Capacity Building workshop on Impact Evaluation of Employment Programs

The Danish Success Story

Celine Ferre, Gdańsk, February 22, 2017
Background

- Systematic RCTs ran by the Danish National Labor Market Board
- Designed to obtain empirical evidence on the effectiveness of ALMPs
  - About 2 RCTs per year
  - Data dissemination through a knowledge-bank
  - Actively participation of the research community, providing data, participating in conferences, interactive debates, etc.
- As of 2011:
  - 8 RCTs are completed, 2 ongoing, 1-2 in planning process, 30
  - Small-scale ‘pilot projects’ planned
Description of the first experiment

- Early and intensive ALMPs for *newly unemployed workers*
  - Information letter
  - Job-search assistance from week 5
  - Frequent meetings with the caseworker (every 1-2 weeks)
  - Full-time program participation for at least 13 weeks
- As opposed to
  - Less intensive existing program
  - Longer span before the jobseekers participates full-time
Description of the first experiment (cont.)

**Controls**
- Meetings with case workers at least every 13 weeks
- Full time program participation for at least 1 week for the young (<30) and the old (>60)
- Full time program participation for at least 1 week for the rest

**Treatments**
- Information letter: 0-1 week
- Job search assistance: 1-2 weeks
- Frequent meetings with case workers - Every 1 or 2 weeks: 5-6 weeks
- Full time program participation for at least 13 weeks: 16-18 weeks
- End of treatment: 26-30 weeks
Impact of the first experiment

- What is the effect of the program?
  - Unemployment duration was reduced by 3 weeks
  - A CBA conducted by The Danish Economic Council (2007) shows net benefits of about 2000€ per unemployment spell

- BUT... it would be interesting to know more:
  - What worked, when (in the unemployment spell) did it work, and for whom did it work?
### Overview of select experiments as of 2008

<table>
<thead>
<tr>
<th>Experiment</th>
<th>Content</th>
<th>Region</th>
<th>Jobcentres</th>
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</thead>
<tbody>
<tr>
<td>A</td>
<td>Group meeting each week</td>
<td>Northern</td>
<td>Frederikshavn, Brønderslev, Hjørring</td>
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<tr>
<td>B</td>
<td>Early activation (after 13 weeks)</td>
<td>Mid Jutland</td>
<td>Aarhus</td>
</tr>
<tr>
<td>C</td>
<td>Early activation and group meeting each week</td>
<td>Southern</td>
<td>Esbjerg, Vejle</td>
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<tr>
<td>D</td>
<td>Individual meeting w. case worker every other week</td>
<td>Copenhagen &amp; Sealand</td>
<td>Holbæk, Roskilde, Gribskov, Ishøj-Vallensbæk, Vordingborg</td>
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Comparison of the effectiveness of different program options (cont.)

- Cost-Benefit Analysis (per unemployment spell)
  - Group Meetings (A): €1335
  - Early Activation (B): €1252
  - Early Activation & Group Meetings (C): -€1607
  - Individual Meetings (D): €4700