

The evaluation system of employment services in Denmark

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MY APPROACH

- Background in Political Science - Not economics or evaluations
 - My interest is in understanding how evaluations (and other types of systematic knowledge production) influence policymaking
- Over the last couple of decades, the Danish Ministry of Employment succeeded in creating an evaluation system centered on a rather strict notion of evidence (RCTs and systematic reviews), which – at least for some time – significantly shaped the process and content of policymaking within the area of ALMPs.
- What can we learn from this?
 - How did this come about?
 - What were the consequences for policymaking?
 - And what are the challenges?

Agenda



The development of the Evaluation System



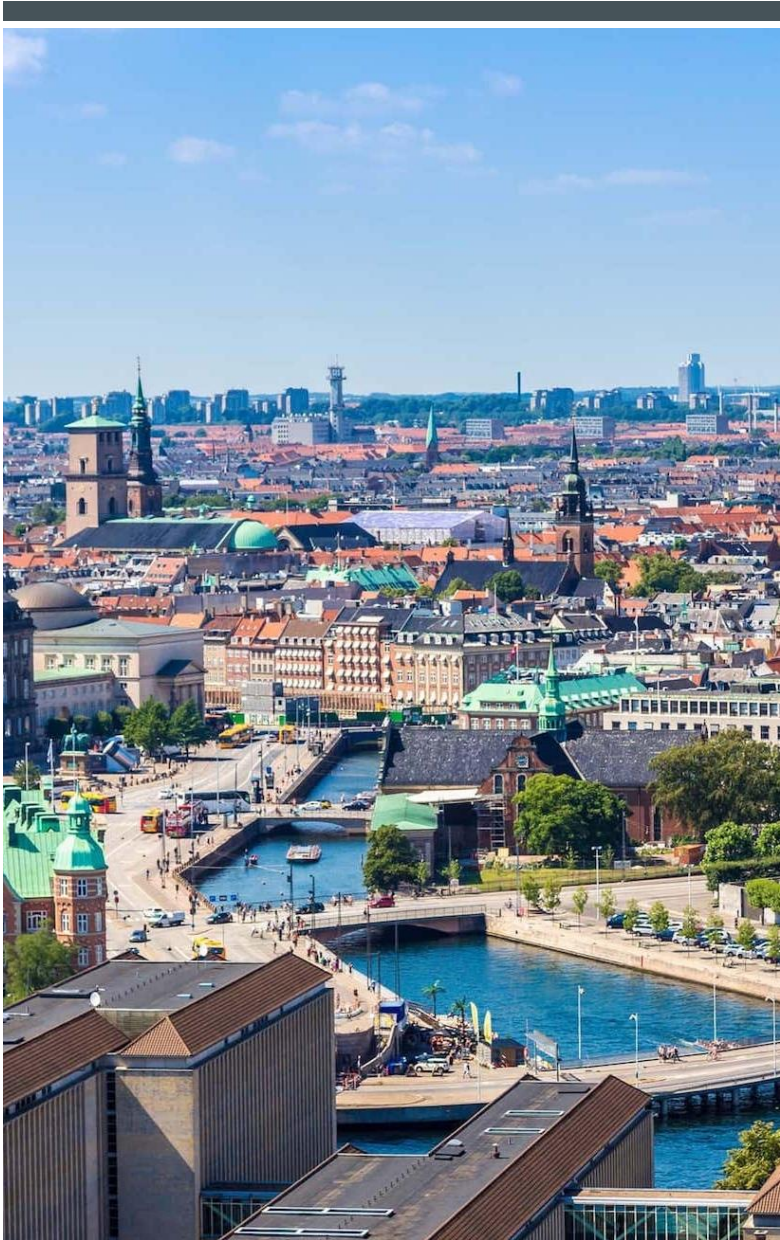
The influence of the evaluation system on the policy and practice of employment services



Current and future changes and challenges

TWO CENTRAL QUESTIONS CONCERNING THE EVALUATION OF EMPLOYMENT POLICIES AND SERVICES

- Who are the primary intended users of evaluations?
 - Clients? Caseworkers or Managers of Employment services? Civil Servants and Managers within Ministries? Politicians? The General Public?
- What is the primary intended function of evaluations?
 - Stimulate learning? Enable control? Enhance accountability?



