4.4.2 ESF support under TO8 to active ageing**

##### ***In the face of current EU-wide demographic developments, active ageing is a central priority in European social and economic cohesion***

The ageing of the (working) population poses important challenges for all EU Member States, both in terms of facilitating the longer working lives of individuals as well as avoiding that certain older individuals are marginalised. Currently, there are already considerable differences across the EU in opportunities for older workers, as well as EU-wide challenges to better facilitate healthy ageing. Coupled with this there is a greater risk for older people to be at risk of poverty or social exclusion than younger people. The importance of such investments is further underlined by the fact that Country-specific Recommendations in almost all Member States mentioned issues related to pension reforms, and the need to facilitate longer working lives. The ESF could serve as a tool to alleviate the short-term impacts of such pension reforms, as well as prepare the workforce for its future consequences.

##### ***Investments in active ageing represent only a small share of overall TO8 investments and are concentrated in a small number of Member States***

Despite their importance, investments in active ageing represent only a small share of overall TO8 investments. Compared to other TO8 investment priorities, active ageing is the smaller priority in terms of financial allocations (2.56% of the TO8 budget). Its investments are concentrated in a small number of Member States, where they can take up a considerable share of investments. In the Netherlands, for instance, investments in active ageing are the dominant Investment Priority, representing 80% of the total investments to employment and labour mobility. In Austria, a considerable share is allocated to this Investment Priority (37%), followed by Slovenia (18%). An assessment by clusters of regions shows that investments in this area are concentrated in regions with above-average performance on comparative socio-economic indicators (Clusters A and C). As shown in section 3.2 and Annex I, operations specifically in support of active ageing are mostly implemented under the dedicated Investment Priority; only a marginal share (2%) of operations within the adaptability objective can be classified as active ageing

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<sup>132</sup> Values are slightly higher only in Italy, Spain and France

<sup>133</sup> Gender disaggregated targets include (i) targets in which the value is set at 0 for one gender, (ii) targets in which the total target is split equally between women and men, and (iii) targets for which there are values for women and men which are different from zero as well as one another. The third option is also by far the most frequent, so the distinction is omitted for conciseness.



measure. This is intuitive as it shows the specificity of this investment priority. Luxembourg specifically targets older people (men and women) and older job seekers represent 42% of participants.

***Member States with explicit support for active ageing programmed a variety of support measures that target the specific needs of older workers in longer healthy working lives***

The operations funded by ESF promote active ageing by supporting longer working lives, facilitating the participation of older persons in the labour market through training and life-long learning activities and reconciliation measures; and promoting disease prevention and early diagnosis, leading to active and healthy ageing and independent living. Such operations may be linked to roughly EUR 0.3 billion of the TO8 investments, which represents 2% of the total amount ESF invests in TO8. Measures that target active ageing tend to consist of guidance and training of employers (51% of operations), often combined with awareness raising programmes (41%). This combination was for instance adopted in Austria, Finland, Latvia and Slovenia. In Finland, TO8 specifically targets the employment rate of the older workers (together with that of younger people and the long-term unemployed) as part of a broader objective that seeks to support vulnerable individuals under Investment Priority 8i. It promotes adaptability of workers and enterprises with a view to extending working careers. This national approach follows recommendations from the Commission, and its success is reflected in the high potential of employment in older age groups near retirement. An important part of the Finnish strategy focuses particularly on health and safety at work (46% of total investments in active ageing), which is also an important priority in Poland where health check-ups for older women have been funded on a broad scale. In the Netherlands, ESF support consisted primarily in the development of policies and strategies (36%). More specifically, another substantial share of costs reported for TO8 (53%) is linked to operations that combine active ageing projects with financial incentives to employers. These serve to further increase the take-up of accompanying measures through which companies can better support and retain older workers. In the Czech Republic, older workers are the main target group of a Specific Objective under the Investment Priority of 'adaptability (8.v), which supports operations aimed at organisations to improve their human resources management (such as age management audit and plans) as well as at employees, including dismissed employees and potential new employees, through training and counselling. Older workers were also supported through another Specific Objective focused on adaptability but not specifically targeted at older workers. The allocation to this Investment Priority has been recently decreased due to difficulties in absorption.

***Other Member States support older workers through more general employment measures. Such attention is relevant in the short-term but does not offer the same level of specific support implied by longer-term active ageing measures.***

While a small number of ESF programmes target active ageing through a dedicated Investment Priority, most programmes recognise the need to support older workers. This is mainly pursued through operations under the adaptability priority (Investment Priority 8.v). In Estonia, all of its TO8 investments contain some implicit reference to active ageing. These investments take place outside the active ageing Investment Priority and are coupled with broader operations that seek to increase and ensure access to employment to a variety of beneficiaries, including older workers. In Germany no specific measures on active ageing were found, but qualification measures as part of adaptability investments in the Niedersachsen Operational Programme are also targeted at older workers. Such operations are a relevant response to challenges for older workers but focus mainly on more short-term needs of finding employment. This is very relevant in view of the specific challenges faced by older workers in the socio-economic conditions at the start of the programming period but do less towards the longer-term focus on facilitating the increasing of working lives of European workers.



**Overall issues linked to active ageing risk remaining underemphasised, probably due to a relatively low awareness by policy makers.**

Programming bodies need to achieve a better understanding of the urgency posed by an ageing population and workforce and by the need to adopt specific operations to tackle specific challenges. As highlighted by civil society participants at the focus group, this would imply: (i) working with employers to adapt workplaces (working conditions), (ii) providing better longer-term care facilities, also through other ESF strands, which can partly uplift the growing burden of care responsibilities for older workers, and (iii) make the most of older workers' expertise. Although this is not truly a new field of action, it was mentioned as a comparatively newer topic in some countries and especially in less developed regions. Incidentally, these are the areas where active ageing policies might be particularly important given the larger share of older workers in the labour market. Hence, more could be done in terms of bench learning of what works in active ageing.

#### **4.5 Coherence**

##### **E.Q. 4: Coherence. How coherent have the operations funded by Thematic Objective 8 been among themselves and with other actions in the same field?**

**ESF T08 operations show a good level of complementarity among themselves, as well as with those funded under other Thematic Objectives**

These include Thematic Objective 9 (Social inclusion) and 10 (Education and lifelong learning), as well ERDF Thematic Objective 3 (Competitiveness of SMEs). Complementarity could be improved between operations funded by ESF TO8 and similar operations funded by national and regional programmes or supporting horizontal themes such as social innovation. In the case of ERDF, integration with ESF is not straightforward for operational reasons. Operations funded by ESF TO8 show significant synergies with other EU-funded programmes, including EaSI, EGF and AMIF. Likewise, ESF TO8 operations are complementary with national or regional policies across the EU Member States. Such complementarity can take the form of ESF having a supporting role in national policies or filling policy gaps. In general, the country specific recommendations are addressed by the ESF TO8 investments as underpinned in the underlying intervention logics and are thus likely to contribute to addressing the challenges identified. This is also attributable to the negotiation process that has taken place at the programming stage between the Commission and the Member States, as Member States have negotiated amendments and changes to the Operational Programmes with the European Commission.

##### **4.5.1 EQ 4.1. In which manner were the ESF operations of T08 complementary with each other? What were the main factors in this regard?**

**The ESF operations under T08 are complementary and coherent with each other and across different T08 Investment Priorities**

This complementarity is fully reflected in the analyses of operations and intervention logics of case studies, both concerning target groups and typologies of operations. Areas of attention concern operations that can be funded through national and regional Operational Programmes or covering horizontal themes, such as social innovation.

***The ESF operations under T08 are complementary and coherent with each other and with different Investment Priorities, indirectly or directly contributing to the objectives of one another and/or complementing each other.***

The definition of the scope of Investment Priorities under T08 maximises complementarity and synergy among all contributing towards the general objective of improving employment and labour mobility, while allowing at the same time a certain level of flexibility of the operations that can be funded in response to the underlying objectives. These are briefly listed below:

- Activities under Investment Priority 8.i (access to employment for jobseekers and inactive people) are coherent with all other Investment Priorities and in particular with Investment Priority 8.ii (sustainable integration into the labour market of young people), since they serve the same broad objective of increasing employment. In this case there is also a strong complementarity since different age groups are covered, with Investment Priority 8.ii focusing on young people.
- Investment Priority 8.iii (self-employment, entrepreneurship and business creation) can contribute to access to employment, directly by allowing unemployed people becoming self-employed or starting a business, and indirectly by allowing new jobs to be created when businesses are launched or supported.
- Complementarity emerges as well with Investment Priority 8.iv for activities that promote the equality between men and women in all areas, particularly with regards to access to employment under Investment Priority 8.i. Investment Priority 8.iv is also complementary to Investment Priority 8.iii inasmuch as the promotion of gender equality can be addressed through entrepreneurship and self-employment programmes targeting women.
- When it comes to activities supporting the adaptation of workers, enterprises and entrepreneurs to change under Investment Priority 8.v, there is a coherence and complementarity with other Investment Priorities since activities that directly or indirectly promote sustainable employment and quality employment have to deal with the reality of a changing world of work in terms for example of automation and digital skills. Operations under Investment Priority 8.v have been found to have particular synergies with Investment Priority 8.vi operations promoting active and healthy ageing also through continuous training and upskilling pathways to adapt to a changing world of work. It can be complementary to entrepreneurship activities under Investment Priority 8.iii as it can help to ensure that after business have been created, they are also able to adapt to change.
- Finally, Investment Priority 8.vii (modernisation of labour market institutions) is key for ensuring that operations aiming at increasing access to employment and labour mobility and sustainable integration into the labour market reach out to the intended recipients, as employment centres are the main gateways for the delivery of Active Labour Market Policies. A reinforced Public Employment Services system can promote a better matching of skills with labour market needs, as well as strengthening cooperation between institutions and stakeholders. The latter is a factor that can transversally improve all operations provided under TO8.

This complementarity is fully reflected in the analysis of operations and intervention logics of case studies, both concerning target groups and types of operations. It is also confirmed by the analysis of ESF Operational Programmes<sup>134</sup> that pointed to the fact that boundaries among Investment Priorities (both within and outside of TO8) are not clear cut and allow a good level of inter-operability.

***Overall a close eye needs to be kept on ensuring an as high as possible level of coherence in order to avoid overlap and maximise synergies, particularly when national and regional Operational Programmes operate on the same territories or in relation to horizontal themes such as social innovation***

Given the strong synergies among TO8 Investment Priorities and the relatively flexible boundaries demarcating them, it is possible to a certain degree that operations funded under different programmes and strands focus on the same objectives and target groups. This is the case for instance in relation to social innovation operations (funded by the TO8 but not only) as emerged from the analysis of Germany and Spain. These operations are horizontal by their very nature and thus require an additional effort in fine-tuning them to the needs and objectives of 'thematic' support. Assessment of the results of the Danish

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<sup>134</sup> Fondazione G. Brodolini, Analysis of the outcomes of the negotiations concerning the Partnership Agreements and European Social Fund (ESF) Operational Programmes, including Multi-Fund programmes, for the programming period 2014-2020, <https://ec.europa.eu/social/BlobServlet?docId=16970&langId=en>

Operational Programme shows that there is still room for improvement to increase complementarities between training activities for entrepreneurship with operations providing consultancy and support services for self-entrepreneurs. This refers to operations of early-stage entrepreneurial training and education among students, which link to consultancy services and support to entrepreneurs. While these two parts of the Investment Priority constitute two different disciplines in terms of project holders, there is a potential for closer coordination.

Potential overlapping can also take place when national and regional Operational Programmes contribute to similar objectives, such as in the case of Italy, France and Spain. In Italy, in spite of the fact that the national Operational Programme has a more systemic scope, similar operations are being implemented at national and regional level, for example supporting the Public Employment Services or the provision of employment incentives. In Spain, the Managing Authority promotes the coordination with the Intermediary Bodies and while the nature of the operations considered in the National Operational Programmes differs from those carried out in the regional Operational Programmes some possible overlaps can take place (for instance in the regional programmes efforts are focused on provision of financial incentives for employment while the National programme focuses on fiscal rebates.)

**4.5.2 EQ 4.2. To what extent were they complementary and coherent with other thematic objectives and with other programmes (e.g. EURES, EaSI, Erasmus+, ERDF, EAFRD, EMFF, EGF...) oriented to employment and labour mobility at the EU level?**

**A high level of complementarity and coherence can be found with other Thematic Objectives, especially Social inclusion and Education and lifelong learning**

ESF TO8 operations are also complementary with support to improving the competitiveness of SMEs (TO3) and research and innovation (TO1) mostly supported by the ERDF. However, the integration between ESF and ERDF is not straightforward and might discourage integrated projects.

Another important synergy of TO8 can be found with the EURES (mobility) axis of the EaSI programme; in some countries ESF directly supports the EURES network. In general, there is a good level complementarity with other structural funds and EU programmes, although there are not many instances in which this complementarity gives life to multi-fund projects.

***Desk and field research highlight a strong potential complementarity between TO8 and other ESF Thematic Objectives, particularly with regards to Social Inclusion and Education and lifelong learning***

The example of Luxembourg is quite exemplary in this respect as high complementarity is observed both within TO8 and with other ESF Thematic Objectives. More specifically between Investment Priority 8.i, 9.i and Investment Priority 10.iii operations focusing on the most disadvantaged individuals through the development of integrated personalised paths focused on integrations in the labour market as well as into society at large. Reintegration into employment is accompanied by complementary social inclusion measures promoted by Investment Priority 9.i (e.g. particularly the beneficiaries of the guaranteed minimum income, through integrated and innovative approaches - such as activation, training, and support for professional integration and follow-up for better social inclusion).

Life-long learning promoted by Investment Priority 10.iii (e.g. maintenance of the employability of employees, particularly those who are at least 45 years of age, through training or retraining) is also clearly complementary with training operations developed under TO8 Investment Priorities. Likewise, in Bulgaria, social support services were integrated with Public Employment Services with the aim of providing accompanying

measures including considering the family situation and difficulties, as a way to encourage activation. Another relevant element of synergy among ESF Thematic Objectives relate to the provision of childcare services – that can be funded also under TO9 – integrating reconciliation packages for promoting women’s participation into employment.

In order to ensure a consistent and coherent approach among ESF TO8 several institutional set-up are foreseen, especially in larger Member States, this is the case of Italy for example where an ESF coordination unit is embedded in the National Agency for Active Labour Market Policies, or in Spain where the ESF is managed by a central Managing Authority. In other countries, such as France and Germany coherence is ensured through the identification of different tasks and responsibilities at national and regional levels.

**Employment and labour mobility operations funded by the ESF under Thematic Objective 8 (TO8), are complementary with other structural funds and EU-funded programmes.**

Complementarity of TO8 with other EU funds and programmes is embedded in the different underlying intervention logics and has improved over time.

- There are a few ERDF (European Regional Development Fund) Investment Priorities that directly contribute to TO8<sup>135</sup> in relation to business development and support to self-employment and entrepreneurship, support to employment-friendly growth, support to local employment initiatives and investments in infrastructure for employment services, which are highly complementary with ESF TO8 investments. These priorities are mainly in line with Investment Priorities 8i, 8iii and 8vii<sup>136</sup> in ESF. ERDF’s financial contribution to TO8 through these priorities has been around EUR 4 billion. Moreover, through its TO1 and TO3<sup>137</sup>, ERDF can indirectly contribute to TO8. In fact, the economic development focus of ERDF indirectly contributes to increasing the demand for quality employment and labour mobility programmes carried out under TO8. Data available on the cohesion data portal show that ERDF supported the creation of 225 861 new jobs and in supported entities, 5 342 new full-time researchers were engaged thanks to ERDF funding and a total of 407 801 firms were supported by ERDF funds, of which 94 043 new enterprises. Through INTERREG, it also financed the participation of 55 960 persons in cross-border mobility initiatives and 18 303 participants in joint local employment initiatives and joint training. Although important synergies can potentially be found with non ESF Thematic Objectives, especially concerning support to SMEs and competitiveness no concrete examples of cross-funding have been recorded during the field analysis.
- Operations funded by the EARDF (European Agricultural Fund for Rural Development) contribute, *inter alia*, to promoting employment and creating new jobs in rural areas, in particular with regards to creation and development of small enterprises, as well as jobs creation and vocational training. It is therefore both coherent (as it contributes to promoting employment) and complementary (as it focuses on rural areas, while ESF is predominantly – although not exclusively - focused on urban areas) with ESF TO8 priorities that involve access to employment and support to business creation and self-employment. EARDF direct allocations to TO8 amount to approximately EUR 3.5 billion. In addition, EARDF indirectly contributes to TO8 through TO3 (competitiveness of SMEs), to which it allocated EUR

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<sup>135</sup> Specifically: (a) supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation; (b) supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources; (c) supporting local development initiatives and aid for structures providing neighbourhood services to create jobs, where such actions are outside the scope of Regulation (EU) No 1304/2013 of the European Parliament and of the Council (10); (d) investing in infrastructure for employment services

<sup>136</sup> Respectively: Access to employment for job-seekers and inactive people; Self-employment, entrepreneurship and business creation; Modernisation of labour market institutions.

<sup>137</sup> Respectively: Strengthening research, technological development and innovation; enhancing the competitiveness of SMEs

42 billion. Between 2015 and 2018, EARDF supported business development plans or investments of 105 792 farmers and trainings for 1 481 528 participants. On the top of that, the European Investment Bank (EIB), the EU bank, has launched a loans package of nearly EUR 1 billion for agriculture and the bio-economy. The sum will be matched by the implementing financial institutions, thereby mobilizing close to EUR 2 billion of long-term financing for companies in the sector. In this package, a EUR 700 million programme loan for agricultural small and medium enterprises will be managed by local banks and leasing companies active across the EU and will include a minimum 10% window for farmers under 41. The scheme will enable young farmers to benefit from competitive financing terms such as longer tenors of up to 15 years and up to five-year grace periods in order to address their specific needs.

