

# Effectiveness of Youth Employment Initiative in Poland

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# Intervention

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- In 2013, European Commission proposed Youth Guarantee as an answer to high joblessness among the youth
- The Youth Guarantee is *„a commitment by all Member States to ensure that all young people under the age of 25 years receive a good quality offer of employment, continued education, apprenticeship, traineeship within a period of four months of becoming unemployed or leaving formal education”*
- The rationale behind Youth Guarantee is to provide early and complex intervention

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# Youth Employment Initiative in Poland

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- Youth Employment Initiative is a financing tool to implement Youth Guarantee
- 550 mln euro to counteract joblessness among youth
- Additional financing from European Social Fund for regions not eligible for YEI support
- → almost 2 bln EUR to implement Youth Guarantee
- 400 thousand people expected to take part in the intervention

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# The target group

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- 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%)

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# Intervention consists of three intervention schemes

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- There are three intervention schemes, each associated with different type of institution providing intervention:
  - Local Labour Offices (Powiatowe Urzędy Pracy) – 90%
  - Voluntary Labour Corps (Ochotnicze Hufce Pracy) – 10%
  - institutions selected in competitions by Regional Labour Offices and the Ministry – 1% up to now

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# Simple characteristics of intervention in LLOs

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targeted individuals	registered unemployed
age	18-29
institution's expertise	focus on <i>hard</i> measures strongly promoting employability
av. number of activities	3
av. time of intervention	120 days

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# Evaluation

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- We conduct evaluation of Youth Employment Initiative intervention which is commissioned by the Ministry of Development
- 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
- However, we managed to obtain access to the database of the unemployment register (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. Return to unemployment is observed.
- 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)



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# Outcome indicator

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- 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

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# Outcome indicator

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- 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

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# Treatment group and control group

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- Treatment group:
  - all young individuals who took part in YEI measures, which is a full program population for LLOs
  - 208 thousand in the treatment group
- Control group (pre-matching):
  - young individuals registered in LLOs who did not take part in the intervention
  - 4 230 thousand individuals

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# Control variables

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- Control variables include:
  - time in unemployment register (0-3, 4-6, 7-12, and over 12 months)
  - gender
  - age (18-24, 25-29)
  - education (three levels)
  - urbanization (rural / urban areas)
  - previous unemployment spells (yes/no)
  - previous job experience (no, less than 2 years, more than 2 years)
  - a quarter of year when entrance into the register took place
  - powiat types (4 types depending on unemployment rates)

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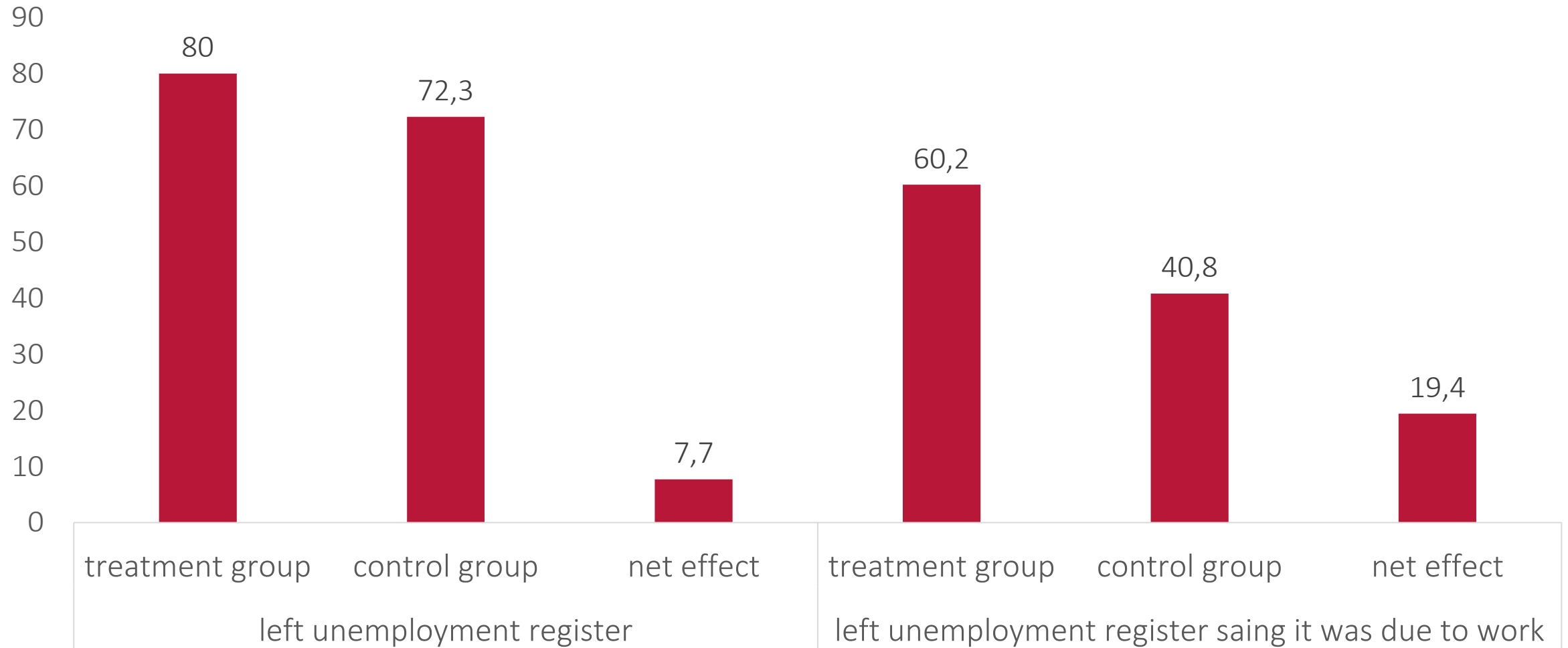
# Matching

