

Evaluation study « Measure and monitoring of the impact on jobs of the Rhône-Alpes - 2007-2013 EFRD¹ and CPER² funded - economic development policies »

In brief

The study aimed at assessing the impact of the economic development policies (including research and innovation) – funded through the 2007-2013 EFRD and CPER programmes – led in the French Rhône-Alpes region, on jobs both in quantitative and qualitative terms.

The Study was conducted by the Regional and National Authorities, in cooperation with INSEE (the National Statistics and Economic Studies Institute), the CEE (the Centre for Employment Studies), two academic experts, and the evaluation consultancy Euréval.

The study managed to design and test an impact evaluation methodology, mixing counterfactual and theory-based approaches. The methodology did not manage to show significant results on the period, due to a lack of data regarding final beneficiaries. It nevertheless proved its interest and potential, and the experience brought awareness raising and new knowledge on which the Rhône-Alpes region was and will be able to build for the 2014-2020 period.

Which impact have economic development policies on jobs?

Employment is a common concern of the intervention policies of the European Union, of the French State and of the Regional authorities in favour of social cohesion, territorial cohesion, competitiveness, economic development and innovation.

All economic development public policies expect an impact on jobs. Both decision-makers and citizens call for knowing the extent of this impact, but can hardly find satisfactory answers to this request. Numerous studies were conducted to assess the **impact on jobs of employment policies**, but - at the time of the beginning of the study - the knowledge about the impact on jobs of other policies, including economic development policies, was very insufficient. Decision-makers were lacking tools to better know the employment effects of their policies, and then to be able to improve them and communicate about it.

¹ ERDF: European Regional Development Fund ;

² CPER: Contrat de projet État – Région / French regional development programme funded and led in cooperation by the regional authority and the national authority in region.

Measuring and monitoring the employment effect: a new and ambitious bet

With regards to this situation, the Rhône-Alpes Region, together with the State and with the support of the regional evaluation committees, decided to launch an experimental study to assess the impact on jobs of policies not directly aiming at employment.

A core element was the choice to consider the employment effect of those policies not only from a **quantitative** point of view (number of maintained and created jobs), but also from a **qualitative** perspective (evolution of the employment situation quality in the companies).

A shared and participative initiative

5 workshops mixing regional and state staff and employment experts achieved to produce the following:

- A shared « employment effect » definition
- An agreed scope for the study
- A stakeholders' analysis
- A shared typology of the different supports brought by the ERDF and CPER operational programmes
- A collective vision of the intervention logic(s) (theory-ies of action)

A shared « employment effect » definition

In the frame of this study, the “employment effect” was to be considered as the evolution of **the quantity** and of **the quality of jobs**, that could be attributed to the concerned polices.

The definition of the **quality of jobs** - and of the corresponding indicators - arose from the works of **Christine Erhel et Bernard Gazier**, two economic academics experts in the labour and employment fields, and from their report « Evaluation of employment effects of regional public policies: toward a methodological broadening ». Christine Erhel is a researcher within the Centre for Employment Studies (CEE). She notably studied the different employment support policies in Europe. Bernard Gazier worked as an expert for the European Commission, the World Bank, and the ILO (International Labour Organization). Their works integrate the inputs of the analyses developed at international level about job quality and Transitional Labour Markets.

The **job quality indicators** have been developed by **INSEE Rhône-Alpes**, especially for this study and as a following of the definition works led in this frame. They still feed the “*Diagnosis of the quantitative and qualitative features of the salaried employment in Rhône-Alpes*”, the **Rhône-Alpes employment indicators dashboard**.

The quality of jobs evolution covers the following fields: work conditions and relationship at work, family and professional lives conciliation, equality between women and men, education/qualification and socio-economic security.

It is composed of:

- Evolution of **employment conditions** (*contract types, non-discrimination, remuneration, job/qualification match, access to training ...*)
- Evolution of **work conditions** (*risk exposition, accidents / work diseases, stress, autonomy, social dialogue...*)
- Evolution of the **adaptation of employment to companies' needs** (*number of jobs / activity match; competences / activity match; human resources management ...*)
- Evolution of the **adaptation of employment to territories development** (*attractiveness, critical mass, innovation potential...*)

The study objectives: a support to public decision lasting over time

This exploratory study was launched to test if it was possible to obtain:

- knowledge elements about the employment situation evolution, from both a quantitative and qualitative perspective
- elements to explain the impact of economic development policies on the evolution of the employment situation

and to be able to monitor these impacts over time.