- Through its three axes EaSI (Employment and Social Innovation programme) has different elements of complementarity and coherence with ESF TO8. In general, EaSI focuses more on operations that are upstream with respect to ESF's and of a transnational nature.
  - EURES axis of the EaSI (Employment and Social Innovation) programme<sup>138</sup>: there are specific synergies complementarities between EURES' objectives and TO8 priorities. EURES answers directly to one of the aims of TO8 and specifically that of improving labour mobility. In some countries (such as Italy, Belgium, Cyprus, Ireland, Slovenia, Bulgaria, Denmark) ESF contributes to funding EURES activities, and in other countries (such as Germany, Spain, France, Netherlands, Poland) it promotes labour mobility outside EURES, e.g. ESF can finance language classes for national citizens of a country who wish to work abroad<sup>139</sup> while EURES usually promotes language training as a post-recruitment activity (after the workers have moved to a foreign country). The EaSI budget allocates over EUR 165 million to the EURES axis over the programming period.
  - Microfinance and Social Entrepreneurship axis of EaSI programme: this EaSI axis aims at promoting access to micro-finance and social entrepreneurship, which can be complementary and coherent with ESF TO8 activities that aim at promoting self-employment, entrepreneurship and business creation. Under EaSI, however, the focus is on promoting access to finance. There are some ESF project and activities that provide funding for business creation and support to social entrepreneurship, but these are not the main focus. ESF activities also include trainings, information and technical support. The EaSI Guarantee allocated EUR 96 million for interested microcredit providers and social enterprise.
  - PROGRESS axis of EaSI programme: this axis helps the EU and its countries to improve policies in different thematic sections, of which two are directly connected to ESF TO8 (and in particular to Investment Priorities 8.i, 8.iv and 8.vii<sup>140</sup>): employment and working conditions. PROGRESS is rather complementary with TO8 inasmuch as it supports the development and dissemination of knowledge, information-sharing, mutual learning and dialogue, and provides financial support to test social and labour market policy innovations as well as financial support to organisations to increase their capacity to implement EU instruments and policies in the fields of

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<sup>138</sup> EURES axis of the EaSI (Employment and Social Innovation) programme: EURES is a cooperation network designed to facilitate the free movement of workers within the EU 28 countries plus Switzerland, Iceland, Liechtenstein and Norway. EURES provides specific information and facilitates placements for the benefit of employers and frontier workers in European cross-border regions. In practice EURES provides its services through the portal and through a human network of around 1000 EURES advisers that are in daily contact with jobseekers and employers across Europe.

<sup>139</sup> Such as the 'To work with languages' project in Czech Republic consisting of intensive German language courses that gave unemployed Czech people the skills they needed to try and get work in a neighbouring German region.

<sup>140</sup> Respectively: Access to employment for job-seekers and inactive people; Equality between men and women in all areas, including access to employment; Modernisation of labour market institutions



employment. It might be overlapping with TO8 investment priority 8.vii when it comes to supporting the modernisation of labour market institutions.

- ERASMUS+ provides opportunities targeting both young people and adults and aims to improve the level and labour market relevance of skills, increasing the quality of youth work and education and training systems and supporting their modernisation and their international dimension, which includes operations in support of adult learning. This programme is coherent with TO8 priorities mostly when it comes to facilitating access to employment and adaptation of workers through trainings and adult learning opportunities. However, ERASMUS+ is more focused on opportunities for young people than adults.
- EGF (European Globalisation Fund): this fund aims to accompany people and local economies struck by significant layoffs towards re-employment through re-skilling. The EGF can co-finance projects including measures such as help with looking for a job; careers advice; education, training and re-training; mentoring and coaching; entrepreneurship and business creation. It can also provide training allowances, mobility/relocation allowances, subsistence allowances or similar support. These measures are in particular complementary to TO8 Investment Priority 8.v (adaptation of workers, enterprises and entrepreneurs to change), which mostly intervenes to prevent the displacement of workers at risk of being expelled from the labour market and/or to prepare them to change, whereas EGF supports people who already lost their job (with ESF having a more "preventative" role and EGF having a more 'corrective' one). Measures that promote employment and employability as well as entrepreneurship can be overlapping with ESF TO8 activities that target unemployed people with similar objectives.
- EMFF (European Maritime and Fisheries Fund): also this fund has points of contact with ESF TO8 objectives, as it finances projects that create new jobs and improve quality of life along European coasts. The focus is therefore on the maritime and fishery sectors, but the goals are coherent with investment priorities under TO8 that support access to employment, self-employment, and business creation. EMFF direct allocations to TO8 amount to approximately EUR 830 million, but it also indirectly contributes to TO8 through TO3 to which it allocated around EUR 3.8 billion.
- **The Asylum, Migration and Integration Fund (AMIF)** promotes the efficient management of migration flows and the implementation, strengthening and development of a common Union approach to asylum and immigration. Concrete operations funded through this instrument can include initiatives such as information measures and campaigns in non-EU countries on legal migration channels and education and language training for non-EU nationals. These types of activities, and in particular those related to legal migration and integration specific objective under the AMIF, can be considered to be complementary to operations carried out under TO8 Investment Priority 8.i. In fact, they both promote access to employment and labour mobility, although the AMIF targets non-EU nationals who might not be covered through ESF TO8. In fact, the AMIF supports legal migration to EU States in line with the labour market needs and promotes the effective integration of non-EU nationals in the labour market.

***The Partnership Agreements are key in ensuring coherence and synergy among different structural funds, although limited evidence has been collected concerning collaboration among funds***

The Partnership agreement represents an important reference for demarcation among all TOs and among Funds as well as the existence of a single central unit for cohesion policy, as in the case of Italy and its Agency for territorial cohesion. In Germany Coordination is mainly achieved by the funding units in the ministries and by the regional or thematic structures established. In Spain this is reflected in the fact that Intermediary bodies with experience in managing ERDF funds have taken up ESF funds due to the need to complement (technological) infrastructure (funded by ERDF) with staff with appropriate skills and knowledge. However, the administrative coordination between EU funds at the



operational level poses some operational problems, as the options for integrated measures combining different funds are perceived to be complex and unfeasible for Intermediary Bodies.

In spite of the significant potential complementarity among programmes, as highlighted above, the perception of respondents to the public consultation is less favourable with less than fifty percent of respondents assessing ESF TO8 as coherent with the ERDF (45.1%) and all other programmes and funds receiving even lower assessments. However, it should be mentioned that, in general, respondents often say that they don't know or don't have an opinion, ranging from 40.8% (for existing national and regional programmes) to 72.7% of respondents (for the European Globalisation Fund).

Field research shows that there are cases in which complementarity and clearer demarcation could be strengthened, such as in the case of the Danish Operational Programmes. While it shows a clear coherence between the ESF Operational Programme TO8 operations and the ERDF, the evaluation of the ESF Operational Programme (focusing on Investment Priority 8.iii and to a lesser extent Investment Priority 8.v and Investment Priority 8.vii), shows that there is a synergy of TO8 projects with projects funded under Priority 2 of the ERDF (More high growth companies), and therefore suggests closer coordination between projects to ensure that participants receive the most relevant support.

#### **4.5.3 EQ 4.3. To which extent are the investments under TO8 contributing and how consistent these are with the National Reform Programmes and, the Country Specific Recommendations in the framework of the European Semester?**

##### **ESF TO8 operations have contributed to the country specific recommendations**

ESF TO8 investments are generally underpinned by country specific recommendations in their underlying intervention logics and are thus contributing to addressing the challenges identified. This is also attributable to the negotiation process that has taken place at the programming stage between the Commission and the Member States; the negotiation process continues during the implementation as Member States negotiate with the European Commission amendments and changes to the Operational Programmes.

##### ***The Country-specific Recommendation are well addressed by the ESF TO8 investments as underpinned in the underlying intervention logics and are thus likely to contributing to addressing the challenges identified***

The study analysing the outcomes of the negotiations concerning the Partnership Agreement and the ESF Operational Programmes for the programming period 2014-2020, already concluded that Country-specific Recommendations related to employment and mobility are generally well addressed by the various ESF investments under TO8<sup>141</sup>. The analysis of the Country-specific Recommendations (see Annex I) has shown that they are often formulated in a broad manner, and generally without specifying target groups. Where target groups are mentioned, it is of particular importance that Member States focus on these target groups. Unemployed, including long-term unemployed and people with low skills are most often mentioned, often in direct relation to access to employment by means of training and education. Particularly in the early years of ESF implementation, with enduring high unemployment after the financial crisis, the Country-specific Recommendations often explicitly focused on the needs of (long-term) unemployed. With improving socio-economic conditions in the years after, they made less direct reference to these target group and this type of operation. In Austria, Belgium, Bulgaria, Croatia, Cyprus, Estonia, Finland, France, Greece, Latvia, Luxembourg, Poland, Romania, and Slovenia, the Country-specific Recommendations explicitly refer to older workers, often in

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<sup>141</sup> FGB (2016), The analysis of the outcome of the negotiations concerning the Partnership Agreements and ESF Operational Programmes, for the programming period 2014-2020

the context of pensions and / or healthcare reforms, but also from the perspective of changing skill needs on the labour market and the need for adaptability measures. In the light of the relatively marginal contribution of ESF to active ageing this would seem to be an area where alignment could be further strengthened, and efforts stepped up. An interesting example in this respect is Luxembourg where the focus of on older workers is in line with the 2014 Country-specific Recommendations and the recent Council recommendation which places particular emphasis on the employment of the elderly and suggests the need for a comprehensive strategy that includes measures to help older people stay in business longer. Likewise, in its National Reform Programme, Luxembourg has foreseen the 'Age Pact', a bill submitted to Parliament whose aim is to encourage companies with more than 150 employees to hire and retain older workers through age management. At a more general policy level, there is a strong link with the policies implemented with national funds.

ESF TO8 in France and Finland are aligned with the recommendations on stepping up efforts regarding the support of low-skilled and disadvantaged people, especially migrants and those with a migrant background, while in Germany the focus is more towards increasing shortages of skilled labour through Investment Priority 8.v investments.

In Italy, the Country-specific Recommendations focus on training and re-qualification and they are particularly important in the light of the increased flexibility in the Italian labour market and the growing share of temporary contracts. This is reflected in the high share of TO8 funding, particularly under Investment Priority 8.i.

In Spain the alignment with the Country-specific Recommendations made in 2018 on fostering transitions towards open-ended contracts has improved through the simplification of the hiring incentives system since 2012 and the shift in some Operational Programmes towards quality and permanent employment, although a lot is yet to be done. Finally, the Recommendation made in 2016 to focus on individualised support strengthening the effectiveness of training measures has been considered in many measures of the Operational Programmes under TO8, with significant budget allowances. At the same time there is room for better aligning TO8 investments with the provisions of the National Reform Programmes and the Country-specific Recommendations especially with regards to improving the Public Employment Services and their alignment with social services; likewise higher heed could be paid to the analysis on gender equality gaps and rapidly ageing population included in the preamble to the 2019 Country-specific Recommendations.

#### **4.5.4 EQ 4.4 To what extent were they complementary and coherent with other activities supporting employment and labour mobility at national/regional level?**

**Operations funded under TO8 are generally coherent with other policies or strategies supporting employment and mobility at the national and regional levels**

This is confirmed by positive evidence from evaluations and the analysis of the case studies. Such complementarity can lead in some instances to risks of overlaps.

#### ***Operations funded by ESF TO8 are coherent with national and regional policies and in some instances ESF supports the implementation of such policies***

Based on available evaluations, operations funded under TO8 were generally reported as being coherent with other policies or strategies supporting employment and mobility at the national and regional levels. Overall positive evidence from evaluations is confirmed by the findings concerning the selected Operational Programmes.

This is the case for instance for evaluations in the Veneto, Hamburg, Central Macedonia, Lombardia, Umbria, Thüringen and Lubuskie Operational Programmes. In Veneto it is indicated that the Operational Programme is coherent with the Regional Comprehensive Strategy 2014-2020. In Hamburg, the coherence of ESF with the European and national

strategies is reported as high and the link between the ESF and the strategies increased in the last two years. It is also reported that the EU Framework for National Roma Integration Strategies up to 2020 provides a useful complement to the policy framework. Operations implemented by the Croatian Employment Service and financed by the European Social Fund are complementary to the Guidelines for the Implementation of an Active Employment Policy in the Republic of Croatia for the period 2015-2017 and for the period 2018-2020.

Also, in Spain there is complementarity of the Active Labour Market Policies activities funded by national and ESF in the Autonomous Communities under TO8: the national funds distributed through the Employment Sectoral Conference (*Conferencia Sectorial de Empleo*), the coordination structure between national and regional employment ministries, are complementary with ESF funds. The use of one or the other by the regions depends on the more or less immediate needs of funds, on the flexibility and on the administrative burden. Thus, this complementarity allows the Autonomous Communities to better adapt the funds to their needs.

In France the TO8 focus on entrepreneurship is coherent and complementary with the National Pact on Growth, Competitiveness and Employment, to support companies' development and investments, by – *inter alia* - introducing entrepreneurship in educational programmes from secondary schools to higher education and to facilitate business creation by simplifying processes and adapting support.

The Italian National Operational Programme contributes with its system actions to informing and strengthening Active Labour Market Policy making through *inter alia* the provision of studies, tools and methodologies, particularly with relation to the forecasting of skills. The operations aimed at strengthening the Public Employment Services system are also directly relevant for the national Active Labour Market Policies system. In the Campania Operational Programme, strong potential for coherence is observed in particular with a programme called *Ricollocami* which offers Active Labour Market Policies services matched with the National Security Institute's passive measure (social shock absorbers) and includes operations targeted to the inactive and unemployed (through local employment initiatives, hiring incentives, support to professional mobility) as well as to employed people (mostly training).

***Set up of coordinating bodies and a detailed analysis of the policy gaps can play a role in strengthening the alignment between ESF and national/regional funding***

In some instances, potential risks of overlapping between measures financed under ESF TO8 and support from other public sources have been registered. This has been recorded for example in Sladskie (Poland), or in Castilla la Mancha (Spain), where the evaluation recommends to strengthen the dialogue with different territorial agencies with a view to improve alignment of the Operational Programme strategy with the regional priorities. In this respect, the set-up of coordinating bodies and platforms or a detailed knowledge of needs can play a facilitating role. In Germany, where the ESF covers overall a very low share of the full national funding, the ESF is used to close funding gaps of federal and/or regional actions, based on a gap analysis or based on approaches developed over the previous funding period(s). Therefore, ESF is aimed at setting impulses. For instance, the operation "IQ-Qualifizierungsprogramm" has a vast national funding framework, including counselling and developing new qualification modules. The ESF, however, supports only the missing links of qualification on the way to the final recognition of professional certificates. As part of the Rheinland-Pfalz Operational Programme, the operation 'New Opportunities' provides support to women which are not in the system. This operation is only supported by ESF as no other operations cover this target group.

#### **4.6 EU Added Value**

##### **E.Q. 5: European Added Value: What is the EU added value of the ESF funded operations in the field of employment and labour mobility?**

**4.6.1 EQ 5.1 To what extent did the ESF-funded operations produce effects at the national and regional level that would not have taken place without the EU intervention?**

**There is evidence of considerable added value of ESF operations funded under T08, especially in terms of volume, scope and process effects**

**In terms of volume effect, the ESF allows more people to be supported than would be the case if only national programmes were available**

It is difficult to assess precisely the extent of the effect but it is estimated based on the existing evidence that a high proportion of the people supported would probably have simply benefitted from passive unemployment support without the ESF.

**There is evidence of ESF having a leverage effect on other labour market investments and ESF operations being mainstreamed by national agencies**

The importance of EU funds is therefore widely recognised, but over-dependence on these funds, and the fact that in some cases the current T08 activities would simply not exist without EU funding, undermines the very principle of additionality of the ESIF funds (which stipulates that the EU contribution must not replace public expenditure).

**In terms of scope effect, through its support, the ESF has also raised the profile and priority of many groups often not cared for or targeted by national, regional or local programmes**

This concerns for instance young people, but also entrepreneurs/self-employed, women and older workers. ESF has also contributed to the broadening of existing operations including the adoption of individualised operations and targeted approaches to focus on the needs of specific groups. Perhaps its main contribution was to increase gender equality awareness and the introduction of specific policies, which were previously noticeably absent in some Member States. There is also some evidence (e.g. Croatia) where the ESF has prioritised investments in hard-to-reach areas that had not previously received such priority.

**In terms of the process effect, there is evidence that ESF T08 operations had a positive impact on implementing bodies**

This is in terms of improved project management skills, better understanding of the problems faced by project participants, partnership with other organisations, and best practice exchanges etc. Many organisations have become more efficient and professionalised following their involvement in the delivery of support offered by the Operational Programmes and their adaptation to the ESF requirements (many stakeholders for example extended the system of simplified/unit costs to operations not funded by the ESF). Monitoring systems have also improved to meet the ESF requirements. But to maintain these benefits, additional capacity building support is required especially in the Member States that have more recently acceded to the EU.

**The evidence is however more mixed in terms of role effect**

There is less evidence on the extent to which the operations supported by the ESF supported innovation and the transfer of ideas, although there are examples of good practice with lessons that can be learned (see also Chapter 5).

**4.6.1.1 Volume effect: Have the operations added to existing actions or directly produced beneficial effects that can be measured in terms of volume?**

According to a recent study on the impact assessment of human capital investments<sup>142</sup>, the ESF has produced significant volume effects, especially through Investment Priority 8i (Access to employment) which received the largest share of the ESF budget within T08.

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<sup>142</sup> FGB, Study supporting the impact assessment of human capital investments, Final report, May 2018

Data recorded up to the end of 2018 reveal that there was a total of 6.8 million participations in TO8 programmes.

The Labour Market Policy database (managed by DG EMPL) sheds further light into the volume effects. It shows that in several Member States, some labour market measures specifically targeted at disadvantaged people (i.e. unemployed, employed at risk and inactive) were exclusively co-funded by the ESF, i.e. there are no equivalent measures funded only through national resources, therefore reflecting the volume effect of ESF funded operations. For instance, all employment incentives as well as all sheltered and supported employment measures were co-funded by the ESF both in Latvia and Slovakia. This was the case for direct job creation in the Czech Republic, Greece, Lithuania, Slovakia and Finland; for start-up incentives in Estonia, Hungary, Slovakia and Finland; for institutional training in the Czech Republic, Spain, Latvia, Lithuania and Slovakia; for traineeships in the Czech Republic, Estonia, Greece, Lithuania, Malta, Austria, Poland, Portugal, and Slovakia and for apprenticeships in Ireland, Spain, Lithuania, Austria, Portugal, Slovenia and Finland (see Table 17).

