

Information and information systems
to support ALMP's:
What is needed and how to
build it

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Summary

- Ideal information system for ALMP's – setting aside institutional/practical considerations
 - Where we fall short
 - Solutions would have high payoffs
 - Solutions are entirely possible
... but require a shared strategic framework and new institutional arrangements
 - Concluding observations
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1. The ideal

- A “learning” information system that integrates
 - Information about inputs and processes – the usual administrative, cost and volume data
 - Information about outputs – to assess the performance of programs
 - Information about outcomes – to assess ultimate cost-effectiveness
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1. The ideal

Inputs and processes

- Characteristics of people referred, accepted, dropped out, completed, etc
 - Type and duration of interventions, human and \$ resources used, etc
 - Typically obtained from
 - Administrative records and surveys of participants
 - Tracking participants – “before”
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1. The ideal

Measuring outputs

- Immediate outputs:
 - Skills, experience, credentials gained by participants, their satisfaction with intervention, etc
 - Subsequent outputs:
 - Labour market outcomes of participants (employment, earnings, etc) at selected times subsequent to intervention
 - Typically obtained from:
 - Combination of administrative records, exit surveys of participants and subsequent follow-up surveys.
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1. The ideal

Measuring outcomes

- The extent to which the intervention affect labour market outcomes in subsequent years
 - Requires comparison of experience of participants and non-participants
 - Typically obtained by evaluations (random assignment, control and comparison groups, etc).
 - Rigorous experimentation can greatly improve subsequent success (preventive evaluation)
 - Typical measures
 - Changes in employment status, including hours
 - Changes in earnings
 - Changes in transfer receipt
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1.The ideal

An integrated system

- Integration of the inputs, outputs and outcomes allows continuous learning, building on experience
 - Calculation of comparable ratios – efficiency, program performance, policy results
 - Supports the measurement of exogenous performance standards for all participants within the system
 - Allows analysis of other programs/factors on participants and the broader socio-economic effects of the interventions
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2. WHERE WE FALL SHORT

In terms of information

- Most countries are far from achieving the ideal
 - Inputs and processes are usually measured, but only in part
 - Outputs are easier to measure, but not in ways that meets needs of audience
 - Outcomes are costly to measure but provide the only way of determining what actually works
 - Canada is still better than most – despite recent setbacks
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2. Information shortfalls

Inputs and processes

- Are surprisingly hard to measure well
 - Organizational locations (and hence accountability and performance regimes) keep shifting
 - ALMP's are a low-priority tag-on to main information systems
 - Quality control on client data tends to be low
 - No standard coding system for describing what happens within an intervention: these are mainly treated as black boxes
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2. Information shortfalls

Program outputs

- Program outputs are easier to measure
 - Based on relatively simple surveys of participants
 - Taken at various times after the interventions.
 - But lack of standards for acquired skills a problem
 - But who is the audience?
 - Not policy-makers because measure say little about outcomes or cost effectiveness (unless comparison group included)
 - Not internal performance assessment, because results come too late
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2. Information shortfalls

Outcomes measures

- Canada and United States better than most, but all are far from ideal
 - Do not allow continuous assessment and learning
 - Content of interventions is rarely stable over time
 - Time gap between intervention and results too long
 - Hard to keep other things equal, to account for the effects of other interventions
 - Average effects are measured, not what factors worked for which participants
 - Indirect outcomes on health, crime, etc are imperfectly measured
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3. Finding solutions would have high payoffs

