

**Colloque sur les politiques actives du marché du travail**  
**Conference on Active Labor Market Policies**  
organisé par la DARES / organized by the DARES

**PRESENTATION DES  
INTERVENANTS  
*SPEAKERS'*  
*PRESENTATION***

**Les 14 et 15 février 2013 - Paris**  
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MINISTÈRE  
DU TRAVAIL, DE L'EMPLOI,  
DE LA FORMATION  
PROFESSIONNELLE  
ET DU DIALOGUE SOCIAL

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## Keynote Session: A transatlantic view of active labor market policies

### David Card

#### Title of the presentation:

Evaluating Active Labor Market Programs: What Have We Learned in 40 Years?

#### Abstract:

This presentation provides a selective overview of "what we know" about the successes and failure of active labor market programs (ALMP's). I begin with a brief overview of the history of these programs, focusing on the major federally-funded programs operated in the United States since the 1930s. I then discuss the various behavioral channels that underlie -- often implicitly -- the job training, work experience, and job placement programs that have been proposed, and the connections between different programs and different potential channels. Finally, I present a selective review of the major evaluation efforts in the U.S. and Europe, and point to some lessons for the design of future programs.

#### Personal statement:

David Card is the Class of 1950 Professor of Economics at the University of California, Berkeley and Director of the Labor Studies Program at the National Bureau of Economic Research. His research interests include wage inequality, immigration, wages, education, anti-poverty programs, and health insurance. He co-authored the 1995 book *Myth and Measurement: The New Economics of the Minimum Wage*, and co-edited *The Handbook of Labor Economics* (1999 and 2011 editions), *Seeking a Premier Economy: The Economic Effects of British Economic Reforms* (2004); and *Small Differences that Matter: Labor Markets and Income Maintenance in Canada and the United States* (1992). He has also published over 90 journal articles and book chapters.

David Card was co-editor of *Econometrica* from 1991 to 1995 and co-editor of the *American Economic Review* from 2002 to 2005. He taught at Princeton University from 1983 to 1996, and has held visiting appointments at Columbia University and the Center for Advanced Study in the Behavioral Sciences. In 1992 he was elected a fellow of the Econometric Society, and in 1998 he was elected to the American Academy of Arts and Sciences. In 1995 he received the American Economic Association's John Bates Clark Prize, which is awarded every other year to the economist under 40 whose work is judged to have made the most significant contribution to the field. He was a co-recipient of the IZA Labor Economics Award in 2006, and was awarded the Frisch Medal by the Econometric Society in 2007.

#### Website:

<http://davidcard.berkeley.edu/index.html>

#### Email:

[card@econ.berkeley.edu](mailto:card@econ.berkeley.edu)

## John P. Martin

### Title of the presentation:

Active Labour Market Policies in OECD: Stylized Facts and Evidence on Their Effectiveness

### Abstract:

The presentation is in three parts. First, I outline the concepts underlying the OECD's well-known data base on active labour market policies (ALMPs) highlighting some of the caveats surrounding their comparability and interpretation. I then proceed to present some of the main trends in terms of public spending and participant numbers, highlighting recent trends since the jobs crisis began. Second, I review the macroeconomic evidence on the impact of ALMPs on a range of labour market outcomes drawing on cross-country studies undertaken by OECD and other researchers – I will say little about the large and growing microeconomic literature which evaluates individual ALMPs since I presume that David Card will cover this topic in his presentation. Finally, I will present the main finding and policy conclusions from the ongoing series of country reviews which OECD is undertaking of the effects of activation policies – to date we have published studies of Ireland, Norway, Finland, Switzerland, Japan, Australia and we are working on the United Kingdom.

### Personal statement:

John P. Martin is Director for Employment, Labour and Social Affairs at the OECD; his brief also covers OECD work on health and international migration. He is an Irish citizen. After studying Economics at University College Dublin, he worked as a research assistant at the Economic and Social Research Institute in Dublin from 1970 to 1972; during this period, he was also economics correspondent for *the Sunday Independent*. He did postgraduate studies at Nuffield College, Oxford. In 1975, he became research fellow at Nuffield College and lecturer in economics at Merton College, Oxford; he also lectured in economics at the University of Buckingham.

