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RARE

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HUNGARIAN CHARITY SERVICE OF THE ORDER OF MALTA

Economic projections and good practices

O.3.1 – Synthesis of Economic projections and good practices

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O3.1 Economic projections and Good practices is the first output of the RARE (Changing Discourses, Changing practices: The Roma as Human Resources) project, led by the Hungarian Charity Service of the Order of Malta. This output is the result of nearly 12 months of coordinated work of the 13 Project Partners and 8 Associated Partners.

This output summarises the main findings of D3.3.1 (Economic projection techniques to adapt in the frames of the project) and D3.2.5 (Good practices assessment after the mapping visits).

The first year of project implementation was characterised on one hand by a grounding work to understand local situation in each country through presenting, selecting, visiting and assessing good practices and establishing good working relationship among partners. While Roma people might face similar discrimination on the labour market, local legal background, institutions and support structures are different in all countries: thus, it was an intriguing exercise to learn about singular country cases. On the other hand, partners were challenged to comply with RARE's explicit aim, to produce measurable and quantifiable results and arguments for Roma labour market activation, and to learn about economic projections. Through supporting deliverables and project meetings partners became ready both thematically and methodologically to refine their ideas and implement pilots and measure their impact on the target community.

Collection of good/failed initiatives in Roma labour market activation

Good practices and their success factors were collected and evaluated to pave the way for future pilots. The aim of collecting good practices was to understand the role of the different institutions in the delivery of the visited practices and to draw lessons on the transferability of these practices within the Danube region. We expected benefits of the visits at 2 different level: to enrich understanding of Roma labour market interventions and enable partners to have a larger pool of instruments at hand, and to make partners more aware of the different possible institutions and institutional cooperation which are the preconditions of successful practices. Thus, to serve as evidence base for roadmap to enhance institutional capacities and cooperation.

Instead of an exhausting list of different practices, RARE opted for a limited number of initiatives being understood deeply. Therefore, good practices were not only described, but also visited by project partners and assessed according to a common questionnaire (D3.2.3). For this deep understanding project partners created a questionnaire together with a peer review guide to help the use of the questionnaire. The questionnaire consisted of 26 questions and good practice visitors were supposed to communicate with 5 different stakeholder groups (including "owner" of the project, local public authority, primary target group, beneficiaries/clients, partners/employers/labour market officers).

Municipality of Sfantu Gheorge was in charge to coordinate the efforts in understanding and analysing good practices in the Danube region on Roma labour market activation. During the summer of 2017 Rare partners visited six different initiatives from 5 different countries chosen from a list of proposed sites to visit, according to their own interest and planned pilots.

Practices selected for visits ranged from revitalising traditional Roma craftmanship (wickerwork) to finding new niche businesses such as waste recycling businesses (for electronic waste reuse), from cooperatives to more traditional for-Roma initiatives by municipalities and support NGOs. A common feature of these initiatives was a kind of segregation: the labour market opportunities were targeting the Roma community and created separate job opportunity, through mutual self-help or municipal enterprises. Thus, partners found a great need to find ways of targeting mainstream employers and supporting Roma people to the primary labour market, which they will aim for within Rare pilots. Nevertheless, important key success factors emerged from the good practice visits noteworthy to take on board in future project development.

While partners were impressed by the good practices they visited, the planning and management of the joint assessment procedure could have been improved. (The assessment process should have been taking place during the visits.)

Partners affirmed three types of success factors of good initiatives: 1) institutional/organisational, 2) thematic and 3) technical considerations.

Institutional/Organisational considerations include:

The first and most important issue is the network of all actors involved in the implementation of the practice: "key success factor is to have a network as wide as possible: educational institutions, municipalities, social institutions, NGOs, companies must be involved in the project." Thus, it echoes the main consideration of RARE project: without good cooperation there is no good practice. It is important to have a constant communication and cooperation among institutions, especially public institutions. Therefore, the most important partner in the network is the municipality: without support from the municipality, it is very hard to achieve successful projects on the long run. And the third important organisational statement is that the implementing organisation should have a positive reputation, they must be trustworthy. Hidden aims, being personal or political will undermine the intervention. Trustworthiness on the other hand can most easily be achieved through one thing: being present at the local community, being there and sharing the lives of the Roma people.

