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**Intermediate Evaluation of Objective 3 in Sweden**

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*Mr Svensson is the independent evaluator and Mr Göranson represents the client and the main user of the evaluation.*

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## Summary

One of the objectives of the European Social Fund - **Objective 3** - specifically targets measures for the unemployed. The Swedish Government and the European Commission have together drawn up a comprehensive programme for Objective 3 (Single Programming Document, SPD).

In this paper - presented by the independent evaluator in collaboration with the main user - the development of evaluation tools for the intermediate and the ex post evaluation of Objective 3 in Sweden is described. These tools make it possible to give a detailed picture of the programme's output and results, and an overall assessment of the programme's effectiveness.

A central database, containing information on all activities for all customers at Public Employment Service as from 1991, is the core of the system for producing statistical information. It is linked to another national database covering all labour market programmes, including Objective 3 projects, containing information on both projects and participants.

The results, in terms of obtained employment, is based on each individual's history, and aggregated to different projects/programmes. Those who have taken part in Objective 3 projects can thus be studied for any number of months after the programme has been concluded. Comparisons of results for Objective 3-programmes with other labour market programmes have been performed, using statistical regression techniques, while controlling a wide range of specific background factors.

A quantitative analysis can indicate that a certain project produces better effects than other projects, but an analysis of this kind seldom answers the question "*Why*". This makes it important to secure information from the projects, to indicate what is special with the particular project. It is also important that the description should make it possible to analyse causal relations between project activities and their results.

To enable the identification of innovative and effective projects, several approaches are being tried. One is to monitor projects with the best quantitative results and in depth study those projects systematically to find out methods/ factors leading to success. At present information is stored for deeper evaluation, through Final Reports from all projects, reports with a fixed structure, where project owners assess their own projects. Along with this goes an assessment from the Regional Committees, internal and external experts and in some regions, the Local Committees as well. Another system provides Result Profiles for each project, where participants have been interviewed, and projects can be compared to all other projects and labour market programmes. There is also a model for having all this information (quantitative and qualitative results, participants' attitudes, economic results and assessments on all levels) systematically concentrated (one page for each project) in a database, for research purposes (exemplary results of multitudinal outcomes attached in appendix). The information should be used for comparative analysis by the National Monitoring Committee, for identification of "best practice", mainstreaming and pathways to integration. The impact analyses are carried out at both

programme and measure levels to identify all the effects: Impact on the participants and impact on systems and structures.

## **The Evaluation Assignment**

The Monitoring Committee has commissioned Professional Management AB to carry out a midway evaluation of the Objective 3 programme and the Community Initiative Employment in Sweden. The evaluation was conducted, between November 1996 and February 1997, by an evaluation team comprising Professor Anders Björklund, Swedish Institute for Social Research, Managing Director Gunnar Pihlgren, Nifos, Professor Dick Ramström, Stockholm University and Managing Director Arne Svensson, Professional Management AB.

This intermediate evaluation is intended to lead to recommendations concerning ways of improving the efficiency of the programme. The following is a summary of the evaluation of the implementation and the results achieved hitherto, together with the recommendations, which have been suggested to the client, and some examples showing how the client has used the recommendations.

The National Monitoring Committee has approved the intermediate evaluation. The attached letters from clients (The Monitoring Committee / The Ministry of Labour, The Regional Committee in Stockholm, The Swedish National Labour Market Board, The Swedish Association of Local Authorities, The Federation of County Councils and "Folkrörelserådet" - representing the Social Economy <sup>1</sup>), shows that the evaluation is meeting the users needs at national and regional level, meeting also the other quality criteria of the MEANS programme (relevant scope, defensible design, reliable data, sound analyses, credible findings, impartial conclusions and a clear report).

## **Evaluation of quantitative results and qualitative effects**

In the evaluation report Professional Management has in depth analysed and proposed methods of both quantitative and qualitative evaluation.

For the **quantitative analysis**, three types of variables for every participant in Objective 3 projects are accessible in a database:

- Those describing whether a person has taken part in a certain programme,
- The outcome in terms of employment obtained,
- Those describing the participant's labour market background.

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<sup>1</sup>The social economy, also referred to as the third sector, includes a lot of different kind of organisations as voluntary organisations, co-operatives, non-profitmaking associations, social insurance offices, trade unions and village communities.

We have further developed a model for result comparison between the Objective 3 projects and traditional labour market policy programmes. This model has been tested and the results are presented in the evaluation report.

