Capacity Building workshop on Impact Evaluation of Employment Programs

Case study: Randomized control trials

Celine Ferre, Gdańsk, February 20, 2017
In January 2017, you were appointed as the new regional manager of the Pomeranian voivodeship. You know that the ESF has an envelope of EUR 6 billion for the Youth Employment Initiative, and you are willing to submit a proposal to increase youth employment in the voivodeship.

Through a World Bank presentation, you’ve heard about the Staneva et al. (2015) study on the impact of youth ALMPs, and you want to implement a wage subsidy program: the WOW program Wage Opportunity in the Voivodeship.

Through that same World Bank presentation, you learned that Impact Evaluation is very important and you want to estimate the impact of your program.

What is the question you want to answer?
Objective: answer the question “does the WOW program reduce youth (15-24 y.o.) unemployment rates in the Pomeranian voivodeship?”

You talk to your colleague Agnieszka from the Ministry of Labor in Warsaw, and she tells you to start with Gdansk and Gdynia.

Is that a problem for your evaluation? Why? Can you construct a counterfactual group?
Objective: answer the question “does the WOW program reduce youth (15-24 y.o.) unemployment rates?”

You decide to call another friend of yours, Anka, from the Department of Economic Geography of the University of Poznań, and she tells you that you should start with the powiats with the highest youth unemployment rates.

**Question 3**

Is that a problem for your evaluation? Why? Can you construct a counterfactual group?
Objective: answer the question “does the WOW program reduce youth (15-24 y.o.) unemployment rates?”

You decide to call another friend of yours, Beata, from UK’s New Deal for Young People’s (NDYP) program, and she tells you that she would implement the program on the whole voivodeship, and compare youth (15-24 y.o.) to jobseekers who are (25-30 y.o.)

Is that a problem for your evaluation? Why?
Can you construct a counterfactual group?
Case Study: Counterfactuals and Randomized Control Trials (RCT)

Objective: answer the question “does the WOW program reduce youth (15-24 y.o.) unemployment rates?”

Still not convinced by the answer, you call up your friend Ewa, from J-PAL (Impact Evaluation Lab), who recommends you randomly choose locations where you implement the WOW program.

Question 5

How does that change your evaluation? How do you conduct the randomization?