

MUTUAL LEARNING PROGRAMME:
PEER COUNTRY COMMENTS PAPER – THE NETHERLANDS

Data driven policy research: with caution

Peer Review on ‘**Evaluation of Labour Market Policies and Programmes: The Use of Data-Driven Analyses**’

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1. APPROACH TO EVALUATION OF LABOUR MARKET POLICIES AND PROGRAMMES¹

This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on The Netherlands' comments on the policy example of the Host Country for the Peer Review. For information on the policy example, please refer to the Host Country Discussion Paper.

1.1. Preliminary remarks

The main objectives of the Dutch Ministry of Social Affairs and Employment (Ministerie van SZW; henceforth: SZW) are policy development and enforcement of laws and regulations. SZW is not involved in policy implementation and policy administration which is decentralised to municipalities and the Social Insurance Body, called UWV (in 2009 merged with the Centre for Work and Income). Accordingly, SZW does not have direct responsibility for the executive agencies. UWV is an autonomous administrative authority and is commissioned by SZW to implement employee insurances and provide labour market and data services.

As a consequence of this bipartite institutional structure labour market research is not only the domain of SZW but also one of the responsibilities of the UWV. Municipalities also conduct labour market research. Until the summer of 2012, SZW maintained a programme of funding with the Council for Work and Income (RWI). Such a programme of funding (or other contractor relationship) still exists between SZW and TNO, an independent research organisation, and SZW and CBS Statistics Netherlands. In addition to SZW, five other Ministries are – to a certain extent – involved in labour market research: the ministries of the Interior and Kingdom Relations (BZK), Education, Culture and Science (OCW), Health, Welfare and Sport (VWS), Economic Affairs, Agriculture and Innovation (EL&I) and Finance.

1.2. Allocation of resources and organisation

Resources: The available budget for *external* evaluations has been decreasing over the last years and so is the spending.

Scheme 1: The budget spent on research and policy information over the last years:

(x € 1.000,-)	2006	2007	2008	2009	2010	2011
Annual expenditures	7961	6765	4795	4463	5442	3855

Source: Annual Report SZW, Parliament, 2011-2012. (not included are the annual expenditures on TNO and the RWI and small budgets for specific research projects e.g. on help with debt problems).

The available budget is distributed over the main policy subjects: income policy, workforce participation, labour relations, job placement and re-integration, and labour conditions. The administration that deals with a specific policy subject is in charge of the budget assigned to the subject and is coordinating the research projects.

Organisation: Organisational pillars of labour market and social security research are:

(1) The leading Ministry in this field is SZW. In order to achieve a better coordination between and organisation of research and evaluation commissioned by SZW a Chief Scientific Officer (CSO) has been appointed in 2011. The specific tasks of this CSO are to

¹ For this section information is kindly provided by Mr. W. Roorda and some of his colleagues from the Ministry of Social Affairs.

advise the official and political management of the Ministry on the main issues of the research programme, to give his judgement on the methodology and content of research plans and to supervise the potential overlap and synergy between planned research projects.

Research managers assist policy teams in the planning and selection of contractors and project management. Proposals for extensive research projects are submitted to the management team of the Ministry or the Minister.

(2) For a couple of years the main commissioners/users of labour market and social security research are organised in the so-called Knowledge Platform on Work and Income (KWI). In this KWI are participating: SZW, the Social Insurance Body (UWV), the Social Insurance Bank (SVB), CBS Statistics Netherlands, the association of directors of social insurance agencies (Divosa) and two municipalities. They discuss evaluation-related subjects and try to coordinate their annual research programmes.

(3) Each year several Ministries publish a 'Knowledge Agenda'. So does SZW. This knowledge agenda helps to focus on the main topics of research and evaluation by formulating the most important policy questions.

1.3. Changes in policy evaluation

In 2009, the Netherlands Court of Audit (the National Audit Office) stated in 2009 that there is more policy information available than in the past but it is not always usable and used. Available information is not sufficient to judge policy outcomes and is not incorporated in policy planning completely and in time. Of course one of the reasons for this was and is the fact that the policy process is changing faster than in former times. Similar to the situation in Belgium, the employment and labour market policy area is particularly dynamic and fast moving. Another reason for the rather insufficient information on policy impact is found in the decentralisation of the policy implementation. Because of this decentralisation Ministers and Parliament have insufficient information about policy implementation.² So it seems that there is not always a perfect match between policy information from research and evaluation and the policy cycle.³ A third reason often heard these days is that policy evaluations are of low value and not usable for policy decisions because the outcomes are too much 'case dependent' and for this reason cannot be generalised. There is, therefore, an increasing demand for evidence-based evaluation, experiments and quasi experiments and better datasets.