John P. Martin joined the OECD in 1977 and has held several posts in his current directorate and in the Economics Department. He was the founding editor of the OECD *Employment Outlook* from 1983 to 1986, and he also edited the *OECD Economic Outlook* in 1992-93. He was a member of both the Editorial Board of *OECD Economic Studies* and an associate editor of *Labour Economics* for many years. He is currently the OECD sherpa to the G20 Labour ministerial process. Other professional responsibilities include being: a Policy Associate of the Leverhulme Centre for Research on Globalisation and Economic Policy at the University of Nottingham; a Research Fellow of the Institute for the Study of Labour (IZA) in Bonn; a member of the French Prime Minister's "Conseil d'orientation pour l'emploi"; a member of the Strategic Board of the Laboratoire Interdisciplinaire d'Evaluation des Politiques Publiques (LIEPP) at Sciences Po, Paris; and a member of the Irish government's Expert Group on Future Skills Needs. He is a part-time Professor at the Institute of Political Studies (Sciences Po) in Paris. He has published many articles on topics in labour economics and international trade in professional journals and has also written and edited several books in these fields.

### Website:

[www.oecd.org/els](http://www.oecd.org/els)

### Email:

[John.MARTIN\(at\)oecd.org](mailto:John.MARTIN(at)oecd.org)

## Session I: Job search assistance programs for the unemployed

### Michael Lechner

#### Title of the presentation:

Case Workers and Successful Active Labour Market Policies

#### Abstract:

In many countries, caseworkers in public employment offices have dual roles of counselling and monitoring unemployed people. These roles often conflict, which results in important caseworker heterogeneity: some consider providing services to their clients and satisfying their demands as their primary task. However, others may pursue their own strategies, even against the will of the unemployed person. They may assign jobs and labour market programmes without the consent of the unemployed person. On the basis of a very detailed *linked jobseeker–caseworker* data set for Switzerland, we investigate the effects of caseworkers' co-operativeness on the probabilities of employment of their clients. Modified statistical matching methods reveal that caseworkers who place less emphasis on a co-operative and harmonic relationship with their clients increase their chances of employment in the short and medium term.

#### References:

Stefanie Behncke, Markus Frölich and Michael Lechner, 2010 “A caseworker like me – Does the similarity between the unemployed and their caseworkers increase job placements?”, *The Economic Journal*, 120 (December), 1430–1459.

Stefanie Behncke, Markus Frölich and Michael Lechner, 2010, “Unemployed and their caseworkers: should they be friends or foes?”, *Journal of the Royal Statistical Society*, 173, Part 1, pp. 67–92.

#### Personal statement:

Michael Lechner studied economics at the University of Heidelberg (graduation 1989). Then he moved to the Economics Department of the University of Mannheim to finish his PhD in 1994 under the supervision of Professor Dr. Heinz König. Following the ‘old German model’ he completed his habilitation at the same place in 1996. During these times, he spent one year at the London School of Economics (1986/7) and at Harvard University (John-F. Kennedy fellow in 1994/5).

Since 1998 he is a Professor of Econometrics in St. Gallen. He is also head of the Swiss Institute for Empirical Economic Research (SEW), which is a fine research institute of the University of St. Gallen dedicated to excellent empirical research. One part of his research interests focus on developing and improving econometric methods for causal analysis in the field of microeconometrics. The other part of his research interests are related to economic questions coming from sports economics as well as labour and health economics for which he tries to provide some empirical evidence.

He is a research fellow of several networks, like CEPR, CESifo, and IZA, as well as being a member of the German Academy of Science Leopoldina. Currently he serves as an associate editor for *Econometric Reviews*. He is a member of the editorial boards of *The German Economic Review* and *Foundations and Trends in Econometrics*.

#### Website:

[www.michael-lechner.eu](http://www.michael-lechner.eu)

#### Email:

[michael.lechner@unisg.ch](mailto:michael.lechner@unisg.ch)

## Michael Rosholm

### Title of the presentation:

The Importance of Meeting Your Case Worker

### Abstract:

We analyze the effects of three (four) randomized social experiments, involving early and intensive active labour market policy, conducted in Denmark in 2008. The experiments entailed different combinations of early and intensive treatment in terms of meetings and active labour market programmes. The effects are remarkable; frequent meetings between newly unemployed workers and case workers can increase employment rates over the next two years by up to 5 weeks, corresponding to 10%. For men, we find evidence of a threat effect of having to participate in early active labour market programmes, while no such effect is found for women. In general, we find large differences between men and women, especially in the exact timing of the effects. We conduct a cost-benefit analysis of each of the four experiments and find that meetings yield the largest net benefits.

### Reference:

Jonas Maibom Pedersen, Michael Rosholm and Michael Svarer, 2012 “Experimental Evidence on the Effects of Early Meetings and Activation”, IZA DP No. 6970, October.

<http://ftp.iza.org/dp6970.pdf>

### Personal statement:

Michael Rosholm is professor of economics and research director of CAFÉ (Centre for Labour Market Research and Impact Studies) and the Centre for Applied Research into Effective Programs for Children and Youth at the Department of Economics and Business at Aarhus University, Denmark.

