



## INCASI Policy Brief

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### *Inclusion of the Social Inequality Perspective in the Evaluation of Employment Policies*

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## 1. Context and approach

Labour market is not a perfect one, showing different problems such as unemployment, precarity, seasonality..., but, essentially, it is not a fair, nor equitable market. In fact, the position of some social groups in this matter has been unfavourable on a recurring basis throughout time (women, young people, non-EU foreigners...).

The main objective of Active Employment Policies is to develop strategies, initiatives and plans to address these issues (such as facilitating access to employment, enhancing working conditions, reducing temporary employment, supporting the retention of employment during periods of economic crisis, and so forth). However, this objective must inherently encompass the goal of reducing employment inequality affecting specific social groups.

Similarly, the evaluation of these Employment Policies is tasked with assessing the extent to which they are reaching their intended audience, their effectiveness and efficiency, the impact they are having, and whether this impact is sustainable. Nevertheless, an evaluation of a policy would be incomplete without an assessment of whether it provides greater coverage to some social groups than others, whether its effectiveness differs depending on if they belong to these disadvantaged groups, whether it is more efficient for some groups than for others, or whether there is an unequal impact.

In other words, an employment measure providing incentives or benefits to employers for the hiring of unemployed people or for the conversion of temporary contracts to permanent ones can be effective and have a significant impact on unemployment and temporary employment indicators. However, if this measure does not have an equitable scope and does not reach the most disadvantaged social groups, it may contribute to the promotion of inequality in the access to employment or precariousness.

It can be argued that, in a similar manner to how both 'general' (aimed at the unemployed in general) and 'specific' (aimed at certain groups) Active Employment Policies must incorporate equity goals, the evaluation of

these policies must also consider whether their scope, effectiveness, efficiency, impact, etc. are contributing to the reduction of congenital inequalities in the labour market.

The assessment of Employment Policies in Andalusia and at the national level has only recently begun to adopt this approach, and when it has been done, it has been incomplete and inconsistent. The objective of this paper is to present a series of recommendations that can facilitate progress in the appropriate and comprehensive integration of the equity perspective and the analysis of inequality in the field of employment policy evaluation, and to a certain extent, in the evaluation of public policies in general.

## 2. Analysis: Description of Evidence

### UNEMPLOYMENT AND JOB INSECURITY

In the European context, the labour market in Spain and Andalusia – together with other countries and regions of the Mediterranean, Eastern Europe and beyond – suffers from certain deficiencies or problems, which have proved to be persistent over time. Among these, we can mention low productivity or, for instance, excessive seasonality. However, two issues have attracted the greatest interest and concern: unemployment (access to employment) and precariousness in employment, which mainly takes the form of high temporality and low wages (The Economist, 2023; ETUCs, 2021).

Table 1. *Basic indicators of unemployment and precariousness.*

AVERAGE ANNUAL DATA	UE27	ESP	AND
Unemployment rate <i>Series 2014-2023</i>	7,9 %	16,8%	24,7
Temporary employment rate <i>Series 2011-2020</i>	14,0%	24,8%	34,2%
Average Gross Monthly Wage <i>Year 2022</i>	2.302€	1.822€	1.624€

Compilation based on:

- Unemployment rate: Eurostat (2014-2023)
- Temporary employment rate: Eurostat e INE (2011-2020)
- Average Gross Monthly Wage: IX Monitor Adecco de Salarios (2022)

ACTIVE EMPLOYMENT POLICIES

In response, these countries and regions have prioritized the implementation of policies aimed at enhancing access to employment and improving its conditions. Nevertheless, this is more evident in discourse and policy development than in budgetary efforts, particularly when these are related to magnitudes such as GDP or the number of unemployed individuals within a given territory (Franco i Sala, 2021; AIREF, 2019). Eurostat data indicates that in 2020, Spain allocated approximately €12 billion to Active Employment Policies, encompassing both services and activation measures. This equates to approximately €3,409 per unemployed individual. When compared to the EU-27, this figure rises to €6,413 (Eurostat, 2020).

Table 2. Relative differences in unemployment and precariousness of disadvantaged groups with respect to general population indicators in Andalusia.

