



Boosting evidence-based
policy making for
economic development
policies in Italy

BOOSTING EVIDENCE-BASED POLICY MAKING FOR ECONOMIC DEVELOPMENT IN ITALY

Key findings

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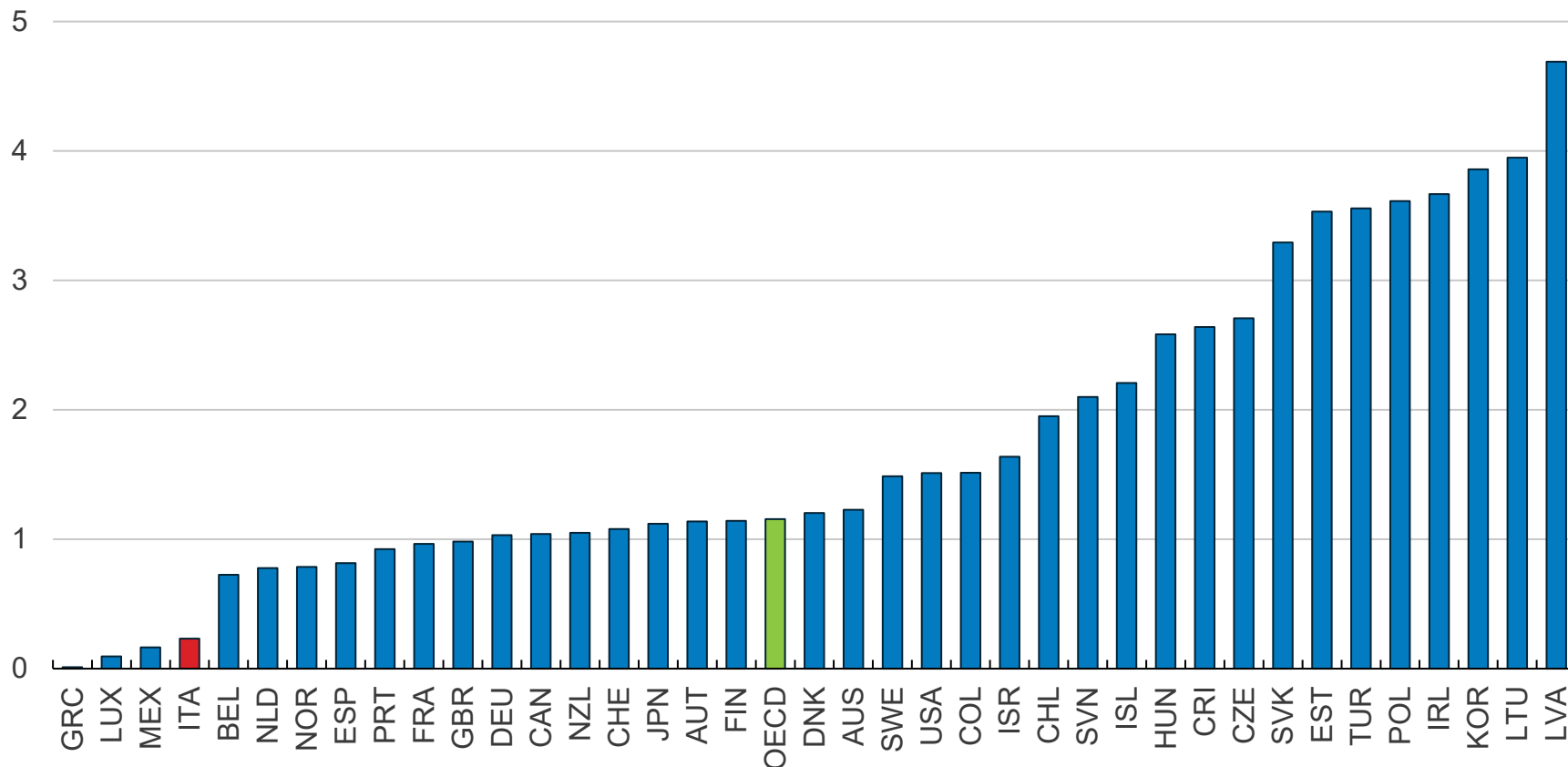
The project was funded by the European Union via the Technical Support Instrument, and implemented by the OECD, in cooperation with the Directorate General for Structural Reform Support of the European Commission





