



The Competence Centre on Microeconomic Evaluation

Highlights of a year of activity

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The Competence Centre on
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Highlights of
a year of activity



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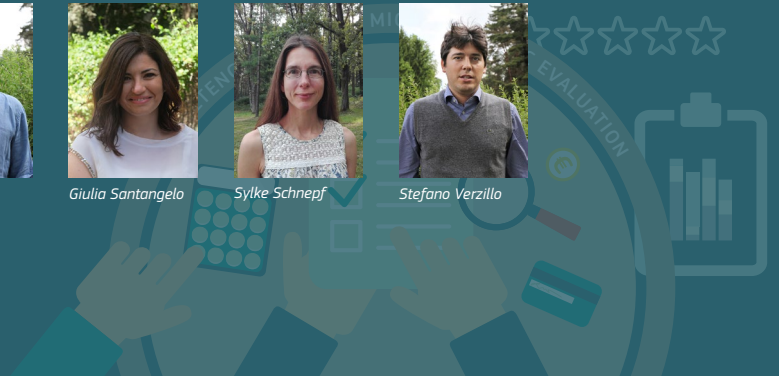
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Competence Centre on Microeconomic Evaluation

The European Commission's Competence Centre on Microeconomic Evaluation (CC-ME) was founded on May 19, 2016 to support the evaluation programmes of the European Commission.

It builds on the experience of the Centre for Research on Impact Evaluation (CRIE), which started as a joint project of the Joint Research Centre (JRC) and the European Commission Directorate-General Employment, Social affairs and Inclusion (DG-EMPL) in 2013. CRIE is now an integral part of CC-ME.

This flyer reports on a selection of highlights of the first year of activity of CC-ME, covering the period June 2016 – June 2017.



Paolo Paruolo
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(Head of Unit)

Visit us online at: <https://ec.europa.eu/jrc/en/microeconomic-evaluation>
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Mission

To enhance EU policies through data-driven microeconomic analysis and to provide causal evidence on what policies work.

Services

Counterfactual Impact Evaluations as well as advice and capacity building on data collection, evaluation design and methodology.

Focus

Quantitative evaluations of EU policies contributing to the Better Regulation Agenda, the European Semester and the EU Spending Programmes.



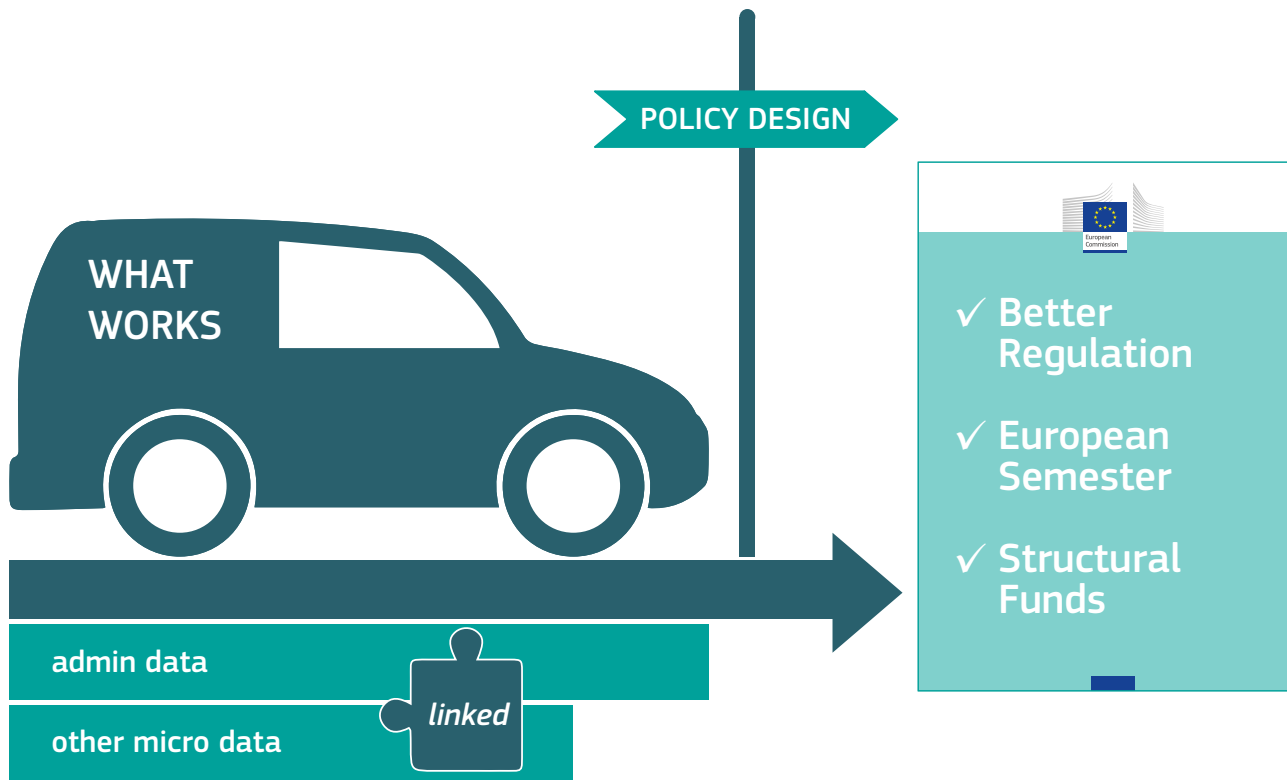
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What is Counterfactual Impact Evaluation?