Thematic considerations include:

Success of the initiative depends on a well-defined and identified need, the social problem what the project tries to overcome, let it be lack of accessibility or lack of self-esteem, or to find the right type of labour, or a combination of these all. A common feature of all the visited practices is that social support – not only at and within the labour market – but a more complex and continuous developmental support is necessary for the target group throughout the activities. This support is essential for the success of the business model and should also be incorporated in the business model.

Technical considerations include:

While it seems obvious, starting a labour market project for disadvantaged groups is just like any other business activity: it requires technical considerations and sound business

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management. NGOs and municipalities, with the highest social capacities are not always fit for business development, social workers and helpers are not per definition good business managers. Thus, timing and assuring the technical requirements and human resources were also key to successful business development.

Assessment of good practices

Partners assessed the visited practices according to 8 different criteria, which were developed by Municipality of Sfantu Gheorge project partner. Result of the visits showed that implementing organisations were clearly aware of the local situation and social context (motivation phase) and were in clear ownership of the activities (implementing organisation). Also, the target groups were very well defined for the practices and host organisations could give a clear picture on the objectives, milestones, methodology; in general, on the implementation of the project.

During the visits all the visiting partners knew the above presented information about the 6 Good Practice projects and with the help of the Questionnaire, they tried to dig deeper in these projects to find out not only the successes but the failures and challenges of them, as well as to find out if the method used for implementation and for sustainability can be reproduced in other regions too. However, communication and result analysis were less in the focus of these organisations and thus there was either an understood need of further communication or lack of actual information on the given topics to share with visiting partners.

A great deficit of all the good practices that results could have been described only vaguely, such as unemployment rate decreased, life standards increased, and the organisations could get further funding. However, none of the practices were able to give monetarised results or could show the direct effect of the project on the target community. Since most of the visited and analysed pilots included profit generation, it would have been good to have clearer pictures on the financial sustainability and independence of the newly established companies from the parent organisation.

Visiting the most intriguing and most innovative Roma labour market activation projects in the Danube region we found very limited result analysis among the pilot hosts. While this did not come as a great shock but affirmed our presumptions that there is a great need for economic understanding of Roma labour market activation pilots and projects. Therefore, RARE focused on this crucial element of pilot activities: to understand the technology of economic estimations and result analysis.

As a final remark, we consider that the basic principles of the project development and of the learnings of the GP visits can be reproduced in any circumstances. There are some projects which relied upon the existence of a great agricultural land or upon the existence of the craftsmen in the community. However, we believe that all settlements who deal with the challenge of Roma labour market activation can find the local values which can be turned into successful labour market project, sustainable on a long term. What is most needed both for running and for future labour market activation projects are: enhanced communication

activities, better awareness of its financial sustainability and higher independence from the parent institution.

Considering our experience of good practice visits, it is essential that we develop a good method for measuring the economic and labour market impacts of pilot projects. It is crucial how does a pilot intervention or project affect the labour market outcomes of beneficiaries.

Conclusion of Good Practice visit assessment

- Without the support of the local public entities (especially the Municipality) it's not impossible but extremely hard.
- Very well identified social needs and a precise and concrete answer to it.
- Very good knowledge about the local reality - any idea must be adapted to this reality - use local resources
- Flexible management - capacity of changing the mindset if needed
- Communication: as networking, as promotion, as addressing the target group and the local community.
- Partnership is almost compulsory.
- Convince stakeholders that a good intervention is beneficial to the whole community.
- It is good to have at least one influential person in the community who supports the idea and believes in it.

Economic projections

As we have predicted and found out through the good practice analysis there is a niche in understanding the labour market effects of small scale Roma activation measures in the Danube region. We believe that the lack of or inadequacy of evaluation and monitoring tools has been a major obstacle in designing and implementing policies explicitly targeting the marginalised Roma, since these policies have been considered as burden on the society instead of being a tool for higher economic activity and benefit for the whole society. Thus, enabling NGOs and municipalities in producing convincing and methodological sound arguments for Roma labour market activation we hope to positively influence labour market policy making in the Danube region.

Economic impact analysis is the evaluation tool used to determine whether strategic economic goals such as local labour market development or equity are being met, usually from a local or regional perspective. RARE proposed to introduce the economic efficiency approach to enable partners measuring and monitoring the financial impact of their employment activation pilot cases.