Productivity growth in Italy has been below OECD average

Average annual growth rate of GDP per hour worked (%)
Constant prices, 2000-2019

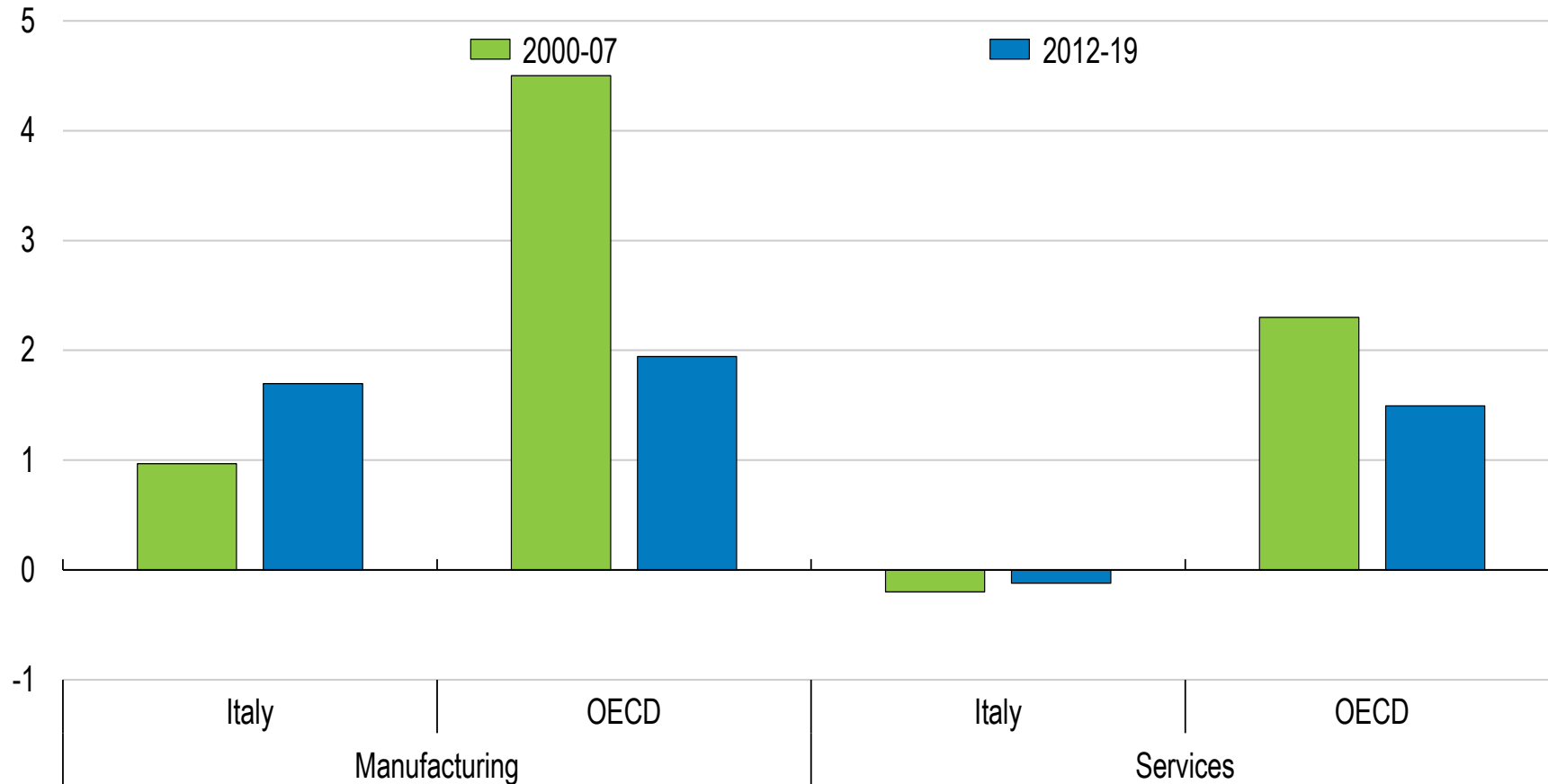


Source: OECD Productivity database.