He specializes in applied econometric methods for causal analysis. He has published numerous papers on the effects of labour market and integration policies. Moreover, he has assisted the National Labour Market Authority in designing and evaluating several randomised control trials in labour market policy, is currently conducting the first randomised control trials for the Ministry of Education and Youth, and is in the planning stages of doing the first randomised control trials for the Ministry of Social Affairs and Integration in Denmark. He also works with local (municipal) authorities in designing and carrying out impact evaluations.

### Website:

<http://pure.au.dk/portal/en/persons/id%28aae32dbc-b363-40df-b2a9-e187272b6b45%29.html>

### Email:

*ROM(at)asb.dk*

## Session II: Job search assistance programs for the unemployed

### Rafael Lalive

#### Title of the presentation:

Are Social Networks an Effective Job Search Channel? First Results from a Randomized Experiment

#### Abstract:

This project assesses the relevance of social networks as a job search channel. Earlier survey evidence suggests that job search networks are important since many employed individuals found their current job via a lead from their friends or former colleagues. To assess the relevance of social networks, we contacted all job seekers who entered unemployment in the period February 2012 to April 2012 in a large region of Switzerland. We first asked them to complete a detailed baseline survey covering their family and friend networks. Subsequently, about 50 % of all job seekers were also exposed to information covering the importance of job search via social networks in a quasi-random fashion. Preliminary analyses are based on all de-registrations from unemployment between February 2012 and November 2012. Results indicate that information on the relevance of social networks was indeed allocated as if it happened by chance. We do not find any evidence that information on networks helped job seekers de-register more quickly. Information on the importance of job search networks appears to have helped women locate more jobs rather than de-registering for other reasons. No corresponding effect is found for men.

#### Personal statement:

Rafael Lalive studied economics and econometrics at University of Zurich and earned a PhD in labor economics in July 2001. He was an invited scholar at Tinbergen Institute in Amsterdam in the academic year 2002 to 2003. Rafael Lalive holds a position as a professor in economics at University of Lausanne since September 2006. His main research interests are twofold. On one hand, he works on the economic effects of reforms to public policy. Specifically, his research has focused on the effectiveness of active labor market programs in helping job seekers find jobs, on the role of financial incentives in unemployment insurance, on the effects of parental leave policies on fertility and return to work of mother of newborn children, on policies for disabled individuals and on the effects of environmental policies. On the other hand, he is interested in social economics, i.e. the importance of social interactions for education decisions and the role of social learning. His research has been published by major journals in economics such as the *Quarterly Journal of Economics*, the *Review of Economic Studies*, the *Journal of the European Economic Association*, the *Review of Economics and Statistics* and also general science journals such as *Science* or *PLOSone*. He is a fellow of the Institute for the Study of Labor in Bonn (IZA) and an affiliate of CEPR and IFAU.

#### Website:

<http://www.lalive.org>

#### Email:

[Rafael.Lalive\(at\)unil.ch](mailto:Rafael.Lalive(at)unil.ch)

## **Patrick Arni**

### Title of the presentation:

Coaching of Older Job Seekers; Caseworker's Beliefs and Treatment Allocation – Two Field Experiments on Targeting of Treatment Strategies

### Abstract:

Varying the intensity of use of instruments like counseling and job search assistance by subgroups of job seekers can potentially enhance the efficiency of unemployment insurance. Such targeting of labor market policy strategies could improve resource allocation and allow for more focused treatment. The first considered field experiment, conducted 2008/9 in Northern Switzerland, assesses the effects of a highly intense counseling and coaching strategy, specifically targeted to older job seekers (aged 45+). The randomly assigned treatment group is subject to these interventions in the first four months of unemployment. Results show that a higher proportion of the treated individuals finally found a job (72 vs. 63%). Employment stability was positively affected in the 1.5 years after unemployment exit. Evidence from repeated surveys over the unemployment spell suggests that these positive effects are related to reduced wage expectations and increased search efficiency due to coaching. Thus, designing policies that focus on affecting specific aspects of search behavior may be useful way to go.

Evidence from the experiment shows as well that job seekers and caseworkers are on average too optimistic in their beliefs about job chances. More specifically, it turns out that the caseworker's expectations are not very precise in distinguishing low-risk from high-risk individuals (in terms of unemployment duration). This initial assessment of job chances, however, is an important ingredient for targeted treatment allocation. The second randomized experiment (ongoing) tests whether the provision of such an assessment (profiling) affects caseworker's beliefs and treatment allocation decisions. It is key that the profiling makes use of subjective job seeker information beyond the classical register data.

### Reference:

Patrick Arni, 2012, "Do Older Job Seekers Find More Jobs When Being Coached? A Field Experiment on Search Behavior", mimeo.

