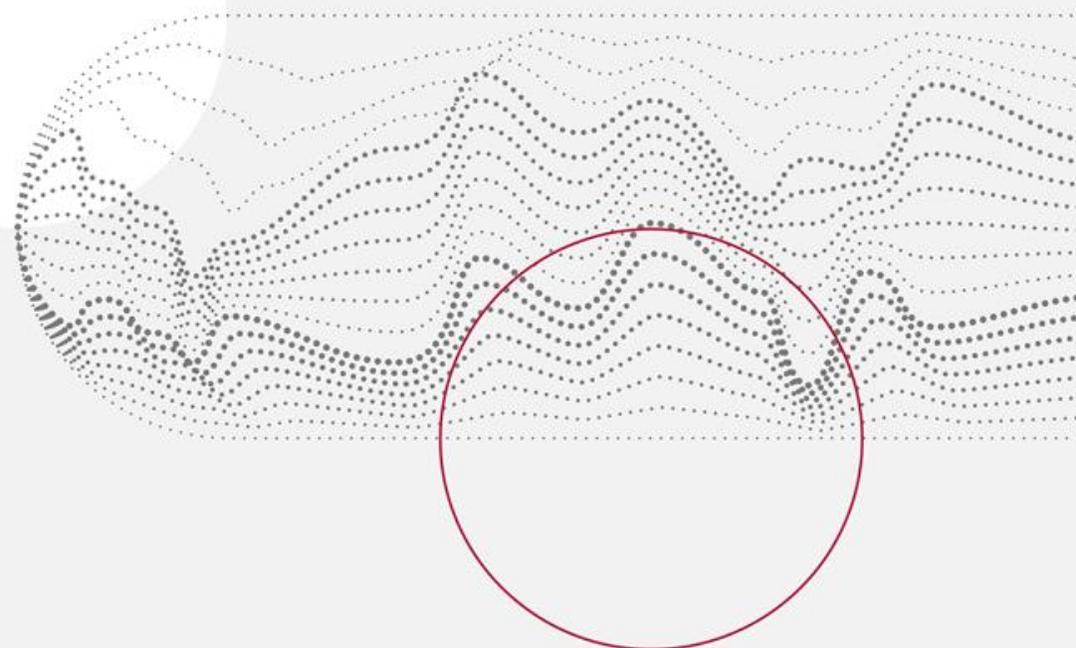


YOUTH EMPLOYMENT
INITIATIVE IN POLAND
Riga, June 2017

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Presentation agenda



- Outline of the presentation
 - Youth Employment Initiative in Poland – general issues
 - Monitoring of the program
 - Net effectiveness of the program
- Disclaimer: this presentation is on behalf of Polish Ministry of Economic Development, but all errors are my own

Youth Employment Initiative in Poland



- 550 mln euro to counteract joblessness among youth
- 400 thousand people expected to take part in YEI measures
- Additional financing from European Social Fund for regions not eligible for YEI support
 - almost 2 bln EUR to implement Youth Guarantee
- YEI measures (with additional financing) implemented under PI 1 OP KED

The target groups



- Program targets NEETs aged **15-29**, according to Polish definition of Youth Guarantee
- In Poland, people aged 25-29 are more disadvantaged (21% of NEETs)
than aged 15-24 years (12%)
- Up to now, the share of people under 18 is very low (1%)
- The 18-24 year old make 60% of targeted people, the rest (40%) are those aged 25-29

Three intervention schemes



- There are three intervention schemes associated labour market activation measures provided from different kinds of institutions:
 - Local Labour Offices (LLOs) – 90%
 - Voluntary Labour Corps (VLCs) – 10%
 - institutions selected in competitions by Regional Labour Offices and the Ministry – 1% up to now

Two main institutions differ a lot



	voluntary labour corps	local labour offices
targeted individuals	'difficult' youth	registered unemployed
age	15-24	18-29
institution's expertise	intensive work with school dropouts and youth distant from the labour market	focus on <i>hard</i> measures strongly promoting employability
av. number of activities	8	3
av. time of intervention	400 days	120 days