Productivity in manufacturing has improved but productivity in services still lag behind in Italy

Average annual growth in real gross value added per worker (%)

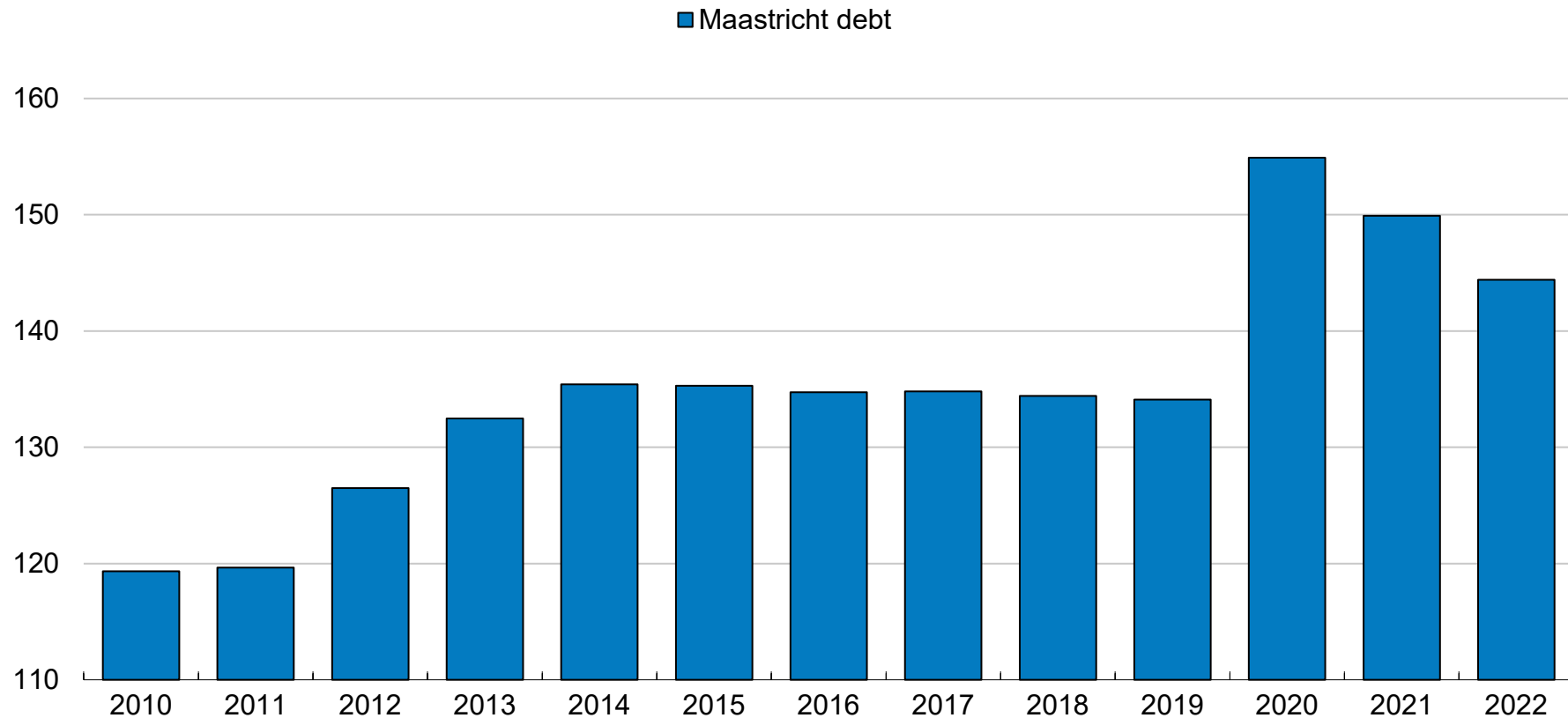


Source: OECD Productivity database.