According to the public consultation findings, 48% of all respondents considered that without ESF there would not be enough money to pay for the supported programmes (the share rising to 54% when the analysis is restricted to organisations involved in ESF programmes). The importance of the volume effect of the ESF-funded operations was also highlighted during the focus group discussions as well as in the various case studies. This is particularly true in the **Czech Republic**, where the majority of active labour market policies are co-funded by the ESF (as mentioned above). Without ESF support, many disadvantaged people (especially those aged over 55, persons with disabilities, the long-term unemployed, the low-skilled) would simply receive a passive unemployment support. In **Estonia**, the mid-term evaluation of the Operational Programme Cohesion Policy Funding estimates the contribution of the Structural Funds as high, as it would not be possible to carry out such a large-scale activity with the national budget alone. Similarly in **Finland**, according to the report of ESF-funding on productivity and well-being at work, over a quarter of the organisations would not have implemented measures promoting productivity and well-being without the Sustainable Growth and Jobs Operational Programme. In addition, the creation of the one-stop guidance network (which was later mainstreamed) was acknowledged as a volume effect. In **France**, ESF-funded operations are recognised to have a powerful leverage effect. The programming strategy is clearly oriented towards a volume effect: ESF is mostly used to reinforce an existing employment policy (without adding new operations). In the Operational Programme Rhône-Alpes for instance, the operation 'Mode d'emploi' implemented by the 'Mouvement des entreprises de France' (MEDEF) Employers organisation (which provides intensive individualised support to participants) completes the support provided by the Public Employment Service. In **Spain**, it is found that the ESF operations funded under TO8 allowed the intermediate bodies to increase the impact of the operations, reaching a wider audience which could not have been supported without the ESF. In **Romania**, both measures under Investment Priorities 8.i and 8.iii added to the existing measures financed by the State budget. In **Denmark**, TO8 operations have added value by increasing the number of persons who benefitted from Entrepreneurial training and education, Entrepreneurial support and consultancy and the number of firms involved in skills upgrading. In the **Operational Programme Campania**, the volume effect both concerns the number of actions and the number of participants involved for all investment priorities under TO8, which is due to the integration between ESF funding and national/regional funding for the same types of actions and groups. In **Veneto**, the evaluation of the Operational Programme's contribution to EU 2020 estimated that domestic demand increased by EUR 102 million between 2016 and 2017 thanks to the ESF support (this figure however covers all investment priorities – no specific finding relates to TO8), and the impact on GDP is estimated at 0.05% in 2017 and 2018 (but tends to decrease afterwards).

In **Germany**, ESF operations have a volume effect as they enhance or partly complement national operations, but their extent is rather low (estimated at approximately 3% of

national active labour market policies). The ESF however plays a role in gap plugging of national actions related to specific target groups that are hard to reach and specific topics related to employment. At the federal level, a volume effect was identified in the activities of the Micro-Mezzanine Fund (8.iii) as the concept of this type of fund inherently results in a leverage effect as the additional capital that is made available is invested in the company. ESF funding for 8.iv (Equality between men and women) operations is also considered as essential as without ESF, they would simply not exist. Volume effects were also highlighted for operations financed under 8.v (for instance, 'Fachkräfte sichern', securing skilled workers), which is implemented by the social partners. They created a volume effect based on the broad outreach and the approach that integrated personnel development with organisational development. For 'UnternehmensWert: Mensch', counselling of companies would not be proposed without the ESF support. In addition, in Operational Programme Brandenburg, the ESF funding complements the State budget to support target groups who are difficult to reach. And in both Rheinland-Pfalz and Niedersachsen Operational Programmes, it was reported that without ESF, the supported actions would receive much less funding. In **Luxembourg** as well ESF complements the national employment programme, but given the relative weakness of the ESF allocation in relation to the national amounts dedicated to employment policies, the volume effect is considered as small.

In the future, ESF is expected to continue to produce volume effects, provided that Member States direct efforts towards ensuring that the national co-financing and the capacity to implement the actions are in place and that a speedy start can be ensured. It is important to bear in mind that EU financial allocations should be used to leverage investment and should complement the State budget, and not lead to a reduction of national public spending. According to the conclusions of the Impact Assessment study, future funds should be invested strategically in order to generate the best returns in terms of growth and job creation.

#### **4.6.1.2 Scope effect: Have the operations broadened existing actions by addressing groups or policy areas that would otherwise not have been addressed?**

Information from the Impact Assessment study, the Labour Market Policies database, the focus group and the case studies shows that in some cases, ESF co-funded operations cover target groups which are not covered by nationally funded operations, therefore reflecting the scope effect of ESF co-funded operations. Such target groups include for example, young people, entrepreneurs/self-employed, women or older workers. According to the Labour Market Policies database, this is, for instance, the case for employment incentives in Estonia, Spain, Cyprus, Latvia, Lithuania, Hungary and Slovenia, where long-term unemployed are specifically targeted only by ESF co-funded operations. More details on the target groups specifically targeted only by ESF co-funded operations can be found in Table 17.

In some cases, the ESF operations broadened the target groups. Therefore, in **Estonia** for instance, the supported measures have been extended to new target groups (low-skilled, young people, older people, and people with disabilities). Similarly, in **Portugal**, the reprogramming of the Operational Programmes made it possible to extend the scope of support for hiring highly qualified human resources involved in technology transfer processes to the corporate fabric. And in **France**, it is reported that by targeting groups such as women and older people, the ESF-funded operations play a leverage effect that would not have been reached without the ESF. In **Italy**, TO8 operations financed under the national System for Active Employment Policies Operational Programme also broadened the target populations (e.g. the unemployed for incentives projects).

Some 28.5% of the public consultation respondents (31% among organisations involved in ESF Operational Programmes) stated that, without ESF, there would be less or no attention devoted to unemployed people. ESF-funded operations also broadened existing employment and training policies. For instance in the **Czech Republic**, the ESF (which finances the majority of active labour market policies' interventions as stressed above) provides individualised forms of support for the most disadvantaged groups on the labour



market. In **Spain**, ESF has led the organisations to implement new programmes, different from those that they had been carried out previously such as those promoting the participation of companies in dual Vocational education and training schemes or the Digital Immersion Programme for Internationalisation. In **Denmark**, Entrepreneurial support and counselling (Investment Priority 8.iii) is also found in local and national initiatives, but scope effects were observed through more flexible and varied types of initiatives. Entrepreneurial training and education is complementary to primary studies and is proposed at early stages in the educational system. At university level, the scope effect primarily comes from supplementary training and education associated with bachelor or master programmes that do not have entrepreneurship among their topics.

In **Romania** as well, the Operational Programme Human Capital broadened existing operations under Investment Priority 8.v, which is funding support for entrepreneurs and enterprises to modernise their human resources' management and to develop new tools to help them increase productivity, especially in the competitive sectors (such measures are not funded from the national budget). In **Germany**, a scope effect was found at the federal level in the context of the operation 'EXIST' (Investment Priority 8.iii), which supports high-tech start-ups. The ESF support provides an important financial basis on which new national support instruments are being created. In the Operational Programme Niedersachsen, the main added value of the qualification operations (Investment Priority 8.v) are the structural measures, the regional qualification pacts. They establish a new form of partnership that supports the identification of new topics (digitalisation, transformation of the labour sphere etc). The issue of active ageing (Investment Priority 8.vi) is also very important: keeping people longer in employment is one important objective of ESF operations. The main added value of the Förderung der Integration von Frauen in den Arbeitsmarkt (FIFA)/KoSt operations (Investment Priority 8.iv) are to bring the issue of gender equality and equal participation in training and jobs at the level of operations supported by public funds. Without the ESF, such an approach would not be feasible. ESF has contributed to bring this issue on the policy agenda. In **Italy**, TO8 operations of the national System for Active Employment Policies Operational Programme broadened existing operations (e.g. with projects supporting information/access to Active Labour Market Policies and studies for better policies programming (Investment Priority 8.vii)).

Further information on how ESF-funded operations also broadened existing employment and training policies specifically targeted at disadvantaged people (i.e. unemployed, employed at risk and inactive) is provided by the Labour Market Policies database and is presented in Table 17 below).

Table 17. ESF co-funded Active Labour Market Policy interventions<sup>(1)</sup> and specific target groups covered only by ESF co-funded interventions by country, 2014-2017

	Countries with ESF co-funded operations <sup>(2)</sup> <sup>(3)</sup>	Target groups targeted only by ESF co-funded operations <sup>(4)</sup>
<b>Employment incentives</b>	CZ, DE, EE, EL, ES, FR, HR, IT, CY, <b>LV</b> , LT, HU, MT, PL, PT, SI, <b>SK</b> , FI	Employed at risk: EE, MT, SI, SK LTU: EE, ES, CY, LV, LT, HU, SI 55+: CY, LT Disabled: EE, CY, LV, LT, HU, PT Immigrants: EE, EL, MT Re-entrants: EE, LV, LT, PL Public priorities: LV
<b>Sheltered &amp; supported employment</b>	EE, ES, <b>LV</b> , LT, MT, AT, PL, PT, <b>SK</b> , FI	Employed at risk: MT, PT, SK, LTU: LV Disabled: LV, SK Re-entrants: LV Public priorities: LV
<b>Direct job creation</b>	BG, <b>CZ</b> , DE, EE, IE, <b>EL</b> , ES, HR, IT, <b>LT</b> , AT, PT, SI, <b>SK</b> , <b>FI</b>	Employed at risk: SK LTU: EE, EL, AT, PT, SK, FI 55+: AT, PT Disabled: AT, PT, FI Re-entrants: EL, AT

	Countries with ESF co-funded operations <sup>(2)</sup> <sup>(3)</sup>	Target groups targeted only by ESF co-funded operations <sup>(4)</sup>
<b>Start-up incentives</b>	BE, BG, CZ, <b>EE</b> , EL, ES, HR, IT, <b>HU</b> , PL, PT, SI, <b>SK</b> , <b>FI</b>	Public priorities: EL, ES, AT, SI Employed at risk: EE, FI LTU: IT 55+: IT Disabled: ES, HU, PT, SK Immigrants: CZ Public priorities: CZ, ES, PL
<b>Institutional training</b>	BG, <b>CZ</b> , DE, EE, IE, EL, <b>ES</b> , FR, HR, IT, <b>LV</b> , <b>LT</b> , HU, MT, AT, PL, PT, SI, <b>SK</b> , FI	Employed at risk: ES, LV, SI LTU: EL, ES, IT, MT, PT, FI 55+: IE, EL, MT Disabled: HU Immigrants: EL, MT, PT Re-entrants: BG, EL, IT, MT Public priorities: IE
<b>Traineeships</b>	<b>CZ</b> , DE, <b>EE</b> , IE, <b>EL</b> , ES, FR, HR, CY, <b>LT</b> , LU, <b>MT</b> , <b>AT</b> , <b>PL</b> , <b>PT</b> , SI, <b>SK</b>	Employed at risk: CZ, ES, FR, AT, SK LTU: DE, EL, PT 55+: CZ, DE, SI Disabled: CZ, EL, AT, PT, SI Immigrants: CZ, DE, EL, HR, SI Re-entrants: EL, PT, SI Public priorities: EL, PL, PT, SI
<b>Apprenticeships</b>	<b>IE</b> , <b>ES</b> , IT, <b>LT</b> , <b>AT</b> , <b>PT</b> , <b>SI</b> , <b>FI</b>	Employed at risk: LT LTU: ES, IT, FI Disabled: AT, FI Public priorities: LT, PT

Notes:

<sup>(1)</sup> Co-funded either by the current or the previous programming period.

<sup>(2)</sup> **Bold**= all offers in the country are co-funded by the ESF.

<sup>(3)</sup> 15 training interventions in BE, BG, CY, EL, FR, IE and IT are not included as there was no information on the specific type of training (institutional training, traineeship or apprenticeship).

<sup>(4)</sup> Interventions may have more than one target groups. Definitions of target groups:

- Employed at risk: Refers to persons currently in work but at risk of involuntary job loss due to the economic circumstances of the employer, restructuring, or similar.
- LTU: refers to long-term unemployed (i.e. people with a continuous spell of unemployment lasting at least a year).
- 55+: refers to persons aged 55 and over.
- Disabled: Refers to persons who are registered disabled according to national definitions.
- Immigrants: Refers to non-national permanent residents or nationals from an ethnic minority, who need special help in the labour market because of language or other cultural differences.
- Re-entrants: Refers to persons with difficulties in returning to work after a period of inactivity, and single men or women with children who need assistance – financial or otherwise – to be encouraged to work.
- Public priorities: Refers to any nationally recognised disadvantaged groups not covered by the other categories.

Source: Labour Market Policies database, date of extraction 22 August 2019. Data cover measures in Labour Market Policies categories 2-7. The target group for each measure is based on responses to item 7 of the Labour Market Policies questionnaire. The source of funding for each measure is based on responses to item 12. Further details on the Labour Market Policies methodology can be found at: <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8126&furtherPubs=yes>

In some other cases, the scope effect is observed as ESF is active in geographic areas that would otherwise not have been covered. For instance, in **Slovakia**, ESF contributed to provide personalised services in the least developed districts. In addition, during the focus group, the Bulgarian Managing Authority shared their positive experience regarding their mobile Public Employment Services. These services, proposed in remote areas where the labour force tends to be low-skilled, were considered as essential to help individuals who were previously hard to reach. At the same time, social support services were proposed to provide accompanying measures including measures addressing the family situation and difficulties, as a way to encourage activation. According to the conclusion of the 2018 Impact Assessment study, in the future, the ESF is expected to continue to be a key source of funding for target groups which are not at the centre of national efforts (such as migrants, Roma, homeless people, young and older people and people with disabilities).

It is recognised that the ESF plays a critical role in complementing national funds in order to reach all vulnerable groups.

**4.6.1.3 Role effect: Have the operations supported innovation and the transfer of ideas that have been subsequently rolled out in different contexts?**

The case studies provide some insight into the role effect of the ESF, highlighting that in France, Spain and Romania (all classified in Cluster B), TO8 operations provided little or no support to innovation. In **Spain** for instance, innovation has been included to a limited extent due to the uncertainty regarding their eligibility, and (as in **France**), most supported operations therefore added to already existing actions, without introducing new approaches to tackle the problems. In addition, in **Romania**, the lack of innovative measures was also identified, in particular for operations focusing on the most disadvantaged groups such as the Roma or the low educated people. As stated above (in evaluation question 2.1), there are incidences of innovative approaches, but these had higher cost implications.

By contrast, in two other case studies, the role effect of the ESF was fully recognised. In **Austria**, it is reported that ESF supported innovative operations to promote gender equality (8.iv) and support active and healthy ageing (8.vi). Similarly, in **Germany**, the role effects of ESF funded operations in the field of employment and mobility were recognised both at the level of the federal and regional Operational Programmes. This is for instance the case for two innovative federal operations supported under Investment Priority 8.v: 'UnternehmensWert: Mensch' (which is aimed at improving working conditions), and 'IQ-Qualifizierungsprogramm' (which supports people who need help for the recognition of their certificates). Some elements of the latter have been transferred into the regular national funding. Likewise, some modules of 'Perspektive Wiedereinstieg' (funded under 8.iv) were integrated into the regular support provided by the federal Public Employment Services. The Operational Programme Brandenburg also supports experimental social innovation projects which would not be possible only with regional resources.

In addition, the focus group also highlighted two examples where ESF created opportunities to test innovative approaches and to mainstream these. In Estonia, peer counselling is proposed for people with disabilities (for instance a disabled worker provides advice to disabled people who are looking for a job or who just started to work and need support) while in Malta, in order to put people with mental disabilities to work, work activities are divided into sub-tasks to allow individuals to perform single sub-tasks, which are eventually combined together.

**4.6.1.4 Process effect: Have Member State administrations and participating organisations derived benefits from being involved in the operations?**

The 2018 Impact Assessment study did not include findings in terms of process effects of the ESF, notably due to the absence of evaluations on the subject. Stakeholders however suggested that process effects ought to be limited due to the complexity of ESF Regulations, which reduces the potential for mutual learning and partnership.

However, recent information, from the case studies clearly refutes the above suggestion and highlights various benefits for administrations and organisations involved in the ESF operations. In the **Czech Republic** for instance, cooperation between the Managing Authority, the Ministry of Labour and Social Affairs, other state institutions, social partners and NGOs (in particular for actions supporting the capacity of the labour offices, the social partners and NGOs) was highlighted as a process effect of the ESF. In **Finland**, many indirect effects were reported, including the steering role of the horizontal principles, the regional sensitivity, and the assessment practices. In **Operational Programme Piemonte**, the benefits from being involved in the ESF were mostly in terms of standard-costs and the introduction of an activity-control system. In **Romania**, both the national authorities responsible for implementing the Operational Programme Human Capital projects and the Ministry for Business Environment derive benefits from being involved in the Operational Programme by developing managerial skills for their staff involved in the

projects management and also in terms of administration costs. As beneficiaries of Investment Priority 8.vii operations, they also benefit in terms of developing services and improving beneficiaries' access and satisfaction. Furthermore, all participating administrations and organisations benefit from being involved in operations in several ways: improved visibility, better project management skills, a better grip on the issues labour market participants face, partnership with other organizations, best practice exchanges etc.

In **Croatia**, the national institutions have been forced to build expertise in strategic planning and management for the ESF. For instance, the Croatian Qualifications Framework, which was planned to be produced in 2014, exists in two beta versions and it is anticipated that the third beta version will help to anticipate labour market needs, so that guidance, professional recruiting and career choices will also be adapted. These are policies that are being built with the help of the ESF. These needs were recognized in the programming of the Efficient Human Resources Operational Programme, but produced much more impact at the policy level than anticipated. In **Spain**, the contribution of ESF to structural changes was emphasised, not especially through the operations implemented under Investment Priority 8.vii (as only the Operational Programme Catalonia includes a limited budget allocation for this), but rather through the general improvement of management capacities required to manage ESF operations. Besides, the importance of TO8 operations to produce effects (which would not have taken place without ESF) on the organisations implementing the operations themselves was stressed. These organisations have become more efficient and professionalised due to their involvement in the delivery of support offered by the Operational Programmes and their adaptation to the ESF requirements (many stakeholders for example adopted the system of simplified/unit costs for operations not funded by the ESF). The network capacity established thanks to the ESF with organisations being able to exchange experiences with other organisations in different Autonomous Communities, has been considered very positive. Finally, thanks to ESF, the set-up of a thorough monitoring system allowed to provide information linked to the participants' results.

In **Germany**, at the federal level, by inspiring a very close cooperation of the social partners in the trade sector, the 'Fachkräfte sichern' operation (Investment Priority 8.v) resulted in a collective agreement. This process effect is considered as a success as agreements in the trade sector are very difficult to reach. For 'IQ-Qualifizierungsprogramm' (Investment Priority 8.v), the administrative procedures for the recognition of certificates of skilled workers have been harmonised and accelerated. And for 'UnternehmensWert: Mensch' (Investment Priority 8.v), the successful result of this operation are newly developed and implemented processes in the participating SMEs. As for operations financed under Investment Priority 8.iv, a process effect was recognised as massive learning and sensibilisation took place in institutions.