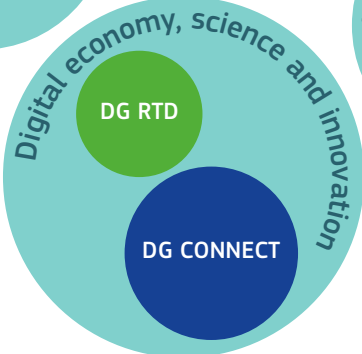
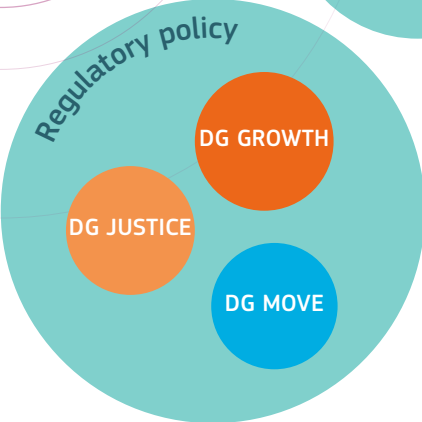
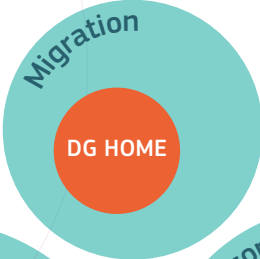
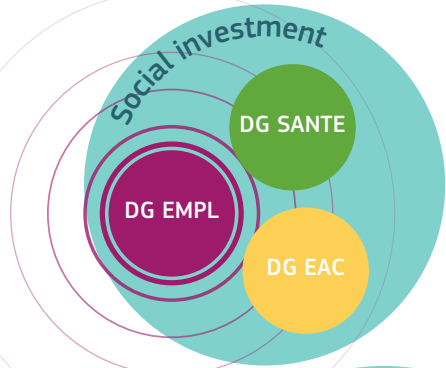
- ▶▶ *Counterfactual Impact Evaluation* (CIE) compares the outcomes of those participating in a programme (the 'treated group') with those of a group similar in all respects to the treated but for participation (the 'comparison/control group').
- ▶▶ The comparison group helps addressing the question: 'what would have happened to the treated had they not participated to the programme?', known as the *counterfactual case*.

Why do we need Counterfactual Impact Evaluation?

- ▶▶ Public Authorities need to collect evidence and determine whether policy objectives have been met. *The ultimate goal of the evaluation is to assess whether the objectives were achieved.*
- ▶▶ CIE is the best tool to establish a causal link between policies and their effects, relying on data availability both for the treated and the control groups.



How does CC-ME contribute to policy making?



What worked with the Work Experience for Graduates initiative in Umbria (Italy)

WHY

The goal of the project is to evaluate the impact of a European Social Fund intervention, the 'Work Experience for Graduates' implemented in Umbria (Italy).