Large public debt and fiscal pressure make targeted spending even more important

Government debt (%GDP)



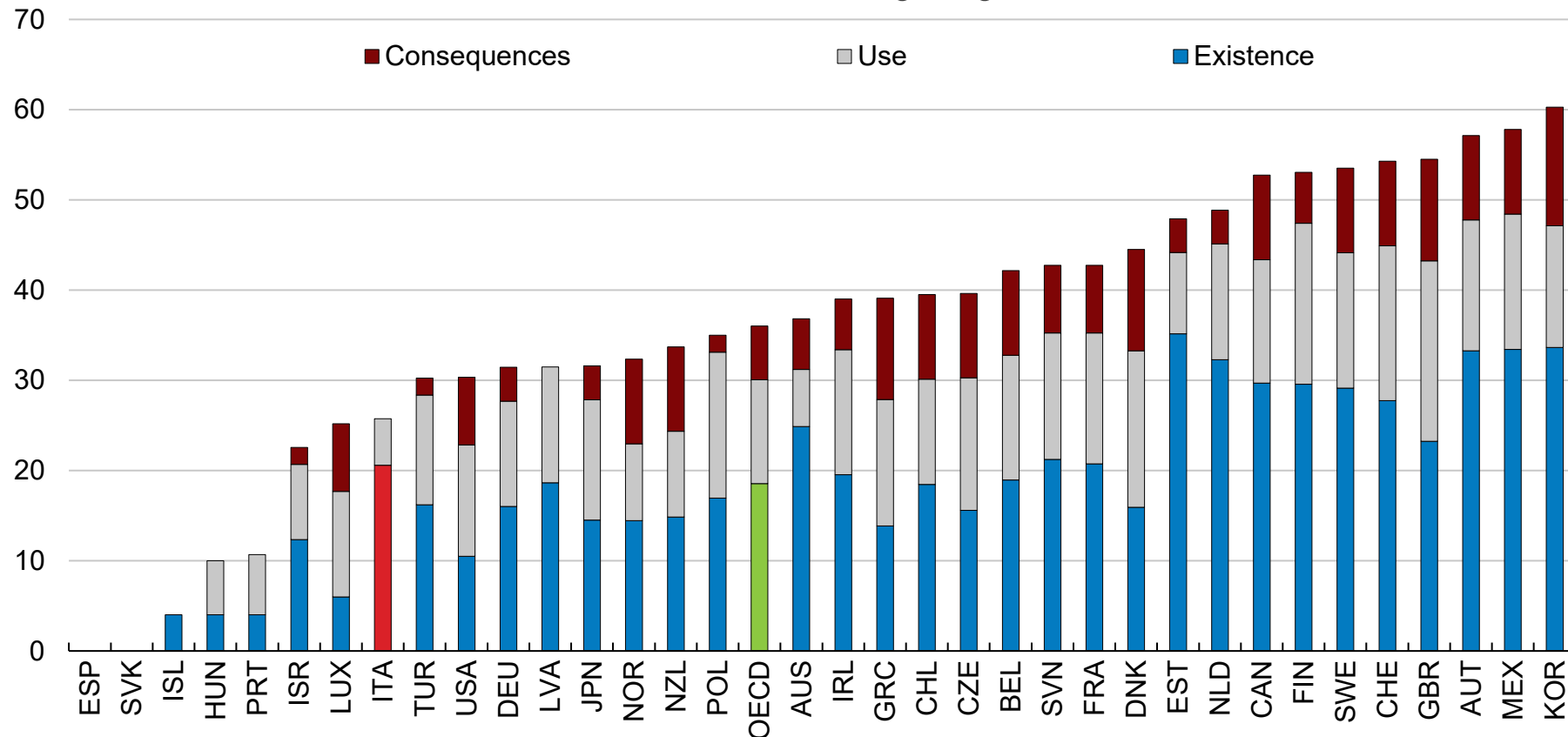
Note: Government debt is defined as the debt of the whole general government sector: gross, consolidated and nominal value (face value) (as defined in the Maastricht Treaty).

Source: OECD (2023), OECD National Accounts Statistics.