THE DANISH CASE

- From laggard to frontrunner in **evaluation culture** (Furubo et al. 2002; 2015).
- Increasing **institutionalization** of evaluations in central administration
 - Ministry of Finance as “great coordinator”
 - But less formalized than other frontrunner countries (etc. The Netherlands)
- Developments driven by ministerial civil servants rather than politicians
 - (Economic) Expertise and availability of data as important preconditions

FROM EARLY TRIALS TO GREATER SYSTEMATIZATION (1998-2010)

HURTIGT I GANG

EVALUERING AF ET FORSØG MED EN TIDLIG OG INTENSIV
BESKÆFTIGELSESSINDETSATS FOR FORSIKREDE LEDIGE

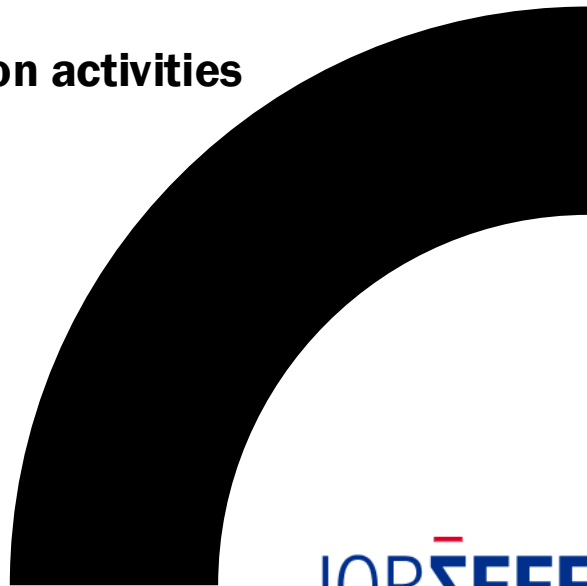
- Expansion of ALMPs throughout the 1990s – “But do they work”?
- Launch of jobindsats.dk in 2004 further accentuate this question
- Greater sophistication in (effect)evaluation methods and data by the end the 1990s allows for better answers to these questions
- **First RCT** conducted by STAR in 2005
- Follow-up trials (2005-2010)
 - Expansion of target groups

INSTITUTIONALIZATION OF THE EVALUATION SYSTEM (2011-2020)

| Vidensniveau | Bedjete vidensniveau | Kriterier |
|--------------|----------------------|--|
| Evidens | Stærk evidens | En overvægt på tre eller flere effektstudier med høj kvalitet og/eller ét forskningsbaseret review viser resultater, der går i samme retning |
| | Moderat evidens | En overvægt på to effektstudier af høj kvalitet viser resultater, der går i samme retning |
| Indikation | Indikation | En overvægt på ét effektstudie af høj kvalitet eller flere effektstudier med begrænset kvalitet viser resultater, der går i samme retning |
| Ingen viden | Modstridende viden | Studier viser resultater, der går i forskellig retning. Ingen overvægt. |
| | Usikker viden | Ingen eller få studier med begrænset kvalitet |

- Expansion of evaluations throughout 2000s – “How can the knowledge be systematized”?
- STAR establishes its first **Evidence-strategy** (and hierarchy) in 2012
- Launch of **jobeffekter.dk** in 2013
- Increasing economic importance of the evaluations (determine the **Dynamic effects of policy reforms**)
- Increased focus on the level of implementation (municipal job centers)