2.1. UNEMPLOYMENT RATE (2023)

SOCIAL GROUP	CATEGORIES (EPA 2023)	DIF.
Women	Women	+12%
Young people	Young people aged 16-24	+118%
	Young people aged 25-34	+9%
Foreigners	Foreigners	+34%
Low level of education	Illiterate	+177%
	Primary Education	+68%
	First stage of Secondary Education	+31%
Rural area	20.000 or less inhabitants	+5%

Compilation based on Encuesta de Población Activa 2023. (IECA, 2023)

2.2. TEMPORARY EMPLOYMENT RATE (2022)

SOCIAL GROUP	CATEGORIES (EPA 2022)	DIF.
Women	Women	+12%
Young people	Young people aged 16-24	+182%
	Young people aged 25-34	+45%
Foreigners	Non-EU foreigners	+60%
Low level of education	First stage of Secondary Education or less	+13%
Rural area	Sparsely populated area	+12%

Compilation based on Encuesta de Población Activa 2022. (IECA, 2022)

2.3. AVERAGE GROSS MONTHLY WAGE (2022)

SOCIAL GROUP	CATEGORIES (MCVL 2022)	DIF.
Women	Women	-12%
Young people	Below 30	-44%
	Below 39	-4%
Foreigners	Foreigners	-38%
Low level of education	-	-
Rural area	Less than 40.000 inhabitants	-15%

Compilation based on Muestra Continua de Vidas Laborales 2022 (IECA, 2022).

UNEQUAL ACCESS TO EMPLOYMENT AND QUALITY EMPLOYMENT

The data indicates that specific social groups (women, young people, foreigners, people from rural areas, etc.) experience these labour market deficiencies to a greater extent than the general population. Furthermore, the unequal impact of these population groups is not solely based on their productive capacity, but it is often a consequence of external circumstances and conditions (gender, size of municipality, nationality, etc.) (Banyuls and Recio, 2019).

For instance, data from recent years in the Andalusian context indicate that women, young people, foreigners (especially from outside the EU), people with low levels of education and people from rural areas, experience higher rates of unemployment and precariousness. As an example, the unemployment and temporary employment rates for women in Andalusia are 12% higher than the overall rates for the region, being their Average Gross Annual Salary 12% lower. These differences persist every year, exhibiting only minor fluctuations.

LABOUR INEQUALITY AND POVERTY

A substantial body of evidence suggests that the primary causes of risk of poverty in terms of material deprivation are difficulties in accessing employment and employment that is not precarious or of good quality. Regarding unemployment, the INE's annual Living Conditions Survey indicates that over the last 14 years (from 2010 to 2023), being unemployed in Spain has resulted in a twofold increase in the probability of being poor or experiencing material deprivation (the latter sometimes experiencing a threefold increase) compared with the population as a whole. In the present year (2023), the at-risk-of-poverty rate for the unemployed is 36.6%, while for the population as a whole it is 15.4%. The disparity is more pronounced in the case of material deprivation, with a ratio of 21.9% to 8.6% (INE, 2023).

On the other hand, the word precariousness has been recently connected with the term 'in-work poverty', which is increasingly being used due to the recurrence of this situation. A study conducted by the Social Observatory of 'la Caixa' Foundation revealed that this phenomenon affects 16% of households with employed individuals, representing one of the highest rates observed in Europe (Lanau and Lozano, 2022). Furthermore, the study indicates that, for the majority of poor households without employed members, entering the labour market does not result in an escape from poverty. In fact, 58% of such households remain in poverty even after one or more members have entered the labour market (Lanau and Lozano, 2022).

Additionally, in countries and regions in Eastern and Southern Europe, the relationship between unemployment, job insecurity and poverty are particularly pronounced due to the inadequacy of their protection systems and public transfers (Banyuls and Recio, 2017).

#### ACTIVE EMPLOYMENT POLICIES AND EMPLOYMENT INEQUALITY

Allegedly, the fight against inequality in access to employment and quality jobs, which the data show to be particularly affecting some social groups, is a priority and cross-cutting issue, as stated in Article 50 of the latest Employment Act (Law 3/2023). Similarly, in the inspiring principles and Axes 3, 4 and 5 of the latest Spanish Strategy for Active Support to Employment 2021-2024, there is a determined promotion of policies that favour equal opportunities in access to the labour market and the promotion of fair working conditions (Estrategia Española de Apoyo Activo al Empleo 2021-24).

However, the evaluative analyses that have been carried out on the budgetary expenditure of active employment policies in relation to the target population indicate that there are several obstacles in this direction: 1) not enough resources are allocated to the social groups that are disadvantaged by the labour market, 2) there are not many specific programmes for them, 3) there is great heterogeneity and little coordination between regions in this work, and 4) sometimes there is not even data to know whether the people targeted by these resources belong to these social groups (AIREF, 2019). It then can be concluded that there is still a long way to go to fulfil the commitment to equity in active employment policies.

#### EVALUATION OF EMPLOYMENT POLICIES AND EQUITY IN THE LABOUR MARKET

Finally, in the last four decades, under the boost and along with the European Union (mainly due to the obligation to monitor the Structural Funds), there has been a solid, albeit slow, incorporation of the culture of evaluation into the processes of designing, implementing, and evaluating the results of active employment policies, as has happened in a large part of public policies (Zúñiga-Guevara, 2022).