The scope of the study

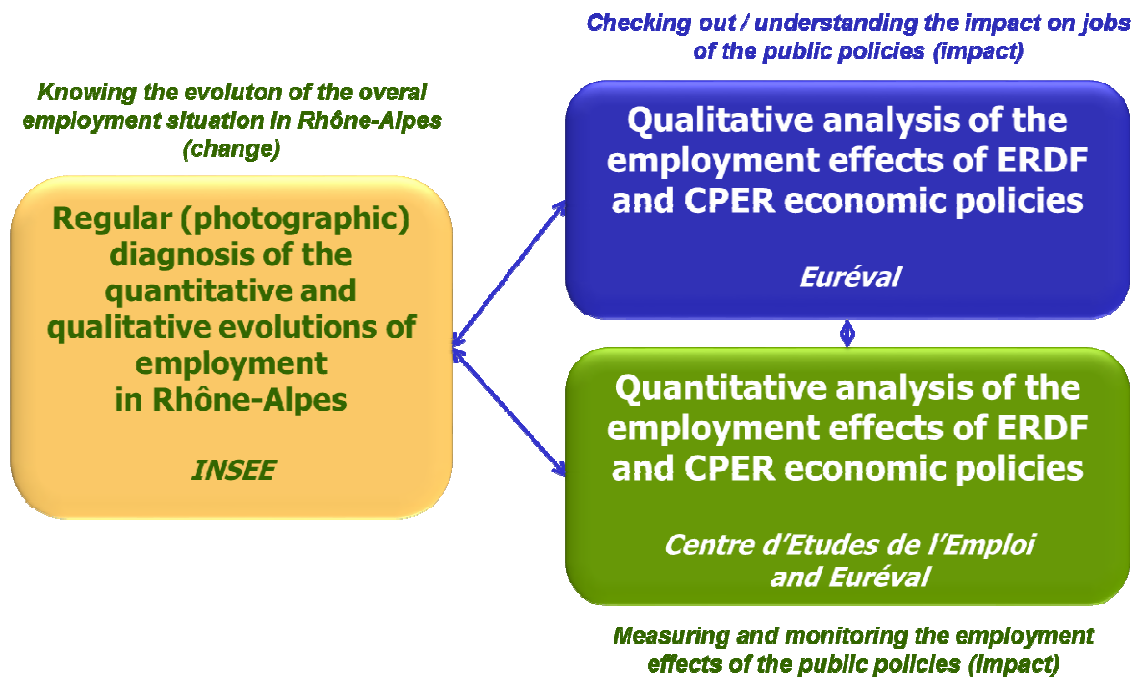
The study was expected to deal with a selection of public economic development actions aiming at improving the competitiveness of the companies in Rhône-Alpes. These actions represented around 70 million euros programmed in the frame of the ERDF and CPER programmes on a 3 years period (2008-2010).

These actions were in support to:

- the competitiveness poles (French "Pôles de compétitivité") and technological innovation platforms and clusters
- the incubators
- awareness raising, training and support actions in innovation
- awareness raising and training actions in support to sustainable development
- sites contracts, business incubators, and support actions to economic developers in rural territories
- the Regional development and innovation agency (ARDI) actions
- the "Sectoral contracts of objectives" actions
- the regional programme in favour of subcontracting
- collective actions
- the regional fund for employment in Rhône-Alpes
- the career paths programme for workers in SMEs

A progressive approach and an innovative method

As a follow-up to the initial works on the study's scope and on the concepts with the two researchers Christine ERHEL and Bernard GAZIER, a **regular (on a yearly basis) diagnosis of the regional employment situation and of its evolution** was developed by INSEE in cooperation with the Regional Authority and the State.