For the **qualitative analysis** the collection of final reports gathered in a database, available on the Internet, conforming to a certain structure and containing certain previously requested data, facilitates the search for good ideas and results.

## **Quantitative approaches - programme and project evaluation**

The Swedish National Labour Market Board (AMS) has step by step decentralised the decision-making process, resources and responsibilities to operational levels and thus gradually introduced Management by Results. Along with this process monitoring and evaluation systems have been developed. New programmes like Objective 3 have been integrated into these systems through modifications to allow for project follow-up.

A central data base ("HÄNDEL"), containing information on the activity of more than 2.5 million individuals (information from 1991 being stored and accumulated for all customers at the Public Employment Service) - including the participants in Objective 3 projects - is the core of the systems for producing statistical information. It is updated daily with information from the placement system, which is an interactive database, which constitutes the main tool at the Public Employment Service to match vacancies with job seekers. It is linked to another national database covering all labour market programmes and Objective 3 - projects ("Labour Market Measures Data Base") containing information on both projects and participants. Monthly progress reports are being produced, with information on national, regional and local level, on project input e.g. costs, participants and output e.g. results for participants, after completion of projects, in terms of being de-registered (final result) or having received work, or attending other labour market measures (specific results).

It has therefore been possible for us, by means of **longitudinal studies based on each individual's history**, to relate the outcome of different programmes to the background data of the specific participant group. **Those who have taken part in Objective 3 programmes can thus be studied for any number of months after the programme has been concluded. Comparisons can be made with the situation during any period before the programme.** We have also developed and practiced a method for comparative analyses of Objective 3 measures and regular national labour market measures to assess relative effectiveness of the measures for the target group.

**Table 1: Participants in Objective 3 - projects: Proportion of participants completing measure in employment, being de-registered at the Public Employment Service (total number of participants in parenthesis).**

<u>Priority</u>	<u>Measure</u>				
	<u>Skills development</u>	<u>Computer Activity Centre</u>	<u>Guidance and Counseling</u>	<u>Development of SMEs</u>	<u>Total</u>
Young people	0,129 (665)	0,160 (3193)	0,223 (242)	0,103 (174)	0,157 (4274)
Long-term unemployed	0,080 (3318)	0,189 (1649)	0,063 (712)	0,099 (354)	0,109 (6033)
People at risk of marginalisation: occupationally handicapped	0,137 (117)	- (1)	0,211 (147)	0,000 (14)	0,168 (279)
People at risk of exclusion: Non-Nordic immigrants	0,091 (363)	0,000 (18)	0,129 (93)	0,175 (57)	0,103 (531)

In the evaluation report the status of Objective 3 participants (all 11 600 starters during 3 selected months 1996) has been compared to the status of participants in five major regular labour market measures (all 103 000 starters during the same period) at a certain date 1997. The selected regular measures are as follows; “employment training“, “work experience scheme“, “workplace introduction“, “computer activity centre“ and “start your own business“. The status is measured both for participants, who are still registered at the Public Employment Service (PES) and those who have been de-registered from PES. The first group contains the following categories: those without any work, those in temporary work, those in labour market measure and “others“. The second group comprising those who have been de-registered are divided according to reasons for de-registration; e.g. have got work, in regular education not arranged by PES or other reasons. All these comparisons have been calculated in terms of percentages.

Summing up, this means that the indicators mentioned in SPD (number of participants, minimum number of participants completing the measure and number of participants completing the programme and employed half a year later) can be followed up at both central and regional levels by the above mentioned methods.

Parts of evaluations, where the independent evaluator has assessed quantitative results and effects, have also been based on the same sources of information provided by AMS from their regular information systems. Corresponding information on participants in regular measures/programmes has been supplied and thus the evaluator, through statistical regression techniques, having a good set of individual background factors under control, has made comparisons. **Answers on how the Objective 3 programme fares, in relation to regular**

**programmes, can thus be answered throughout the programme period and at the ex post evaluation.**

The information has been used to answer the question: How would the outcome be for the participants if they, instead of enrolling in Objective 3 projects, had participated in regular programmes? With statistical regression techniques the correlation between the individual background factors and a chosen result indicator has been estimated. Examples of used background factors are as follows; sex, age, citizenship, level of education, employment status before start in project, registration period at PES, period being unemployed or period in different measures at PES, membership in unemployment insurance societies etc. **The result comparisons have been made for different combinations of target groups and measures in the Objective 3 programme and the chosen result indicator is the percentage who have been de-registered from PES. Actual results for Objective 3 projects are thus compared to expected results for corresponding groups in regular measures.**