WHEN

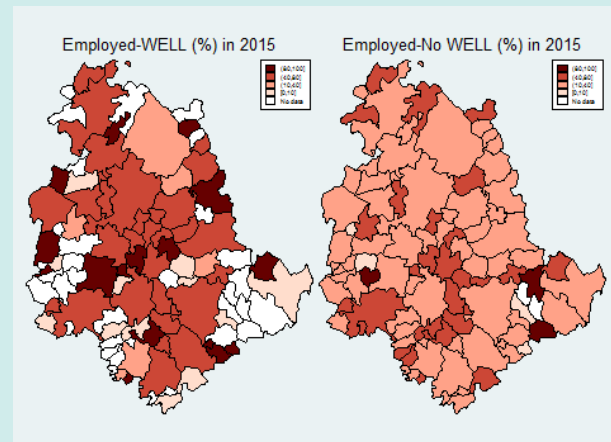
The project ended in December 2016

WITH WHOM

The Umbria regional authorities

FINDINGS

- ▶▶ The programme:
 - targeted unemployed graduates;
 - consisted in, first, on-the-job training, and, second, wage subsidies to firm and organizations that finally hired the trainees.
 - was implemented between April 2013 and September 2014.
- ▶▶ The analysis carried out with Propensity Score Matching indicates that the participants are more likely to be employed.
- ▶▶ However, the positive effect is measured only for participants who found a job within the region boundaries.



Employment rate of WELL participants and non-participants, at the municipality level

What worked in the implementation of Youth Guarantee in Latvia

WHY

The goal of the project is to evaluate the impact of a Youth Guarantee intervention implemented in Latvia. This is one of the first counterfactual impact evaluation on Youth Guarantee in Europe.

WHEN

Ongoing project until September 2017

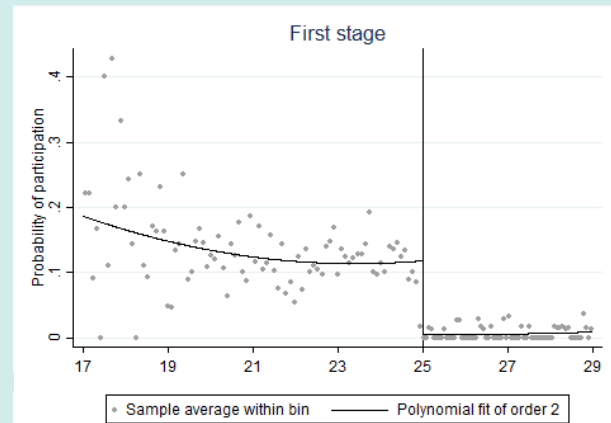
WITH WHOM

The Latvian European Social Fund managing authority

FINDINGS

- ▶▶ The intervention :
 - targeted young NEETs (Not in Education, Employment or Training) aged 15-29 years;
 - consisted in vocational training courses offered to participants;
 - the evaluation refers to the period January 2014 - December 2015.
- ▶▶ Fuzzy Regression Discontinuity Design method using a priority rule for those aged 15-24.
- ▶▶ The rule was effective in increasing participation.

- ▶▶ Though, participation did not increase the employability and the income of the participants.



Age measured on registration date at PES

Refugees and voting behaviour

WHY

The goal of the study is to offer evidence on what are the political consequences of increased refugees exposure and how does it affect voting behaviour

WHEN

Ongoing project

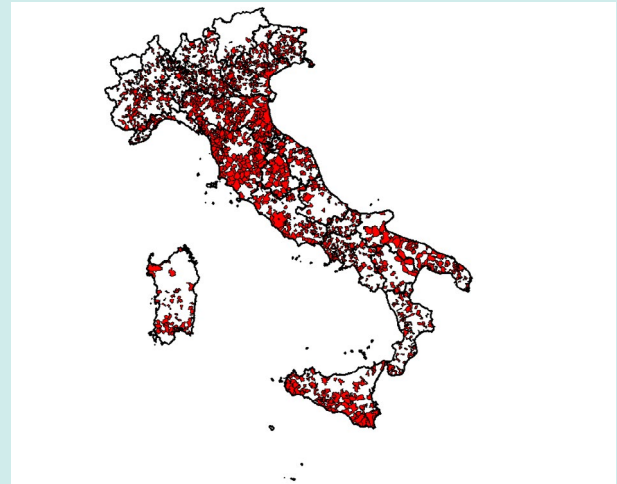
WITH WHOM

JRC.CC-ME Internal project

FINDINGS

- ▶▶ Italy has seen in the past two years an unprecedented inflow of refugees reaching its coasts.
- ▶▶ The refugees are hosted in reception centres displaced across Italian municipalities
- ▶▶ The study shows how being 'close' to refugees centres can have an impact on voting behaviours of the natives
- ▶▶ Using results from the recent Italian referendum (2016) we find that being close to a municipalities hosting one of these centres:
 - Increased voting turnout

- Increased the share of No Votes in the Italian referendum which can be interpreted as an increase in anti-government votes.



