

What works for whom? Youth labour market policy in Poland

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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