MONITORING OF THE OUTCOMES

Structure of the evaluation



- The evaluation consists of three modules:

6-MONTHS GROSS EFFECTIVENESS FOR THE EU REPORTING PURPOSES

PANEL STUDY (SECOND INTERVIEW AFTER 12 MONTHS)

NET EFFECTIVENESS

6 months indicators



- There are calculated four outcome indicators regarding YEI to meet EU reporting requirements
 - the number of people participating in **education or training**
 - the number of people **working** (including self-employed)
 - the number of **self-employed**
 - the number of people **working from the socially disadvantaged groups**
- They are calculated based on phone interviews (1400 interviews each year)
- From the next year we will have access to Social Security data for all people in intervention

6 months indicators



Indicators	2014 – June 2015	July 2015 - June 2016	Managing Authority target
people participating in education or training	17%	27%	44%
people working (including self-employed)	76%	59%	58%
people self-employed	42%	14%	23%
people working from socially disadvantaged groups	73%	54%	-

6 months indicators



Indicators	2014 – June 2015	July 2015 - June 2016	Managing Authority target
people participating in education or training	17%	27%	44%
people working (including self-employed)	76%	59%	58%
people self-employed	42%	14%	23%
people working from socially disadvantaged groups	73%	54%	-
people who stayed in NEET category	15%	25%	-

Panel study



- Second interview 18 months after leaving intervention (12 months after first interview)
- It reveals long-lasting effects of the program:
 - 87% individuals kept being in employment
 - 82% kept being in self-employment
 - 70% continued education, half of those who left education found a job
 - half of NEET left a NEET category

Other issues identified



- Evidence of creaming/self-selection into specific forms of support (it is a general observation rather than specific for YEI)
 - Better educated individuals more often apply for grant to start a business and other financial measures
 - Men are twice likely to be given a grant to start a business than women
- Strong dependance of self-employment on being given a grant:
94% of the self-employed were given a grant

High quality of post-program employment questioned



- Employment is low-paid: most people earn little above the minimum wage
- Large gender gap in earnings: women earn 30% less than men
- Most people have job contract – 88%, but for most for them it is a temporary contract (however it is a result of being at the beginning of job career)

But good results among the underprivileged youth



- High gross effectiveness for socially disadvantaged groups
 - Outcomes similar for individuals from socially disadvantaged groups and not
 - Only 2pp difference between post-program employment rates for people with disabilities and without

NET EFFECTIVENESS

Two counterfactual analyses



The **first** counterfactual analysis (to be conducted)

Treatment group: individuals who took part in post-intervention interviews (7 000)

Control group: NEETs not taking part in the intervention (2 000)

Method: PSM

Control: age, gender, unemployment duration, education, household situation and city size

Two counterfactual analyses



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The **second** one (initially not planned)

Bases on administrative data from the unemployment registers

More on further slides

Using administrative data for counterfactual analysis



- Little usage of administrative data for policy assessment as so far
- Administrative registers are fragmented and not connected
- The main obstacle is due to personal data protection

- Thanks to cooperation with the Managing Authority, we obtained access to the database of the unemployment register (CeSAR)

Unemployment register database (CeSAR)



- 10 milion single entries for people aged 18-29
- Each entry corresponds to unemployment spell with exact dates of entering and leaving the unemployment register
- The database includes information on:
 - Characteristics of individuals
 - Labour market activation measures with exact dates and source of their financing
 - Declared reason of leaving the register (but a lot of missings)

Outcome indicator



- The ideal outcome indicator would be that an individual is employed 6 months after intervention.... however there is no such information in the CeSAR database

Outcome indicator



- The ideal outcome indicator would be that an individual is employed 6 months after intervention.... however there is no such information in the CeSAR database
- Instead, we use two indicators of intervention success:
 - Success 1: an individual left the register for at least 6 months (no reason specified)
 - Success 2: an individual left the register for at least 6 months and *declared* the leaving was due to taking up a job