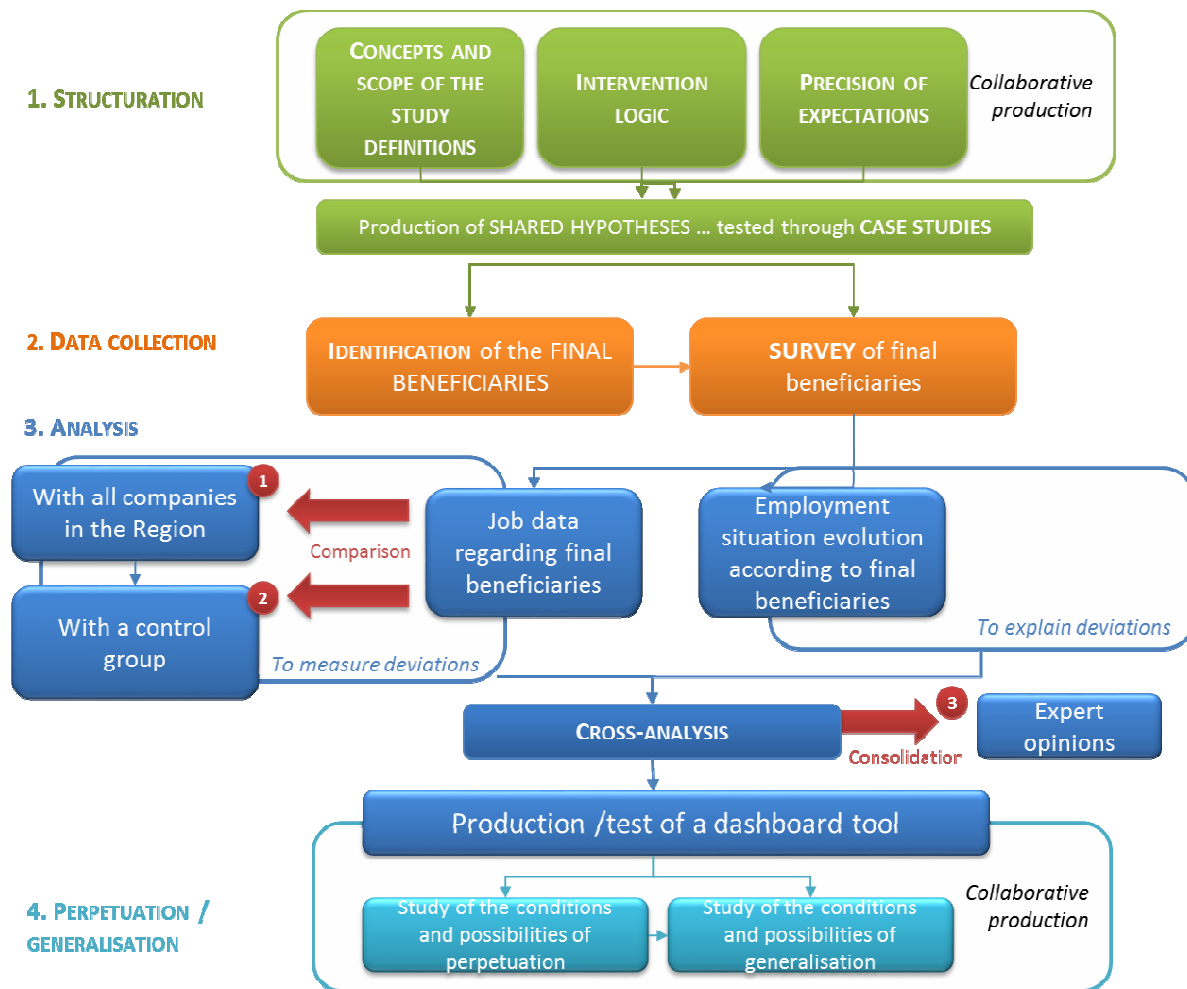


In parallel and in cooperation with the latter, the CEE (the researcher Véronique SIMONNET) and Euréval developed a **methodology mixing counterfactual and theory based approaches**.

The objective was to find a way to achieve both:

- a **measure of the deviation between** the evolution of the (quantitative and qualitative) employment situation of **beneficiaries** on one hand, and of **non-beneficiaries** as similar as possible to the beneficiaries on the other hand (*use of propensity score and difference of differences methods; matching was completed on variables characterising the companies such as age, size in staff, location, economic sector*)
- and an **understanding of the public policy mechanisms contributing** to this evolution of the employment situation (*based on case studies, on a survey of the final beneficiaries, and contribution analysis*).