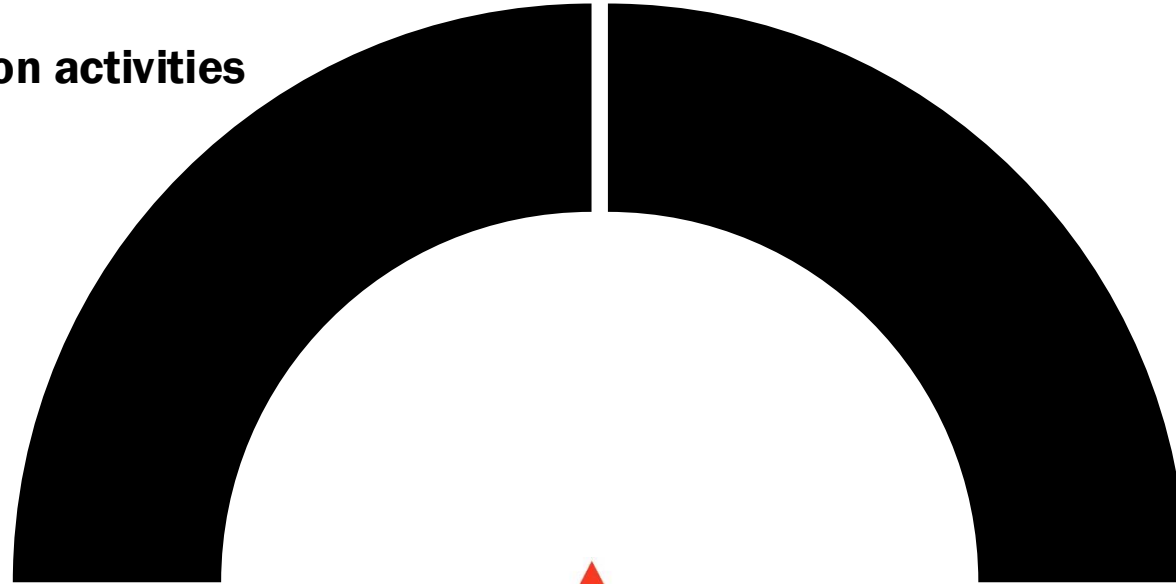
Continual and cumulative evaluation activities



JOBΣFFEKTER.DK

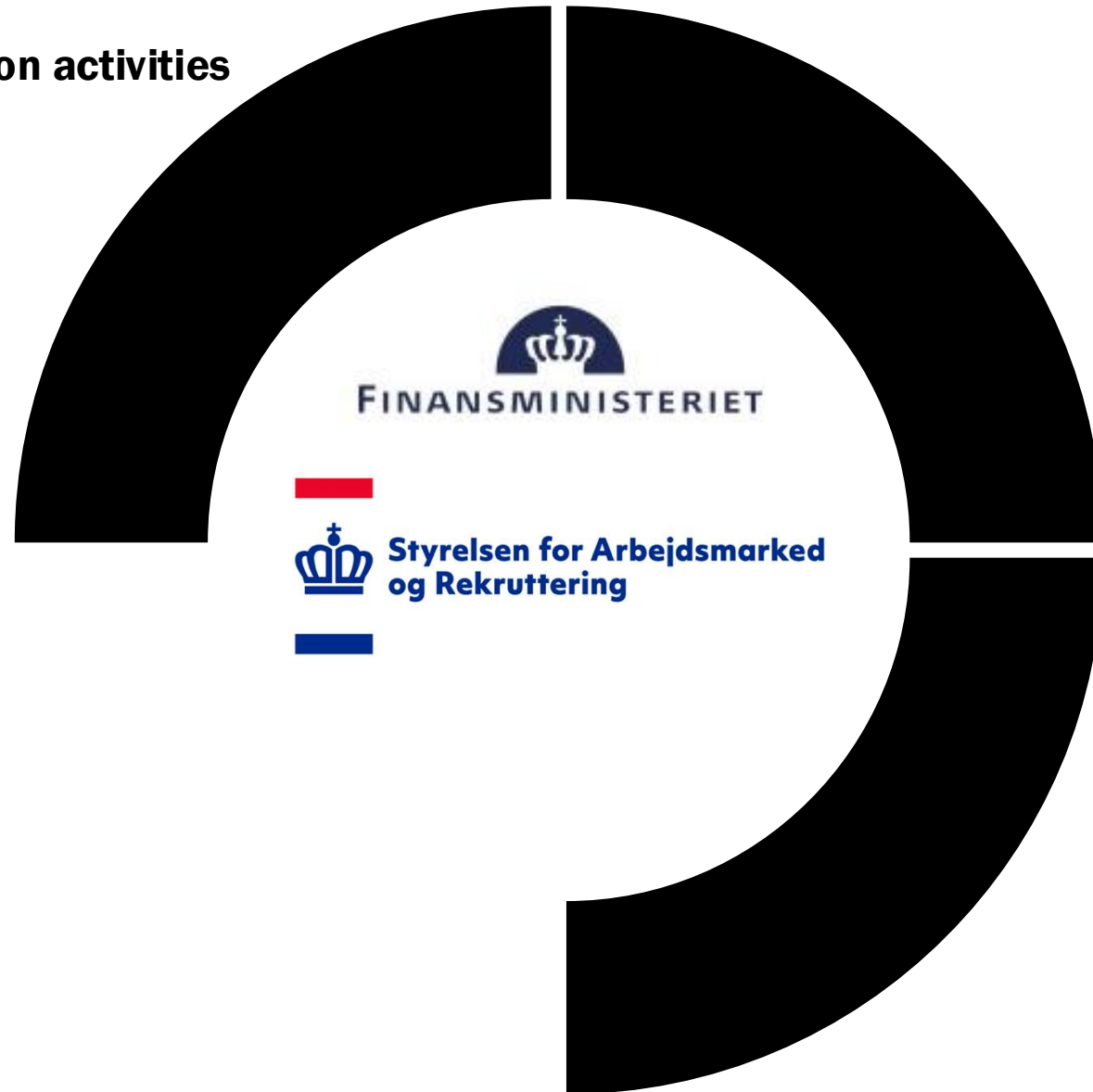
Continual and cumulative evaluation activities