Treatment and control groups



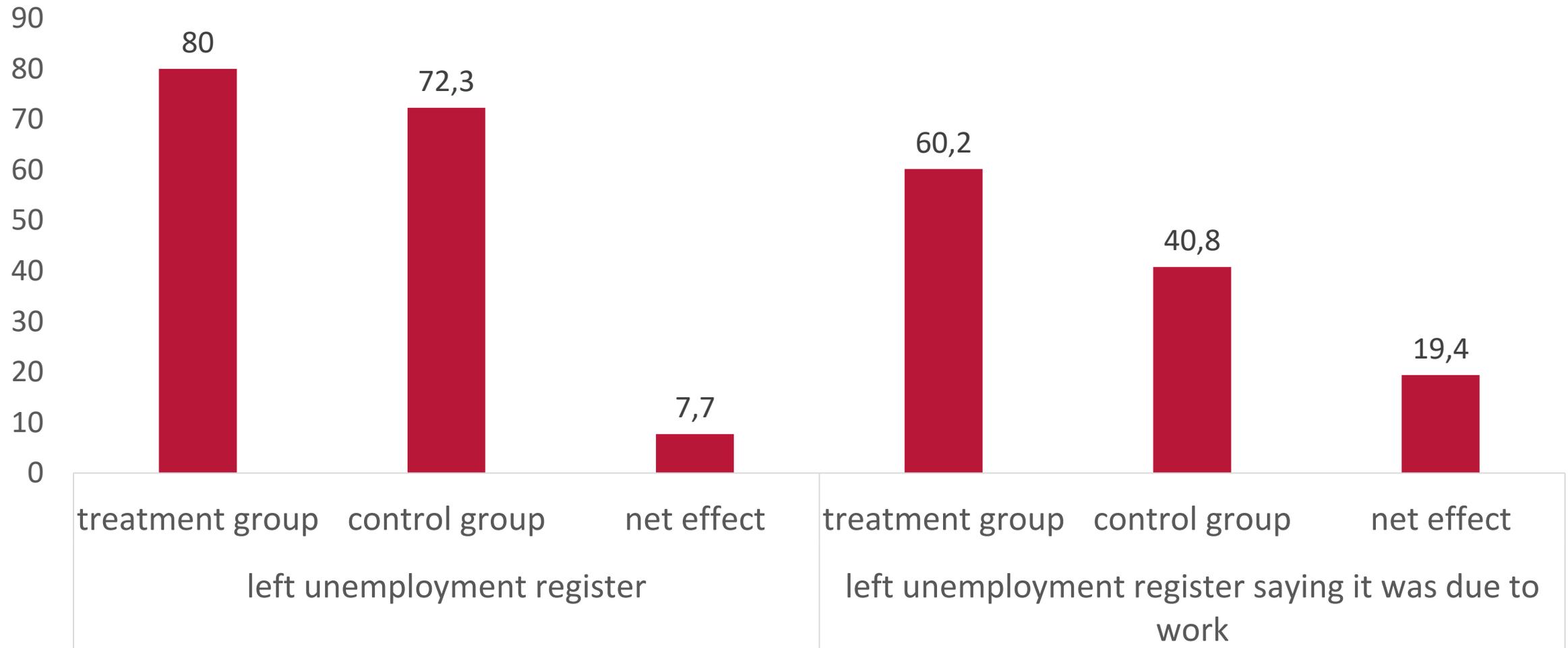
- Coarsened Exact Matching method
- Treatment group:
 - all young individuals who took part in Youth Guarantee measures under OP KED, which is a full program population for LLOs
 - 208 thousand in the treatment group
 - 10 individuals (out of 200 000) are not matched
- Control group:
 - 3 100 thousand individuals in the control group
 - on average, 15 twins for a treated individual