The methodology is presented in the following figure :



The schedule of the study

- phase 1 of **structuration** until september 2011:
5 workshops allowed to define the « employment effect », the external employment evolution factors, the stakeholders mapping, the scope of the study, and the theory of action (cf. appendix) – in fact 3 theories of action related to the 3 identified action types (direct individual support, direct collective support and support to the ecosystems). The evaluators achieved an in-depth case study for each type of action to check out the various hypotheses and theory of action validity.
- phase 2 of **data collection** until the September 2012
The evaluators built a direct beneficiaries data basis, surveyed the latter to collect data about the final beneficiaries, built a data basis of these final beneficiaries, and achieved statistical analyses to make out the profile of the companies. They then conducted a survey of the final beneficiaries.
The CEE managed to access to the national data bases.
- phase 3 of **analysis** until mid-2013
The evaluators led a contribution analysis on the basis of the case studies and the survey.
The CEE conducted the statistical works to produce the counterfactual analyses.

A cross analysis allowed to build the conclusions of the test-evaluation and to learn the lessons of the evaluation methodology experimentation.

• phase 4 of **generalisation** until end 2013

Based on lessons learned, the evaluation team studied the conditions of perpetuation of the methodology for the assessment of the employment impacts of economic development policies and of the generalisation of it to other policy fields.

What did we gain thanks to this study?

1. A shared **definition of the expected effect on employment**
2. A **photography of employment quality** in Rhône-Alpes in 2007, 2008 and 2009 (INSEE)
3. **Intervention logics** (theories of action) to be applied to groups of economic public actions, which were validated through the case studies and the survey
4. An **inventory of the final beneficiaries** of the concerned policies, with an analysis of their characteristics
5. A **survey of Rhône-Alpes beneficiary companies** (around 700 answers), to check if they had observed impacts of the public supports on their employment situation
6. A **quantitative analysis on Rhône-Alpes companies**, enabling comparisons between beneficiary and non-beneficiary companies regarding the evolution of employment variables

What did we learn thanks to this study?

Thanks to the **photography of the employment quality** (INSEE), it appeared that:

- The region shows positive specificities in terms of medium net salary, share of graduated and qualified workers, but also issues about low wages or downgraded workers, or about inequality between men and women

Thanks to the **inventory of the final beneficiaries**, it appeared that on the scope of the study:

- More than 170 intermediary operators mobilised the supports funded by the EC, the Region and the State
- More than 6500 SMEs (located all over the territory and for a majority of them very small businesses (60% under 10 employees)) benefited of the supports during the 2007-2011 period

Thanks to the **case-studies**, it appeared that:

- The designed intervention logics and the identified influencing external factors were valid
- The funded supports were indeed able to produce employment effects, notably regarding qualitative aspects

Thanks to the **survey of Rhône-Alpes beneficiary companies**, it appears that:

- 15% of the answering interviewees declared having observed a contribution to the increase or maintenance of staff numbers
- 10% declared having observed a contribution to the improvement of human resources management practices or of recruitment or working conditions

Thanks to the **quantitative analysis** (CEE), it appears that the global effect on quantity and quality of jobs is low and varies according the different types of support

- A positive impact on jobs quantity was observed for those who benefited of supports to innovation and incubators/technology transfer
- An impact in terms of survival was observed among SMEs having benefited from technologic platforms, support to economic development and collective actions

The lessons regarding methodology to be capitalised

The photography of the employment quality (INSEE), proved that **it is possible to collect and analyse statistical data, at regional level, regarding employment quality**, but with a 2 to 3 years gap.

It has to be underlined that **INSEE National Directorate judged**, in its regional study quotations, **this diagnosis of the employment situation** achieved by INSEE Rhône-Alpes **as especially interesting** both from a statistical point of vue and for its usefulness for public policies. It even proposed to have this study produced for every French region. Moreover **three INSEE publications** were developed out of these works.