Position of the economic projection within Rare project implementation:

Hungarian Maltese Charity Service and its contracted expert the Budapest Institute Policy Analysis (specialised experts in the field) adapted the economic projection methods from a World Bank study for smaller scale interventions (D3.3.1) for measuring of economic and labour market impact of Roma labour market activation initiatives. The prepared monitoring guidance for the pilots (D3.3.3) is also ready and it provides a solid and well-tailored basis to evaluate economic impact of the tested pilot measures. In addition, the draft version of the employee profiles (D3.3.2) was prepared and will be finalized with deeper transnational contribution from partners. WP4 pilots will incorporate the economic projection techniques within pilot delivery to measure their impact and thus will be the first testers for the economic evaluation tool.

Economic evaluation technology

There are three levels of the analysis on the effects of interventions: 1) monitoring the efficiency of the implementation process of the intervention for cost effectiveness, 2) credible outcome or impact evaluation on effectiveness to improve the labour market opportunities of participants and 3) benefits from scaling up the pilot initiative, considering market saturation effect (if the pilot were implemented for the whole country). Within this tool we will concentrate on the first two levels of analysis, labour market saturation effects are for specialised public macro-economic experts.

The first question to answer is the WHAT question: what to measure? We settled that we will only monitor labour market outcomes (employment rate, earnings) and no additional effects or added values, such as mutual understanding of Roma people, institutions and employers or reducing discrimination, which are also targeted but are subtler indicators and more difficult to measure.

Our estimation methodology is based on estimating the difference of the potential gains and benefits, and, costs of the programs, using the impact of the programs on the probability of employment as their main outcome variable.

The second question to answer is the HOW question: how to evaluate the casual impact of RARE project. And here comes the crucial issue: simply measuring before-after employment data does not estimate this, since it does not take into account changes that happened to potential beneficiaries, does not consider external forces such as national policies or overall health of the given economy. In other words, it is misleading since not all labour market outcomes are due to the results of RARE project. On the other hand, comparing outcomes of those enrolled in RARE pilots and those that did not at the end of the project is neither sufficient: those who chose not to enrol (or were screened out by service providers) will differ in characteristics that also determine outcomes thus life chances

Outcome indicators should measure whether the participants in the pilots (a) were able to obtain and keep employment, and (b) increase their labour income. Since the ultimate objective is to provide evidence on the gains and costs of the programmes (services and measures) implemented by the pilots, these ought to be evaluated against 'business as usual'.

This means that the outcomes of the pilots are to be measured against a 'counterfactual', what would have happened to the participants in the absence of the programme. In other words, measurement of the outcomes of a 'control group' ought to be recorded.

Therefore, what is necessary for a sound economic evaluation is to build up a controlled experiment. The basic point of this method is to randomly create a "treated" and a "control" group of participants. Thus, we should compare the changes in the outcomes of the beneficiaries (from before enrolment to after end of the project) to changes experienced by similar non-participants. These individuals (households) will approximate what would have happened in absence of RARE pilot intervention.

The most credible way to set up a control group (a group of people who do not participate in program and would not by impacted by the program in any ways) is using a random experiment, i.e. randomly allocating the members of the target group to treated (participating) and control (non-participating) groups, if this is not possible other, similar localities where RARE does not intervene is also an option.

If the selection process is completely random indeed, a few dozens of participants are enough to ensure the two groups' conformity, regarding the characteristics influencing the programs outcome. The impact analysis itself is very simple: as the effects of external circumstances are the same in the two groups, it is enough to measure and compare the groups' performance.

Consequently, with controlled experiments we can predict the effects of small scale interventions on the labour market outcomes of Rome people.

Building on this findings within Output 3.1 of RARE project external expert commissioned by LP, Budapest Institute has provided partners with the necessary tools to monitor pilot implementation. A status questionnaire must be filled in by every beneficiary of the RARE pilot (and with every potential beneficiary in the control group). For the benefit of this evaluation tool, the pilots will be the test ground to assess its usefulness and applicability.

By providing a quantitative monitoring approach and understanding the success factors of good practices, O3.1 output is the first building stone of the pilot actions that will most importantly fulfil the specific objectives of the project.