

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?

- **traineeship, traineeship voucher, training, training voucher, intervention works and public work**

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

- Employer-side subsidy, 12 months + 12 months, up to minimum wage
- 8.4% of the eligible individuals aged 18-29 participated in the program
- it cost 13% of total Labour Fund spending on (ALMPs) for all the unemployed in 2016-2018

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:

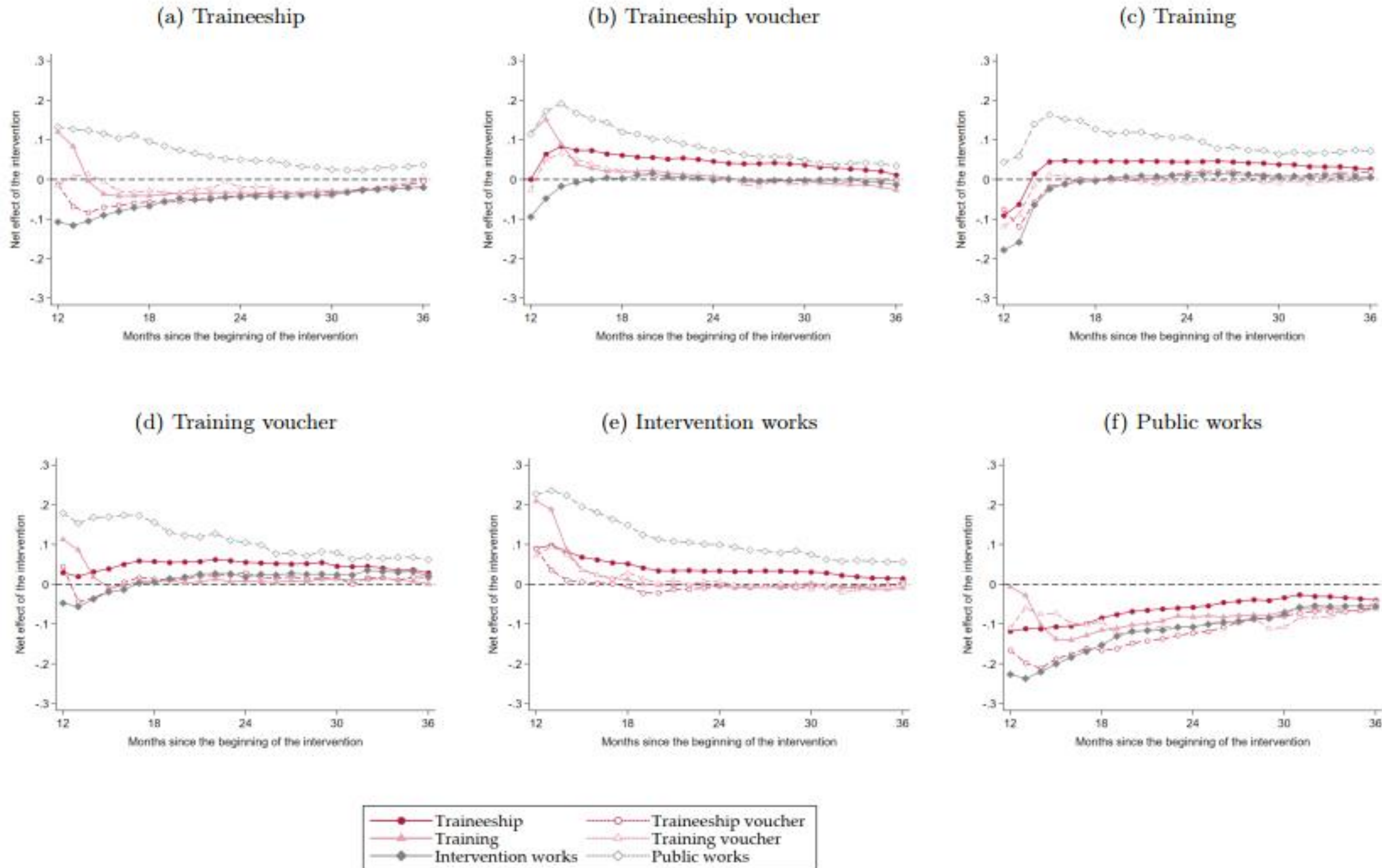
- Being out of the unemployment register and not on ALMP
- Being out of the unemployment register, not on ALMP and the reason for unregistration is taking up unsubsidized employment

Results (early)

Relative effectiveness

- Public works substantially less effective than other forms of support
- After 18 months all differences between programs became negligible
- Traineeship vouchers more effective than regular traineeship, but the effect disappears over time
- No difference between regular training and training voucher, though training voucher more effective for low educated and for those living in high unemployment areas

PSM results: relative effectiveness



Thank you

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Working papers coming shortly at:

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