Refugees centres in Italy as of 2016

What worked in the implementation of the Late Payment Directive

WHY

The evaluation focus on the impact of the Late Payment Directive (LPD) implementation on business performance, notably on firms exit rate

WHEN

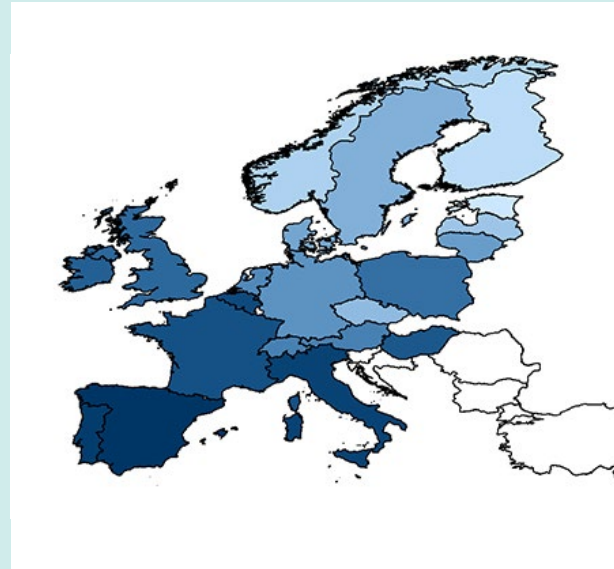
On going project until December 2017

WITH WHOM

Directorate-General Internal Market, Industry, Entrepreneurship and SMEs (DG GROW), and the European Commission Secretariat- General (SEC GEN)

FINDINGS

- ▶▶ The counterfactual impact evaluation has focused on the case of payments from the Public Administrations to economic operators (PA2B), for the period 2008-2014.
- ▶▶ The analysis showed that the implementation of the LPD significantly reduced firms' exit rate, and that the effect is stronger for the member states that showed longer average payment period before the adoption of the LPD.



*European countries by average payment length
The darker the blue, the greater the average payment duration.*

Contribution to the 2017 Justice Scoreboard

WHY

The aim of the project is to analyze the correlation between indicators of the functioning of judicial systems and indicators of firm performance, across EU member states

WHEN

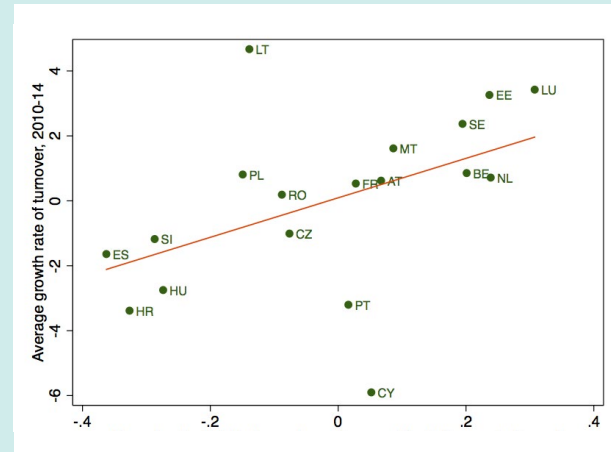
Ongoing project until the end of 2018

WITH WHOM

Directorate-General Justice and Consumers (DG JUST)

FINDINGS

- ▶▶ Results showed some strong correlations between the length of court proceedings – used as an indicator for the efficiency of the justice system - and member states' firms performance;
- ▶▶ At the same time, correlations between economic performances and some indicators of quality and independence were less pronounced and robust.



Perceived judicial independence (source: World Economic Forum)

Impact assessment of the Roam Like At Home Directive

WHY

The project is aimed at assessing the impact of the “Roam like at home” directive which deleted surcharges for mobile phone connections when abroad in another EU country. In particular, the purpose of the analysis is to determine the best option for regulating the wholesale roaming market in the EU, while maintaining the sustainability of domestic charging models.

WHEN

The project ended in the spring of 2017.

WITH WHOM

Directorate-General Communications Networks, Content and Technology (DG-CONNECT).

FINDINGS

Several different scenarios corresponding to different level of economic sustainability were computed on the basis of data from network operators, collected anonymously by Regulatory Agencies in the member states.



Source: European Commission website

Collaboration with New Zealand: demonstrating the power of admin data

WHY

The project aims at carrying out demonstration projects to show how administrative data can be used to demonstrate the impact of social investment.