The use of evidence for policy making needs to improve in Italy

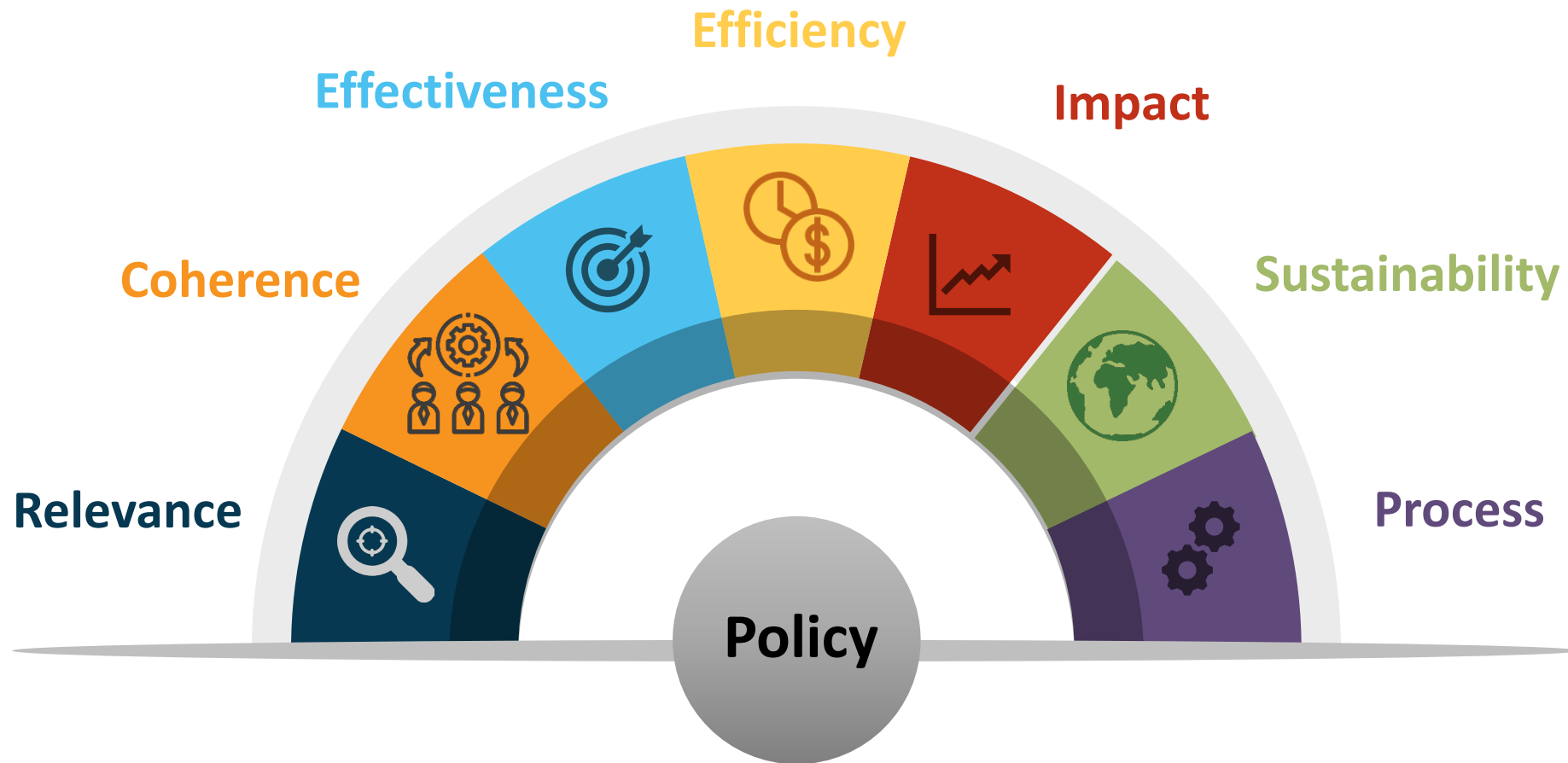
Use of performance indicators in budgetary choices
OECD Performance Budgeting Index



Source: OECD (2021), OECD Economic Surveys: Italy 2021, OECD Publishing, Paris.



