

# The effectiveness of youth labour market intervention in Poland Budapest, September 2017

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# Youth Employment Initiative intervention

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- IBS conducts evaluation of Youth Employment Initiative intervention, which is commissioned by the Ministry of Development
- Youth Employment Initiative (YEI) is a financing tool to implement Youth Guarantee
- It addresses joblessness among NEETs, i.e. young individuals who are not in employment, training or education, aged 15-29
- YEI in Poland accounts for 550 mln EUR, but with additional financing from European Social Fund it is almost 2 bln EUR

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# Youth Employment Initiative intervention

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- 400 thousand people expected to take part in the intervention by 2020
- The intervention is complex:
  - two different types of intervention providers (Local Labour Offices and Voluntary Labour Corps)
  - multiple measures given at the same time

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# Use of administrative data for policy evaluation

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- Little usage of administrative data for policy assessment as so far, and no systematic one
- The main obstacle is due to very strict regulations referring to personal data protection
- Unclear regulations and risk of law violation discourage to use administrative data
- However the attitude has been changing in last few years
- Administrative registers are fragmented, managed by different public institutions and they are not easily connected -> initiative by the Ministry of Digitization

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# The counterfactual analysis

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- Initially we planned to base counterfactual analysis on survey results
- The control group would be 2000 observations and delivered at the end of the project
- But we proposed using administrative data as an alternative way to conduct counterfactual analysis and managed to obtain access to administrative database CeSAR
- Obtaining the database required half a year of interministerial negotiations

- The database is administered by the Ministry of Labour
- 10 milion single entries for people aged 18-29 who registered in Local Labour Offices
- 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 support measures with exact dates and source of their financing

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# Advantages and disadvantages of CeSAR database

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- Advantages:
  - very large number of observations: virtually all individuals in intervention and large control group
  - in the database we see returns to unemployment and all previous unemployment spells with exact timing (it is more reliable than retrospective questions in surveys)

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# Advantages and disadvantages of CeSAR database

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- There is still a lot of limitations:
  - there is no information on post-intervention employment
  - although data on earnings can be imported from Social Security database, they do not cover all types of contracts
  - no information on quality of employment
  - we do not see people who are outside unemployment register: full-time students; skilled workers
  - there is a lot of people who are in the register but they are economically inactive
  - the database is apparently prone to mistakes during introducing data



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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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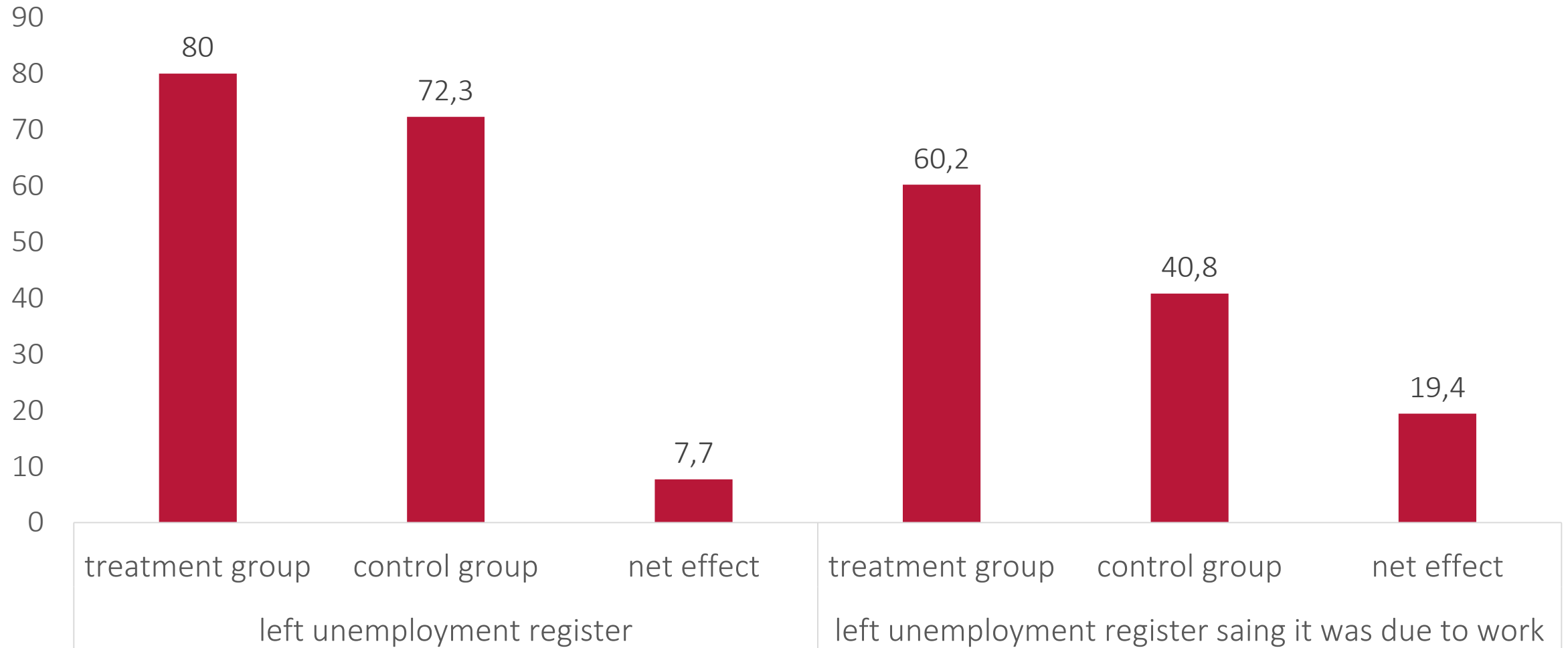
# Treatment group, control group and matching