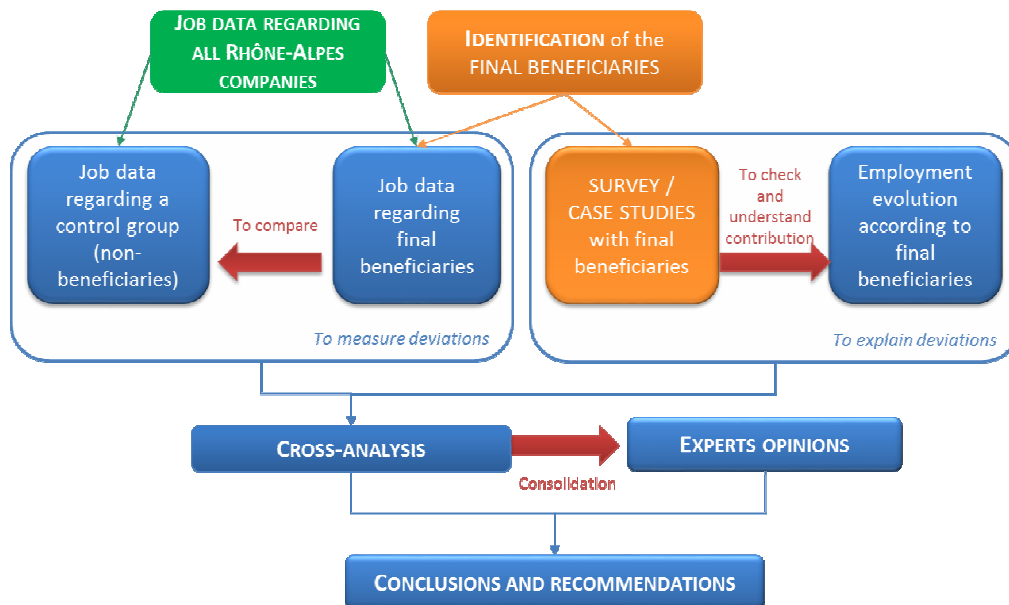
Thanks to the inventory of the final beneficiaries, it appeared that **a common dashboard aiming at monitoring economic actions** (outputs and immediate outcomes / objectives, but not impacts) is possible to deliver, **if, and only if, structured data reporting processes** are established from the beginning.

Thanks to the survey of Rhône-Alpes beneficiary companies, it appears that:

- It is possible to directly mobilise beneficiary SMEs to **question them** about the evolution of their employment situation, **even if the support they received had not employment as a direct objective**
- The **survey is reproducible** in the future, **if a process to systematically collect a series of data** such as electronic address, SIRET number, and details regarding the received support (name, date, operator) is set up (final beneficiaries tracing)

Thanks to the quantitative analysis (CEE), it appears that **an analysis of the compared evolutions of the employment situation in beneficiary and non-beneficiary companies is possible if, and only if, the quality of monitoring data is sufficient and if access is given to DADS and INSEE data.**

More broadly, it appears that **mixed evaluation methods associating counterfactual and theory-based approaches are possible and rich in lessons**, both in order to account for and to improve policies.



Which future overall monitoring and evaluation approach for economic development policies?

Differents deliverables are possible:

1. **AN ANNUAL DASHBOARD OF EMPLOYMENT EFFECTS PERSPECTIVES**
 - Based on a traceability process (valid for the whole OP)
 - Gathering key data on funding, intermediary operators and final beneficiaries (reporting could be automated)
2. **AN ANNUAL ANALYSIS OF THE REGIONAL EMPLOYMENT EVOLUTION CONTEXT**

In the frame of this study, INSEE Rhône-Alpes produced - for a 5 years period - dashboards gathering employment quantity and employment quality indicators, and should continue in the future. This “diagnosis of the employment situation in Rhône-Alpes” database will be a core asset to study evolutions in employment.
3. **PUNCTUAL ANALYSES that would allow to deepen the processes understanding and the obtained effects assessment**
 - Foreseen types of analyses : periodic survey of beneficiaries, quantitative analyses on key support actions ; series of case-studies (to progressively build a case-studies portfolio)
 - Monitoring could be enlarged to (quantitative and qualitative) employment indicators, but also to economic indicators (linked to the results and intermediary impacts identified in the logigrammes (theories of actions))

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