WHEN

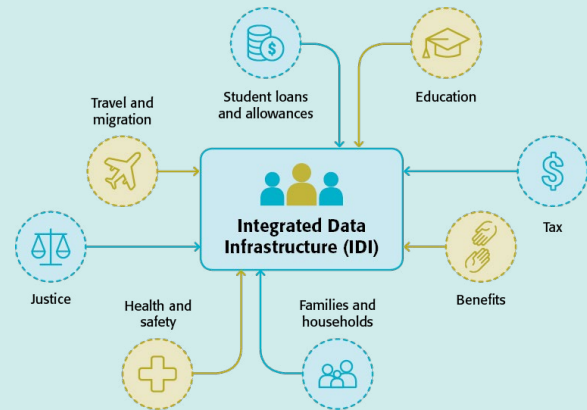
The project started in March 2017.

WITH WHOM

The New Zealand Office of the Prime Minister Chief Scientific Advisor and Statistics New Zealand.

Three projects will be carried out, namely:

- ▶▶ The effect of education on crime behavior
- ▶▶ The effects of involuntary job loss on adult and child outcomes
- ▶▶ The effect of the 2011 Christchurch earthquake on school and health outcomes.



Source: Statistics New Zealand website



Meeting with NZ representatives in Ispra, 22nd May 2017; left to right: Jean-Philippe Gammel, Paolo Paruolo, Giovanni De Santi, Massimiliano Bratti, Sir Peter Gluckman, Vladimir Sucha, Andrew Sweet, Elena Meroni, Claudio Deiana, Gianluca Mazzarella, Sophie Guthmuller, Stefano Verzillo, Corinna Ghirelli, Enkelejda Havari.

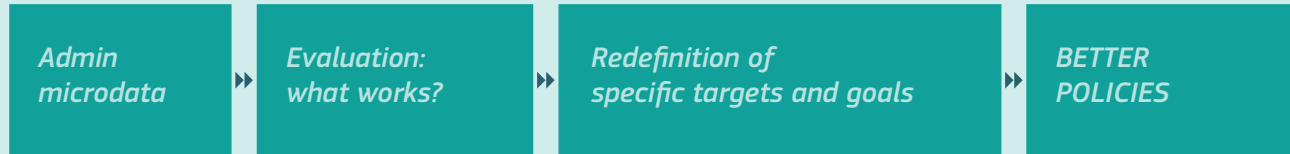


The power of admin-data

What are administrative data (admin-data)?

Data collection on citizens or firms (microdata) for administrative purposes by governments or other public administration entities in the course of their regular activities (related to taxes, social security, education, employment, balance sheets, health, housing, agriculture, ecc.).

Why do we need admin-data?



What is needed to improve the use of admin-data?

- ▶▶ Data collection should be planned from the design of the policy intervention
- ▶▶ Data linkage should be made possible
- ▶▶ Linked admin-data should be made available to institutions and to researchers in an anonymised format



Other projects

Guidance document for the evaluation of the Asylum, Migration and Integration Fund (AMIF) and Internal Security Fund (ISF)

The goal of the project is to harmonize the evaluation of the AMIF and the ISF funds across European member states. CC-ME will prepare a guidance document containing information on the indicators and the methodology to be used.

Effectiveness of Country Specific Recommendations

The study aims at evaluating the yearly and multi-annual progresses in the implementation of Country-specific Recommendations (CSR) issued since 2011. Moreover, the determinants of the degree of implementation are analyzed.

Evaluation of the Airport Charges Directive (ACD)

The ACD has introduced a set of requirements for improving transparency, users' consultation, and non-discrimination in the setting of airport charges. The evaluation focuses on the effect of ACD on the level of charges applied to airlines.

Effectiveness of the EU Research and Innovation funding programme

The aim of the study is to evaluate the impact of the EU Research and Innovation funding programme 2007-2013 on private firms' performance. Preliminary results regarding a small sample of countries (Austria, Estonia and the Netherlands) offer evidence for a positive impact on firms' productivity.

COMPIE Conference 2016

- ▶▶ The COMPIE 2016 conference took place in the Catholic University of Milano on 20-21 October 2016. It gathered together 193 scholars of 33 different nationalities.
- ▶▶ It hosted the keynote lectures of two leading researchers in the field of CIE: Michael Lechner (University of St. Gallen) and Jeffrey Andrew Smith (University of Michigan).
- ▶▶ During the conference Directorate-General Employment, Social Affairs and Inclusion and CRIE launched three new initiatives: the Data Fitness initiative, the CIE market initiative and the Yammer ESF CIE network.
- ▶▶ The final roundtable 'Policy making with administrative data: is there an EU dimension?' benefitted from the interventions, among others, of Tito Boeri, Joachim Moeller and Nuno Crato. The roundtable underlined the importance of using administrative data in policy impact evaluation.