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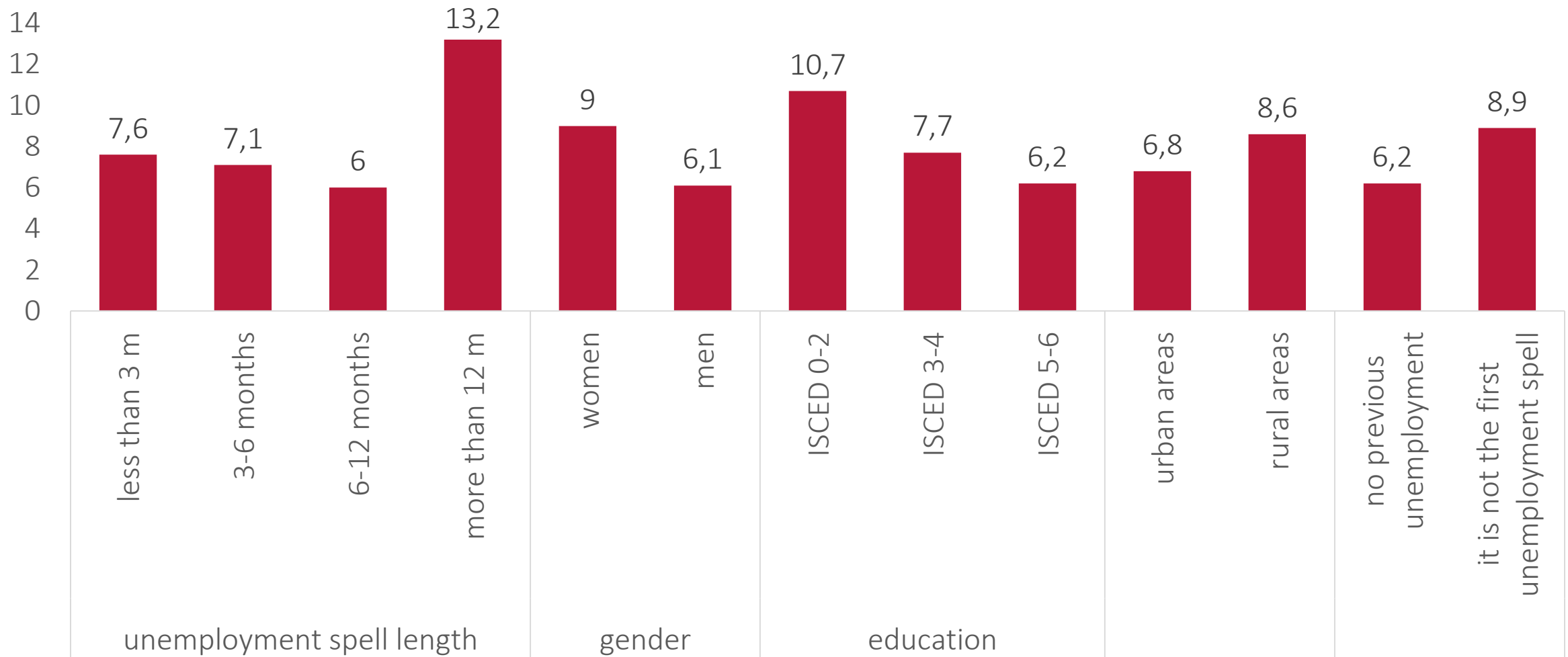