### Personal statement:

Patrick Arni is Research Associate and Deputy Program Director of the "Evaluation of Labor Market Programs" area at IZA – Institute for the Study of Labor, Bonn. He is also affiliated to the Department of Economics of University of Lausanne and the CAFÉ center at Aarhus University. Patrick Arni received his PhD from the Department of Economics at HEC Lausanne in 2011. He was previously a visiting scholar at Tilburg University and obtained his Master's degree from University of Zurich.

Patrick's research focuses on microeconomic program evaluation in social insurance. In his work on the evaluation of supportive labor market policy and of benefit sanctions in unemployment insurance, he is particularly interested in how these policies affect post-unemployment outcomes and individual search behavior. Two ongoing research projects, both mandated by the Swiss State Secretariat of Economic Affairs, focus on the role of beliefs and overconfidence and on the importance of social networks in job search. They use randomized field experiments as well as semi-structural approaches.

### Website:

<http://www.iza.org/profile?key=5031>

### Email:

[arni\(at\)iza.org](mailto:arni(at)iza.org)

## Session III: Vocational training and Job search assistance programs for the unemployed

### Marc Ferracci

#### Title of the presentation:

Evidence of Treatment Spillovers Within Markets

#### Abstract:

In cases where individuals are exposed to a particular policy intervention, like participation in a training program, it is of obvious interest to policy makers to know whether there is a causal effect of the fraction of treated individuals in a market on individual outcomes. The fraction of treated individuals in a market may influence individual probabilities to leave unemployment. If many individuals are treated then there may be crowding out among workers applying for the same vacancies. Moreover, there may be a response from the other side of the market. For example, firms may post more vacancies if the number of trained job seekers increases. The net effect of these two (and perhaps other) sources of interactions on individual outcomes and the average treatment effect is difficult to predict.

This paper provides a method to infer the presence of treatment spillovers within markets where a fraction of agents is exposed to a treatment. To this end, we model individual outcomes as functions of the assigned treatment status and of the distribution of assigned treatments in a market. We develop an identification and estimation method consisting of two steps, focusing first on the treatment distribution among individuals within markets and then on the treatment distribution across markets.

We apply our approach to detect the presence of interactions within local labor markets where unemployed workers can participate in training programs. In this setting, markets are defined by occupational, spatial, and temporal indicators. In the empirical analysis we set out to determine the shape of this effect as a function of the fraction of trained individuals and we examine whether this shape is consistent with the absence of interaction effects. The empirical results provide evidence of interactions within local labor markets as the potential individual outcomes vary with the proportion of treated.

#### Reference:

Marc Ferracci, Grégory Jolivet and Gerard J. van den Berg, 2013, "Evidence of Treatment Spillovers Within Markets", February, mimeo.

#### Personal statement:

Marc Ferracci is Professor of economics at University of Nantes. He is member of CREST-ENSAE and LIEPP, and is also affiliated to the "Chaire de sécurisation des parcours professionnels". His primary field of interest is the evaluation of active labour market policies, with a special focus to training programs. Some of his papers show effects of these programs on unemployment and subsequent employment durations, when other papers provide evidence of some anticipation effects, and spillover effects of training. His research is also focused on the analysis of the unemployment insurance system, from both a theoretical and applied viewpoint. Currently he works on the experimental evaluation of innovative counseling schemes for the unemployed, and on the analysis of the economic impacts of bankruptcy procedures in France.

#### Website:

<http://www.crest.fr/ses.php?user=2942>

#### Email:

*marc.ferracci(at)ensae.fr*

## Session IV: Job creation schemes

### David Gyarmati and Jean-Pierre Voyer

#### Title of the presentation:

Employment in the Social Economy as an Alternative to Passive Income Transfers - Experimental Results

#### Abstract:

The Community Employment Innovation Project (CEIP) was introduced as a demonstration project to test an active re-employment strategy for unemployed individuals who volunteer to work on locally developed community projects in areas hit by chronic unemployment. In exchange for foregoing their Employment Insurance or Welfare benefits, CEIP offered participants wages to work on community projects for up to three years, giving them a significant period of stable income as well as an opportunity to gain work experience, acquire new skills, and expand their network of contacts.

In effect, the project provided communities with subsidized labour that could be put to productive use in fulfilling local needs. Indeed, communities were responsible for creating decision-making bodies and mobilizing project sponsors to develop projects that responded to these local needs.

The study provides a comprehensive analysis of the effects of CEIP on the communities that developed projects and on the unemployed who participated in these projects.

One of the most important features of CEIP that sets it apart from earlier community employment initiatives is its rigorous evaluation design. A multiple-methods approach was used to evaluate its effects on both individuals and communities, including a random assignment design to measure the program impacts on participants.