**Table 2: Final outcome in Objective 3 - projects compared with traditional measures. Indicator: Proportion of participants completing measure, in employment, de-registered from PES 1997-02-03.**

	Final result in Objective 3 - projects	Expected result for corresponding groups* in traditional measures
Young people, <u>Computer Activity Centre</u>	0,160	0,176
Long-term unemployed, <u>Computer Activity Centre</u>	0,189	0,176
Young people, <u>Development of SMEs</u>	0,103	0,168
Long-term unemployed, <u>Development of SMEs</u>	0,099	0,126
Long-term unemployed, Skills development	0,080	0,084
People at risk of exclusion: Non-Nordic immigrants, Skills development	0,077	0,068

\* "Corresponding groups" refers to individuals in five major traditional measures with the same characteristics as the population in Objective 3 projects, eg. gender, age, citizenship, level of education, employment status before starting in a project, registration period at PES, period being unemployed or in measures at PES, membership in unemployment societies.

The results in the intermediate evaluation are mixed. Some combinations of target groups and measures for Objective 3 participants show superior results as compared to those in regular labour market measures. Others combinations show poorer results. The evaluators opinion is however that it is too early to draw conclusions from those preliminary results and the evaluator recommends that more long-term analysis be carried out later on with same techniques.

## **Qualitative approaches - programme and project evaluation**

To the above described actual data, concerning the effects for the participants as regards obtaining work, can be added other effects relevant to the participants' future labour market situation (higher competence, better self-confidence etc.). Where qualitative effects of the project are concerned other instruments are however required and they are described in the evaluation report.

The qualitative approach is also being developed. Thus a national system with computer-aided enquiries to participants on attitudes to their labour market programmes is being modified to include Objective 3 projects. The system provides result profiles for projects where participants have been interviewed and projects can be compared to all other projects included in the system, collectively, selected groups or individually. The system is initially intended to safeguard the quality in recently started projects/programmes (2-3 months after project start), but can certainly be used after projects have been completed.

The additionality principle is one of the main principles of the European Social Fund. In order to evaluate whether projects in Objective 3 have added anything new over and above traditional labour market policy, it is not enough to analyse the participant's attitudes or to study quantitative data. A quantitative analysis can indicate that a certain project produces better effects (in terms of more people employed) than other projects or other policy programmes, but an analysis of this kind seldom answers the question "*Why*". This makes it important that the final reports on the projects should contain information of this kind, that they should clearly indicate what is special or unique about this particular project. It is also important that the description should make it possible to analyse causal relations between project activities and their results.

It is proposed - and also developed in one region - that the information in the final reports on the projects should be gathered in a database so as to make it available to everyone wishing to search for specific details on the Internet. This database also provides a possibility to make a systematic analysis and evaluation to find and disseminate good ideas. Sifting out these "grains of gold" calls for an approach facilitating assessments of the projects at different levels within the organisation and by different interested parties. This is to make sure that the most innovative actions will be implemented in national practices and policy priorities.

To enable the identification of effective projects, several approaches are tried. One angle is to continuously monitor projects with the best quantitative results and, in depth, study those projects systematically to find out the essence and factors leading to success. This approach is already in operation. At present, information is stored for further and deeper evaluation, through final reports from all projects - reports with a fixed structure, where project owners assess their own projects. Along with this goes an assessment from the Regional Committee. The information should be used both by the independent evaluator and by the National Monitoring Committee. Please find in the appendix exemplary results of multitudinal outcomes of one of the projects. We strongly believe, that this way of reviewing systematically the specific ESF contribution and its innovative element compared with national measures, by a combination of quantitative and

qualitative analysis, is a way to prove if structural fund interventions generate a specific Community value added.