The impression is that the role of problem exploring and phenomenon describing (often small scale) research is decreasing. Monitoring and evaluation is increasingly organised by linking databases of different authorities and organisations (such as UWV, the Tax Authorities, CBS Statistics Netherlands, municipalities and so on). Besides these developments in recent years the focus shifted towards cost-benefit analysis and accountability/auditing.

² Rijk verantwoord 2008. Algemene Rekenkamer 2009: Tweede Kamer, 2008-2009, 31924, nr.2.
And: http://www.rekenkamer.nl/Actueel/Dossiers//Informatiepositie_Tweede_Kamer/Hoe_staat_het_ervoor

³ In a situation of policy decentralisation the desire or need to improve the fit between research and policy planning soon meets with political limits. After all, policy decentralisation means the transfer of responsibilities to lower administrative levels/bodies. Gathering information on the implementation of policy measures will be easily understood as supervision or control. Solutions for this problem are 'made-to-measure' because they depend on the context of the decentralisation process and the actors involved. Some more attention to the value *for all parties concerned* of information on decentralised policy processes in an earlier phase of decision making could be helpful.

2 EVALUATION USING ADMINISTRATIVE DATASETS⁴

There are a lot of administrative data; probably more than survey data. Contrary to survey data, administrative data are not collected at the request of the researcher but for purposes outside the reach of researchers and their commissioners. The feasible utility of administrative data for policy research depends on their 'statistical quality': (1) reliability and (2) validity. Besides these basic requirements, the utility of administrative data more specifically depends on: (3) the number and (4) diversity of variables and (5) the number of records in the dataset. Because policy development takes time (6) the availability of (comparable) data over a longer period of time is contributing to their utility too.

To understand the potential benefit of using administrative data there is a need to categorise them. The categorisation according to the scheme below is based on the possibility of linking administrative data from one source with those from another source. In addition it makes a difference whether datasets are 'single topic' or not.

Scheme 2: Using administrative data: four types of datasets

	Not linkable	Linkable
Single topic datasets	1. Administrative data from one source	2. Enriched administrative data from different sources
Multiple topic datasets	3. Datamining	4. Databank/combined databases

It is obvious that the better/more datasets can be linked with each other the more records and/or variables and/or data over a longer period of time can be expected to be found in the constructed combined dataset.

Example of dataset type 2: counting of teaching hours in schools for secondary education

The Ministry of Education, Culture and Science needed a database with all the teaching hours of teachers in schools for secondary education. The database should contain records of every teacher with personnel data and information about the lessons given (the subject of the lesson, the instruction level, etc.) which data had to be collected from schools' timetables.

The dataset was built by collecting data from the digital timetables of all schools and linking them on the level of teachers with data from the salary administration and registers with education information. For missing or ambiguous data schools have been asked to clarify some information in their timetables.

The database has been and is still in use for many purposes. It makes it possible to forecast the number of teachers needed in the future for every type of lesson/subject/grade. This data collection has been repeated every year since 1995. Therefore, it is possible to compare the data with previous years. The database is not open to everyone, because it contains personal data. Researchers have to ask permission to use the data.

The second possibility is that the goal is not to cluster data around one topic (in labour market research: employers, employees, unemployed, school leavers etc.) but to make available information from as many as possible administrative datasets in such a way that they can be used for research. In this spectrum resources with unstructured and structured data can be distinguished. Unstructured data can be found on the Web. The internet provides information on many subjects (see: G. De Haan et al, 2011, p.522 ff) and populations. The real art is not to collect data but to find and make use of data already existing in digital environments/systems. This method is indicated by data mining or text mining. The problem with information on the Web is that to a certain extent it is not well defined, not reliable, partial and so on. For this reason, this type of information is probably

⁴ For this and the next section information was kindly provided by Mr. I. Gorissen and Mr. R. Blokzijl from CBS Statistics Netherlands, Mr. H. Van der Heul from UWV and Ms. T. Kras from UWV WERKbedrijf (the Public Employment branch of UWV).

of less use to ex durante or ex post evaluation of policy measures than information from linked administrative datasets.