Strengthening the use of evidence and data can improve policy outcomes



Source: OECD (2023), Boosting evidence-based policy making for economic development in Italy.



A new analytical unit at MIMIT: the Centro Studi



Establishment of a dedicated unit for policy evaluation in 2021

- Replacing the former Statistical Office, responsible for feeding data into the SISTAN



A range of responsibilities and functions

- Ex-ante, in-itinere and ex-post evaluations of MIMIT policies (including NRRP measures)
- Coordination of the statistical activities by DGs
- Collaboration with other public institutions on data collection and analysis



Growing team and activities

- Ongoing developments under new leadership and additional recruitment



Supporting the use of evidence at MIMIT



Consulting and interacting with key Italian institutions and stakeholders



Peer learning and good practices



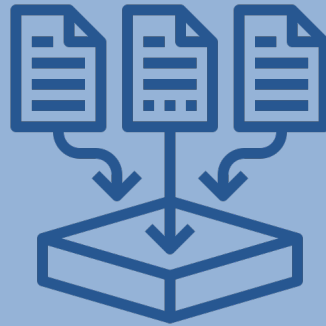
Guidance and applications: pilot evaluation and action plan



Towards a roadmap to strengthen evidence-based policies: Three key dimensions



**Strengthening
the Centro
Studi's
governance**



**Enhancing the
Centro Studi's
data capacities**



**Developing the
practice of
quantifying
policy impacts**



A roadmap for action

Governance, coordination and skills need to be strengthened

- ✓ Need for planning and coordination of policy evaluations
- ✓ Importance of investing in strong evaluation capacities
- ✓ Potential to develop partnerships within and outside government

Data should be better integrated and become more accessible

- ✓ Need to fully exploit the evidence already collected
- ✓ Breaking down the data silos within the ministry and with managing entities
- ✓ Developing a comprehensive data infrastructure

Quantifying policy impacts throughout the policy cycle can strengthen MIMIT's policies

- ✓ Embedding data collection in policy design
- ✓ Developing descriptive statistics and indicators to help strengthen monitoring
- ✓ Designing and conducting ex-ante, in-itinere and ex-post evaluations



BOOSTING EVIDENCE-BASED POLICY MAKING FOR ECONOMIC DEVELOPMENT IN ITALY

Assessment, good practices and recommendations

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STRENGTHENING THE GOVERNANCE OF THE CENTRO STUDI



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Key opportunities for strengthening the Centro Studi's governance

Some important enabling conditions are in place to step up the use of evidence in policy making

- **An emerging culture of policy monitoring and transparency** in several D.G.s of MIMIT
- **Opportunities for collaboration with key Italian institutions** interested in policy evaluation in this area (e.g. Istat, Camere di Commercio, Invitalia, universities)
- **Initial investments in the institutional set-up**, the capacity to supply and to use evaluation and evidence



Key challenges for the Centro Studi's governance

Gaps remain in the current institutional set-up

- An emphasis on “**compliance**” and “**supervisory functions**” rather than policy learning
- **Analytical activities conducted in silos**
- **Limited systematic exchanges, collaborations and partnerships** with fundamental actors in the field
- **Scarce availability of analytical skills inside MIMIT**, attraction and retention challenges
- **Lack of planning for analytical activities** to create space for advanced analysis