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- Treatment group: all young individuals who took part in YEI measures provided by LLOs (208 thousand individuals)
- Control group: young individuals registered in LLOs who did not take part in the intervention (3 100 thousand individuals)
- Exact matching used. 4 200 strata
- 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: 10 individuals not matched

# Results



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## Further results of the counterfactual analysis

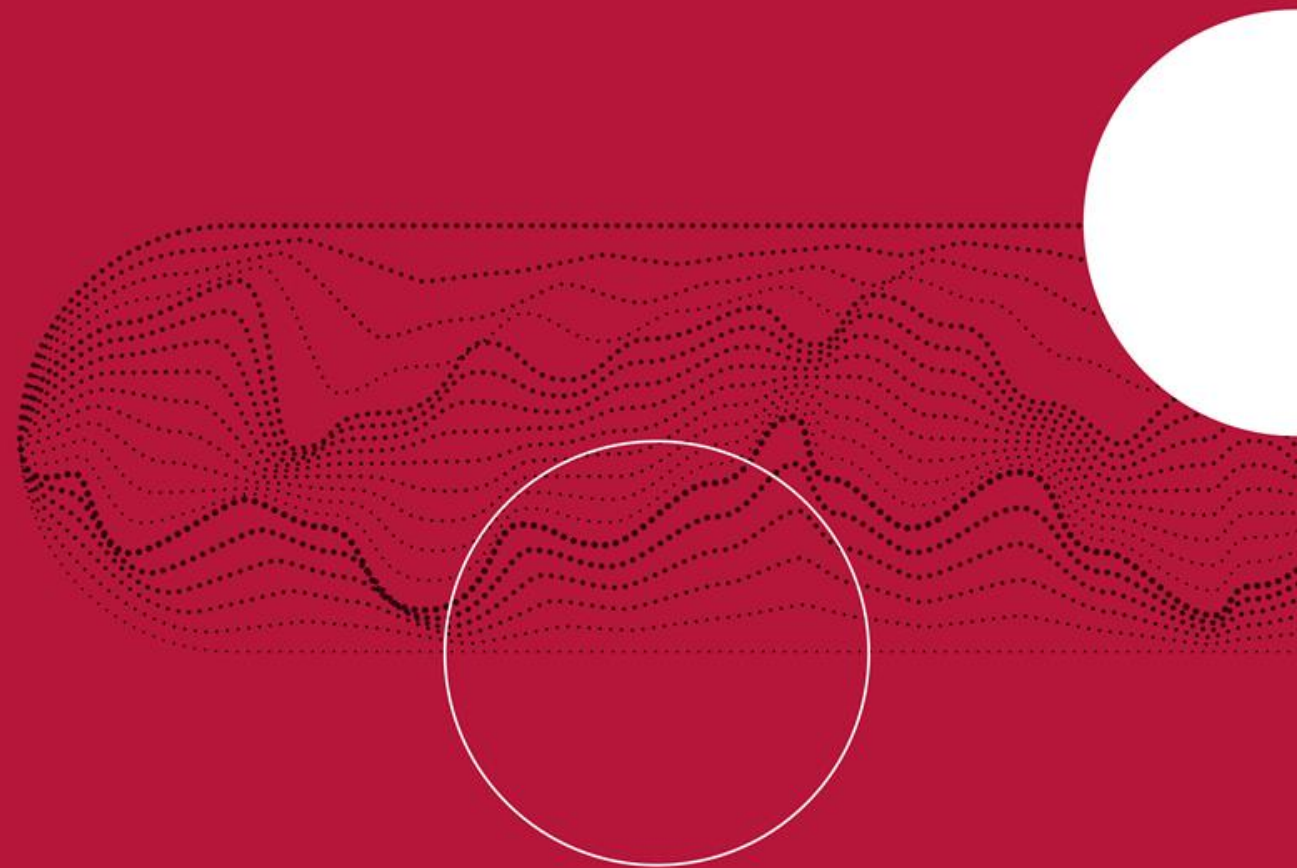
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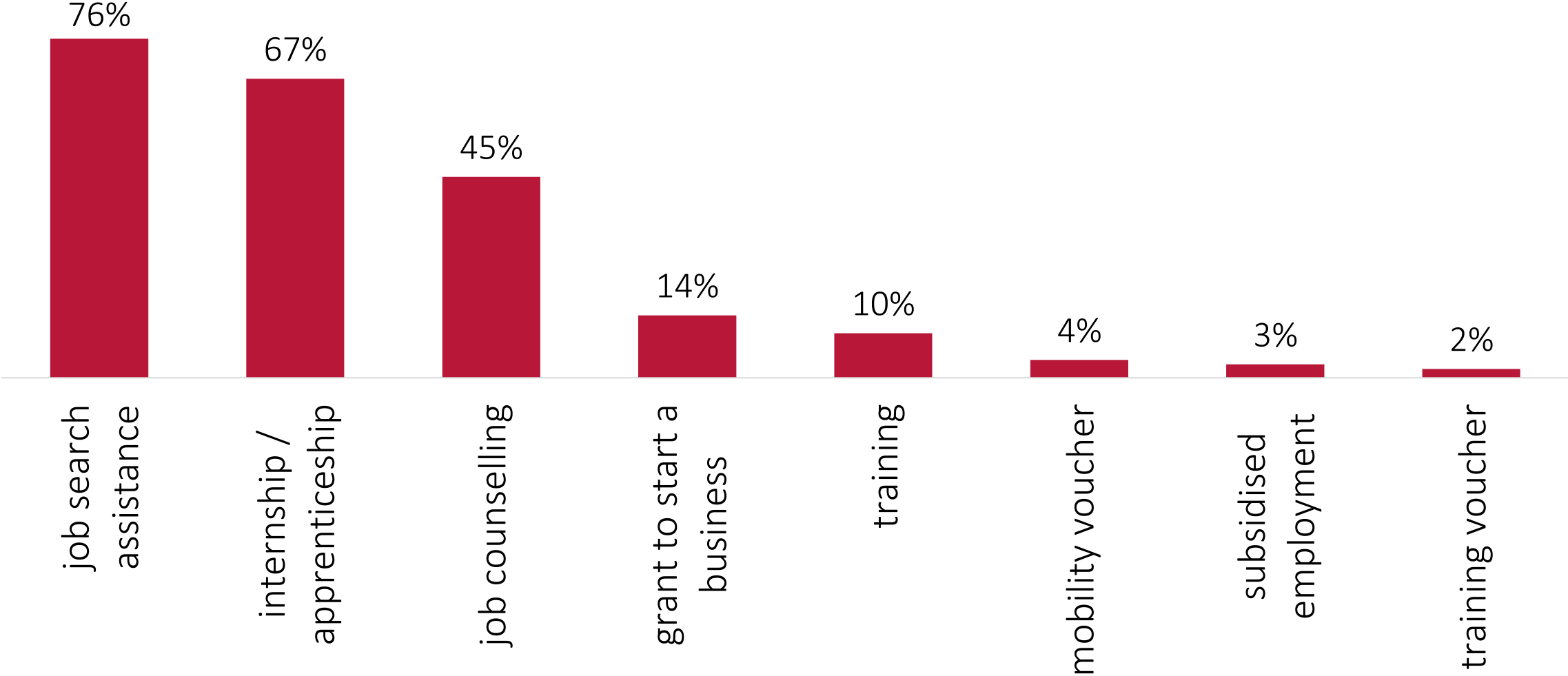
- The intervention has positive impact on chances to leave the unemployment register  
This result prevails across all subgroups and for the two outcome indicators
- Net effect is larger in case of individuals in less favourable labour market condition  
(lower education, rural areas, females, previous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

Thank you for your attention.