- Coarsened Exact Matching used. 4 200 strata (cells)
- The limitation of exact matching is that it often produces very few matches unless you have very rich control group
- However CeSAR is rich enough: only 10 individuals are not matched
- 3 100 thousand individuals matched in the control group. 15 twins for a treated individual
- The advantage of exact matching is that it is needed only to compare means to obtain ATE

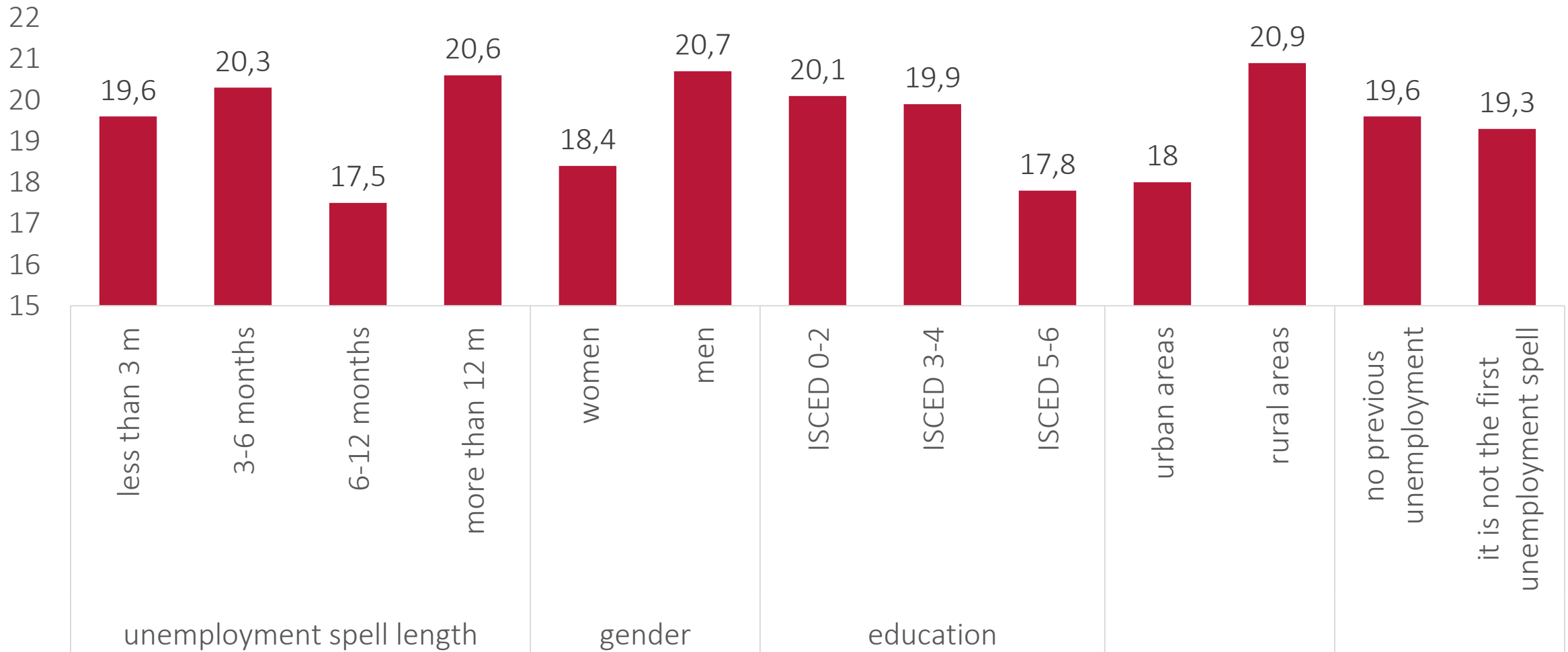
# Results



# Net effect: left unemployment register



# Net effect: left unemployment saying it was due to work





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# Summary of the counterfactual analysis

