Case study

Situation

Country ***XXX*** (which cannot be named for privacy (data) protection reasons) runs expensive training programmes as well as employment programmes to promote employment opportunities of their unemployed. Nevertheless, the programmes are small compared to the relevant regional labour market. It is intended to increase earnings and employment by raising the skill level, particularly of the low skilled.

A governmental agency approaches three institutes to perform an evaluation study of the effectiveness of those ***Training or Employment*** programmes for the unemployment. They are asked to look at the different subprogrammes as well. The government is interested in the effects of programme participation on individual employment and earnings of participating unemployed (for different regions).

Both programme groups consist of more and less intensive subprogrammes:

Training programme T1: Typical duration of 3-6 months; full time training in classrooms; the intention is to adjust already available vocational skills to current technology.

Training programme T2: Typical duration of about 20 months; major realignments of skills intended; may even result in new vocational degree, if old degree is in sector that might go out of business.

Employment programme E1: Typical duration of six months. No training components. Goal is to give the participants some work experience in public and private firms.

Employment programme E2: Typical duration of 1-2 years. About 10-20% training.

Task allocated to the different institutes

I will choose your employer.

McCompi Consulting Institute (MCI)

The task of this institute is to compare the effects of the training programmes compared to each other and to non-participation.

- ⇨ ***Group 11: Data from the South***
- ⇨ ***Group 12: Data from the North***
- ⇨ ***Group 13: Data from the West***
- ⇨ ***Group 14: Data from the East***
- ⇨ ***Group 15: Data from the Southwest***
- ⇨ ***Group 16: Data from Central***

Einstein Research Institute (ERI)

The task of this institute is to compare the effects of the employment programmes compared to the training programmes.

- ⇨ ***Group 21: Data from the West***
- ⇨ ***Group 22: Data from the East***
- ⇨ ***Group 23: Data from the Southwest***
- ⇨ ***Group 24: Data from Central***
- ⇨ ***Group 25: Data from the South***
- ⇨ ***Group 26: Data from the North***

Research Institute for Clever Applied Research (RICAR)

The task of this institute is to compare the effects of the employment programmes compared to each other and to non-participation.

- ⇨ ***Group 31: Data from the Southwest***
- ⇨ ***Group 32: Data from Central***
- ⇨ ***Group 33: Data from the South***
- ⇨ ***Group 34: Data from the North***
- ⇨ ***Group 35: Data from the West***
- ⇨ ***Group 36: Data from the East***

Data

Description

The institutes receive administrative data that have been extensively validated and cleaned before they were handed over. However, in the past serious flaws happened within the data unit of this agency, typically concerning the documentation.

The institutes receive a random sample of unemployed in January, 2, 19X3, who did not participate in any programme in their current unemployment spell so far, are eligible for the programmes, aged 30-50. The participation information for this group concerns the first quarter of 19X3. There is substantial pre-treatment information as well as outcome information for the next 6 years. They were all informed about participation in January.

If not indicated otherwise, all information in the variables given below relates to December 19X2. Unemployment is defined as receiving unemployment benefits or participating in ALMP. All rates are coded in %.

List of Variables

PERS	Individual identifier (case id derived from social security number; same records may appear more than once; such duplicate records may be deleted)
PTYPE	Programme type (1: T1; 2: T2; 3: E1; 4: E2; 0: no programme)
DURAT	Duration of programme (planned) in Months
EARN_X0	Average monthly earnings in the 10 years prior 19X1.
EARNX1_y	Average monthly earnings 19X1, (y) quarter [y: 1, 2, 3, 4], local currency
EARNX2_y	Average monthly earnings 19X2, (y) quarter [y: 1, 2, 3, 4], local currency
EARNX3_y	Average monthly earnings 19X3, (y) quarter [y: 1, 2, 3, 4], local currency
EARNX4_y	Average monthly earnings 19X4, (y) quarter [y: 1, 2, 3, 4], local currency
EARNX5_y	Average monthly earnings 19X5, (y) quarter [y: 1, 2, 3, 4], local currency
EARNX6_y	Average monthly earnings 19X6, (y) quarter [y: 1, 2, 3, 4], local currency
EARNX7_y	Average monthly earnings 19X7, (y) quarter [y: 1, 2, 3, 4], local currency
EARNX8_y	Average monthly earnings 19X8, (y) quarter [y: 1, 2, 3, 4], local currency
EARNX9_y	Average monthly earnings 19X9, (y) quarter [y: 1, 2, 3, 4], local currency
UNEM_X0	Average number of months of reg. unemployment in 10 years before 19X1
EM_X0	Average number of months of employment in 10 years before 19X1
OLF_X0	Average number of months out-of-the-labour-force in 10 years before 19X1
EMPLX1_y	Employment state 19X1, (y) quarter [..], [1: employed; 2: reg. unemployed; 3: neither]
EMPLX2_y	Employment state 19X2, (y) quarter [..], [1: employed; 2: unemployed; 3: neither]
EMPLX3_y	Employment state 19X3, (y) quarter [..], [1: employed; 2: unemployed; 3: neither]
EMPLX4_y	Employment state 19X4, (y) quarter [..], [1: employed; 2: unemployed; 3: neither]
EMPLX5_y	Employment state 19X5, (y) quarter [..], [1: employed; 2: unemployed; 3: neither]
EMPLX6_y	Employment state 19X6, (y) quarter [..], [1: employed; 2: unemployed; 3: neither]
EMPLX7_y	Employment state 19X7, (y) quarter [..], [1: employed; 2: unemployed; 3: neither]
EMPLX8_y	Employment state 19X8, (y) quarter [..], [1: employed; 2: unemployed; 3: neither]
EMPLX9_y	Employment state 19X9, (y) quarter [..], [1: employed; 2: unemployed; 3: neither]
AGE	Age in years
C_T1	Individual assigned to T1 but for whom the course was cancelled
C_T2	Individual assigned to T2 but for whom the course was cancelled
C_E1	Individual assigned to E1 but for whom the course was cancelled
C_E2	Individual assigned to E2 but for whom the course was cancelled
SEX	Sex (1 male, 0 female)
SCHOOL	Schooling (degrees in years; 8: no degree)
VOC_DEG	Vocational degree (0: None; 1: below university; 2 university)
NATION	Nationality: 1 Local; 2 other European; 3: Asian; 4 African; 5: American
LMP_CW	Labour market prospects without programme as assessed by case worker (1 very bad, 4 very good)
SHP_CW_y	Caseworkers share of clients allocated to programme y
SPECIA_CW	Unemployed in contact with caseworker with additional resources for ALMP
REGION	Region of labour office (1-85)
REG_AL	Regional unemployment rate in %
REG_PRG	Regional share of unemployed participating in programmes
REG_SER	Regional share of service sector
REG_PRO	Regional share of production sector
REG_AGRI	Regional share of agriculture
SECT_AL	Unemployment rate in sector of last occupation
PROF_AL	Unemployment rate in profession of last occupation
PROF_XL	Professional unemployment rate (variable not verified by Section XX.12 of Department of …)

Institutional information

From your discussions with the caseworkers you know that clients are allocated randomly to case workers and that case workers decide about the allocation to programmes.

Caseworkers base their decisions primarily on the skill level of the unemployed, employment history, local demand for labour as well as other employment related factors. From past experiences it

appears likely that case workers are more likely to allocate programmes to those ‘who’ need it most (it seems that the individual caseworkers use their own judgement about labour market success without a programme as a guide). Usually, participants learn in the month before the programme about their future participation.

In a national experiment, which is in progress in 19X3, a random selection of caseworkers get 20% additional funding possibilities for each of the programmes.