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# Single intervention measures (most popular)



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# Control variables

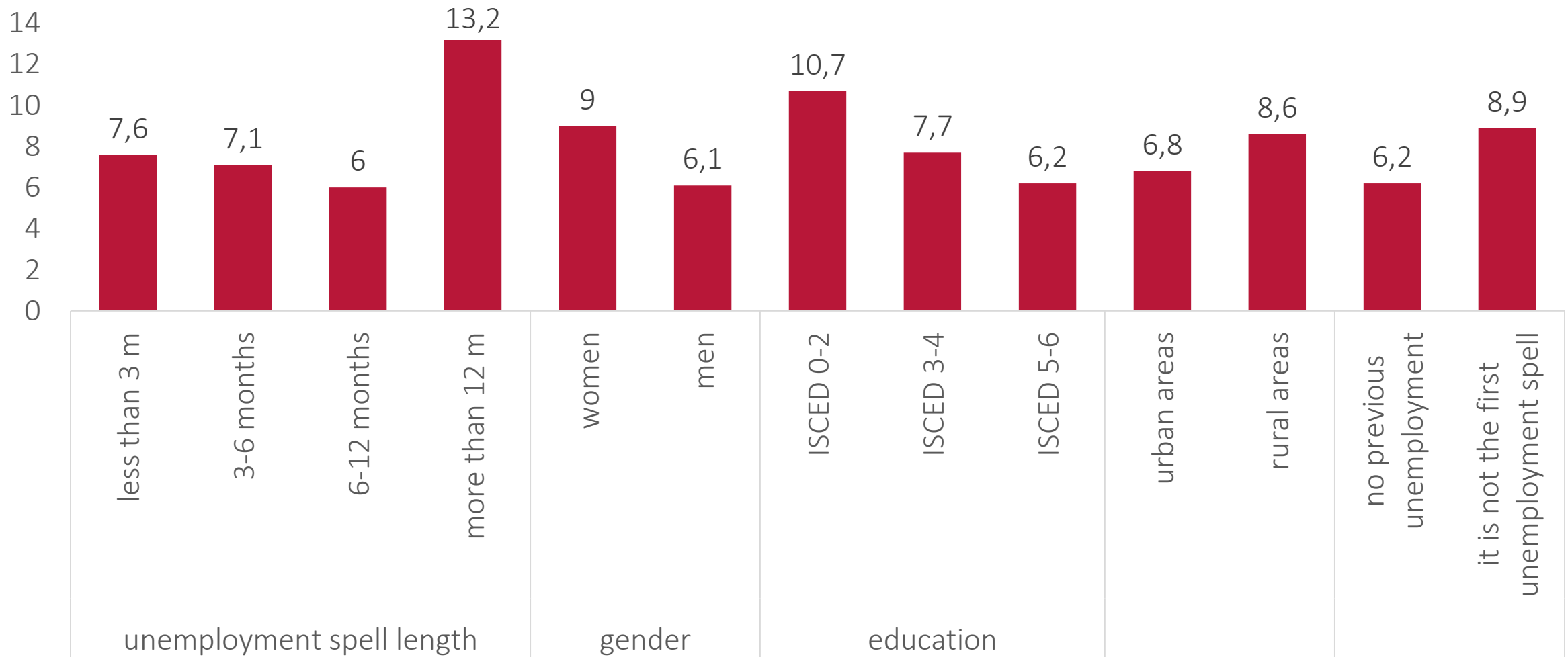
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- Control variables include:
  - time in unemployment register (0-3, 4-6, 7-12, and over 12 months)
  - gender
  - age (18-24, 25-29)
  - education (three levels)
  - urbanization (rural / urban areas)
  - previous unemployment spells (yes/no)
  -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



# Net effect: left unemployment register



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