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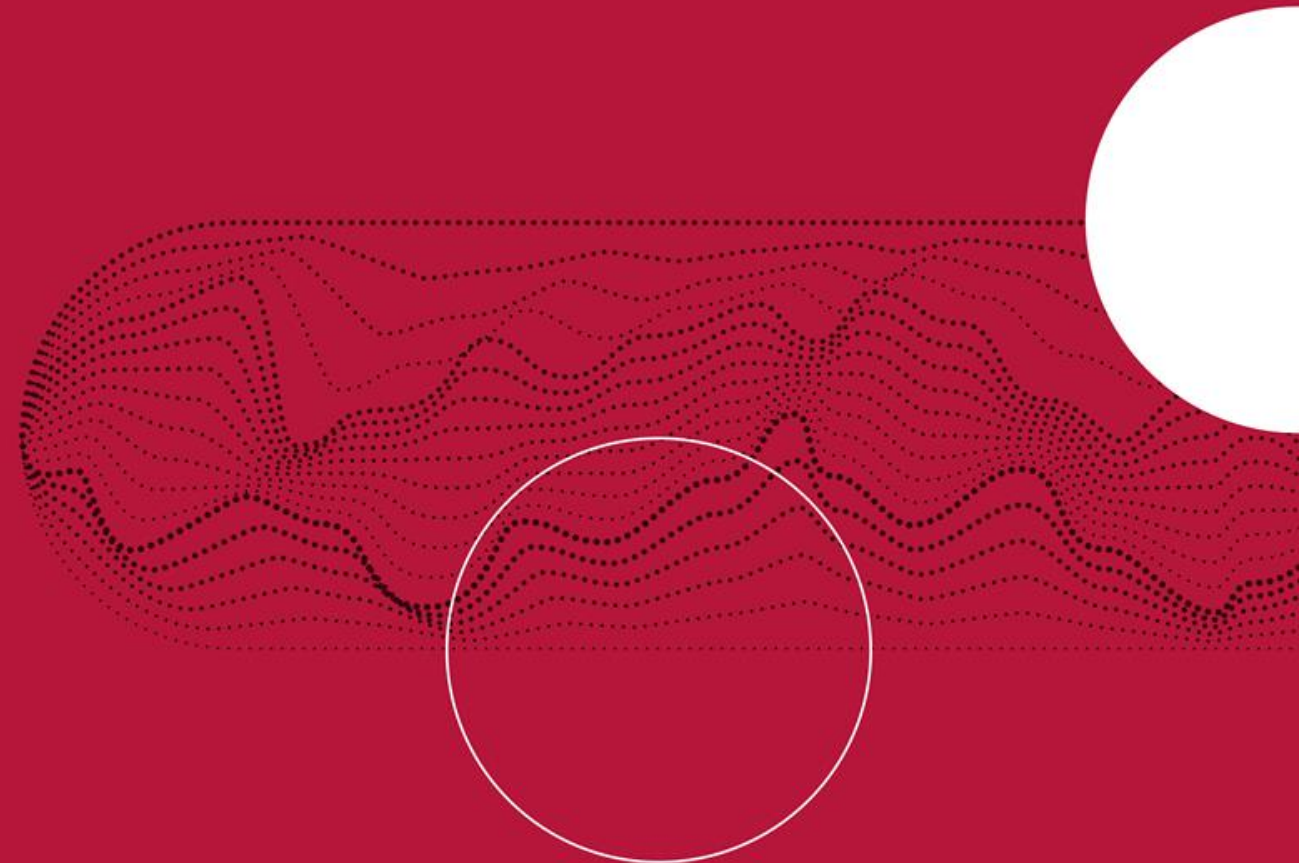
- The intervention has positive impact on chances to leave the unemployment register  
This result prevails across all subgroups and for the two outcome indicators
- Net effect is larger in case of individuals in less favourable labour market condition  
(lower education, rural areas, females, previous unemployment spells)
- Gross and net effects correlate negatively: the higher gross effect, the lower net effect  
→ possible wrong incentives for the LLOs

Thank you for your attention.

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# Single intervention measures (most popular)