The process effects of the ESF supported operations were also largely recognised during the focus group discussions. They increased inter-institutional cooperation, such as in Bulgaria, where social partners and social services cooperate as a result of the effort needed to implement individual centred approaches to support people into (or closer to) employment. The importance of close partnerships was also highlighted especially with (public and private) local actors involved with the delivery of Active Labour Market Policies as well as social inclusion services, allowing to address different barriers faced by the target groups and better reach the most vulnerable individuals. For instance, in Greece, a few programmes offering ICT training and language classes are proposed to the unemployed. After a first wave of projects, it was decided to also involve private employment agencies as well as employers, to generate bottom-up need assessments. This resulted in a much more targeted training and professional experience programme in a specific area, which led to high satisfaction both among participants and employers.

According to the conclusions of the Impact Assessment study, in order to maintain these benefits in the future, it is important to offer further capacity building support, especially

in the Member States that have more recently acceded to the EU. With potentially less funding in the future, its efficient use will be all the more important.

#### **4.7 Sustainability**

##### **E.Q. 6. Sustainability: How sustainable the ESF-funded operations under T08 have been**

###### **4.7.1 EQ 6.1 To what extent the effects of the ESF support under T08 are likely to continue after the end of the funding, both at individual and employment policy level?**

**Transition rates to employment of participants (success rates) tend to increase in the long-term compared to immediate employment, although some cross-cluster and country variation is found**

Deviations are also ascertained across Investment Priorities in the different Member States, with a tendency of operations in the access to employment Investment Priority (Investment Priority 8.i) to produce results sooner (but this can be also due to higher level of reporting in the comparatively more advanced operations in this investment priority). Investment Priorities in which the incidence of Vocational education and training is higher (such as adaptability – Investment Priority 8.v) see their results materialise at a slightly later stage.

But in line with previous evidence (see evaluation question 1) the determinants of success rates both immediately after support and at six months of it are essentially the characteristics of the target groups and their distance from the labour market, particularly in terms of employment status, whether they are third country nationals, and their age cohort.

**Despite lower rates of transitions to employment for individuals at a greater distance from the labour market, neither the immediate nor the longer term (6 to 24 months) net effects of T08 support seem to be smaller for them**

The net effects for those individuals are not smaller than average, confirming ESF effectiveness towards these target groups. In addition, the comparative counterfactual evidence available, despite being scarce, points to sustainable net effects across the different target groups, in the sense that differences in effects which are registered in some cases shortly after the support do not change – and particularly do not widen – over time.

The evidence on the quality of employment received is generally positive and confirms that participants are often in stable employment upon leaving, although the net increase in stable employment is typically smaller than the overall increase in employment opportunities.

**Small but noticeable differences have been appearing, in line with the literature, between operations such as job counselling and support, stronger in the short term and training related operations, which seem more sustainable in the long-term**

The evidence particularly in self-employment/-entrepreneurship support points to high sustainability of support, provided the environment in which it unfolds is not affected by major socio-economic changes.

**From a macroeconomic perspective impacts on GDP and particularly on employment are expected to persist, and also increase in the medium-to long run, peaking between 2026-2030**

The long-term multiplier (discounted euro of GDP generated per each euro invested) is also generally positive and above one in a number of Member States and over 50 regions, which confirms the financial sustainability of the investment. The multiplier is larger for regions with high labour intensity, export orientation and those that are net

receivers of EU funds. The multiplier is also larger for regions with lower costs of participation, but this might represent a limitation of the analysis rather than a finding, given such values are not reliable at this stage of the implementation. In general, there are risks of underestimation which should be considered, as explained in previous sections.

From the perspective of continuity of the EU-supported operations after the funding stops, there is increasing evidence especially in more favourable socio-economic context of their mainstreaming into national policies. Thus, the systemic changes achieved through the implementation of ESF are likely to remain independently of the funding. However, especially in less favourable socio-economic contexts, the continuity of support is largely dependent on the availability of alternative funding.

### ***Sustainability can be discussed for individuals, operations as well as the economy as a whole***

The issue of sustainability covers two dimensions. First, the sustainability of the effects of the supported operations and second, the sustainability of the operations themselves. In turn, the sustainability of the effects might be seen at the level of the individual having benefitted from support, as well as from a broader macroeconomic perspective, which includes the spill overs on those who have not received the support, the changes generated to the equilibrium of labour supply and demand, trade and labour flows and so forth.

#### **4.7.1.1 Sustainability of effects for participants**

### ***Sustainability of effects can be proxied through longer term result indicators, counterfactual impact evaluation and macro-economic modelling***

The starting point is to look at the sustainability of results from the point of view of participants. This can be done in three main ways, notably (i) to look at longer-term result indicators aggregated in the System for Fund Management, (ii) to consider any longer-term result indicator or survey which is included in available evaluations including at the level of the typologies of operations, and (iii) to look at available counterfactual impact evaluations taking into account both the extent to which net effects are sustained in the longer term (from one year onwards) as well as the extent to which open-ended contracts are promoted. Finally, sustainability should be discussed also from a macroeconomic perspective, assessing whether even when including indirect effects of the support the benefits are persistent as well as whether the operations are financially sustainable. These issues are discussed below.

### **Monitoring data**

### ***The analysis of success rates and the balance between share of immediate and longer-term results recorded gives us some insights into the diversity of approaches and results across different socio-economic contexts***

To understand the relation between short-term and longer term employment – and thus the extent to which results measured by the ESF are sustainable over time – the number of individuals that found employment immediately (within four weeks) or in six months after the operation are compared against the total number of unemployed and inactive that were supported. The evaluation assessed initially the results of investments in access to employment (Investment Priority 8.i). Overall, the EU average success rate is comparable to what was estimated for the 2007-2013 programming period in the related evaluation<sup>143</sup>. Differences between Member States in the success rates achieved within access to employment investments may point at different approaches, different target groups or indeed, different levels of success. The success of an intensive training measure

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<sup>143</sup> The update to the ESF 2007-2013 evaluation calculated that for 40% of participations a positive result could be observed in access to employment operations. See European Commission (2018), Study supporting the update of the data reported in the 2007-2013 ESF ex-post evaluation, page 22 - <https://publications.europa.eu/en/publication-detail/-/publication/4f97f2b4-4c55-11e9-a8ed-01aa75ed71a1>

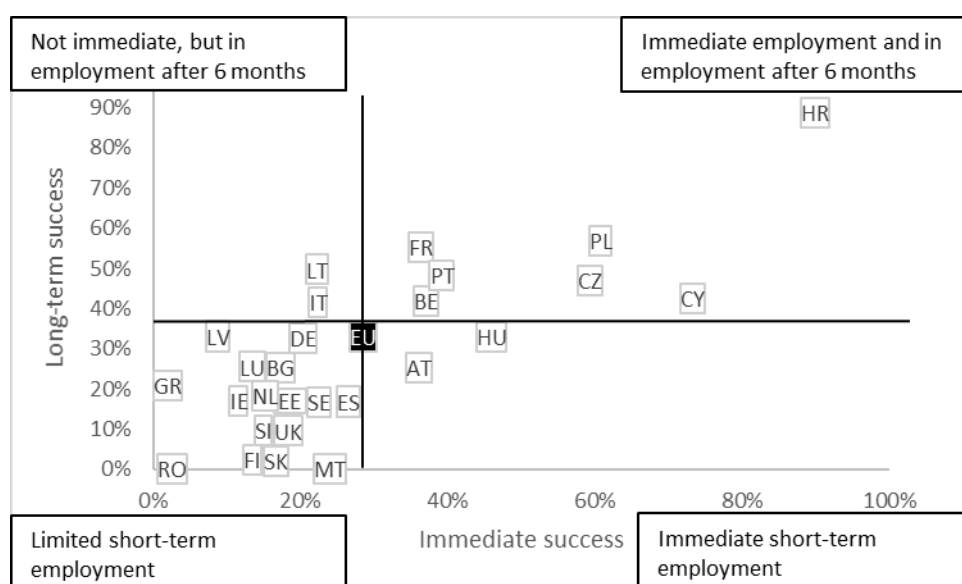


will vary from a short-lasting guidance operation. Similarly, an operation that focuses on long-term unemployed with a particular distance to the labour market will also expect a lower success rate than a measure that focuses on ambitious higher education graduates. Even more important may be differences in local socio-economic conditions, such as the overall trend in labour market demand, as further discussed below through the econometric analysis. Against this premise, according to the 'raw' monitoring data, Croatia and Cyprus score particularly high, both in terms of short- and longer-term results, but this is possibly due to relatively limited participations reported (with 4 595 participations recorded for Croatia, and 2 993 in Cyprus).

**Poland, Czech Republic, France, Portugal, Belgium, Lithuania and Italy also show comparatively high success in supporting participants finding employment (short-term success), and their capacity in sustaining it (longer-term success).**

Several Member States score success rates at or below the European average, which however is skewed upward due to the contribution of countries with very high success rates. Noteworthy as well are Austria and Hungary, which score comparatively high on immediate success rates, but see a drop in employment figures after six months. It is worth recalling here that underreporting of results due to the ongoing nature of operations, make the cross-country comparison only indicative.

Figure 37. Relative success rates – access to employment (Investment Priority 8i)



Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on 6 September 2019)

**Access to employment operations and support to entrepreneurship generate results at an early stage which remain sustainable in the longer-term. Other Investment Priorities see their results materialise later**

Given the diversity of approaches and target groups across different Investment Priorities, it can be expected that these differ considerably in the measured success rates as well. From across all Investment Priorities, **access to employment operations reach the highest success rates**, with 29% that find a job within the first four weeks, and 33% of participants that find employment within six months after the operation, see Table 18. Success in terms of finding employment are relatively similar for investments in the area of entrepreneurship (Investment Priority 8.iii), with relatively high success rates in Belgium, Germany, France, and Portugal. Other Investment Priorities do not include finding employment as major objective, and this is reflected in lower shares of unemployed / inactive participants that find employment. These priorities seek to increase the potential

for participants to enter the labour market, but such results may take longer to materialise than six months.

Table 18. Share of unemployed / inactive participants that find employment – by Investment Priority

	Access to employment (8.i)		Entrepreneurship (8.iii)		Gender equality (8.iv)		Adaptability (8.v)		Active ageing (8.vi)		LM <sup>144</sup> institutions (8.vii)	
	4 wk	6 m	4 wk	6 m	4 wk	6 m	4 wk	6 m	4 wk	6 m	4 wk	6 m
AT	36%	25%			6%	34%						
BE	37%	42%	45%	48%								
BG	17%	27%	1%	2%			0%	0%			1%	18%
CY	73%	39%										
CZ	59%	47%			26%	13%	95%	58%				
DE	20%	33%	45%	39%	24%	12%	27%	20%				
DK			5%	2%			17%	12%				
EE	17%	17%										
ES	26%	17%	22%	25%	7%	12%	36%	15%			29%	94%
FI	15%	2%			5%	2%	10%	2%				
FR	36%	55%	42%	48%			4%	51%			33%	54%
EL	2%	21%	4%	4%	13%	18%					50%	50%
HR	90%	89%									0%	0%
HU	46%	36%					61%	54%				
IE	12%	17%										
IT	22%	42%	2%	17%	2%	19%	10%	22%	16%	41%	11%	13%
LT	22%	50%										
LU	16%	25%										
LV	8%	36%										
MT	24%	0%										
NL	15%	18%										
PL	61%	57%	11%	42%	21%	45%	35%	29%	0%	8%	0%	0%
PT	39%	48%	75%	73%	5%	36%	17%	2%				
RO	3%	0%	35%	0%			100%	0%				
SE	21%	17%										
SI	16%	7%										
SK	16%	0%			72%	0%					0%	0%
UK	15%	4%										
<b>EU</b>	<b>29%</b>	<b>33%</b>	<b>29%</b>	<b>32%</b>	<b>12%</b>	<b>16%</b>	<b>14%</b>	<b>23%</b>	<b>0%</b>	<b>9%</b>	<b>13%</b>	<b>17%</b>
More dev.	21%	32%	30%	33%	9%	11%	10%	39%	13%	37%	13%	16%
Trans.	26%	23%	34%	37%	22%	31%	10%	41%			33%	54%
Less dev.	44%	40%	19%	23%	14%	20%	18%	4%	0%	8%	0%	8%

Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on 6 September 2019)

**Differences in sustainability of success rates are largely explained by the characteristics of the target group**

This overview is confirmed by the econometric analysis, which suggests that the characteristics of the target groups affect success rates of longer-term employment result indicators, even to a larger extent than the socio-economic context.

<sup>144</sup> Labour market

**Low longer-term success rate for older workers, long term unemployed and migrants, but this does not imply lower sustainability of effects**

In particular, programmes with high shares of inactive or long term unemployed, migrants as well as older workers show lower success rates of longer-term indicators, in a (strong) and statistically significant way. This is just to confirm that they have greater difficulty in finding and maintaining employment, which does not by itself have implication on the effectiveness of ESF to support them.

As indicated above, support for projects that focus on target groups with a larger distance to the labour market are likely to appear 'less effective' in terms of just gross results when compared to operations that focus on less disadvantaged target groups. However, this does not do justice to the increased complexity of this group and therefore merits a separate analysis. For this reason, success rates are compared separately for older unemployed and inactive participants.

Table 19 below confirms the need to take the type of target groups into account. **It proved harder to secure employment within six months after leaving the operation for participants above 54 years old than for other participants.** Operations under the heading of Access to Employment and Entrepreneurship helped respectively 21% and 22% of older participants find employment within six months respectively (recall that this was 29% for all participations). Like for all participants, investment priorities that do not focus on immediate support towards finding employment also score lower success rates. Croatia, Lithuania and Portugal already showed comparatively high success rates for all participants in access to employment, but also sustain such results for older participants. Remarkably, a considerable difference can be observed between the success rates for older participants in more developed regions (11%) than in less developed regions (33%), which is reversed for investments that focus on entrepreneurship.

Table 19. Share of unemployed / inactive participants above 54 years old that find employment (six months after operation) – by Investment Priority

	Access to employment (8.i)	Entrepreneurship (8.iii)	Gender equality (8.iv)	Adaptability (8.v)	Active ageing (8.vi)	LM <sup>145</sup> institutions (8.vii)
AT	24%		14%			
BE	21%	40%				
BG	19%					30%
CY	28%					
CZ	38%		8%	54%		
DE	16%	37%	14%	37%		
DK		8%		8%		
EE	13%					
ES	16%	13%	34%	3%		100%
FI	4%		6%	1%		
FR	30%	45%		28%		38%
EL	16%	3%	7%			
HR	72%					
HU	32%					
IE	18%					
IT	17%		4%	6%	30%	12%
LT	52%					
LU	21%					
LV	27%					
MT						
NL	12%					
PL	34%	17%	0%	6%	18%	
PT	41%	25%	0%	1%		
RO						

<sup>145</sup> Labour market

	Access to employment (8.i)	Entrepreneurship (8.iii)	Gender equality (8.iv)	Adaptability (8.v)	Active ageing (8.vi)	LM <sup>145</sup> institutions (8.vii)
SE	16%					
SI	1%					
SK						
UK	34%					
EU	21%	22%	15%	15%	18%	13%
More dev.	11%	24%	20%	25%	32%	13%
Transition	23%	28%	21%	21%		42%
Less dev.	33%	11%	7%	2%	18%	12%

Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on 6 September 2019)

**Success rates of supporting employed people into a better position on the labour market are higher in self-employment/entrepreneurship, adaptability and modernisation of labour market institutions investment priorities**

The previous sections already highlight that investments in the area of access to employment (Investment Priority 8.i) and entrepreneurship (Investment Priority 8.iii) can well be assessed by the extent to which they succeed in getting individuals into (sustainable) employment. Other Investment Priorities also focus on other target groups, such as people that are in employment, either precarious, that does not fit their skills or with involuntary part-time arrangements. ESF operations that address these issues tend to focus on the longer-term, and the results of such operations are not measured immediate after leaving, but six months after concluding the operation.

Table 20 below summarises the results and shows that achieving the anticipated results are relatively difficult. **Investments in adaptability (Investment Priority 8.v) and gender equality (Investment Priority 8.iv) most often reached participants in some form of employment.** However, with 19% and 13% success in improving a labour market position at the EU level, results remain relatively low.

Table 20. Share of employed that improved their labour market position six months after leaving – by Investment Priority

	Access to employment (8.i)	Entrepreneurship (8.iii)	Gender equality (8.iv)	Adaptability (8.v)	Active ageing (8.vi)	LM <sup>146</sup> institutions (8.vii)
AT			18%			
BE		10%				
BG	7%	4%		36%		6%
CY						
CZ	60%		5%	26%		100%
DE	22%	12%	20%	19%		
DK		6%		4%		
EE	0%					
ES	7%	13%	12%	3%		
FI	2%		2%	1%		
FR	20%	26%		44%		43%
EL			22%			29%
HR	33%					
HU				46%		
IE						
IT	3%		6%	5%	1%	26%
LT	14%					
LU						
LV						
MT						
NL	39%					

<sup>146</sup> Labour market

	Access to employment (8.i)	Entrepreneurship (8.iii)	Gender equality (8.iv)	Adaptability (8.v)	Active ageing (8.vi)	LM <sup>146</sup> institutions (8.vii)
PL	16%		7%	9%	5%	6%
PT				18%		
RO						
SE						
SI						
SK						
UK	6%					
<b>EU</b>	<b>7%</b>	<b>13%</b>	<b>13%</b>	<b>19%</b>	<b>5%</b>	<b>25%</b>
More dev.	11%	10%	14%	15%	1%	27%
Transition	12%	28%	14%	32%		30%
Less dev.	3%	3%	12%	20%	5%	21%

Source: SFC2014, based on Annual Implementation Report 2018 (data extracted on 6 September 2019)

The econometric analysis confirms that, in line with the objectives of the priorities, longer-term success rates for improved labour market condition are stronger in a statistically significant manner for support to entrepreneurship (Investment Priority 8.iii), adaptability (Investment Priority 8.v) and labour market institutions (Investment Priority 8.vii). Differences across clusters are visible, with Cluster B and C regions (weak starting point) performing worse than Cluster A and D regions (good starting point).

### Evidence from evaluations

#### ***Sustainability of effects should be measured mainly based on counterfactual impact evaluations, as monitoring data might be misleading***

As indicated above, the sustainability of effects cannot be directly inferred from indicators, as these are affected to a large extent by their distance from the labour market, which is however a condition which is present prior to support and will likely continue to affect participants' employment records. The question is to what extent the additional employment chances which participants have gained thanks to support in employment and mobility operations are sustainable over time.