## **Recommendations to the client**

### **Target groups and project organisers**

The half-time evaluation includes an assessment as to whether current developments in the labour market have prompted any changes in SPD. In the evaluation report Professional Management have described developments in the labour market between 1993 and 1996 for the four Objective 3 target groups, i.e. long-term unemployment, young persons between 17 and 24, the occupationally handicapped and immigrants. Briefly, two negative tendencies and one positive tendency were observed for these target groups in relation to the general development of employment and unemployment. The percentage of long-term unemployed increased during the period, despite a certain improvement in the general labour market situation. Developments for immigrants (foreign nationals) were also negative. The positive tendency was observed among young men, for whom a distinct drop in unemployment is observable. The priority given to these four target groups also seems reasonable for labour market policy in the years ahead. The evaluators conclusion is that developments in recent years have, if anything, confirmed the accuracy of the deliberations underlying the choice of target groups and policy measures in SPD.

Among the participants only 5 % participated in projects promoting measures to starting up their own businesses, compared with 20 % according to SPD. The evaluator recommended the client to highlight some means in order to increase the number of projects promoting these measures.

There is a striking preponderance of traditional players among project organisers, at the same time as the social economy has had difficulty in asserting itself. Roughly one-third of the projects are arranged by a municipality and nearly the same proportion by AMV (the National Labour Market Administration), while businesses and the social economy account for roughly 15% each. There are several reasons for this, as is explained in greater detail in the evaluation report. The independent evaluator recommended some concrete changes in the support system and also a more general development of a national strategy for the role of the social economy. This point of view is especially relevant to the small businesses and NGO's, which often do not have sufficient resources or specialist knowledge to respond correctly to stipulations, concerning application procedure and financial accounting.

### **Quality assurance system**

In the evaluation Professional Management found that the initial problems of implementation have now been overcome and that the work of implementation has entered a phase where it is urgently necessary to secure the quality of the whole programme. The evaluator therefore proposed that the Monitoring Committee should decide on the introduction of a quality assurance system, aimed at assuring and developing the quality of the individual projects and also of developing a strategy for offensive quality development of the entire Objective 3-area.



### **Monitoring, evaluation and dissemination of experience**

The evaluation report shows that many of the interviewees are concerned that so little attention have been paid so far to monitoring and evaluation of results of the projects, not only in the Regional Committees but at all levels. It has further been pointed out that the demands made on the project organisers in this respect are indistinct and in certain cases actually non-existent.

Up to now the main emphasis of Objective 3 work, quite naturally, has been on deciding which projects are to receive financial support. The emphasis is gradually shifting towards following up the projects, evaluating the results and disseminating experience. Professional Management has therefore in the evaluation report put forward a concrete proposal concerning the allocation of tasks and responsibilities between local level (project organiser and local committee respectively), regional level (Regional Committee, Objective 3 Co-ordinator and County Labour Board respectively) and central level (the Monitoring Committee, its secretariat and the external evaluator) as regards follow-up, evaluation and dissemination of experience.

For the **qualitative analyses** the collection of final reports gathered in a database, available on the Internet, conforming to a certain structure and containing certain previously requested data, facilitates the search for good ideas, results and details which can be vitally important to various interests. In the evaluators opinion, a final report on the projects ought to contain at least the following:

- Summary.
- Key words.
- Target group.
- Purpose and aims of the project.
- Recruitment of participants.
- Programme and method.
- Actual result.
- Partner.
- Equal opportunities.
- The bottom-up perspective.
- The innovative.
- Demonstration and dissemination.
- Average cost.
- Overall assessment.

In the evaluation report from Professional Management, it is proposed that the information in the final reports on the projects be gathered in a database so as to make it available to everyone wishing to search for specific details on the Internet. In this way the information will be made available for **searching**. What is required over and above this is a systematic analysis and valuation to find and **disseminate** good ideas. Sifting out these "grains of gold" calls for an approach facilitating assessments of the projects at different levels within the organisation and by different interested parties.

The approach recommended by the evaluator can be summarised in the following points:

1. In the final report on the project, the project organiser presents his own evaluation of the results, as described above.
2. The Local Committee assesses the results of the project.
3. The Regional Committee makes an assessment of its own.
4. The Regional Committee balances the various assessments together and decides how the good experiences are to be disseminated.
5. Measures of regional dissemination are taken.
6. Report to the Monitoring Committee, for the corresponding selection process at central level.
7. Measures are taken for dissemination at national level.
8. Experiences, which can affect the rest of labour market policy in Sweden, are communicated through Government and Parliament in the usual way.  
Representation of the Commission on the Monitoring Committee ensures that Swedish experience is also communicated to other EU countries.

Please find in the appendix exemplary results of multitudinal outcomes of one of the projects. All assessments are based on a carefully defined marking scale from 1 to 5.