In the Netherlands, the most elaborate databank is the so-called microdata set of CBS Statistics Netherlands.⁵ Labour-related data come from sources such as UWV, SVB, TNO, the tax authorities, municipalities, and so on. Microdata are anonymous data at the level of individual persons and businesses for statistical research. These are not all the datasets CBS Statistics Netherlands uses to compile its statistics. But CBS datasets not (yet) included may be made suitable for use by external researchers as custom-made datasets. Under the umbrella of 'microdata', datasets are available on labour and social security (SSB), education, enterprises, population, health care, branches and incomes and on thirteen other issues. Each issue contains several datasets. For instance the SSB contains over 70 datasets (ranging from 1999 to 2012). Not all the datasets derive from administrative data. For instance, an interesting and important dataset is based on an annual survey under a sample of the labour force. Because of this variety in origins of the data the quality fluctuates between variables and years. This quality is indicated by the CBS for each set of data.

The not publicly accessible parts (i.e. Statline) of the microdata can only be used on request by universities, research institutes of the Dutch government, or by policy research organisations. Because of the identifiable information regarding individual persons, enterprises, institutions or households all datasets remain on the dedicated server at CBS Statistics Netherlands and before statistical results are released all data will be checked. In addition and preliminary to access to data institutes, have to sign a declaration of secrecy and their researchers have to be permitted to work with microdata. It is obligatory to publish the reports and papers that are based on microdata analyses. The textbox below illustrates the application of microdata in policy research.

Example of dataset type 4: Self-employed workers without employees: survival of self-employment of three target groups

To conduct an extensive study on self-employed workers and on the conditions under which self-employment for members of three target groups (migrants, the elderly and people with disabilities) can provide an opportunity for participation in the labour market a dataset has been created out of the microdata set. The study concentrated on a cohort of self-employed who started in the years 2001 to 2003, which has been based on the *Social Statistical File (SSB)* on the Self-Employed containing information on fiscal profit, sector, and company size. Files have been linked and attached to this cohort by using an individual key on: jobs, unemployment benefits, social assistance, disability benefits, other benefits, pensions and the general old age pensions act.

Analysing this constructed dataset provided information if someone had a job as an employee, was self-employed (with or without employees), earned a benefit or pension or had a combination of these positions. In addition, the level of income, profit or benefit was known/retrieved and the sector in which the self-employed worked. Furthermore, we linked our database with the *municipal population registrations (GBA)* to add data on different (personal) characteristics of the starting self-employed. These characteristics were used in a so called 'survival analysis' to understand the factors that (could) affect the survival of self-employed businesses over years.

Another interesting application of administrative data in the field of labour and social security is delivered by UWV. The administrative data of UWV concerning social security arrangements are available for research by third parties only when they are contracted by UWV. Beside this, the public employment service section of UWV developed a labour market information system by using several UWV datasets (on non-working job searchers, job openings, unemployment benefits, working permits, dismissal permits, etc.).⁶ This system presents labour market information on a regional and sectoral level to employers,

⁵ For more information see: <http://www.cbs.nl/en-GB/menu/informatie/beleid/default.htm?Languageswitch=on>. Potential users will be supported by Centre for Policy Related Statistics (CvB).

⁶ See: https://www.werk.nl/werk_nl/werkgever/werkbedrijf/arbeidsmarkinfo (not available in English).

jobseekers and others, including researchers. Registered parties are able to construct their own reports online with the available data.

3 ASSESSMENT OF THE SUCCESS FACTORS AND TRANSFERABILITY

The value of using administrative data is primarily depending on data-related and institutional preconditions. We will refer to these below but first it is necessary to stipulate that using administrative data in the context of policy evaluations requires some attention in the field of the research practice itself. This is the case in two respects.

First, the application of administrative datasets cannot fully replace other quantitative or qualitative research methods. Administrative data deliver a wealth of data, but they are not created to answer policy questions. The Flanders papers mention in this context the soft information. More in general, administrative data generate opportunities to get common information about situations, distributions, causal relations, developments and so on. However, going in detail, getting insights in explanations and answers on why-questions requires more specific data gathering of quantitative and qualitative information. For this reason, in the study described in the example of dataset type 4, next to the described analysis, data have been surveyed from a questionnaire filled in by over 1200 self-employed and conducted interviews with experts and self employed. This resulted in more qualitative and in-depth information additional to the rich data derived from the microdata.

Secondly the application of administrative data presupposes (the striving for) a high standard of policy evaluation and policy knowledge. Without this ambition there will be a lack of public, political and finally institutional and financial support for making administrative data accessible for research and evaluation.