Through the duration of the project, participants realized large improvements in their employment and earnings, increased household income, reduced poverty and improvement in well-being. While the effects on employment rates were not sustained after the project ended, the experience that participants received through CEIP led to improvement in their job and social networks, their skills and attitudes towards work. One striking positive finding was that participants who were previously on welfare experienced sustained reductions in their receipt of income assistance long after the project was over.

Results also show that the CEIP model was successful in promoting local cohesion, encouraging the development of social capital and increasing socially inclusive activities in participating communities. Large positive community effects were achieved for groups served by the projects. The benefit-cost analysis demonstrates that the approach can be particularly cost-effective when targeted at welfare recipients.

The study provides evidence that governments, by supporting the capacity of voluntary organizations in vulnerable communities, can bring about sustainable benefits to these communities and help improve the circumstances of the unemployed.

#### Reference:

David Gyarmati, Shawn de Raaf, Boris Palameta, Claudia Nicholson et Taylor Shek-Wai Hui, 2008, «Encourager le Travail et Soutenir les Collectivités. Résultats finals du Projet d'innovation en emploi communautaire», SRSA, novembre.

[http://www.srdc.org/fr\\_publication\\_details.asp?id=216&kw=encourager&theme=&added=all&Submit.x=0&Submit.y=0](http://www.srdc.org/fr_publication_details.asp?id=216&kw=encourager&theme=&added=all&Submit.x=0&Submit.y=0)

Personal statement of David Gyarmati:

David Gyarmati is a Research Director with the Social Research and Demonstration Corporation (SRDC). He has 15 years experience in conducting social policy research and evaluation in Canada. This includes more than a decade of pioneering work with SRDC in the design, implementation, and evaluation of large-scale experimental demonstration projects. David's experience with the tools and methods of program evaluation is vast and includes the design of comprehensive evaluation frameworks, data collection strategies, and a range of analytic methods for the measurement of both economic and social impacts of complex initiatives with multiple stakeholders. In addition to the use of experimental impact analysis, Mr. Gyarmati conducts quasi-experimental studies using various econometric methodologies as well as social cost-benefit analysis for SDRC projects.

For the past three years, Mr. Gyarmati has managed the design and implementation of several pan-Canadian demonstration projects aiming to measure the economic and social impacts of skills training and adult learning initiatives. Prior to that, for almost five years David managed one of SRDC's largest studies, the Community Employment Innovation Project (CEIP), which used a random assignment design along with social cost benefit analysis to measure the impacts and social returns from a community-based employment intervention in the social economy. David has also contributed to a number of SRDC's studies of the income support system and programs that use financial incentives to help disadvantaged Canadians make the transition to work.

David has a Masters degree in Economics from the University of British Columbia.

Personal statement of Jean-Pierre Voyer:

Jean-Pierre Voyer is President and Chief Executive Officer of the Social Research and Demonstration Corporation, a non-profit organization that specializes in the design, implementation, and evaluation of large-scale demonstration projects in the social policy domain. From 2002 to 2006, he was the federal assistant-deputy minister in charge of the Policy Research Initiative, an organization responsible for conducting research on cross-cutting social, economic, and environmental issues in support of the Government of Canada's medium-term policy agenda. From 1994 to 2000 he was Director General of the Applied Research Branch at Human Resources Development Canada (HRDC) where he provided oversight for the department's research program. Mr. Voyer has also held positions at Finance Canada, the Privy Council Office, the National Union of Provincial Government Employees, and the Economic Council of Canada.

Mr. Voyer has represented Canada on numerous occasions at the Organisation for Economic Co-operation and Development (OECD) and at other international meetings. He was Chairman of the OECD Employment, Labour and Social Affairs Committee from 1998 to 2000. He has served on various research committees for such organizations as SSHRC, Ottawa University and HRDC.

Mr. Voyer holds a Master's degree in Economics from Queen's University and an undergraduate degree in Economics from the Université de Montréal.

Website:

[www.srdc.org](http://www.srdc.org)

Emails:

[dgyarmati@srdc.org](mailto:dgyarmati@srdc.org); [jpvoyer@srdc.org](mailto:jpvoyer@srdc.org)

# Gesine Stephan

## Title of the presentation:

Job Creation Schemes in Germany: Design and Evaluation Results

## Abstract:

Job creation schemes are targeted at very disadvantaged unemployed persons with severe difficulties of finding a regular job. They should stabilize and qualify unemployed persons for later re-integration into regular employment. They are mostly temporary, additional in nature, of public interest, and conducted in the public or non-commercial sector. The presentation gives an overview on the results of micro-level evaluation studies that analyze four job creation schemes, which have been in place in Germany during the last decade. For a traditional scheme, evaluation studies find large locking-in effects and no overall positive effects of the scheme on the employment rates of participants. Nonetheless, positive effects were found for some hard-to-place subgroups, in particular long-term unemployed and recipients of social basic care. Some more recent studies for schemes targeting the latter group are slightly more encouraging, too. All in all, the results for Germany show clearly that for job creation schemes, it is of uttermost importance to target only individuals who have very severe difficulties to find a regular job: If participants are not as hard-to-place as has been intended by the legislative authority, participation may in fact “destroy” their labor market prospects. This is in particularly valid for young unemployed persons.