Nevertheless, due to the limited experience and background, there are still many unresolved issues and challenges facing the evaluation of active labour market policies in Spain and Andalusia: improving the coordination and institutionalisation of evaluation at different territorial levels, looking after the quality of the information and data used for evaluation, ensuring that

the evaluation has an impact on decision-making and policy design, delving into the evaluation of efficiency and counterfactual analysis of impact, etc. (Izquierdo and Vega, 2023; Cebrián, Cueto and Mato, 2021).

Still, among these unresolved issues, the one that this paper has its focus on has to do with the scarce and partial development that we find when it comes to including the analysis of inequalities into the work and evaluation practice of active employment policies, where we have already observed the relevance of this issue. The question posed here, and to which we wish to make a modest contribution based on observation, experience and reflection, is how to evaluate in terms of equity? or more specifically, how to include the perspective of equity or the analysis of inequalities into the evaluation of public policies, and in this case, active employment policies?

### 3. Recommendations

Based on the experience gained in various evaluation exercises, this section contains a number of recommendations or suggestions for successfully achieving the goal of integrating an inequality analysis perspective into the evaluation of employment policies and, to a certain extent, public policies in general.

- Including this perspective of inequality analysis in the design of active employment policies, prior to evaluation. The aim is to **ensure that these policies can be evaluated from an inequality perspective** by encouraging: (1) employment policies, plans, programmes or measures, whether general or targeted at specific groups, to set objectives and targets that are in line with the fight against inequality and the quest for equity; (2) the data collected for these policies to be sufficiently and appropriately disaggregated (comparable with sources describing the territory) to allow comparative analyses with the context. For example, it is not possible to know whether the coverage of an insertion programme adequately addresses labour market inequalities by educational level if the programme does not collect this data on the beneficiaries and if it does not collect it in the same or equivalent categories as the source that contains information on the unemployed in the territory (e.g. jobseekers' register or labour force survey).

- Implementing inequality analysis as a **transversal axis** in the evaluation of public policies. In most cases, this type of analysis is included in a complementary part of the evaluation or under a single evaluation criterion (e.g. equity), which reduces its importance and "impact" in the evaluation. Experience shows that the evaluation of these policies gains greater richness and depth when

these inequality analyses are integrated throughout the evaluation work. This can be seen in many evaluation studies that include this analysis in relation to the coverage criterion - providing data on coverage rates by age, gender, nationality, etc., but there are few examples where this is done-, but there are not many examples where this analysis is included into the study of impact or efficiency, which are more complex and 'sensitive' evaluation criteria. For instance, when implemented across all evaluation criteria, it is possible to assess the equity of coverage of a programme or measure, or the different impacts it has had on different groups, or, in terms of efficiency, how the costs have been distributed across each group, or, for example, the differences between the unit costs per labour market entry achieved for each group.

- Trying to **include intersectionality** in the evaluation with an inequality perspective. Intersectionality is known to condition and modulate forms of inequality in all social spheres, and the labour market is no exception. This issue is largely underdeveloped in the field of evaluation, and it is a complex and difficult challenge to address, but methods and techniques for doing so need to be explored. This is even more important for evaluations of 'specific' policies, programmes or measures (those targeted at people belonging to groups or social strata with particular difficulties in the labour market). For example, it would be interesting to know whether the impact of a measure to reduce unemployment among women differs according to whether the beneficiary is from a rural area, is a foreigner and/or has a disability.

- Working on the analysis of inequalities in a comprehensive way **for the set of active employment policies**. The design of the set of employment policies in a territory should respond to a common strategy of action in the face of the problems posed by the labour market in that context, which can give meaning to the existence of "generalist" and "specific" measures. This being the case, it would be more appropriate to carry out a joint evaluation of these employment policies together with (and/or based on) the evaluation of specific measures and interventions. In this way, we would be able to observe whether the results of 'specific' measures targeted at disadvantaged social groups can compensate or balance out the presumably unequal effects that some 'generalist' measures might have. In this way we would be in a position to discuss, for example, the joint coverage of employment policies for foreigners or for young people; to have more comprehensive (not fragmented) information in order to be able to design more appropriate employment strategies in the future.

- Finally, there is a great need to **develop and disseminate methodological and technical resources** aimed at carrying out these analyses of inequalities within the framework of the evaluation of employment policies and public policies in general. This need corresponds to the fact that we are proposing here to follow a more or less incipient path of analysis in a field of work that is in its beginnings or in the process of formation, such as that of public policy evaluation in Spain and Andalusia. In this context, any effort aimed at providing tools and facilitating the work of those of us dedicated to public policy evaluation, in order to improve our work and our products, is appreciated and welcomed. In some way, this will make our work more valuable and useful and will ultimately have repercussions, not only for policy makers, but also for the improvement of public policies and, in this case, for greater social justice.

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