#### ***Some slight differences among types of operations: job counselling stronger right after support, training-related measures in the longer term***

Meta-analyses discussed in evaluation question 1.5 provide a first insight into the fact that different Active Labour Market Policies might have different effects over time. Service/sanction type operations such as job guidance and counselling tend to have immediate positive effects, which might slightly decrease over time. The opposite holds true for traineeships and Vocational education and training, whose positive outcome need more time to materialise.

#### ***Most of the evaluations screened point to steady or increasing net effects, in line with the literature on active labour market policies***

Based on available evaluations on 2014-2020 operations, it appears that most of the other evaluations screened point to steady effects in the longer term:

- In Piemonte (Cluster C, average starting point and low progress), job vouchers ensure sustainable net effects on employment, down just half a point from 12 to 16 months (12 p.p. vs. 11.5 p.p.). The slight decrease is due to the fact that job counselling and guidance as well as subsidised employment show slightly lower longer term net effects. Conversely, traineeships see their effectiveness increase slightly over time. Importantly, heterogeneity of effects across target groups does not seem to affect their sustainability. This means that also categories which benefit slightly less from the operations, do not see this difference in immediate effects change significantly over time.

- In Slovakia, public work offered through the 'Job chances' programme shows decreasing net effects for participants (from 3.7 p.p. at 12 months to 2.2 p.p. of higher employment chances at 18 months).
- In Sardinia support through the relocation contract for unemployed (mostly job guidance and counselling) has effects which increase from six to nine months after the operation, but no additional information on longer term effects is available.
- Most of the other evaluations screened point to steady effects in the longer-term, including in Vocational education and training for access to employment (in Toscana, but funded through TO10), confirming the overall sustainability of such typology of support for participants. It is noteworthy that in particular the self-employment/entrepreneurship (counselling and support to get the funding) operations in Piemonte ('Mettersi in proprio') seem to have a positive effect on the survival rates of enterprises supported which goes from 2.4 p.p. at the first year up to 10 p.p. after four years, so it is clearly increasing over time.

### **Qualitative insights from the case studies**

#### ***Sustainability of effects is confirmed also by qualitative feedback from stakeholders***

Overall, a high number of examples have already been noted where sustainability effects, both at individual and system levels, are visible or highly likely to take place. With regards to the sustainability effects at individual level, these can be quite evident as some operations by nature produce such effects (e.g. obtaining a qualification leads to a better skilled profile). This is also expected especially under Investment Priority 8.iii in case a successful enterprise is set up. Furthermore, provided that suitable economic conditions remain, incentives leading to employment should have the envisaged sustainable effect. In particular:

The operations related to Investment Priority 8.iii under the Danish Operational Programme are expected to have sustainable effects at individual level. Giving potential entrepreneurs training and skills to better understand the process and potential pitfalls of start-ups might increase survival rates among such businesses, given such operations are designed and implemented properly. The findings in the mid-term evaluation do offer some recommendations of improving the operations, which may increase such effects of treatment from participation in the operations of TO8. Similarly, for operations under Investment Priority 8.v, there might be sustained effects after ESF support (knowledge upgrading should allow for increasing productivities). Given some of the problems of producing outputs under this Investment Priority, it has to be assessed if such effects materialise *ex post*. Nevertheless, skill upgrading remains a crucial component as assessed by firms and referred to in the mid-term evaluation. Operations under Investment Priority 8.v are expected to contribute to knowledge upgrading allowing, to a certain extent, for a rise in productivity; this will likely also have sustained effects after ESF support.

Under the German National Operational Programme, the operations under 'IG-Qualifizierungsprogramm' produce results that are explicitly sustainable as they support participants in getting their professional certificates recognised. Another interesting result mentioned relates to the potential to achieve ecological sustainability. Some operations in Investment Priority 8.iv, for instance, sensitise their participants to avoid waste and to participate in online qualifications instead of driving long distances by car. Other operations (e.g. "Fachkräfte sichern") mention that ecological sustainability is inherent to the activities themselves such as the development of new personnel structures in the field of green jobs.

In Luxembourg, sustainability is for example found in the TO8 operations related to the training in secretarial services in law firms or in medical circles. The professional organisations that implement these operations, ensure a follow up of the participants who have received a qualification, enabling them to be employed, and providing job search assistance and contacts with companies through personalised connexions or forums.



## **Sustainability of effects from a macroeconomic perspective**

### ***From a macroeconomic perspective, structural changes in productivity which result from upskilling generate results which are fully sustainable over time***

From a macroeconomic perspective, and based on experimental research from RHOMOLO, impacts on GDP and particularly on employment are expected not only to persist but even to increase in the medium to long run, peaking between 2026-2030 and then only marginally fading out. In fact, in the short-term substitution effects (i.e. increased workers productivity which leads to lower need of workers) might even lead to a temporary shrinkage of employment levels. This is also due to the taxation that is necessary to finance the activities. But, as mentioned in the effectiveness section, the productivity enhancing nature of human capital investments, especially through on-the-job and vocational training means that in the longer run it generates a ripple of positive effects. These include higher investments, exports, growth of GDP and employment. The extent of these effects is however dependent upon the socio-economic structure of any given region.

In line with the main focus of the operations, it is expected that regions located in Northern Italy, Spain, Slovenia, Belgium and Portugal and to some extent in the UK will benefit significantly from Youth Employment support under the ESF/ Youth Employment Initiative.

The employment impacts are sustainable for both the low skilled, the main focus group of the operations, as well as medium and high skilled which can benefit from the overall increase in the economies' productivity.

### ***Multipliers (euros generated per euro invested) are above one in over 50 regions across the EU, despite underestimation***

The long-term multiplier (discounted euro of GDP generated per each euro invested) is also generally positive and above one for eight member states<sup>147</sup> and over 50 regions across the EU, which confirms the financial sustainability of the investment. The multiplier is larger for regions with high labour intensity, export orientation and are net receivers of EU funds. As anticipated in effectiveness as well as in section 1.4 (limitations of the research), such estimates are also liable to underestimation.

#### **4.7.1.2 Sustainability of the operations**

Findings from the case studies also provide input into the second dimension of analysis: that of sustainability of the operations.

### ***Good examples of mainstreaming in more favourable areas, as well as of increased administrative capacity in weaker socio-economic contexts. But risks of support being discontinued in absence of EU funds for the latter***

In general, structures created also thanks to the ESF seem to have been well incorporated into mainstream Active Labour Market Policies especially in Cluster A regions. Positive results in terms of increased knowledge of the actors involved with implementation and capacity to carry out similar operations are found also in Cluster B and C regions. However, in such regions there is some doubt over the financial sustainability of the support in absence of renovated ESF funding for the post 2020. In more detail:

In Cluster A, in Germany:

- Some successfully implemented modules of the operation 'Perspektive Wiedereinstieg' under the German National Operational Programme were partly integrated into the regular national support by the Bundesagentur für Arbeit. Furthermore, a model project was implemented to prepare the recognition grant ("Anerkennungszuschuss"). Thus, this result was sustained into the regular national procedures and is relevant in the context of the operation "IG-Qualifizierungsprogramm".

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<sup>147</sup> Belgium, Bulgaria, Cyprus, Spain, Italy, Lithuania, Malta, United Kingdom

- Several of the operations initially supported by ESF under the Brandenburg Operational Programme have been transferred to national funding and taken out of ESF funding completely. Also, in some counselling institutions, temporary contracts have been transferred to permanent ones, so that they are independent from ESF funding. Institutional stability has been mentioned as a specific effect from the operations.
- In the case of the Rheinland-Pfalz Operational Programme, Small and Medium Enterprises networks have been established that develop capacities to solve future problems (digitalisation, health management etc.) as part of the Future Proof Work operation. In the case of the 'New Opportunities' operation, in which tailored, easily accessible support is provided to women, mainstreaming of this experience took place in the national Operational Programme which included an operation that provides an orientation seminar, coaching for job applications and work practice to women.
- In the Niedersachsen Operational Programme, under the Investment Priority 8.iv (Förderung der Integration von Frauen in den Arbeitsmarkt FIF/A/Kost) operation, sustainability of the gender equality policy has been established so far whereas under Investment Priority 8.v operations, there are a number of examples (e.g. the welcome centre in South-Lower-Saxony) where ESF has set the ground for a project, which then continues its activities with funding from other sources.

In **Cluster A, in Finland**, ESF funding has operated as an important enabler for more strategic cooperation and organising of total resources of the public sector and its partners. Moreover, the ESF funding has operated well in launching activities which have later mainstreamed (like one-stop guidance centres, or the work being carried out on skills anticipation). ESF supported and developed cooperation between educational institutions, the Public Employment Services, municipalities and third sector actors. It is often noted that ESF projects provide a forum for innovative cross-sectional cooperation which would not exist otherwise. Moreover, cross-sectional development has produced sustainable multi-professional services, which have been essential from the point of view of also immigrants and other vulnerable groups

In the **Italian National Operational Programme on systems for active labour market policies (Cluster B/C)**, operations aimed at qualifying and strengthening employment services – mostly through operators' training and standards definition – are explicitly oriented at giving the services a prospective (qualified) sustainability. Overall however, except for structural operations targeted to Regional Employment Centres (now under Investment Priority 8.vii) which will be paid on national funds (starting from 2020), policy level effects are going to continue after the end of funding only if the new ESF funding (2021-2027) will replace/add to the existing one.

In **Spain (Cluster B/C)**, an improvement in management capacities of the stakeholders involved in the implementation of TO 8 operations, including the systems of simplified and unit costs (as part of the monitoring procedures), will remain after the funding. Finally, networks created through the continuous interaction with organisations in other cities, regions and countries are expected to last after the implementation period, as well as the knowledge obtained on best practices.

In **Romania (Cluster B/C)** one interesting lesson is drawn: ensuring sustainability is built in at all phases of the project by setting specific conditions on how sustainability will be ensured after the project has ended (e.g. under the Romanian Human Capital Operational Programme conditions have been introduced to support the continuation of the activities for a period between six months to three years after finalising the project, depending on the type of measures – this is for example the case with for Investment Priority 8.iii projects Start Up Nation and Start Up Plus).

## 5 Lessons learned, good practices and suggestions for improvement

The evaluation has produced several conclusions from which lessons can be learned for ESF support to employment and labour mobility. Where possible we highlight lessons applicable to its specific Investment Priorities, but many apply more widely, and are presented as generic lessons. This chapter draws evidence from the different research strands of the study and most importantly the case studies and the Operational Programmes evaluations, as well as EU-level Focus Group that was held in Brussels in February 2020.

### 5.1 Programming and implementation of ESF support to employment and labour mobility

#### 5.1.1 Improving the alignment of operations to the needs of participants and labour market needs

*Focused, targeted operations geared to the needs of the participants and the labour market tend to be more effective. To achieve that, stronger involvement of partners, including private and third sector organisations is suggested. This also entails ensuring they have adequate administrative capacity*

The case studies, together with evidence from counterfactual impact evaluations on TO8 operations as well as the literature on the theme, provided some practical examples of 'what works' and 'what does not work' in respect of improving the overall effectiveness of operations. The general lessons reflect the analysis in the response to the Evaluation Question 1 Effectiveness and namely:

- active involvement of partners in the design phase and on project plans, is crucial as it can support a **close alignment between subject of training provided and labour market demands**. It also ensures 'buy-in' from partners, including private and third sector organisation, and help promote operations to potential participants;
- **highly operational support** (i.e. closely oriented towards the acquisition of knowledge and skills in specific areas potentially providing jobs) and operations that provide personalized support, seem to be the most effective in achieving the expected results;
- **personal coaching** as well as the emphasis on **networking, and peer-learning** has been beneficial from the perspective of employability outcomes;
- making best use of previous experience – **the benefit of continuity was also stressed** as well as the implementation of 'trial and tested' measures from the previous ESF programming period;
- **to reduce the number of operations and focus them on niche areas** in the labour market where the need for support is highest is key to ensure high net effects; and
- **not too many participants, focusing on quality rather than quantity.**

It is important to stress that there is no evidence, as clarified in sections 4.2.2, 4.2.3 and 4.2.5 and 4.2.6, of low effectiveness in given socio-economic contexts or towards specific target groups, except maybe for those who are too close to the labour market and would have found a job also in absence of support.

This should encourage bodies tasked with the design and implementation of support to look past nominally low values of participants' employment rates at the end of support as what matters is whether ESF employment and labour mobility support has made a difference to them – and this does not seem to be affected by the unfavourable situation in which the operations unfold. If anything, recent evidence from counterfactual studies

on Active Labour Market Policies, including from the ILO<sup>148</sup>, suggest that support is more effective in areas with stagnating growth and towards the low skilled.

### **Improving Effectiveness – Examples**

With regard to the German national Operational Programme, operations under Investment Priority 8.iii were particularly successful due to the support provided to innovative high-tech start-ups in cooperation with universities (i.e. "EXIST") and addressing specific needs (i.e. "Passgenau" and the Micro-Mezzanine Fund). The operations tackle important challenges related to the labour market: skill gaps due to industrial transformation and digitalisation and shortage of skilled labour force due to demographic change.

A focus on a small number of operations such as was the case in the Piemonte Operational Programme and the Italian National Operational Programme on systems for Active Labour Market Policies (which concentrated on three large operations for TO 8) can be positive both for improving the quality of the support provided as well as the successful absorption of resources. One notable example is that of Vocational education and training for social and healthcare operators, a specific profession for which there is a high demand in Piedmont. The counterfactual impact evaluation shows a rise in employment rates for participants of over 40 percentage points with respect to a suitable control group. Furthermore, in Germany, the focus is on very specific niches in the labour market rather than large numbers.

This is also the case of Finland, where operations have been explicitly limited. Here, use of multiple services and mechanisms, realistic objectives, closely focusing on the target group's needs and providing personal guidance can be considered success factors. The ESF funding contributed to launching activities which have been later mainstreamed (like one-stop guidance centres, or the skills anticipation work). It was important, that the number of participants was not too high in order to maintain high quality counselling and guidance services.

An important success factor relates to the alignment of the operations with the labour market demand. Indeed, under the Luxembourg Operational Programme, the quality and timeliness of the employment obtained varied according to the areas covered by the operations: those operations that were aimed at a particular well-defined area, for example of secretarial services for law firms or in the medical sector, could lead to a job more quickly.

Providing a combination of operations can avoid challenges in relation to adaptation to the needs of the labour market. For example, in the case of the German national Operational Programme, some Investment Priority 8.v operations use two approaches to improve effectiveness: counselling and support covering a broad range of activities, combined with an integrated approach that balances different interests or provides intense, individualised "one-stop support". This one-stop support is provided to overcome obstacles on the way to achieving full equivalence of the qualifications or to meet the requirements for the envisaged qualification.

Also as part of the Piemonte Operational Programme, as part of the Employment Services Vouchers measure<sup>149</sup>, a positive contribution to recipients' employment was found to be largely due to: (i) vouchers support in better informing unemployed on labour demand characteristics and in accessing employment-targeted instruments (like work-experiences

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<sup>148</sup> See for example Escudero, V. (2015) *Are active labour market policies effective in activating and integrating low-skilled individuals? An international comparison*, Research department Working paper No. 3, ILO

<sup>149</sup> These relate to the voucher for employment services which is an active Labour Market Policy, implemented since 2017, and consists in the delivery of services like counselling, job-seeking active actions, job-placement to people who have been unemployed for at least six months.

and traineeships); and (ii) Participation of unemployed people to the services assisted by dedicated operators.

***Working collaboratively with partners to increase effectiveness and to deliver appropriate support to the needs of participants – Examples***

In Germany having partners - universities and research centres - on board for the implementation, together with addressing actual needs, greatly contributed to the success of the operations related to the provision of support to innovative high-tech start-ups under the "EXIST" activities (under Investment Priority 8.iii).

In the Piemonte Operational Programme, the operations under Investment Priority 8.iii capitalised on previous experience in implementing services supporting self-employment. In the current programming period, the operations under Investment Priority 8.i have been integrated with the employers' association services to ensure greater reach and effectiveness.

A major success element mentioned with regard to the Finnish Operational Programme has been the sharing of the project plans and the consulting undertaken by the managing authorities.

**5.1.2 Targeting groups for ESF T08 operations**

***For harder to reach groups and those furthest away from the labour market there are lessons in respect of tailoring operations to the needs of participants to help improve the results they achieve***

The key lesson centres on focused operations, properly targeted at specific groups and with operations that address the specific situation and needs of the target groups (e.g. language training for migrants). A close alignment between design of operations and specificity of each target group in terms of characteristics and needs, has been shown to increase the effectiveness of the operations. However, engaging hard to reach groups is challenging as the following examples show.

Target groups need to be clearly defined for support. This was done for example in the German Operational Programme, under Investment Priority 8.v, particularly for women. Operations under this Investment Priority were very relevant to the target groups, particularly because of the approach taken to counselling and support measures which looked at the overall situation of the person supported in a first step and designed an individual package of measures in a second step. Thus, the counselling was based on tailor-made package of measures. As suggested by the Romanian case study, in order to reach the most disadvantaged groups, innovative measures need to be developed within an integrated approach (i.e. multiple funds operation) and implemented through pilot projects (e.g. in Germany operations created both pilot projects and flagship projects). Good results can then be mainstreamed at national level.

Desk and field research highlighted several examples of innovative approaches towards targeting of operations through tailored approaches, working in collaboration with local organisations and close to the groups concerned. Language support for migrant workers was highlighted in a few examples as a means of improving the effectiveness of operations. However, there are also examples where administrative requirements or uncertainties about their interpretation, discourage participation of organizations or the implementation of innovative projects.

***To overcome issues with the definition of a target group and its eligibility, "open" operations offering customised support can help***

Another innovative approach to targeting moves away from the identification of specific target groups towards "open" operations that can be customised and adapted to the needs

of the individuals. **Explicit definition of target groups can in fact represent an obstacle to the participation of some individuals that might not satisfy the eligibility criteria although they would be in need of support, especially in the case of more vulnerable individuals.** To avoid creaming effects that might derive from these approaches, methodologies such as profiling should be adopted and promoted, also as a way to increase efficiency of implementation and the application of standard costs.

Specific lessons include the following:

- operations that have their **design specifically tailored to the unique needs** of each target group/individuals and offer a **combination of measures** to respond to these, especially through “one-stop shop” services for integrated pathways where they can find appropriate solutions to their needs;
- the **inclusion of representatives of specific target groups** in the design of TO 8 operations increased the alignment with the actual needs of those groups;
- **the regional context and socio-economic characteristics of the target groups are sufficiently reflected** in the targets for participation (as demonstrated by the Romanian Operational Programme); and
- **tailor-made measures** are designed and implemented by the most relevant actors in each locality (such as for example in Spain).