## References:

Gesine Stephan and André Pahnke, 2011, “The Relative Effectiveness of Selected Active Labor Market Programs: An Empirical Investigation for Germany”, *The Manchester School*, vol. 79, issue 6, p. 1262-1293, December.

Katrin Hohmeyer and Joachim Wolff, 2010, “Direct Job Creation Revisited. Is it Effective for Welfare Recipients and Does it Matter Whether Participants Receive a Wage?”, IAB Discussion Paper. <http://doku.iab.de/discussionpapers/2010/dp2110.pdf>

## Personal statement:

Gesine Stephan is Head of the Research Unit "Active Labour Market Policies and Integration" at the Institute for Employment Research (IAB) in Nuremberg/Germany (since 2004) and Professor of Empirical Microeconomics at the Friedrich-Alexander-University of Erlangen-Nuremberg (since 2009). She studied Economics at the University of Hannover from 1984 to 1990, where she also received her doctoral degree in political science in 1994 and completed her habilitation in 2000. During the years 1996 and 1997 she was awarded a Hans Lenze Grant to conduct post-graduate studies at the University of California in Berkeley and at the University of Texas in Austin. Gesine Stephan is Fellow of the Labor and Socio-Economic Research Center (LASER) of the University of Erlangen-Nuremberg and Research Fellow of the Institute for the Study of Labor (IZA). Her main research interests are in the field of applied micro-econometric labor market research. As part of her work at IAB, she is mainly involved in the evaluation of active labor market programs.

## Website:

<http://www.iab.de/en/ueberblick/mitarbeiter.aspx/Mitarbeiter/227>

## Email:

*Gesine.Stephan(at)iab.de*

## Session V: Start-up incentives for the unemployed

### Marco Caliendo

#### Title of the presentation:

New Evidence on the Effects of Start-Up Subsidies for the Unemployed

#### Abstract:

Turning unemployment into self-employment with start-up subsidies has become an increasingly important part of active labor market policies in many OECD countries. Germany is a good example where between 2002 and 2010 annually between 100,000 and 250,000 participants used these programmes, with a yearly budget of up to €3.5 billion. Public authorities usually tie start-up subsidies with the hope for a “double dividend”. Besides creating a job for the self-employed themselves, the newly founded businesses may potentially create additional jobs and thus reduce unemployment rates even further and contribute to a positive economic development. Besides the many positive effects of such programs, there are also some concerns related to the financial promotion of start-ups by the unemployed, e.g. potential deadweight losses or doubts whether unemployed individuals are capable to start a business. In contrast to many other labor market programs - like vocational training, job creation schemes, or wage subsidies - the empirical evidence on the effectiveness of such schemes is still scarce, especially regarding long-term effects and effect heterogeneity.

Access to long-term informative data allows us to close existing research gaps, and we investigate the impact of two start-up programs on long-run labor market outcomes. We use administrative and survey data from a large sample of participants in two distinct start-up programs and a control group of unemployed individuals. We find that over 80% of participants are integrated in the labor market and have relatively high labor income five years after start-up. At this point in time, around 30-40% of the founders had at least one employee amounting to 1.5 to 3.4 fulltime-equivalents on average. That means that for each 100,000 subsidies 80,000 additional jobs were created. Additionally, participants are much more satisfied with their current occupational situation compared to previous jobs.

Based on propensity score matching methods we estimate the long-term effects of the programs against non-participation and take great care in assessing the sensitivity of our results with respect to deviations from the identifying assumption. Our results turn out to be robust and show that both programs are effective with respect to income and employment outcomes in the long run, i.e., five years after start-up. Moreover, we consider effect heterogeneity with respect to several dimensions and show that start-up subsidies for the unemployed tend to be most effective for disadvantaged groups in the labor market. The impact on fertility for female participants is less detrimental than for traditional ALMP programs. The often-feared deadweight losses – corresponding to the proportion of beneficiaries who would have started their own business even if they had not received government support to do so and who would have survived the initial stages of self-employment even without the financial support – are estimated at about 15% and seem to be smaller than expected.

References:

Marco Caliendo and Steffen Künn, 2012, “Getting Back into the Labor Market: The Effects of Start-Up Subsidies for Unemployed Females”, December, mimeo.