Control variables

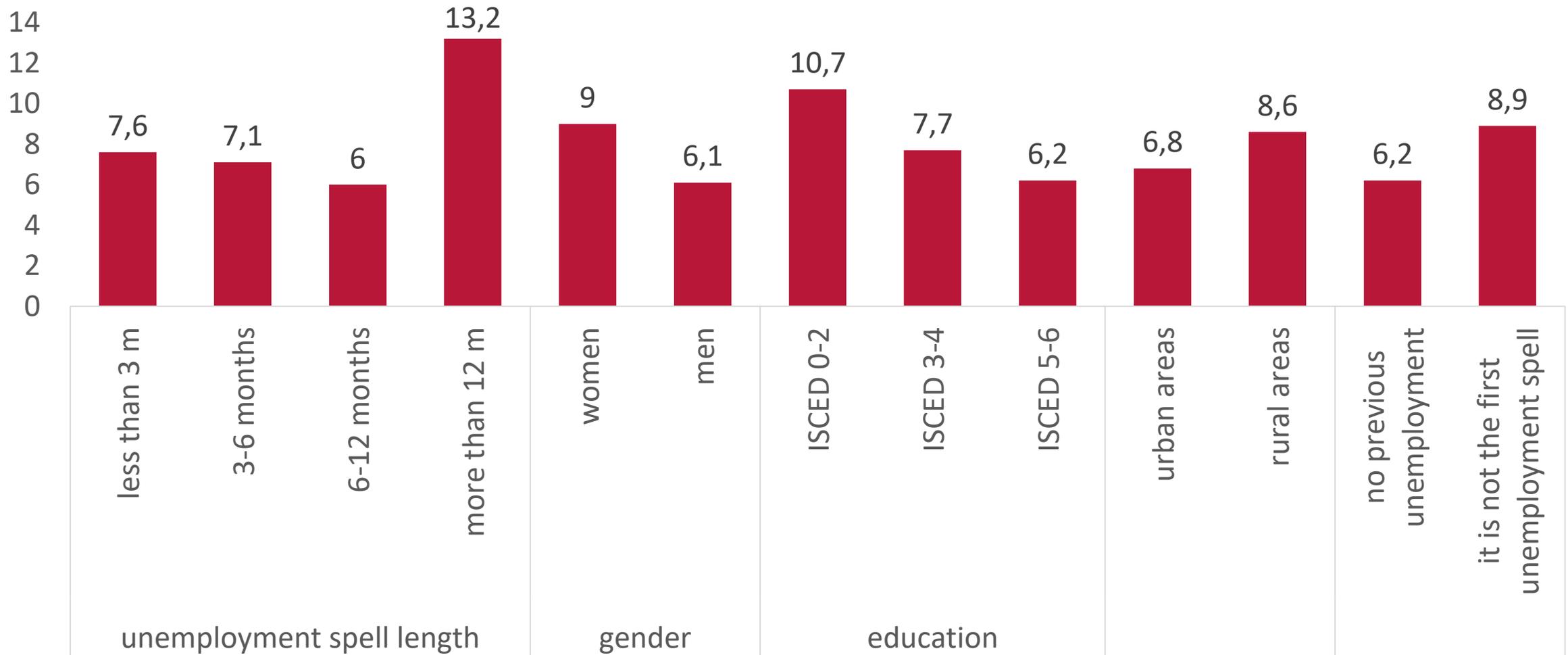


- Control variables include:
 - gender
 - age (18-24, 25-29)
 - education
 - urbanization (rural / urban areas)
 - previous unemployment spells
 - previous job experience
 - a quarter of year when entrance into the register took place
 - poviat types (depending on unemployment rates)