#### ***Support to specific groups to increase the effectiveness of operations - Examples***

Under the Brandenburg Operational Programme, targeting women re-entering the labour market through operations focusing on gaining new qualifications, not only increases employment but also the level of qualified employment. In the Niedersachsen Operational Programme, the Social Innovation operation (under Investment Priority 8.v and TO9) supports innovative projects to master societal challenges for employment and qualification. Therefore, contributing to quality rather than quantity. The selection process ensures that only innovative projects that provide new approaches are selected. They tackle topics that are very relevant for TO 8, like work 4.0, language support for migrants, social entrepreneurship centres etc. The results so far obtained across the four German Operational Programmes, are to a high degree attributed to the detailed targeting of the operations to the specificities of the target groups (e.g. high-tech start-ups, migrants, women) and addressing the needs of these groups to a high degree.

Ensuring an in-depth understanding of the target group and make use of bridging measures for those furthest away from the labour market is helping for effective operations. A good practice from Finland includes the involvement of the job-seekers themselves in designing operations, as well as involvement of private and third sector organizations with personal coaching considered to be essential. One of the main achievements has been strengthening guidance and thus supplementing the digital services. A strong focus on reaching qualitative as well as softer outcomes alongside quantitative results, can contribute to increased effectiveness, especially in the longer-term. The set-up of the operation and its implementation therefore needs to take the qualitative elements closely into account and ensure these are clearly addressed in the design of operation.

Ideally, it should be possible for projects making use of, existing support structures and include partners which can ensure transition to the expected result (due to for example strong connection, specific know-how). Regional and local support units are indispensable for identifying and reaching out to specific target groups (such as for example in the Niedersachsen Operational Programme).



#### 5.1.2.1 Addressing gender issues

***A key component of the ESF is promoting gender equality and taking positive action where necessary to ensure that equality objectives and targets are met***

Whilst Managing Authorities and ESF operations are actively engaged in improving the employment and labour mobility of women, the study showed that problems remain, namely:

- ESF operations, due to their demand driven nature, might **indirectly support existing gender biases**. These are rooted in traditional stereotypes that are in some respects 'supported' by ESF. This is especially the case with operations on the reconciliation of family and professional life, which mainly reach women and does not explicitly target gender equality. It is found that horizontal segregation still is pertinent amongst qualified workers as well as among many entrepreneurs;
- even when implementing positive measures to mitigate gender inequalities, a **lack of a common methodology** for the application and evaluation of the transversal gender equality principle from the same perspective by all the persons involved in management of the Operational Programme, can negatively affect the results;
- **the lack of monitoring mechanisms** to measure the extent to which the operations incorporate a transversal gender perspective or to track the amount of resources reaching women (and not only participations) throughout their design and implementation processes. This also includes insufficient use of sex disaggregated target values;<sup>150</sup> and
- in larger Member States **decentralization of competences** poses problems for the appropriate tackling of gender equality issues, in a coordinated and effective way.

To counter these obstacles there are lessons that can apply in different contexts, including:

- positive **actions aimed at mitigating gender inequalities**, such as incentivising the participation of women in specific training activities or the creation of a specific operation focused on business support services for the creation of businesses by women, need to focus not only on the most urgent needs of women (entering the labour market) but importantly on the quality and sustainability of such integration;
- stronger efforts on positive actions need to be reflected in a more extensive use of sex disaggregated targets, to support a more nuanced programming based on increased awareness of gender specific needs and obstacles;
- some operations should specifically try to **avoid gender stereotyping by making no differentiation in participation**. This can work as long as specific barriers for women are taken into account (e.g. childcare arrangements);
- a gender equality approach needs to follow a "dual-track" strategy, focusing on gender mainstreaming operations as well as on gender specific operations. It is also necessary to strengthen the **gender-specific component as to address, for instance, the gender pay gap, reconciliation or co-responsibility issues**;
- the active involvement of gender equality organisations in the programming and implementation of operations is key to ensuring that operations are in line with the actual needs of women, and tackle the root causes of inequality while avoiding the risk of reinforcing gender stereotypes; and

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<sup>150</sup> On average, output and result indicators with a gender disaggregated target represent between 3 and 4% of the total. An additional 1% of all indicators defines targets for both men and women which are however identical in their 2023 values. Interestingly, a much higher share of indicators selected for the performance framework (approx. one in five).

- in larger countries, having one main body take a leading role in terms of gender equality issues might help strengthen the gender sensitivity approach. This body could then coordinate networking activities with regional bodies having responsibilities over these issues. This would multiply synergies and lead to an increased efficiency, effectiveness and visibility of gender equality operations, as well as to addressing the specific gender equality issues affecting the entire country. This suggestion was made with regard to the Spanish case, where the decentralization of competences and their distribution poses difficulties for the appropriate tackling of gender equality issues.

#### **5.1.2.2 More customised support for active ageing**

This study confirmed the need to step up efforts in the field of active ageing. Despite the increasing attention being placed in policy debate as well as in the country specific recommendation, issues linked to active aging risk remaining underemphasised in many countries. This raises the question whether such funds are being channelled in a proper way in all areas, or, at any rate, used sufficiently even wherever available. Although this is not truly a new field of action, it is was mentioned by stakeholders as comparatively newer topic in some countries and especially in less developed areas. Incidentally, these are the areas when active aging policies might be particularly important given the struggles elder worker face in the labour market.

In spurring investments and picking up the pace of implementation on the ground, it is important to bear in mind that active is not just about health, but also sustainable jobs and keeping elder workers into employment, as once employment is lost they face specific difficulties in re-entering. This implies:

- **working with employers** to adapt workplaces (working conditions);
- **providing better longer term care facilities**, also in through other ESF strands, which can partly uplift the growing burden of care responsibilities for older workers' increasing; and
- and **making the most of elder workers' expertise**.

In general, more could be done in terms of bench learning of what works in active ageing.

#### **Support to active ageing - example**

At Pôle Emploi in France, experimental operations are developed at a very local scale to take into account the specific needs of senior people, but there appears to be a gap in other French programmes in specific operations and activities to meet the needs of senior people and also to determine the appropriate level of support given that the situation of people between 55 and 60 is different from that of people over 60.

#### **5.1.3 Ensuring efficiency in the delivery of ESF operations under ESF support to employment and labour mobility**

*Managing costs whilst maintaining or increasing effectiveness is possible through simplified systems, careful management, uniform intra-institutional procedures and accompanying measures for prospect beneficiaries*

From the research there are some general principles for the cost-effective delivery of T08 operations, as well as factors having hampered effective implementation, namely:

- **simplification:**
  - undertaking the reporting and monitoring through **pre-defined templates and online documents** - with options of exceptions for those that are not able to use those - has proven to be efficient;
  - a simplification in **numbers and types of documents** required to deliver and report on operations, reduces administrative burden;

- the **introduction of flat rates** in some Operational Programmes has reduced the costs, and thus made the operations more cost-effective;
- **timeliness, clarity and stability of rules and roles:**
  - **determining a general monitoring framework beforehand**, in which it is possible to have **periodic reminders on monitoring exercises** to be undertaken, to prevent delays;
  - a continued attention on **maintaining, as far as possible institutional arrangements** to avoid transition costs and lack of clarity;
  - the **clear definition of tasks** for each stakeholder involved including the interlinkages between these tasks. If this collaboration works well, the administrative burden perceived seems to be lower;
  - **uniform procedures across the national level, increased administrative expertise and speeded up payment processes** increase the programme management efficiency;
- **result-orientation:**
  - **high orientation towards achieving results** may positively impact on efficiency during the implementation of operations, also through **stronger efforts to identify appropriate indicators** to measure progress, including soft outcomes;
- **administrative capacity:**
  - workshops, seminars and **trainings** for actors concerned with the implementation of the operations **on data collection and monitoring systems** increase administrative capacity and reduce administrative burden;
  - **ensure that all potential beneficiaries** (including SMEs and third sector organisations) **have adequate information** on the calls **and capacity** to present project proposals, which increases the quality of proposals thus reducing administrative burden for managing actors and speeding up procedures;
- **graduality:**
  - possibly, for those countries with less long-standing experience in ESF funding such as Croatia<sup>151</sup> and Romania, it might be beneficial to **gradually build up the implementation processes and systems by first concentrating on more general projects and then specialising** (through the adaption on the call for proposals) on more complex, integrated pathways requiring extensive inter-institutional coordination after an initial period of implementation. This should be done in parallel with accompanying measures for potential beneficiaries, to ensure higher participations and quality of projects' proposals;
  - the implementation of Simplified Cost Options (SCOs) might initially delay the operations but prove to be efficient in the medium to long term, hence the timeframe for setting SCOs up should be taken into account;
- **harmonisation:**
  - **ensure centralised data collection tools** or comparable data systems in place; and

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<sup>151</sup> Which is introducing simplified costing and invoicing systems

- although this is not achievable in all countries, **being able to link data gathered through the ESF operations with wider national regional databases**, can aid the efficiency with regard to monitoring and reporting.

#### **5.1.4 Improving the quality of employment and other offers**

##### ***Progress on quality of employment goes through better alignment between labour supply and demand***

The case studies highlight several challenges to the quality of offers received by participants, sometimes relating to the national/local economic conditions, sometimes directly related to the appropriateness of the operation (or lack of) to the needs of the participant. For employment offers the issues are mainly about the duration of employment and the salaries/wages received, but also concern the relevance of the employment to the skills and interests of the participant. There are additional perceptions that all forms of work experience/employment offer some form of longer-term benefit.

##### **Improving the quality of offers to participants – Suggestions and examples**

In order to increase the potential for quality of results, it is crucial to have a strong alignment between the professional area for which the operation is being implemented and the need in those areas on the labour market. Similarly, conditions can be set for the operations under training and apprenticeships, that the employment to be achieved is in line with the qualifications the participant has obtained as this will enhance both quality and timeliness of the result (such as is the case in the Romanian Operational Programme).

Within the operation “IQ-Qualifizierungsprogramm” in the German national Operational Programme, the provision of tailor-made support for persons that need help on the way to the recognition of their certificates is considered to be crucial as recognition of their qualifications enhances their wages significantly and gives them much better chances to have long-term access to employment.

#### **5.1.5 Improving the visibility of ESF T08 operations**

##### ***Managing Authorities are taking steps to increase the visibility of operations, but more can be done***

The greater visibility of ESF T08 operations the greater the effectiveness. Conclusive evidence from the case studies is rather limited but there is indication of significant steps undertaken by Managing Authorities to raise the profile of operations and increase their visibility.

Among some elements of effective communication have been identified:

- **clarity on the targets for campaigns**, especially where the aim is to recruit new participants, and those who might not be aware of ESF;
- development of specific **dissemination materials to adequately inform relatives**, friends and acquaintances, with a focus on how participation can benefit individuals;
- dissemination through **social networks** given it is less costly and effective, **although it might not be suitable for all target groups**;
- think of visibility also in terms of **visibility towards prospect beneficiaries**, especially Small and Medium Enterprises or Non-Governmental organisation;
- promotion of the ESF through the dissemination of **success stories**, including of disadvantaged participants or those from marginalised communities; and

- **further the use of the EU flag or EU logos**, as ultimately the goal is to make sure that stakeholders grow aware of the tangible support the EU provides to its citizens through its various funding instruments.

However, **lack of resources was also mentioned as a constraint**.

Lastly, in evaluating the visibility of ESF support, it is paramount to consider that, unlike e.g. the ERDF or other EU funding instruments, the ESF deals with individuals in need of support. They might be reluctant to disclose the fact that have received support. Certainly, the nature of the ESF client group is unique and due heed should be paid to the respect of their dignity.

### ***Improving visibility – Examples***

The Czech Republic, the Managing Authority actively focuses on finding examples within the supported projects that can demonstrate the positive impact ESF funds have on society. Currently, a Public Relations agency is to be recruited to present ESF results. There will be media communication to the general public about the results of the Operational Programme. The Managing Authority has commissioned several evaluations of communication activities and publicity, including collection of public opinion.

Informative campaigns and a concisely designed visual for individual operations designed to promote employment were considered to be the most effective communication tools. For example, the operations in Croatia were known as "Get a job in Croatia!", "From measure to career", "Realize your dream in Croatia" and were significantly covered by media and thus sounded familiar to the public.

In Bulgaria, it was noticed that that trying to tell stories about ESF support in a more 'personal' way and with a better storytelling can help. For example, they have prepared a commercial about a Roma woman telling her personal story about how ESF helped her, and this has aided visibility.

### **5.1.6 Ensuring flexibility of operations**

#### ***Operational Programmes and stakeholders need to consider from the outset the implications of evolving needs on, e.g., target groups and target values***

The study highlighted flexibility in the design and implementation of T08 operations to cope with changes in the labour market and anticipated changes. However, administrative constraints to flexibility were also mentioned. Some stakeholders mentioned that, at the same time as having the necessary flexibility for the Operational Programmes, **more flexibility between the axes would be needed** to keep administrative effort at a lower level. In contrast to the structural measures, of which the content can more easily be adapted to changing needs, for example in the Niedersachsen Operational Programme **administrative difficulties** were encountered to increase the funding under Investment Priority 8.v (adaptability) for qualification operations (WiN) when this was exhausted in 2018. In a similar guise, in the context of the revisions to the Operational Programmes carried out in Spain, the significant time and administrative work required were highlighted.

**Operational Programmes need to be general enough in scope and allow for the necessary flexibility to be able to respond to changing contexts across the programming period.** An element of flexibility can also be integrated in the design, by involving a variety of stakeholders who can easily respond and adapt throughout, to changing needs of specific target groups.

As part of the changing external factors and the subsequent need to adapt operations and re-allocate funding, it is also worth mentioning the **difficulty for stakeholders to include indicators of expected results at the beginning of the period**, which require them to predict for a rather long-term period, the economic and employment situation

that shall affect their results. This is an issue that can be mitigated by formulating clear assumptions for the future and then measure the extent to which the actual evolution of the socio-economic context and needs of the target groups matched or departed from these.

However, especially in turbulent economic times such as the post COVID-19 crisis, alternative solutions might be considered. For instance, the possibility of a revision clause might be explored. This would consist of the possibility to revise targets through simplified procedures based on pre-defined conditions. For example, revisions might be allowed either at a given point in time (e.g. in a 3-year time from the COVID outbreak) or in case certain parameters (e.g. recorded unemployment rate) exceed a pre-defined range of “acceptable/assumable” variation. These clauses might increase the flexibility of programming at a time when producing estimates based on rapidly changing needs might prove particularly arduous for Managing Authorities.

### **5.1.7 Ensuring complementarity between ESF support to employment and labour mobility and other programmes**

#### ***Common frameworks and partnership working can ensure complementarity***

Whereas there are opportunities for complementarity and synergies between ESF and other EU funds, such as especially the ERDF, some countries mentioned their coordination might be challenging in practice. High level of decentralization of competences in some countries may have led to difficulties in terms of the implementation of national programmes in the regions. In addition, in Spain, the coordination of nationwide Intermediary Bodies with regional Public employment services is very limited; also, problems can arise in the implementation of operations in the Autonomous Communities by national Intermediary Bodies, as these could consider that specific matters are their exclusive competences and cannot be carried out by national public nature organizations. Particular lessons include the following:

- **a common framework established at national level is viewed to help avoid overlapping and duplications** among the different ESF support to employment and labour mobility operations and as well between them and other ESF and/or national/regional actions (e.g. in Germany this type of partnership agreement covers ten fields of operations);
- **having clear roles and responsibilities in terms of fund implementation helps reduce overlap and increase coherence.** Whereas some countries adopt a model whereby different funds and/or specific fund TOs are implemented by the same authorities, others allocate these to different governance levels which can enhance clarity but at the same time close alignment and cooperation is needed to ensure consistency and coherence between the various measures;
- **in those instances where measures working well at regional level have been mainstreamed at national level, actions might have to be taken to avoid overlaps.**

### **5.1.8 Sustaining ESF T08 operations in the longer term**

#### ***Sustainability of operations can be ensured if built into the planning stage***

Maintaining operations (including ongoing support for participants who have completed their participation but still require support, to develop further skills and competences and sustain employment) in the long term – after ESF – has its **challenges**, namely:

- a **lack of alternative funding** sources to continue supporting certain operations;
- sustained effects might not be possible due to **adverse economic conditions** and precariousness on the labour market; and



- financial resources remain critical for sustained effects since **support to more vulnerable groups require cost-intensive support** vis à vis scarce funding from the national level (and the focus on these groups can change with government changes).

Key lessons include the following:

- **ensuring sustainability is built in at all phases of the project** by setting specific conditions on how sustainability will be ensured after the project has ended. For example, under the Romanian Operational Programme on Human Capital conditions have been introduced to support the continuation of the activities for a period between six months to three years after finalising the project, depending on the type of measures (this is for example the case for the Investment Priority 8.iii projects 'Start Up Nation' and 'Start Up Plus');
- **to look for alternative sources of financing**, such as certain Spanish Intermediate Bodies are doing when allocations for certain operations have been completely spent. In this regard, conversations should be spurred with municipalities, autonomous communities, banks and other organizations, which are interested in financing the continuation of the completed programmes;
- **calls for proposals should provide special incentives to projects that are committed to their sustainability over time**, as was suggested in the Spanish case;
- related to this, **guidance of potential operations to ensure sustainability** can be provided. These could include:
  - creation of partnerships;
  - involvement of other stakeholders (who might possibly take over funding after the end of the project);
  - allocation of a sum to continue the activity;
  - maximize the results through another project / other activities;
  - starting activities to continue the present project; and
  - activities during implementation that lead to the transferability of the project results to another target group / other sector etc.

## **5.2 Monitoring and evaluation of ESF T08 programmes**

***The measurement of the effectiveness of operations has improved in the current programming period but there is scope for further improvement. Main issues include under-reporting of results, lack of usable data at the level of the target groups and types of operation, insufficient or inconsistent use of counterfactual impact evaluations.***

National monitoring and evaluation systems have largely improved since the 2007-2013 programming period, especially in terms of providing more accurate information on the direct beneficiaries of ESF, increased data quality, greater emphasis on counterfactual and macroeconomic approaches (see for instance the work carried out by DG EMPL and the Joint Research Centre for the mid-term evaluations of ESF 2014-2020 to which this study contributes).

However, measuring the achievements of participants, and of the effectiveness of programmes generated discussion, amongst others, at the focus group and the ESF

Committee Technical Working Group<sup>152</sup>. The issues are clearly also discussed in the literature on the effects of cohesion policy in general as well as that of the ESF in particular<sup>153</sup>.