Marco Caliendo and Steffen Künn, 2011, “Start-up Subsidies for the Unemployed: Long-Term Evidence and Effect Heterogeneity”, *Journal of Public Economics*, 95, 311–331.

Personal statement:

Marco Caliendo is Full Professor of Empirical Economics at the University of Potsdam since 2011. He studied economics at the University of Manchester and the Goethe-University of Frankfurt where he also received his PhD in April 2005. From 2005 until 2009 he worked as a senior research associate for the German Institute for Economic Research (DIW) in Berlin and the Institute for the Study of Labor (IZA) in Bonn. From 2009 until September 2011 he was Research Director at the (IZA); since then he is Program Director for the area “Evaluation of Labor Market Programs”. In 2012 he was also appointed as Research Professor at DIW Berlin for the area “Innovation, Manufacturing, Services”.

He is coordinator and principal investigator of several research projects dealing with evaluations of several labor market policies (including start-up subsidies and business coaching) inter alia for the German Ministries of Labor and Economics; and he advises DG Regio in evaluation issues.

His current research interests include the evaluation of labor market programs, job search and unemployment dynamics, self-employment/entrepreneurship and the influence of personality traits on economic outcomes. He has published over 30 articles in journals such as *Journal of Public Economics*, *Journal of Applied Econometrics*, *Journal of Economic Behavior and Organization*, *Oxford Bulletin of Economics and Statistics*, *Journal of Population Economics*, *Journal of Economic Psychology* and *Small Business Economics*.

Website:

<http://www.caliendo.de>

Email:

[caliendo@uni-potsdam.de](mailto:caliendo@uni-potsdam.de)

## Núria Rodríguez-Planas

### Title of the presentation:

Channels through which Public Employment Services and Small-Business Assistance Programs Work

### Abstract:

Empirical evidence has found that public employment services (PES) and small business assistance (SBA) programmes are successful at getting the unemployed back to work. Policywise it is important to know which of these two programmes is more effective, for whom, and when. Using unusually rich survey data and matching methods, this study evaluates the relative effectiveness of PES and SBA for different subgroups in Romania in the late 1990s, where the outcome variables involve earnings, employment and unemployment in 2000–1 and early 2002. It finds that heterogeneity matters and that these programmes need to be tailored to the problem at hand.

### Reference:

Núria Rodríguez-Planas, 2010, “Channels through which Public Employment Services and Small Business Assistance Programmes Work”, *Oxford Bulletin of Economics and Statistics*, 72, 4.

### Personal statement:

Núria Rodríguez-Planas is a Visiting Research Fellow at IZA in Bonn (since February 2012), Affiliated Researcher at the Institut d'Anàlisi Econòmica (IAE-CSIC) and Visiting Professor at the Universitat Pompeu Fabra (UPF) in Barcelona (since March 2012). She was previously Assistant Professor at the Universitat Autònoma de Barcelona and held positions in Washington DC at the Board of Governors of the Federal Reserve System, Mathematica Policy Research, and the Brookings Institution. Núria received her Ph.D. in Economics in 1999 from Boston University.

Núria's research interests are: (1) Program and Policy Evaluation in the Labor Market; (2) Wages and Flexible Work Arrangements; (3) Family Economics; and (4) Migration.

### Website:

[http://www.iza.org/en/webcontent/personnel/photos/index\\_html?key=1551](http://www.iza.org/en/webcontent/personnel/photos/index_html?key=1551)

### Email:

*rodriguez-planas(at)iza.org*

## **Isabelle Benoteau**

### Title of the presentation:

Do French Job Subsidies Schemes Have Positive Employment Effects?

### Abstract:

We investigate the presence of short and medium-term effects from participating in two French job subsidies schemes. The evaluation builds on a two-wave survey conducted by the French Ministry of Labor (Panel 2008). The programs participants were surveyed in 2008 and 2009, along with nonparticipants. They all registered during spring 2005 at the National Agency for Employment and have similar observed characteristics, but the programs participants obtained a subsidized job between 2005 and 2007, while the nonparticipants did not. The Panel 2008 was designed to estimate causal impacts by matching. Hence, the questionnaire includes relevant variables to capture unobserved heterogeneity and improves the quality of estimations. Traditional matching methods have been adapted to survey data (allowing statistical extrapolation of the results to the population from which the sample was drawn) and to the dynamic program assignment process. Individuals are indeed observed to enter programs at any elapsed unemployed duration. Overall, the results present a mixed picture. Participating in a profit sector job subsidies program increases future employment rates of participants whereas it is not the case for participating in a non-profit sector program. Taking into account various characteristics of the treatment (associated training and assistance, program duration, etc.) allows more detailed conclusions to be drawn.