Mobilising good practices

Drawing on OECD comparative evidence at international level



UK Evaluation Networks



Evaluation Plans: Ireland and Sweden



Evaluation Portal in Canada



Communicating evaluations effectively in France

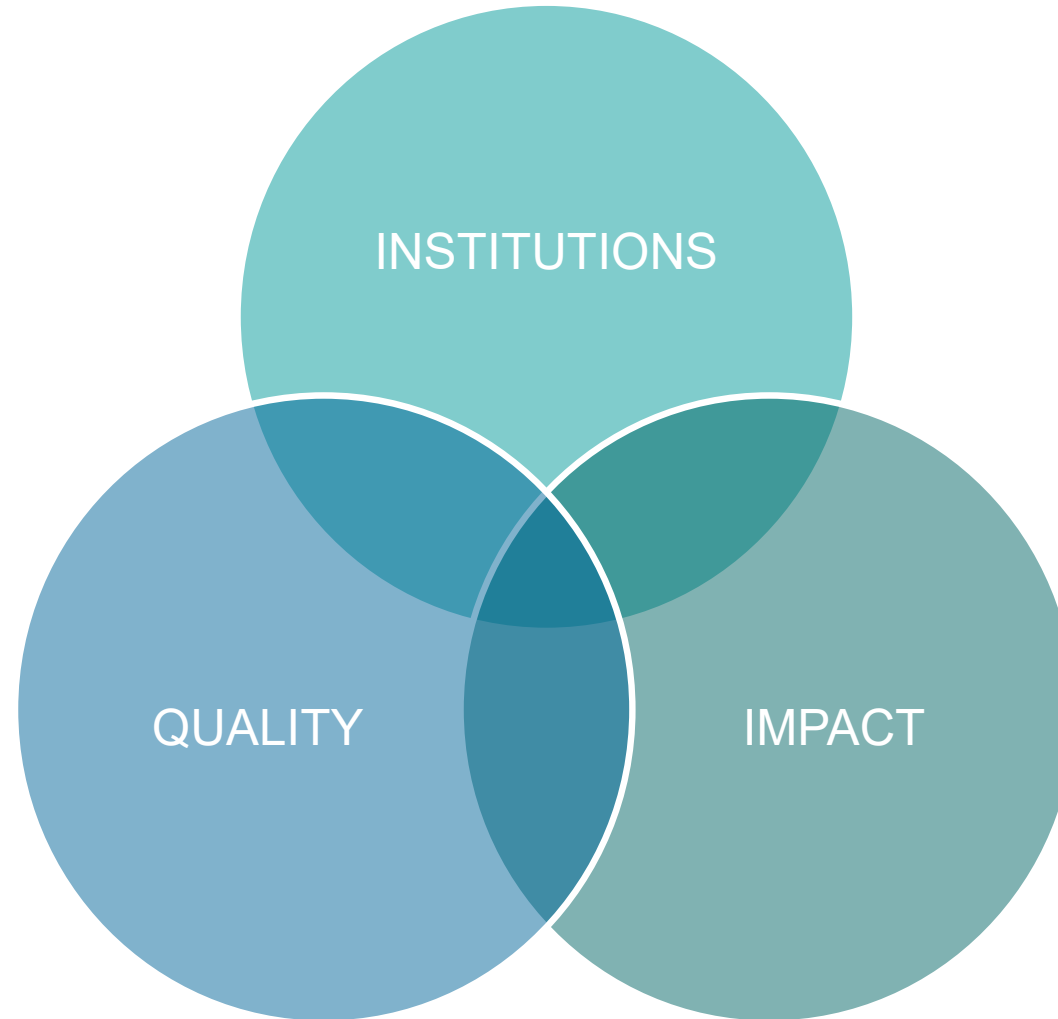
Mobilising good domestic practices



VisitINPS in Italy



Drawing on OECD Recommendation on Policy Evaluation





Key recommendations to improve the governance

Improving the governance of the Centro Studi

- Build internal coordination mechanisms
- Develop an evaluation plan

Strengthen capacity for supplying evaluations

- Recruit and retain staff with analytical and quantification skills
- Encourage secondments, and create programmes to attract researchers on a time bound basis

Promote high-quality trustworthy evaluations

- Establish a peer review mechanism
- Establish a scientific advisory council

Ensuring policy impact and dissemination

- Use results of evaluation in policy and budgetary decisions
- Make evaluation public by default
- Tailor communication of evaluation results



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ENHANCING THE CENTRO STUDI'S DATA CAPACITIES





Key opportunities for the Centro Studi's data capacities

Some promising preconditions for the use of data in the Centro Studi

- MIMIT already collects and has access to a **wide range of data on policies** (single incentives managed by the DGs, RNA, NBDA, surveys, etc.)
- **Managing entities** also collect detailed firm-data on beneficiaries and conduct ad-hoc surveys to monitor MIMIT policies
- The collection of firm **data across National institutions in Italy is extremely developed**:
 - *Chambers of Commerce, Social Security Institute, Bank of Italy, Tax Agency, National Statistical Institute have extensive data capabilities*
 - *The National Statistical Institute has integrated most of these data on the basis of a Business Registry backbone (ASIA-FRAME)*
- **Huge potential from data integration within MIMIT and with external sources** (e.g., the Pilot Evaluation: studying complementarities between policies, characteristics of beneficiaries, impact evaluation of Nuova Sabatini incentive, etc.)