Issues raised included under-reporting of results, difficulties in the measurement of soft outcomes and capturing the long-term benefits of operations after exiting projects, and the lack of detailed information on the effects of supported operations, the consensus being that resolving these issues would allow for a better – and more accurate – story of effectiveness.

As it is to be expected, increasing emphasis in the evaluation of public support is being placed on the issue of what works, where and for whom<sup>154</sup>. However, **evidence-based recommendations can only be formulated if data that is collected and made available to evaluators is of sufficient granularity. This is essential to gauging the extent to which different types of operations make a difference to different target groups in different socio-economic contexts.**

**In addition** to improving data granularity and their coverage to have a more comprehensive picture of the benefits generated by the support, **it remains paramount**, from a pan-European perspective, to ensure **that data is collected in a consistent and coherent manner**. This means, as a minimum, that data collected comply with the regulations and guidance documents issued by the Commission, but also, more broadly, that efforts are undertaken to progressively harmonise definitions and procedures for data collection, review and validation before and after transmission.

Whilst evaluators use monitoring data, such data are often collected and used in operations for immediate programme management purposes, and to aid – for example – targeting policies or the balance of different types of support within their operations. The ability to use national data sets for econometric analysis or to track individuals (e.g. through tax and national insurances numbers) is problematic on data privacy grounds, more so with the advent of GDPR<sup>155</sup>.

Amongst the key obstacles emerged in gathering evidence for this report, that of the quality, comparability and coverage of counterfactual impact evaluations remain of great importance. As clarified in section 4.2.5, although growing in number, counterfactual impact evaluations remain quite limited<sup>156</sup> compared to the number of programmes carried out. Among these, a focus on the differences in effects by target group and types of operation is even scarcer. In addition, the outcome variables used (i.e. effects on what) range from participants' employment status at a certain point after the operation (from 6 to 24 months and more) to reduction in unemployment spells or increase in the number of hours worked in a given timeframe. This clearly reduces the comparability of the findings. The clarity of the methodologies employed also varies as they are typically not peer reviewed in academic journals, making inference and comparisons harder.

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<sup>152</sup> 2<sup>nd</sup> October 2019

<sup>153</sup> See, for example: (i) Dall'Erba, S. and F. Fang (2017), "Meta-analysis of the Impact of European Union Structural Funds on Regional Growth", *Regional Studies* 51, 822–832. Available at: <http://hdl.handle.net/10.1080/00343404.2015.1100285>; (ii) Pellegrini, G., Terribile, F., Tarola, O., Muccigrosso, T., & Busillo, F. (2013). Measuring the effects of European regional policy on economic growth: A regression discontinuity approach. *Papers in Regional Science* 92, 217–233. Available at: <https://rsaiconnect.onlinelibrary.wiley.com/doi/full/10.1111/j.1435-5957.2012.00459.x>; and (iii) Sakkas, S (2018) : The macroeconomic implications of the European Social Fund: An impact assessment exercise using the RHOMOLO model, JRC Working Papers on Territorial Modelling and Analysis, No. 01/2018, European Commission, Joint Research Centre (JRC), Seville

<sup>154</sup> See for instance [https://ec.europa.eu/knowledge4policy/search/site/%2522what%2520works%2522\\_en](https://ec.europa.eu/knowledge4policy/search/site/%2522what%2520works%2522_en), but also <https://www.oecd.org/education/imhe/whatworksinhighereducation.htm> and the range of meta-analyses discussed in sections 4.1, 4.2.2 and 4.2.5

<sup>155</sup> General Data Protection Regulation

<sup>156</sup> Around a dozen could be meaningfully used for this study. See Annex VI for more details.

***The value of soft or intermediate outcomes is widely recognised, but little information on these is yet available. Efforts could be made to improve the systems to this end, including through experimenting with "distance travelled" approaches***

The value of soft outcomes is recognised by Managing Authorities, and was said to be highly valued by participants, but problems of monitoring and agreeing what data to collect persists<sup>157</sup>. Increased confidence is seen as key indicator, but focus group stakeholders also raised system and delivery issues in terms of measures of improved governance of Active Labour Market Policies and a better knowledge of the client groups, their needs and how to provide more effective support. Measuring soft outcomes remains an area where more work is required from Managing Authorities and the EU, especially building upon cumulative knowledge in the field of "distance travelled" approaches, as explained in the box below. Such efforts should be spurred especially to upscale and mainstream existing practices into the monitoring and evaluation of operations targeting individuals at a certain distance from the labour market and for whom improvements in employability might be a better proxy of results achieved than changes in the occupational status.

Box 3. *Measuring soft outcomes*

Many Managing Authorities have reviewed methodologies to capture soft outcomes, in part to show a 'fuller picture' of programme achievements, but because systems measured on quantifiable results (qualifications gained, jobs gained etc.) discriminate against those who are far away from the labour market, who yet nevertheless can benefit from (in this case) T08 operations. Some measures include numeracy and literacy as a key ingredient of basic skills but in many cases soft outcomes are less clear cut. A consistent point seems to be the use of soft outcomes to measure progress towards employment – possibly over a long-time period – which requires periodic measurement and assessment (through diaries, interviews and assessment by mentors). In some cases, accreditation follows, partly as a means of recording an outcome, but also to help the self-esteem of the individuals concerned. Soft outcomes in the context of T08 operations tend to focus on social skills (self-esteem/confidence, cultural and community interaction by migrants, language skills etc.) but also the non-vocational skills sets required by employers (including reliability, honesty/discipline and time keeping and personal organisation). However, the absence of common approaches and indicators means that there are considerable variations.

In a recent report commissioned by DG EMPL, different practices were reviewed which fall within the scope of the "distance travelled" approaches. Distance travelled can be defined as "*the progress that a beneficiary makes towards employability or harder outcomes, as a result of the project intervention*"<sup>158</sup>, and encompasses a range of intermediate outcomes of support such as increased wellbeing, self-esteem, career self-efficacy, resilience, hopefulness, perceived progress towards the labour market; re-employment or labour market participation, re-employment quality, and access to education/vocational training.

It is deemed helpful in several different ways: for clients, to better appraise the progress they are making; for staff, for monitoring purposes; for programmers and funders, to understand what works and have stronger justification for the efforts; and, for employers, as it provides a clearer pictures on the employability of individuals. There is no one-size-fits-all approach to measuring distance travelled as different client groups might have different needs and the same goes for the objectives of different forms of support, which are often personalised/combined approaches. It is typically suggested that measures are taken at several points in time, with a need of a baseline, ongoing

<sup>157</sup> This was also a finding of the ex-post evaluations of the 2007-2013 ESF programmes

<sup>158</sup> Sutherland, V., Macdougall, L., & McGregor, A. (2015). Evaluation of Employability Pipelines Across Scotland: Final report. Glasgow: Training and Employment Research Unit (TERU), University of Glasgow.

and post-support measures. Profiling tools, increasingly used by Public employment services, are a relevant tool which might be better integrated with the subsequent monitoring of soft outcomes. In addition, questionnaires of proven validity<sup>159</sup> might be used for the participants' self-assessment, especially in combination with measures of "hard" employment outcomes – in order to further assess the relationship between soft and hard outcomes.

Overall, there is indication that, although a fully unitary approach to the measurement of distance travelled doesn't exist and it's hardly feasible by definition, several good practices already exist which can inform implementing bodies on how to build up their systems to assess soft outcomes.

***Issues on the measurement of cost-effectiveness, the quality and timeliness of employment and specific results for specific target groups are consistently reported***

From the case studies and evaluations some specific issues were raised:

- from a methodological point of view, it was mentioned with regard to the Finnish Operational Programme, that **defining the efficiency criteria is difficult** in relation to the challenging target group as these people often require individual and longer supporting processes in order to achieve improvements in terms of employment status. Subsequently, this would lead to savings on social and health care costs – but there is a lack of measurements and evaluations from this perspective;
- from a monitoring point of view, it was found that projects for specific groups often **lack specific targets and result indicators** and thus those results are not necessarily captured; and
- **expected results and indicators need to measure quality and timeliness of employment and need to consider the specificity of different types of operations** and therefore factor in a long-term perspective and the formulation of appropriate qualitative output and result target indicators in addition to quantitative ones. The importance of developing indicators to measure the quality of employment, was for example expressed in the Spanish case, where 27% of contracts signed have a duration of less than one week and 38% of less than one month<sup>160</sup>.

***A few key steps to be taken with a view to better monitoring and the ex-post evaluation: (i) encourage some standardisation of counterfactual impact evaluations, (ii) collect better information on the types of operations and make further use of information on participants, (iii) further work on overall***

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<sup>159</sup> For instance, in Wheelan et Al (2018), "the General Health Questionnaire (GHQ-12) and the Satisfaction with Life scale are used amongst other. [...] The General Health Questionnaire has been widely validated and shown to be highly reliable for psychological distress. [...] The Satisfaction with Life scale is a five-item self-report questionnaire developed to measure global cognitive judgemental aspects of life satisfaction. Life satisfaction has been identified as the cognitive judgemental component of subjective wellbeing where judgements of satisfaction are dependent on a comparison with a person's own standard as opposed to a criterion set within the scale or in a particular domain". Other questionnaires on self-esteem, self-capacity etc. are also used - Whelan, N., McGilloway, S., Murphy, M.P. et al. (2018) EEPIC - Enhancing Employability through Positive Interventions for improving Career potential: the impact of a high support career guidance intervention on the wellbeing, hopefulness, self-efficacy and employability of the long-term unemployed - a study protocol for a randomised controlled trial. *Trials* 19, 141 <https://doi.org/10.1186/s13063-018-2485-y>; Diener ED, Emmons RA, Larsen RJ, Griffin S. The satisfaction with life scale. *J Pers Assess.* 1985; 49(1):71–5.

<sup>160</sup> Source: SEPE. Average for January-November 2019.

***(macroeconomic) effects of support to better understand the interplay between the support offered and the environment in which it unfolds***

Whilst issues linked to under-reporting will lose relevance as Operational Programmes get nearer to full implementation, in order to better understand the impact of ESF support to employment and labour mobility and to aid the ex-post evaluations we make the following suggestions:

- **to encourage standardisation of approaches to counterfactual impact evaluations.** In this programming period, the role of the Commission would be to accompany this process through encouraging such elements in any revision of evaluation plans, through guidance material to be issued to Managing Authorities, as well as at meetings/seminars with them as well as evaluation partners. The most important elements for which standardisation should be encouraged and that are needed to understand in comparative terms “what works for whom” are:
  - **increasing focus on heterogeneity of effects** (i.e. effects per target group and per typology of operation, which implies knowing what form of support was offered to whom and with what effects). This is especially relevant as, despite some inevitable cross-study/cross measure volatility of results which can hamper sound comparisons, within study/within measure variation (by target group) can be consistently observed and hence compared;
  - **increasing comparability of outcome-variables used** (i.e. effects on what - employment at a certain point after the operation vs reduction in unemployment spells vs increase in the number of hours worked in a given timeframe). In many cases, the source of information does not vary, it is only the choice of the outcome measure in the specific evaluation design which does so. For instance, if one knows how many days of unemployment have been reported for a given individual over the year, it is also likely that they can gather the information on the exact employment status at the end of the year. So, some room for standardisation should exist. It would be important to ensure some consistency in the main outcome variable observed – then additional analysis on complementary outcome variables are always possible if they better reflect the aims of the operations under examination;
  - **improving the comprehensiveness of outcome-variables used**, including on intermediate outcomes. For instance, the counterfactual studies do not generally report on people switching from inactivity to unemployment thanks to the support they receive, though we have this indicator in the ESF monitoring system. This information is often found in the same databases used to measure increases in employment levels, so checking for net changes in this “additional” outcome variable should not increase significantly administrative burden, and it might be feasible at least in a few cases.
- **work on data granularity:**
  - **work on types of operations:** this study, in line with the approach followed by the Study for the Evaluation of the support to Youth Employment, has tried to gather information on “what was done” in each Operational Programme. The main source at a pan-European level for this exercise has been that of Annual Implementation Reports, which however report this type of information in an inconsistent manner lacking a specific requirement to do so. This hampered a sound analysis of performance by type of operation and target group, as well as of effectiveness. Lists of operations, which can contain thousands operations per each Operational Programme, have been used at times to complement the analysis, but an



in-depth assessment of the lists was outside of the scope of this study. In the future, for example for the ex-post evaluation, a greater and more focused effort on gathering precise information on what was done and for whom from lists of operations might strongly aid the analysis of what works and for whom. It would allow, amongst other, statistical and econometric techniques to be applied more thoroughly to single out the key drivers of performance. The European Commission could facilitate this through ad-hoc studies or work in cooperation with Managing Authorities. When possible, some common standards on the typology to be used in classifying the support offered should obviously be defined for consistency, and also ex-post harmonisation of the information collated;

- **work on output and results at the participant level:** information on output and results is reported in a semi-aggregated form in Annual Implementation Reports for each Operational Programme. This hampers a fully-fledged analysis of cost as well as results and effects by type of operation and target group. Detailed data on participants is however collected by at least some managing authorities following the Delegated Regulation 480/2014. Further work to start collating such data might be carried out, so that at least more in-depth analyses can be carried out on a sub-sample of Operational Programmes. This effort might comprise also the production of a guidance on whether microdata can be shared, to whom, in which form – whilst complying with the GDPR through anonymisation procedures, which has proven to be a major concern for Managing Authorities within the context of this study. It is worth noting that, in absence of micro data and precise data on typologies of operations the work on cost-effectiveness and macroeconomic estimations through RHOMOLO are flawed. This would be a concerted effort, orchestrated by the Commission to define common criteria but which would necessarily involve Managing Authorities in the categorisation of the operations they support. Then, this data should be collated and harmonised at the EU level for meaningful analyses.
- **further consideration to macroeconomic elements:** the literature on Active Labour Market Policies made it clear that large policy interventions might bring along change to the environment in which they are implemented – which is, after all, the purpose of cohesion policy. This means that the effects of the operations measured on participants in individual projects or programmes might be biased, in the sense that they overlook what happens to those not benefitting from support and the economy as a whole. However, there is limited attention in policy evaluation to the macroeconomic implications of the support offered. For instance, what are the positive spill-over linked to upskilling? What about more investments being attracted, stronger export capacity, higher innovativeness of firms? At the same time, is the employment gained by participants to support displacing others? What about alternative uses of the money? These are questions which cannot be tackled through simple measures of the effects of support on those who are offered the support. At the same time, the work done through macroeconomic models, such as that of RHOMOLO used in the analysis, needs necessarily to rely on a number of simplifying assumptions, which reduce the relevance of some of its findings for policy makers. Hence, further work on this area is encouraged, given that some of these are made necessary by the lack of data on forms as well as precise target groups of ESF support. Operationally, the Commission could continue their joint research efforts with the Joint Research Centre to fine tune the methodology of the simulations and the quality of input data, whilst encouraging Managing Authorities to factor in the macroeconomic dimension in their evaluation requests.



**For the next programming period, in addition to promoting standardisation of counterfactual approaches and types of operations, the comprehensiveness of information collected could be broadened, although changes to the regulations are likely to reduce the use which can be made of micro-data**

- **work on data comprehensiveness:**
  - The Commission could promote the collection of data and information on achievement of **soft outcomes** with a view to increasing the understanding of the effects of ESF support to employment and labour mobility operations beyond employment results. Starting from a review of existing methods and practices, lessons learned need to be customised and transferred to ESF monitoring and evaluation practice<sup>161</sup>. This might entail, amongst other: (i) the pooling of good practices from Managing Authorities and selected operations; (ii) promoting a discussion about possible monitoring and evaluation arrangements which could increase Managing Authorities' knowledge of ESF support to employment and labour mobility operations results; (iii) increased emphasis in evaluation requirements on the assessment of soft outcomes, including through ad-hoc surveys; iv) increasing the awareness about the importance of (measuring) soft outcomes with Public Employment Services.
  - Some additional consideration could be given to monitoring arrangements for **labour mobility, for instance encouraging Managing Authorities** that foresee operations which support labour mobility **to keep track of progress through a programme specific indicator on the number of participants having found employment in another region/country**, or suggesting that specific evaluations are carried out on such theme; and
  - **to increase emphasis on the quality of employment**, for instance encouraging Managing Authorities to request a dedicated evaluation of this theme in each evaluation of access to employment and mobility measures, along the lines of what foreseen for the Youth Employment Initiative or by giving higher values to methodological proposals which include assessing the quality of the employment gained. The Commission could issue thematic papers or discuss this topic during meetings with evaluation partners in Member States.

### **5.3 The role of ESF support to employment and labour mobility investments in mitigating the effects of the unfolding crisis**

Although the present report was prepared before the outbreak of the COVID-19 pandemic and the impacts of the ensuing socio-economic crisis are still to be fathomed, it should be underlined that ESF support to employment and labour mobility investments can play an important role in supporting Member States in tackling its negative effects.

The way in which the ESF has adapted in response to the global crisis that started in 2008 has shown that it is a sufficiently flexible fund. On that occasion, the ESF has shown a good capacity to reach out to groups most in need (including young people who became a priority of ESF intervention following the economic crisis). Yet the share of potential recipients belonging to such groups was lower than expected; this is particularly the case for the most vulnerable and marginal groups whose employment opportunities were further reduced by the economic crisis<sup>162</sup>. Furthermore, emergency situations are likely to

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<sup>161</sup> A possible starting point could be the work carried out within the study "*The feasibility of developing a methodology for measuring the **distance travelled** and soft outcomes for long-term unemployed people participating in Active Labour Market Programmes*" Barnes, S.A and Wright, S. (2019) The feasibility of developing a methodology for measuring the distance travelled and soft outcomes for long-term unemployed people participating in Active Labour Market Programmes, IER, DG EMPL, European Commission

<sup>162</sup> ESF policies as a mitigating factor, Study commissioned by the European Parliament Committee on Employment and Social Affairs (2017)

bring about a shift in resources away from systemic actions and towards individual and policies (whose effects are more clearly visible in the short-term).