### Personal statement:

Isabelle Benoteau is currently economist at the French Ministry of Labour (Dares, Employment Policy Department). She is also *Administrateur de l'Insee* (French National Institute of Statistics and Economic Studies) since 2010 and joined the Crest (Research Center in Economics and Statistics) as a Research Affiliate in 2011. She graduated from the ENSAE (Paris Graduate School of economics, statistics and finance) in 2011 and from the Paris School of Economics and the *École Normale Supérieure* (ENS Lyon) in 2009.

Her main research topics are labor economics, applied microeconometrics and public policy evaluation. More specifically, her recent studies focus on the evaluation of active labor market programs: she investigates the effects of job creation schemes and job subsidies on employability and life conditions of the recipients. In addition, she is also working on in-home services in France.

She is teaching assistant at Sciences Po Paris in microeconomics (course directed by Pr. Etienne Wasmer).

### Email:

*isabelle.benoteau(at)travail.gouv.fr*

## **Sashka Dimova**

### Title of the presentation:

Unemployment Duration, Case Workers, Vacancies, and Cyclical Variations

### Abstract:

Our aim in this paper is to investigate the causal effect of meetings between caseworkers and unemployed workers on unemployment and vacancy duration. An impressive body of earlier work has established a remarkable effect of meetings on individual unemployment duration. However, this effect could be entirely due to number of available vacancies. We claim that the case workers are making search more effective and hence for a given number of vacancies more meetings mean more employment, and this should be seen on both sides of the market. Furthermore, we look at how the marginal effect of meetings in a situation differs, when there are many unemployed and few vacancies compared to the marginal effect of the same derivatives in a cyclical upturn when there are many vacancies and few unemployed. We aim at taking the research in this area a couple of steps further concerning these issues, exploiting a unique Danish data set derived from various sources, containing individual unemployment duration, timing of meetings between unemployed workers and case workers, the number of new vacancies, the stock of vacancies and individual vacancy duration. We apply the methodology of the timing of events model to identify the causal effect of meetings on the transition rates of unemployment to employment and the impact on vacancy durations.

### Personal statement:

Sashka Dimova is PhD student of Economics at Aarhus University, where she also teaches microeconomics, macroeconomics and econometrics. She is part of the Centre for Labor Market Research and Impact Studies (CAFE), which research focus lies within the broad area of measurement of the effects of active labor market policies (ALMPs). In her PhD project she aspires to shed some light to the general equilibrium effects of ALMPs in Denmark. She is also interested in randomized experiments as a method to estimate the effect of ALMPs and answer other critical policy questions. Prior to joining the doctoral program at Aarhus University, she was master student at the University of Vienna where she received her master degree in Economics. She also hold master degree in Economics from the Central European University in Budapest.

### Website:

[http://pure.au.dk/portal/en/persons/id\(5dc782bf-363b-4c14-906b-0441cf61eb77\).html](http://pure.au.dk/portal/en/persons/id(5dc782bf-363b-4c14-906b-0441cf61eb77).html)

### Email:

*sdimova(at)asb.dk*

## **Lukas Kauer**

### Title of the presentation:

Hiring Subsidies for People with a Disability: Helping or Hindering? - Evidence from a Field Experiment

### Abstract:

Many countries provide hiring subsidies aimed at promoting the employment of people with disabilities. The effectiveness of these subsidy schemes remains unclear. The subsidy lowers wages and may thus increase employment, but may also signal lower quality of the applicant (who has to disclose a disability), which deter employers from hiring. This paper evaluates the effectiveness of employer incentives provided by the Swiss Disability Insurance using a social field experiment. Participants write application letters, where it is randomly decided if the application discloses the subsidy to the potential employer. The effectiveness of the hiring subsidy is measured by call-back rates for interviews. The study is conducted in two waves. The first wave focuses on graduates from sheltered Vocational Education and Training Programs. The second wave (ongoing) is implemented in a sample of clients from employment consulting services. Our results reveal that the effectiveness strongly depends on the respective target group. While the subsidy is ineffective or even counterproductive – in particular for unsolicited applications – in a group of adolescents who are at the end of their vocational training program, the subsidy is likely to increase call-back rates in a group of clients of job coaching services.

### Personal statement:

Lukas Kauer is a PhD student at the University of St.Gallen (Switzerland). He has been working as a research assistant at the Center for Disability and Integration at the University of St.Gallen since 2010. After graduating with a master's degree in economics from the University of Zurich, he spent two years at the Winterthur Institute of Health Economics at the Zurich University of Applied Sciences. His research interests are in the area of labor economics, health economics and applied microeconomics.

### Website:

[www.cdi.unisg.ch](http://www.cdi.unisg.ch)

### Email:

[lukas.kauer\(at\)unisg.ch](mailto:lukas.kauer(at)unisg.ch)