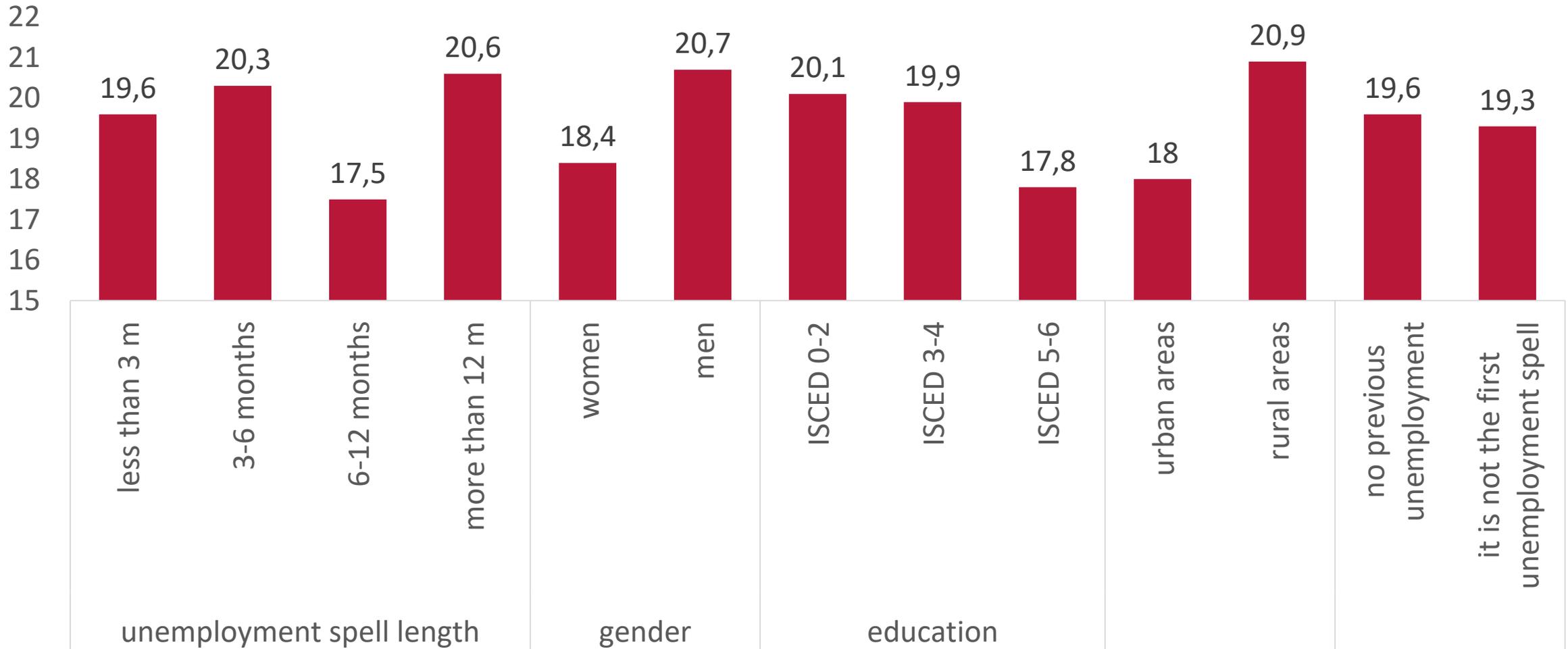
Results of the analysis



Net effect: left unemployment register



Net effect: left unemployment saying it was due to work



Summary of the counterfactual analysis



- The intervention has positive impact on chances to leave the unemployment register

This result prevails across all subgroups and for the two outcome indicators

- Net effect is larger in case of individuals in less favourable labour market condition

(lower education, rural areas, females, previous unemployment spells)

- Gross and net effectiveness correlate negatively: the higher gross effect, the lower net effect

POLICY CHALLENGES

Policy challenges



- Gender issues revealed: gender pay gap and selection to different measures
- More attention should be paid to quality of post-intervention employment
- Negative correlation between gross and net effectiveness might give wrong incentives for LLOs and consequently decrease total net effectiveness of the program
- Further access to administrative data needed → using SS data for counterfactual analysis

Thank you for your attention!

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