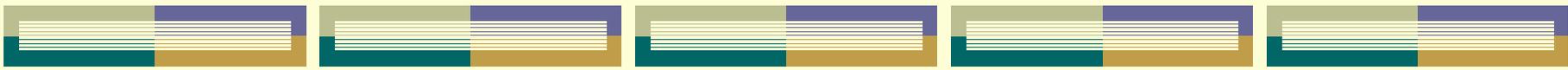
- Without such integrated measures, investing in ALMP's is of questionable value
 - New directions in ALMP's require new measures
 - Broader payoffs for social policy generally”
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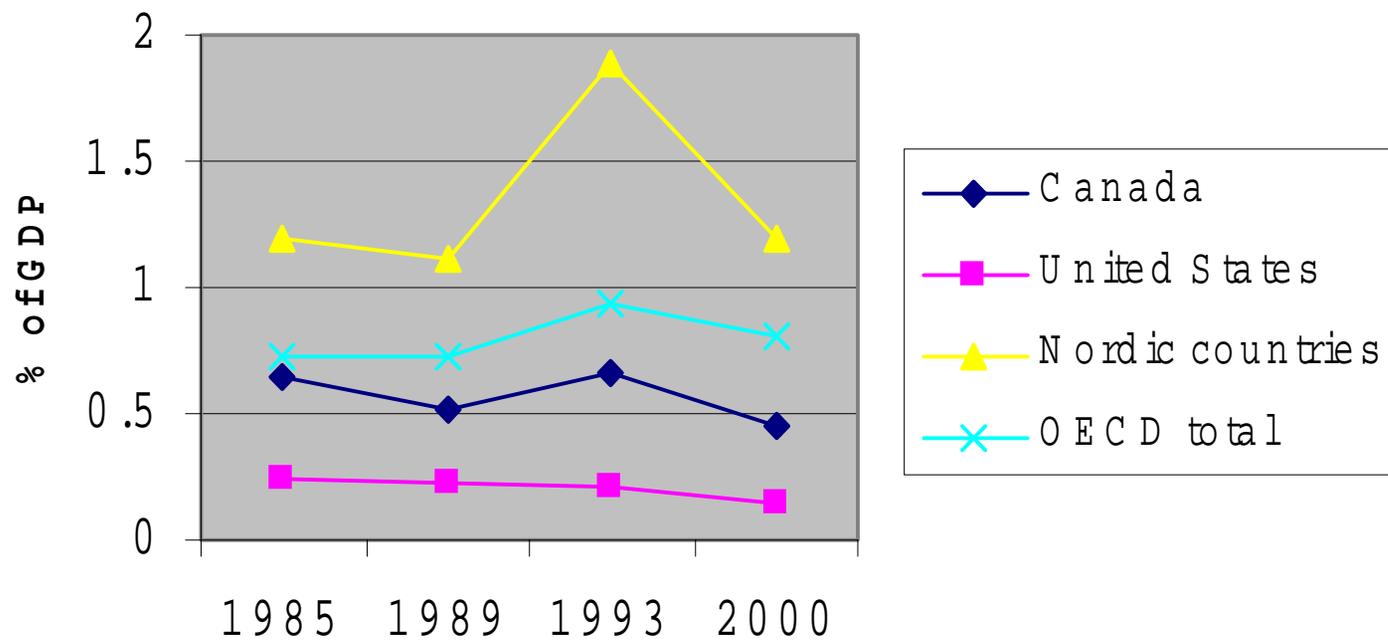
3. Potentially high payoffs

ALMP's are losing credibility

- Rhetoric continues to call for a shift from passive to active
 - Yet evaluations have shown modest benefits
 - Typically an intervention makes things worse for a substantially minority, somewhat offset by gains for a small majority
 - ALMP's have therefore not grown in size
 - In most countries, spending on both active and passive has followed cyclical unemployment trend
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Spending on ALMP's





Potentially high payoffs

Losing credibility – concl.

- Central problem is to find out which aspects of ALMP's work for which group
 - Some work better for some target groups than others, but the reasons are unclear
 - No obvious link between cost and success
 - No obvious link between perceptions of success by participants or program administrators and measured success.
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3 Potentially high payoffs New ALMP directions

- OECD analysis points to the following trends – all of which require more sophisticated, integrated information
 - Beyond profiling
 - Discretionary, voluntary and cheap interventions for short-term unemployed
 - Compulsory and universal interventions for long-term
 - Shift from demand-side to supply-side interventions
 - Shift from general to targeted interventions on both demand and supply sides
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3. Potentially high payoffs

New ALMP directions – concl.