The independent evaluator also proposed that the coming independent national evaluation should include an in-depth analysis of the projects, which, on **quantitative** analysis, have shown the best results. The proposal contains a two-stage evaluation of results. In stage I, the three to five best projects in the country for each programme (i.e. between 12 and 20 altogether) are selected by **quantitative** analysis. These are then evaluated in accordance with the principles of **qualitative** analysis Professional Management has proposed. We have seen that in many countries the selection of best practice among projects has been anecdotal. We believe that improvements in monitoring and information systems, highlighting a consistent set of information for output, could be the base for a review of each Member country and the induced effect on each of them of the common developments.

## How have the clients used the recommendations?

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### The Cabinet

The main recommendation from the evaluator concerning a national strategy to strengthen the situation for the social economy has led to activities to define and implement a new national policy for the development of the social economy.

At the Cabinet meeting 1997-11-27 a work group was formed to study the social economy and its development. The work group consists of representatives of a number of Ministries, e.g. Justice, Health and Social Affairs, Finance, Education, Labour, Trade and the Ministry of the Interior. In the directives for the work group, references are made to the evaluation report; *“in an evaluation report ordered by the Monitoring Committee for Objective 3 and Employment has been found that the Objective 3 funds available to Sweden are being used mainly by traditional institutions*

*and only in small parts by actors within the social economy“. In the directives, the following point of departure for the work in the group is given; “it is urgent, that the State and the municipalities make sure, that both tax income and resources from the Structural Funds, be provided to operators, who have the best possibilities to use them in an efficient manner. The operators within the social economy have sometimes problems in asserting themselves in relation to the public organisations, e.g. when it comes to applying for Structural Funds. The operators within the social economy or other operators should not be discriminated against“.*

## **The Monitoring Committee of Objective 3 and Employment**

The Monitoring Committee has approved the recommendations from the independent evaluator at a meeting 1997-06-19. The Committee has also decided on the following specifications:

- The evaluators suggestions regarding follow-up, evaluation and dissemination of experience should be implemented
- Demand for a final report from each project
- Every Regional Committee shall make an assessment and report to the National Monitoring Committee their 3 to 4 most successful projects, together with an explanation
- After a corresponding selection process on the national level the result will be discussed in the National Monitoring Committee
- The final reports and the selection process should be carried out in a way that makes it possible that these experience can affect the labour market policy
- Highlight the allocation of money for start-up and the question of recruitment of participants from the right target group
- Measures to facilitate the Social Economy (remuneration, information, de-regulation, checklists, new application forms etc).

## **The Swedish National Labour Market Board**

The Swedish National Labour Market Board has in some ways acted upon all items above, which have been highlighted by the Monitoring Committee.

- As has been postulated earlier in this paper, the monitoring systems have been strengthened and information from projects are being secured for further evaluation as final reports.
- The Regional Committees also continuously give their opinions on final reports.
- Regional Monitoring Committees have selected the best projects and work has now begun on the National level to “sift out the gold grains“.
- As has been pinpointed earlier in this paper, a quality assurance system, aimed at assuring and developing the quality of the individual projects has been designed and is now in operation.
- The Board and the Monitoring Committee have also communicated the need to expand projects promoting measures leading to starting up one’s own businesses. This has also affected the selection of new projects and this measure had the most positive result of all measures both in terms of new projects and participants during 1997.

- Finally the National Labour Market Board has developed check lists to allow for more systematic monitoring.

## **The Regional Committee in Stockholm**

As an example of how the evaluation has been used on the regional level, we have chosen Stockholm, the largest region. The Regional Committee approved at a meeting 1997-06-13 a regional strategy regarding follow-up, evaluation and dissemination of experience based on the recommendations in the evaluation report. The Committee has also, in accordance with the recommendations,

- appointed a special evaluation committee
- carried out surveys to the participants in projects
- established a quality assurance system, aimed at assuring and developing the quality of the individual projects and also of developing a strategy for offensive quality development of the entire Objective 3-area.
- collected final reports from the projects, conforming to a certain structure and containing certain previously requested data
- appointed criteria for the assessment of all projects
- established a database, containing all relevant information, regarding each project. This information is made available to everyone, wishing to search for specific details, on the Internet. All information (quantitative and qualitative results, participants' attitudes, economic results and assessments on all levels) is also systematically concentrated on one page for each project ( please find one example attached in the appendix).