Shared Epistemology



Continual and cumulative evaluation activities

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Shared Epistemology



Geared towards instrumental use

Organizational backing



Continual and cumulative evaluation activities

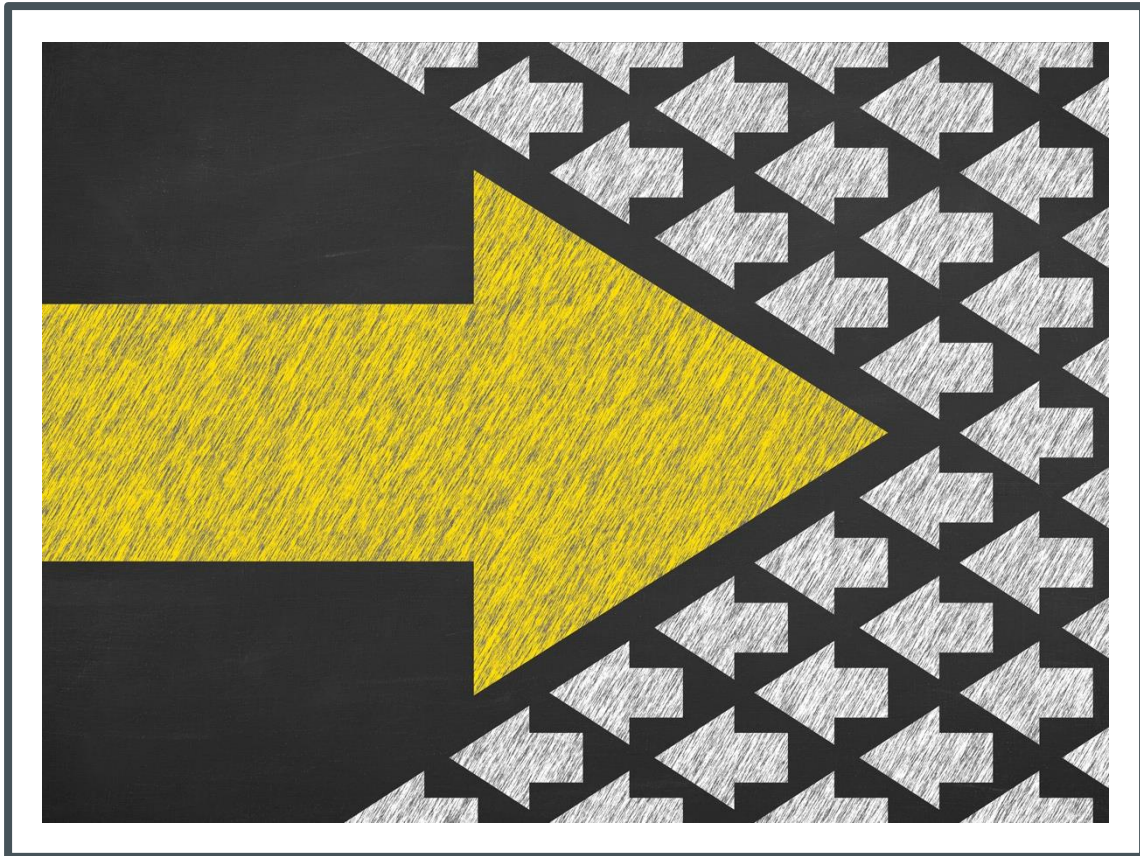
Shared Epistemology

**The Evidence-
based
Evaluation
System**

Geared towards instrumental use

Organizational backing

DRIVERS



DRIVERS



**Styrelsen for Arbejdsmarked
og Rekruttering**



1. The politics of bureaucracy

DRIVERS



1. The politics of bureaucracy
2. Decentralized centralization

DRIVERS



1. The politics of bureaucracy
2. Decentralized centralization
3. “It’s the economy, stupid”

DRIVERS



1. The politics of bureaucracy
2. Decentralized centralization
3. "It's the economy, stupid"
4. Political interests

DRIVERS



1. The politics of bureaucracy
2. Decentralized centralization
3. “It’s the economy, stupid”
4. Political interests
5. Improving services and policies



CONSEQUENCES (1): FOR POLICYMAKING

- Direct transfer of evaluation findings into policy
 - Reimbursement-reforms (2010-2016) – Increasing the use of “job training”
 - Sickness-benefit reform (2012), Cash-benefit reform (2013) and Employment reform (2014) – Increasing caseworker-client meetings
 - De-bureaucratization reform (2018) – Keep the regulations that are “evidence-based”
- Enhancing coordination and accountability between ministry of employment and ministry of finance and government
 - Enhances (light) coordination of evaluation activities – creating a “shared language” of evaluation
 - Increases the likelihood of evaluations being produced at regular intervals

CONSEQUENCES (2): FOR POLICYMAKING