Methods for Policy Impact Evaluation

Tito Boeri

Università Cattolica del Sacro Cuore, Milano

October 21st, 2016

Round table at COMPIE 2016; left to the right: Claudio Lucifora (Catholic University), Nuno Crato (JRC, CC-ME), Joachim Moeller (IAB), Michael Rosholm (Aarhus University), Tito Boeri (Bocconi University and INPS)



Communities

Community of Practices on Counterfactual Impact Evaluation of European Social Fund initiatives CoP - CIE - ESF

The CIE-CoP initiative was launched in 2016 to foster the use of CIE to evaluate the impact of the interventions funded through the European Social Fund, and to create an environment to share experience about CIEs.

▶▶ The first CoP meeting has taken place at the JRC in Ispra (9-10 June 2016) counting on the participation of about 50 participants, of which 24 Managing Authorities from 12 Member States.

▶▶ The second CoP meeting took place in Riga (LV), on 8-9 June 2017. It was organised in cooperation with the Latvian Ministry of Finance EU-Funds Strategy Department. Representatives from 31 European Social Fund Managing Authorities or evaluation institutes attended.

Community of Practice in Data 4 Evaluation

▶▶ The CoP on 'Data4Evaluation' will contribute to the Data4Policy initiative launched by the European Commission.

▶▶ The first initiative will be organised jointly with the Secretary General in the fall of 2017.

NetCIEX

NetCIEX is a multilateral Collaboration Agreement, which aims to foster research collaboration between the JRC and several academic and institutional partners in order to contribute more effectively to understanding and resolving scientific issues in the field of CIE of public policies



CC-ME Seminar Series – Invited speakers

Vincenzo Bove - *University of Warwick (UK)*
Jochen Kluge - *Humboldt- Universität zu Berlin (Germany)*
Paolo Naticchioni - *University of Roma Tre (Italy)*
Simone Schuller - *Ifo Center (Germany)*
Lorenzo Rocco - *University of Padova (Italy)*
Florian Mayneris - *Université Catholique de Louvain (Belgium)*
Sasha O. Becker - *University of Warwick (UK)*
Pietro Biroli - *University of Zurich (Switzerland)*
Bart Cockx - *Ghent University (Belgium)*
Thomas Le Barbanchon - *Bocconi University (Italy)*
Fabrizia Mealli - *University of Florence (Italy)*
Enrico Sette - *Bank of Italy*
Daniele Checchi - *National Agency for the Evaluation of Universities and Research Institutes (Italy)*
Alex Bryson - *University College London (UK)*
Steven Stillman - *Free University of Bolzano (Italy)*
Chiara Assunta Ricci - *Ministry of Economy and Finance (Italy)*
Matteo Picchio - *Marche Polytechnic University (Italy)*
Florence Kondylis - *World Bank*
Tommaso Frattini - *University of Milan (Italy)*
Marco Bertoni - *University of Padua (Italy)*
Marco Mariani - *Istituto Regionale Programmazione Economica della Toscana (Italy)*
Marta De Philippis - *Bank of Italy*
Cristina Tealdi - *Heriot-Watt University – Edinburgh (UK)*



Publications

Papers in peer-reviewed journals

Battistin, E., Meroni, E., 'Should we increase instruction time in low achieving schools? Evidence from Southern Italy', *Economics of Education Review*, Vol. 55, 2016, pp. 39-56.

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Morescalchi A., 'The Puzzle of Job Search and Housing Tenure: A Reconciliation of Theory and Empirical Evidence', *Journal of Regional Science*, Vol. 56, No. 2, 2016, pp. 288-312.

Mosconi, R., Paruolo, P., 'Identification conditions in simultaneous systems of cointegrating equations of higher order', *Journal of Econometrics*, Vol. 198 Issue 2, 2017, pp. 271 – 276.

Schnepf S., 'How do tertiary dropouts fare in the labour market? A comparison between EU countries', *Higher Education Quarterly*, Vol. 71 No. 1, 2017, pp. 75-96.

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Book contributions

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Books

Nuno Crato, Paolo Paruolo (eds.), *Data-Driven Policy Impact Evaluation. How Microdata is Transforming Policy Design*, Springer, forthcoming.



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