What works for whom?
Youth labour market policy in Poland

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Background

- High youth unemployment after the Great Recession, above EU average in Poland
- European Youth Guarantee (EYG) introduced in 2013
- Poland: budget of around 2 billion EUR
- -> need for evaluations
Research questions

(1) What is the relative effectiveness of ALMPs targeted at young people?

(2) How effective was one particular policy: wage subsidy introduced in 2015?
Data

- Polish administrative data on all young registered unemployed:
  - Individual characteristics
  - History of employment
  - Local labour market situation

- Final sample consists of 370k individuals (who participated in an ALMP in 2015 or 2016).
Methods

• Relative effectiveness of ALMPs:
  • propensity score matching to evaluate relative effectiveness of traineeship, traineeship voucher, training, training voucher, intervention works and public work

• Wage subsidy:
  • Discontinuity design (RDD) with a difference-in-differences (DiD) framework

Outcome:
• Being out of the unemployment register and not on ALMP
• Being out of the unemployment register, not on ALMP and the reason for unregistration is taking up unsubsidized employment
Results (early)

Relative effectiveness

• Public works substantially less effective than other forms of support
• After 18 months all differences between programs became negligible
• Vouchers somewhat more effective than regular training/traineeship
• We find no differences between short and long forms (traineeships and trainings)

Wage subsidy:

• positive effect on the probability of not returning to the unemployment register
• Effect stronger for women – but only because they were more likely to participate in another ALMP at month 13
Thank you

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