- Limits room for redesign of policies
 - Employment Reform (2014) – Human Capital approach deemed unviable (by ministry – not minister)
 - De-bureaucratization reform (2018) – Keep the regulations that are “evidence-based”
- Less conducive to forms of higher-order learning.
 - The regulations and norms of the systems provides little incentives to question appropriateness of underlying policy goals and ideals
 - Limits the ability to prioritize other evaluation questions/methods
 - Attunes the focus of evaluations to one primary user (Ministry of Finance)



CONSEQUENCES (1): FOR IMPLEMENTATION

- Established some “shared truths” within municipalities
 - “Virkeligheden virker” – Job-training in real companies
 - “Relationer virker” – Bolstering the relation between caseworker and client
- Enhancing control and accountability between job centers and ministry of employment
 - More uniform approaches across the different municipalities



CONSEQUENCES (2): FOR IMPLEMENTATION

- One-size fits all approaches
 - Limited or weak evidence on “what works” for the most vulnerable unemployed
 - Evidence decoupled from municipal context and thus hard to use
- Focus on compliance rather than service improvement
 - Hitting the target (number of meetings, job-training offers), but missing the point
 - Viewed as (yet another) part of the controlling function of the ministry of employment – Limited legitimacy

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TWO CENTRAL QUESTIONS CONCERNING THE EVALUATION OF EMPLOYMENT POLICIES AND SERVICES

- Who are the primary intended users of evaluations?
 - Civil Servants and Managers within Ministries
- What is the primary intended function of evaluations?
 - Enable control