- Greater integration with public employment services and with income security
- Decentralization has been a main theme
 - But may have gone too far in some countries
 - It is important to get near client in program delivery BUT smaller organizations face very costly overheads
 - Design and evaluation expertise
 - Operation of supporting information systems
 - The conduct of experiments, evaluations to learn what works best





3. Potentially high payoffs

Leading edge for social policy generally

- Better ALMP information would have broader payoffs across as well
 - In shifting “human capital investment” from an analogy to a practical policy
 - In making “Make Work Pay”, or “Family Friendly” policies operational
 - In developing newer “third way” approaches -- mutual obligations, asset-based interventions
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4. Solutions are feasible, ...but not easy

- Developing the needed information is feasible...
 - Canada had made major strides toward the “ideal”
 - ...But not easy. It requires
 - New approaches to information comparability
 - Rethinking approaches to data and systems
 - Investment in experimentation, evaluation, etc
 - New transparency in sharing information
 - In sum,
 - A shared strategic vision and
 - New institutional arrangements
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4. Feasible, but not easy, solutions

Develop common standards

- Standard coding of the training and other activities that take place within an intervention
 - Standard coding of the skills/aptitudes/experience that were gained during interventions and subsequently
 - Standard coding of direct labour market effects and key indirect effects
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4. Feasible, but not easy, solutions

Rethink data and systems

- Start again on developing SOMS technology
 - Uses a huge base of historic longitudinal data from administrative records to calculate (anonymous) probabilities of success
 - Integrates outcome, output and input/process measures in real time
 - Allows inclusions of environmental variables (local community information etc)
 - Allows information on linkage to other programs (e.g., compulsion/motivation in UI or SA)
 - Alternative solution would be to re-create SOMS using survey data – but much less satisfactory
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4. Feasible, but not easy, solutions

Build on experimental, evaluative strength

- HRDC and its predecessors had built up a strong evaluative capacity
 - Supported by a strong academic network
 - Along with Americans, respected world-wide
 - Similar strength in rigorous experimentation
 - From Manitoba GAI to SRDC today
 - Unless used, the capacity will wither away
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4. Feasible, but not easy, solutions

Share information

- Canada is potentially fertile ground for natural experiments, for learning through shared experience
 - That potential cannot be realized without sophisticated information systems and rigorous common methodologies
 - This is harder to accomplish with decentralization – but still quite feasible ...
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4. Feasible, but not easy, solutions Requires a common strategy...

- Developing standards and techniques will take many years – with continuous co-operation among many parties
 - Therefore, agreement is needed on a strategic framework encompassing:
 - Common goals, principles, priorities for action
 - Specific, detailed standards for the common information to be collected, processed and disseminated
 - Clear delineation of roles, including financing of development activities
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4. Feasible, but not easy, solutions ... and new institutional arrangements

- Institutional mechanisms will be needed to:
 - Co-ordinate the development of a strategic framework
 - Develop common standards
 - Develop information systems that can be used by all participants (especially a new SOMS)
 - Disseminate information, especially
 - Descriptive data, lessons learned and what works
 - Sharing of “what works” lessons and drawing on the international literature
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4. Feasible, but not easy, solutions

What kind of institutional mechanisms?

- Could be a new autonomous body
 - Supporting both orders of government
 - Possibly with additional functions such as provision of general labour market information
 - Could be a new function of an existing body (but which one?)
 - Could be a co-ordination effort by existing players (but too complex?)
 - Could be a series of separate mechanisms for different functions
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Personal conclusions

- Negative
 - ALMPS will fail without shared information
 - Yet the systems and institutional mechanisms to provide that information seem to have been ignored during decentralization discussions
 - Indeed, there has been a serious erosion of capacity, as in the destruction of SOMS
 - Positive
 - SFT, Innovations Strategy call for experimentation
 - Health information provides potential models for new institutional arrangements
 - Co-operative, “doing what works” tone of recent discussions
 - Not too late to restore Canada’s lead
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