Key challenges for the Centro Studi's data capacities

Gaps in data infrastructure and skills

- The presence of “**data silos**” limits data sharing within the Ministry with consequences for data integration and analysis
- **Surveys are often not designed for policy evaluations** (no follow-ups/ group control/ quality checks)
- **Accessing and integrating micro-data** available from external providers is limited and often occurs on a one-time basis
- **The Centro Studi lacks an IT infrastructure** to perform policy analysis
- **Data skills at the Centro Studi need further strengthening** to administer and use an integrated data infrastructure for policy analysis
- **Data sharing solutions with external researchers are limited** (ad-hoc agreements, internships or external collaborations)



Mobilising good practices

The report identifies several good practices on data collection, integration, storage and usage:



- **Conducting longitudinal surveys to monitor policy outcomes and firm performance: the Longitudinal Small Business Survey of UK BEIS**



- **Integrating administrative and survey data: the ESANE system of INSEE – France**



- **Enhancing data skills: the Australian “Data Skills and Capability Framework”**



- **Sharing data for its effective use: the Research Data Centre of the Bank of Italy**



Key recommendations to enhance data capacities

Breaking down data silos

- Conduct a census of collected data on policies and surveys
- Set out regulations and procedures to share the data between the Centro Studi and DGs

Stepping-up the informational capabilities of firm surveys

- Implement guidelines for conducting surveys, create a Survey Registry, develop periodic surveys

Strengthening IT capabilities

- Develop the IT infrastructure: acquire tools and hardware to store data and perform analyses
- Strengthen IT, economic and statistical skills, also leveraging the support of other National institutions (ISTAT, Bank of Italy, ...)



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DEVELOPING THE PRACTICE OF QUANTIFYING POLICY IMPACTS





Key opportunities for the quantification of policy impacts

Emerging practices for the quantification of impacts

- **Emerging use of data/evidence** in policy design and implementation
- **Requirements for monitoring and evaluation** have been included in the design of some policies, providing an incentive to use evidence when evaluating policy impacts more systematically (e.g. Start-Up Act legislation)
- **A set of existing policy evaluations**, mostly conducted by institutions outside the Ministry, have in some instances been used to adjust MIMIT policies



Key challenges for the quantification of policy impacts

Need to develop more systematic quantification practices

- Policy evaluations are performed **mostly ad-hoc**
- With the exception of EU-funded programmes, **ex-ante evaluations are not systematically conducted**
- The Ministry could benefit from **tailored guidance on the application of quantification methods** to different policy instruments
- Need for improved **capacity to produce ex-ante, in-itinere and ex-post evaluations in house**



Mobilising good practices

Learning from case studies on a range of quantification methods:

Ex-ante



- Using Cost-Benefit Analysis to assess enterprise loan schemes in Ireland

In-itinere



- Analysing firms' growth patterns in the Netherlands through modeling and advanced descriptive statistics

Ex-post: matching methods and difference-in-difference



- Evaluating the impact of R&D tax incentives in Portugal (SIFIDE)



- Evaluating R&D support programmes funded through European Funds in Spain



Key recommendations for the quantification of policy impacts

Quantifying policy impacts throughout the policy cycle can strengthen the Ministry's support for the economy

- Embed data collection in policy design
- Improve the use of descriptive statistics on policy take-up to inform monitoring
- Strengthen ex-ante assessments to embed quantification practices in the design of policies
- Plan and start designing counterfactual evaluations for ex-post and in-itinere policy assessments to systematise the quantification of impacts

READ THE REPORT:

<https://www.oecd.org/economy/italy-economic-snapshot/>



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