In the light of this it is of the utmost importance that forthcoming adaptations of the current and future programming:

- **further enhance flexibility mechanisms:** the crisis will have different impacts across different target groups/economic sectors and different timescales and intensity of the recovery can be expected. Transformation of the socio-economic context is likely to occur at an accelerated pace, and it might be beneficial to accommodate the resulting volatility in socio-economic needs with increasingly responsive and flexible programmes.
- **build upon an analysis of the (potential) impact of the crisis on different target groups (at Member State or regional level):** in general, vulnerable groups of the population are worst hit by the crisis, particularly in the medium to long run. Groups that suffer most during the first wave of layoffs (presumably closer to the labour market) may fare better in subsequent phases, while those initially “protected” may fare the worst. It should be also considered that for individuals relatively close to the labour market and only temporarily distanced from it, the deadweight effect of support might be higher; that is, it is possible that results of support measured on them would have occurred even in absence of support. Managing Authorities and all the actors involved in programming and target setting should exploit to the extent possible existing studies and forecasts or arrange their own to formulate realistic assumptions.
- **are duly coordinated with that of forthcoming national and EU initiatives** in response to the COVID-19 crisis, avoiding overlapping and building upon the distinguishing role of the ESF support to employment and labour mobility: promoting employment of individuals most in need through well-tested as well as innovative initiatives. These initiatives should look “beyond” the crisis by focusing on further adapting to the future, longer term needs of the labour force such as investing on digital and green skills, development of healthcare professions, supporting new ways of working and promoting work life balance and reconciliation.
- **focus on specific groups and individuals that are most in need of ESF support;** our study has also shown that interventions aimed at these groups are also the ones for which interventions are most effective.
- **do not lose the focus on systemic actions,** especially since there might be a tendency to shift ESF funds towards individual actions that have a more immediate and rapid effect. This is particularly important for – but not limited to - gender equality and active ageing measures. Women are often the weakest segment of the labour market and elderly workers are at higher risk of not re-entering the labour market in case of layoffs. As we have shown these are two important priorities for the ESF but they need to be further strengthened and promoted with a view to bringing about behavioural changes in employers and employees alike and to building the capacity of policy makers and project beneficiaries to intervene effectively).

Attention should be paid to the gender impacts of the crisis. The difference in the types of jobs that women and men do will shape the impact of the recession; women’s greater concentration in part-time work, lower-paid jobs, jobs with shorter tenure and smaller firms will all impact upon not only the relative effects of the downturn but also the extent

to which policy response benefit or disadvantage different groups. There are three main risks that could be identified in relation to a gendered impact of the crisis<sup>163</sup>:

- in turbulent times gender equality may be mistaken for a “fair weather” policy priority, while there is even more need for it as: i) budget cuts could harm women disproportionately (higher presence in public sector; higher reliance on welfare support and social services); ii) competitiveness and productivity enhancing policies are mostly targeted at traditionally male dominated sectors;
- countries which are at greater risk from backtracking in gender balance are also those for which gender balance promises the greatest long-term gains; and
- the absence of gender awareness, especially in the context of decentralised decision making, may operate cumulatively to roll back progress.

#### **5.4 Selection of Good Practices**

Finally, a range of specific good practices are presented in this section, which can inform actors concerned with the implementation of the operations.

##### **5.4.1 Lead organisations**

A variety of organisations have implemented the good practices presented (as lead of part of partnership). These range from national/regional and local authorities (e.g. IT, CZ), public employment services (IT), social partners (IT), social enterprises (CZ, DE), NGOs (CZ), education and training institutes, regional organisations (CZ) to childcare providers (IT). Whereas some projects were implemented by one organisation (e.g.) other projects were implemented by partnerships with up to nine partners (DE).

##### **5.4.2 Implementation period**

The majority of the good practices selected will be implemented over a period of three years whereas the implementation period ranges from two to six years. Whereas some projects started in 2014<sup>164</sup> and therefore are in the final phase, other projects have only started beginning of 2019 and thus results are less visible yet.

##### **5.4.3 Funding**

The range varies widely from 200,000 euro (IT) to just over 9 million euro<sup>165</sup> (HR).

Type of operation/measures implemented

- Investment Priority 8.i (identifying and breaking down barriers to employment) (CZ, FI)
- Investment Priority 8.iii (skills’ assessment, targeted and individualised support for start-ups, networking and provision of co-working spaces, incubator process) (DE, DK, LUX, RO)
- Investment Priority 8.iv (awareness raising and support to childcare) (ES, IT)
- Investment Priority 8.v (skills’ assessment, retraining, upskilling, job search report) (FR)
- Investment Priority 8.vii (scholarship and grant provision increasing students’ motivation for bottleneck occupations) (HR)

##### **5.4.4 Target group**

The following target groups are covered by the projects:

- Immigrants (FI)
- Companies/SMEs (FI, DE)

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<sup>163</sup> Gender aspects of the economic downturn and financial crisis. Note commissioned by the European Parliament, Citizen’s rights and constitutional affairs Policy Department (2011)

<sup>164</sup> Note the Spanish good practice started in 2000.

<sup>165</sup> Some projects have a higher amount but include non-ESF money.

- People with multiple disadvantages (CZ)
- Unemployed women (and their children) (IT, ES)
- Employed people who want to move to a different professional sector (RO)
- (Older) people recently made redundant (FR)
- Job seekers (all, LUX)
- University graduates who want to found a social enterprise (DE)
- Vocational secondary education graduates (HR)
- Potential entrepreneurs/Social innovators (DE, DK)
- (former) employees from social services and social enterprises (DE)
- Spin-offs from social enterprises and voluntary welfare organisations (DE)

#### **5.4.5 Success factors and lessons learned so far**

So far, not many of the projects mentioned have concrete evidence yet of results and impact but first indications of good outcomes are available. Several projects have identified a number of success factors.

At the system level, these include:

- Close involvement and cooperation of relevant stakeholders in the project implementation, i.e. those actors that work closely with a specific target group to ensure their needs are taken into account in order to develop the most effective approach;
- Moreover, inclusion of the target group itself, especially in the context of social enterprises and using the method of 'learning by doing' rather than providing formal training;
- As part of the implementation of a project, it is envisaged to set up a network recruitment model, deployed across different locations, which is envisaged to be commercially sustainable.
- One of the specific strategies in some countries concerns the targeting of structurally deprived regions with calls for proposals under the Operational Programme thus working towards a strengthening and combined effect of several projects and/or measures working at the same time in a certain region (e.g. combination of labour market forecasting and improvement of labour market models for the region can work alongside more individual support measures for people furthest away from the labour market).
- Offering children care services can really make the difference for women's engagement in finding a job, especially in economically more disadvantaged areas.
- Focusing on qualification of mothers in male-dominated industry sectors therefore moving away from gender stereotyping.
- In the case of operations related to social enterprises, having a location with office space and interaction is important for networking and the development of social businesses.
- Existence of support services for the creation of companies specifically for women is an innovation. Moreover, the capacity of such provision across a whole country overcomes the mobility challenges.
- A mixture of European and national funding can increase sustainability achievement.
- The creation of a network of women entrepreneurs.

At individual level, these include:

- Measure is tailored to individual's needs.
- The familiarization of women entrepreneurs with new technologies.
- Overcoming the gaps of lack of information and isolation that businesswomen suffer.

- Inclusion of company manager for individual support provided to participants wanting to engage in setting up their own business, allows them to experience the reality of such employment.
- With regard to training provision in a specific sector, providing a quality label to the participant who successfully finished training facilitates the recognition of skills from potential hiring companies in that sector.
- Activities aimed at developing women's empowerment revealed to be very useful for stimulating, in women, an active attitude towards job-search and employment in general.
- Providing financial incentives for on-the-job training.

With regard to lessons learned so far, the following were identified in the projects analysed:

- When implementing projects in rural areas and/smaller town, mobility challenges have to be taken into account when designing the project (e.g. in some Operational Programmes vouchers towards mobility were part of the measures).
- It takes time (probably more than the project's duration) to disseminate the gender-mainstreaming logic in employment especially in areas where gender stereotypes are still strong.
- The partnership is very important: each partner can deliver a unique set of expertise and skills, providing new perspectives and innovative methods.
- An element in the provision of support helps to identify the most innovative concepts.
- In order to transfer good business models related to gender equality to other localities and sectors, collaboration between agents promoting business activity and bodies in charge of promoting equality between women and men is essential for transferability.
- Tailored support combined with a financial incentive is a practice that may increase the employment rate of the participants.
- With regard to entrepreneurship measures, it is important to take maturity and readiness into account to receive certain measures. For example, a good idea is to start with mentoring in start-up processes and sector specific challenges rather than focusing on growth.
- Furthermore, when organising an incubator process, this must be adapted to the different target groups.

Where possible, for example in a network format, mutual learning needs to be included so good practice and lessons learned can be exchanged.

Table 21. overview of main characteristics of the practices

Name of the practice	Country/Operational Programme	Implementation period	Lead organisation and nr of partners and funding	Main objective and target group
'-Encouraging education for related trades based on the apprenticeship system' within the campaign 'Realize Your Dream in Croatia'	Croatia (Operational Programme Effective Human Resources)	2016-2019	Ministry of Economy, Entrepreneurship and Crafts  8,820,500 euro	The operation is directed at high school students participating in work-based learning and entrepreneurs / firms that recruit them. It helps them acquire knowledge and key competences for entrepreneurship aimed at stimulating growth and development and to encourage employers to recruit pupils for apprenticeships.
'Transition jobs in social enterprises'	Czech Republic (Operational Programme Employment)	2019-2021	Association for the Development of the Moravian-Silesian Region z.s. and five partners  Around 1,7 million euro	Directed at persons with multiple disadvantages in the labour market. It aims to identify and gradually remove barriers preventing people furthest from the labour market to succeed
Growth-enhancing incubation process for SMEs'	Denmark	2014 - 2016	Growth House Zealand (Væksthus Sjælland)  1,238,240 euro	Directed at potential entrepreneurs and start-ups with a promising business idea of less than three years since establishment. It supports them in strategic planning and providing a competency boost with respect to entrepreneurship
'BAANA' project (Networked Recruitment Model for Immigrant Employment)	Finland	1.9.2016-31.8.2019	Finnish Humanities University of Applied Sciences and Citywork Turku Oy  486,446 euro	It aims to break down barriers to employment and create concrete pathways to employment and entrepreneurship, especially for immigrants.



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Name of the practice	Country/Operational Programme	Implementation period	Lead organisation and nr of partners and funding	Main objective and target group
'The Professional employability agreement' (Contrat de sécurisation professionnelle)	France	from 2011, reformed in 2015	Pôle Emploi, budget not specified	The operation consists of skills assessment, retraining, support for business creation or takeover, individualised job search support, according to the specific needs of Dismissed employees. The participant may also benefit from on the job training periods. Reformed in 2015 (introduction of a financial incentive in case the participant get out of the Professional Employment agreement before the 6th month.
'Social innovation'	Germany – Niedersachsen Operational Programme	05/2018 – 04/2020	Region Hannover and nine partners 311,473 euro	To identify social innovators (university graduates, employees in the social economic, other individuals) and support the development of their business model by offering a four-months free of charge entrepreneurship programme.
'D.I.A.N.A. project' (Donne e Inclusione Attiva in Alta Irpinia/Women and Active Inclusion in Alta Irpinia)	Italy – Campania Operational Programme	5/2018-4/2020	AS.FOR.IN (Associazione Formazione e Inserimento Lavorativo nelle Piccole e Medie Imprese) and five partners 200,000 euro	To improve women's labour market participation and employment through professional development (especially in tourism and green-economy occupations) and work-life balance services.
'FIT4 Entrepreneurship'	Luxembourg	01/2015-12/2016	Chambers of Commerce 321,700 euro	To provide suitable support to jobseekers wishing to embark on a business project based on a diagnosis of entrepreneurial skills, a training program and individual support.

Study for the Evaluation of ESF support to Employment and Labour Mobility

Name of the practice	Country/Operational Programme	Implementation period	Lead organisation and nr of partners and funding	Main objective and target group
'SCA' (secretariat for law office)		01/2016-12/2017	Initiativ Rem Schaffen 240,500 euro	To organise and implement, for job seekers, a qualifying training course of secretary for law firms, based on the acquisition of the necessary operational skills and an integrated internship of 240 hours in a law firm.
'FIT 4' Financial Markets		01/2014-12/2017	House of Training and one partner 740,600 euro	To organise on the basis of five stages followed by the participants, an individualized diagnosis, an orientation interview to define the personal project, the formation and the acquisition of skills, a support in the search of a job and placement assistance
'Start-up Nation/Start-up Plus, Diaspora start-up'	Romania	2014-2020	Organisation not specified 632,943,377 euro	Start-up financial support for young entrepreneurs and self-employed, Counselling and guidance for self-employed/entrepreneurs, Entrepreneurship training, Subsidies to start new SMEs and create new jobs.
'Business Support Programme for Women'	Spain	2000 until present	Chamber of Commerce of Spain (and local chambers) with the support of the Women'n Institute 18,000,645 in 2014-2018	To sensitize women and their environment to self-employment and business activity, acting as an effective instrument for the creation and consolidation of companies led by women.

Source: Case studies

## **6 Conclusions**

The evaluation has drawn on a variety of sources including comprehensive data sets for the period 2014-2020, interviews and a public consultation. All the research was undertaken prior to the Covid-19 pandemic and at a time where labour markets across Europe, also with the help of ESF support, had generally recovered from the financial crisis from 2008 onwards. The economic and social crisis that follows the pandemic will likely challenge public bodies and private enterprises to an unprecedented extent. The issues raised in the study, including the lessons from employment and labour mobility programmes and projects, will however remain valid and can provide valuable insights for the operations to come, both in the remainder of this programming period, but especially the 2021-27 period, where the focus will be firmly on economic recovery and transition to a green, digital and resilient economy. With the above caveat in mind, we can discern some overarching conclusions.

- 1. Early implementation was subject to delays but has picked up since then:** in common with other thematic objectives there were initial delays in implementing ESF operations under employment and mobility. These relate to new regulations and processes, including the introduction of common indicators, and the establishment of new electronic platforms for data collection, storing and transmission. The research suggests that these delays have been generally overcome, although experienced capacity to deliver operations remains a constraint in some countries and (especially) within less developed regions, although improved somewhat through ESF support to labour market institutions and capacity building. As of the end of 2018 implementation rates were in line or slightly better than other thematic objectives and generally on track to meet the targets by the end of the programming period.
- 2. ESF support to employment and labour mobility has, overall, had a positive impact:** prior to the current pandemic there was a growing demand for labour in most Member States and ESF employment and labour mobility operations had helped 1.3 million participants into employment, immediately after their participation in an ESF operation. Studies investigating what would have happened to participants in absence of ESF support confirm varying but positive effects in terms of employment chances due to the support they received. In addition, exploratory research on the overall macro-economic impacts tends to confirm that support is beneficial and sustainable for several regions with high unemployment levels. Also, ESF operations have contributed to the development of a more adaptable workforce and have helped improve the employability of the many participants (6.8 million participations 2014-18). The unit costs of achieving both participations and results are in line with benchmarks with analogous programmes. There is consensus on the importance of better capturing progress of participants towards employment in terms of soft or intermediate outcomes, but the monitoring and recording process of soft outcomes remains sporadic, combined with the need to report hard results such as getting into jobs more often. A focus on entrepreneurship provides some valuable approaches to the new labour market realities that will follow the pandemic and provide more options to traditional paid employment.
- 3. However, there are variations between target groups and spatial areas, especially where implementation is slower.** Whilst women are well represented in ESF operations and the net effects of the support are comparatively higher for them, there remain obstacles to participation and a need for structural change. The latter is also true for older people and, in both cases, there is some correlation with economic inactivity – those who are inactive can be more difficult to identify and engage. There are different approaches according to the socio-economic context, with balanced approaches in more developed regions and somewhat lower emphasis on these target groups in transition and less developed regions given the persistence of comparatively higher unemployment levels.

4. **There is no evidence of support which is ineffective because the target group is too hard to reach and get into employment or because the socio-economic context too challenging:** positive results are strongly correlated to tailored and targeted approaches, linked directly to labour market needs, but can be achieved across a range of socio-economic contexts and target groups. A key finding of the evaluation is the high value of targeted operations, tailored to the needs of participants and especially when customised to the skill and aptitude needs of specific employment sectors, and vacancies. This has proved to be more effective than generic approaches and again provides valuable lessons for the post pandemic labour market, where there may be strong competition for employment opportunities, as there was following the financial crisis.
5. **ESF operations are generally more effective in respect of groups that are neither too far (e.g. individuals with multiple disadvantages), nor too close to the labour market (e.g. well qualified individuals):** in addition to tailored approaches the evidence suggests that operations that are more effective (if measured in employment terms), are those that target participants that are neither the closest (who might get work without support) or furthest (who require more support and – crucially – more time, to achieve employment results) from the labour market. In addition, those with multiple disadvantages might be best addressed by ESF support to social inclusion (TO9) or education and training (TO10) support, as they require a more holistic support going beyond the scope of ESF support to employment and labour mobility (TO8).
6. **There has been positive employment – and other - effects, that tend to improve over time:** evidence from studies which reconstruct what would have happened in absence of ESF support suggest that effects, especially of training and work-based learning, are sustainable and tend to increase over time. Monitoring undertaken six months after participation shows that the number of people in employment tends to be higher than immediately after completion of support. These two, together with the macroeconomic analysis indicating persisting positive effects on employment and growth, confirm the sustainability of support offered.
7. **ESF operations have led to innovative approaches, especially in the support of harder to reach groups:** it has proved difficult to recruit, support and assist participants from harder to reach groups attain positive results, including those with disabilities, and those from remote rural areas. Tailored and customised operations have helped in this with providers deploying innovative approaches. However, one group has proved particularly challenging – older people – and the levels of participation and the results achieved are below target. Irrespective of the inherent difficulties of attracting older people back into the labour market, the relative low levels of ESF investment, compared to some other groups, has not helped. It prohibits customised approaches and whilst the unit costs of participation are low relative to other groups, greater levels of investment should lead to more effective operations.

Amongst the key lessons learned from this study, and in light of the potentially disruptive impact of the COVID19 pandemic outbreak on Member States' economies and labour markets, it is worth stressing that evidence from this study underscores the unique value of employment and mobility support towards specific target groups and through tailored approaches.

At a time in which public initiatives will certainly be called to play a central role in mitigating the repercussions of the crisis, it is important to leverage upon the key strengths of employment and labour mobility support under the ESF, exploiting synergies and minimising overlaps. Amongst others, mitigating the effects of the crisis on gender gaps, for elder workers at risk of unemployment or those already at a distance from the labour market, together with categories most affected by the crisis could be centre-stage in the design of the current and future operations.

## **Annexes**

All annexes are delivered as separate documents to the main report.

**Annex I: Mapping of TO8 operations**

**Annex II: Public consultation**

**Annex III: Comparative Analysis of the evolution of the labour market and the role of the EU funded operations**

**Annex IV: Cost-effectiveness analysis**

**Annex V: Econometric analysis**

**Annex VI: Synthesis of TO8 evaluations**

**Annex VII: Case studies**

**Annex VIII: Country-specific factsheets**

**Annex IX: Minutes of the EU-Level Focus Group**

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