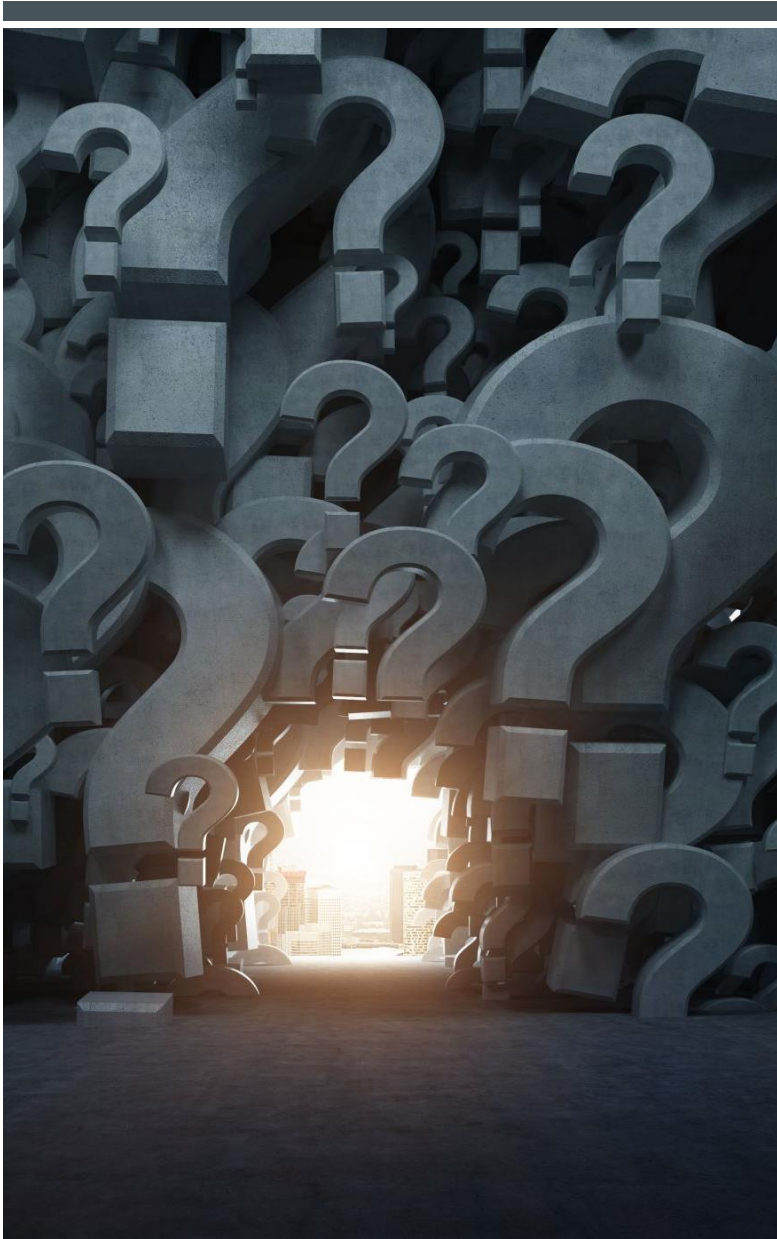
CURRENT CHANGES TO THE EVALUATION SYSTEM



- Fewer RCTs and more expansive understanding of evidence since the end of the 2010s
- New economic reality – less resources for evaluations?
- New governing role of STAR – Less monitoring and controlling and more guiding?
- More autonomy for municipalities to evaluate and design services
- Evaluations in the coming data-explosion (AI and big-data)?

CONTINUING DILEMMAS IN THE QUEST FOR MORE EVIDENCE-BASED POLICY AND PRACTICE

- Tradeoff between the use of evaluations for **control** and for **improvement**
- Tradeoff between the **systematization** of knowledge and **exploration** of knowledge



DISCUSSION

- In what ways do the developments mirror or differ from the Finnish experience?
- What are the potentials and pitfalls of going down the same route?
- What can be done to mitigate the pitfalls?
 - How to balance the functions of control and learning/improvement?
 - Can systematization and exploration of knowledge go hand in hand?