Data-related preconditions:

- (1) Administrative information needs to be digitalised in order to make it fit for use. Paper dossiers often contain non-uniform information and require too much preliminary activities to make the enclosed information accessible.
- (2) The quality of administrative data used for research needs to be sufficient. This quality depends on the urgency and need of being accurate in registering information in the administrative systems. Data that are of no direct use to them who have to enter them in these systems run a relatively higher risk to be inaccurate. It is important that there is an interest in delivering correct input (and input at all).
- (3) To produce enriched data for research at the level of individual persons and businesses there is a need for a 'linking pin'. In the Netherlands the linking pin for individuals is the so-called civil service number (Burger Service Nummer – BSN). It is used in all public databases. The Dutch equivalent for enterprises probably is the registration number of the Chamber of Commerce every legal enterprise needs to have.

Institutional preconditions:

- (1) It doesn't need much imagination to understand that organisations that administer datasets with confidential or privacy-sensitive information need to enjoy the confidence that they are capable of handling this information with the required carefulness. Too close links to the government, politics, supervisory bodies etc. are undesirable in this context. So a certain level of autonomy is important. The Dutch CBS is highly trusted in the Netherlands and ranks highly in international comparisons of reliability of national statistical agencies.
- (2) Although autonomy and reliability of organisations producing and using administrative data are important, some regulation about the use of identifiable information is no luxury. As described above, this regulation can be organised at the level of an organisation. Additionally, legislation and supervision with respect to privacy matters is helpful. In the Netherlands the Law on protection of person-related information (WBP) has been passed and the supervisory body in this field is the safeguarding board for the

protection of personal data (CBP). Several years ago the Dutch associations of policy and market research reached an agreement with the CPB on using privacy-sensitive data in research.

- (3) A coherent national dataset based on administrative data probably needs a principal agent. In the Netherlands the ministry of social affairs took the first steps. Nowadays other Ministries (Education, Culture and Science, Economic Affairs) are involved too.
- (4) This involvement and commitment is important to create the preconditions to build such a coherent national dataset like microdata in the Netherlands because it takes time, needs influence in 'data delivering' organisations and because it costs money. A lack of financial means will not only have consequences for the size of the dataset but also for the quality of the data.

4 QUESTIONS

For which type of policy evaluation administrative data are of use?

Because of their character they seem to fit best for ex ante, descriptive, explorative research. In practice they are more commonly used in ex post evaluations. For ex durante evaluation the time lag between the production and the availability of data can be a serious problem.

Is the usability of quantitative data based on administrative data not overestimated? It is always retrospective use of 'old' data.

What will be the influence of the growing use of digital media on the availability of different kinds of administrative data? Information that is hardly used for research and especially policy research at this moment.

ANNEX 1: SUMMARY TABLE

Approach to evaluation of labour market policies and programmes
<ul style="list-style-type: none"> The main objectives of the Dutch Ministry of Social Affairs and Employment (SZW) are policy development and enforcement of laws and regulations. SZW is not involved in policy implementation and policy administration. The available budget for <i>external</i> evaluations has been decreasing over the last years and so is the spending. Policy information it is not always usable and used. Available information is not sufficient to judge policy outcomes and is not incorporated in policy planning completely and in time. The role of problem exploring and phenomenon describing research is decreasing. Monitoring and evaluation is increasingly organised by linking databases of different authorities and organisations.
Assessment of the policy measure
<ul style="list-style-type: none"> In the Netherlands, the most elaborate databank is the so-called microdata set of CBS Statistics Netherlands. Other interesting applications of administrative data in the field of labour and social security are the administrative data of UWV concerning social security arrangements and the labour market information system of the public employment service section of UWV.
Evaluation using administrative datasets
<ul style="list-style-type: none"> Contrary to survey data, administrative data are not collected at the request of the researcher but for purposes outside the reach of researchers and their commissioners. The better/more datasets can be linked with each other the more records and/or variables and/or data over a longer period of time can be expected to be found in the constructed combined dataset. The value of using administrative data is primarily depending on data-related and institutional preconditions. The application of administrative datasets cannot fully replace other quantitative or qualitative research methods. The application of administrative data presupposes (the striving for) a high standard of policy evaluation and policy knowledge. Without this ambition there will be a lack of public, political and finally institutional and financial support for making administrative data accessible for research and evaluation.
Questions
<ul style="list-style-type: none"> For which type of policy evaluation administrative data are of use? Is the usability of quantitative data based on administrative data not overestimated? It is always retrospective use of 'old' data. What will be the influence of the growing use of digital media on the availability of different kinds of administrative data?

