



Training in Flanders (Belgium)

Evaluation of an on–the–job–training
programme for the unemployed

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Training for the unemployed

- Important ingredient of ALMP's
 - # Participants
 - % of ALMP budget
- Intuitively, that seems right
- However : evaluation results mixed & rather pessimistic

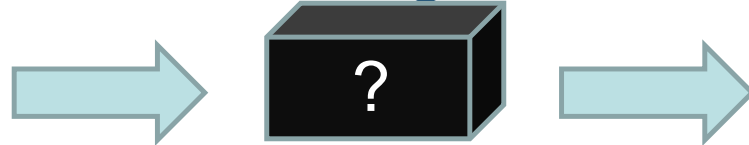
Effectiveness of training

- Often: net effectiveness absent, or even negative
- Cost effectiveness
- Locking in effects
- Possibly offset by “better” or more enduring jobs afterwards?
- Short versus long term effects

Effectiveness of training

- Be careful: what is “training”?

- Black box



- What subject (and demand oriented or not?)
- For whom?
- By whom ? (experience, scale, ...)
- Type ? (classroom, on-the-job,...)
- Intensity? Duration?



- Black box, contnd.
 - Timing of intervention ?
 - Combined with other ALMP's? Order?
 - Business cycle conditions?
 - Instrument for tight labour market: avoid bottlenecks ?
 - But : locking in less problematic if high U?

- Individual vocational training, on-the -job
 - Initiative : employer
 - When no alternative
 - For unemployed
 - 1 to 6 months
 - During training : UB + additional bonus
 - Afterwards recruitment
 - Possibility to present their own candidate

Number of participants

IBO-participants 2000-2008, by sex and year of participation (in absolute numbers and column percentages) (2008 incomplete)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Male	3581 68.89	5002 69.77	5271 68.10	6952 69.79	8673 71.10	9641 70.12	10989 71.14	10193 69.32	8250 70.38
Female	1617 31.11	2167 30.23	2469 31.90	3010 30.21	3525 28.90	4108 29.88	4457 28.86	4512 30.68	3472 29.62
Total	5198	7169	7740	9962	12198	13749	15446	14705	11722

Highly selective...

- Not much women
- Migrants underrepresented
- More than 50% short term unemployed (≤ 3 m)
- 55% younger than 25
- Relatively less low skilled
- Selectivity remains over entire period

- Two kinds of information
 - Unemployment register (entire period): either unemployed, or not (monthly)
 - From 2003 : working or not working (monthly)

Work

	1	2	3	4	5	6	7	8	9	10	11	12
A	working	working	working	u	u	u	working	working	working			
B	working	working	working	working	working	working	working	working	working	working	working	working
C	u	working	working	working	u							
	"First" situation					Entire Period						
	Absolute	Relative				Absolute	Relative					
A	3	3/9 = 33%			A	6	6/9=66%					
B	12	2/12=100%			B	12	2/12=100%					
C	0	0/5=0%			C	3	3/5=60%					

“First” situation

First situation after terminating the training : continuous period of work as % of the totally observed period (participants 2003 - 2008)

Percentage

0% (training is followed by "non-working" period)	22.24
Less than 10%	14.76
25 till 50%	7.52
50 till just under 100%	7.89
100% (entire period, always working)	47.59

Entire period

% of working months within the entire observed period since terminating the training
(participants 2003-2008)

	Percentage
Never worked after training	4
Less then 10%	1.69
10 till 25%	4
25 till 50%	8.5
50 till 100%	34.22
Always worked since training	47.59

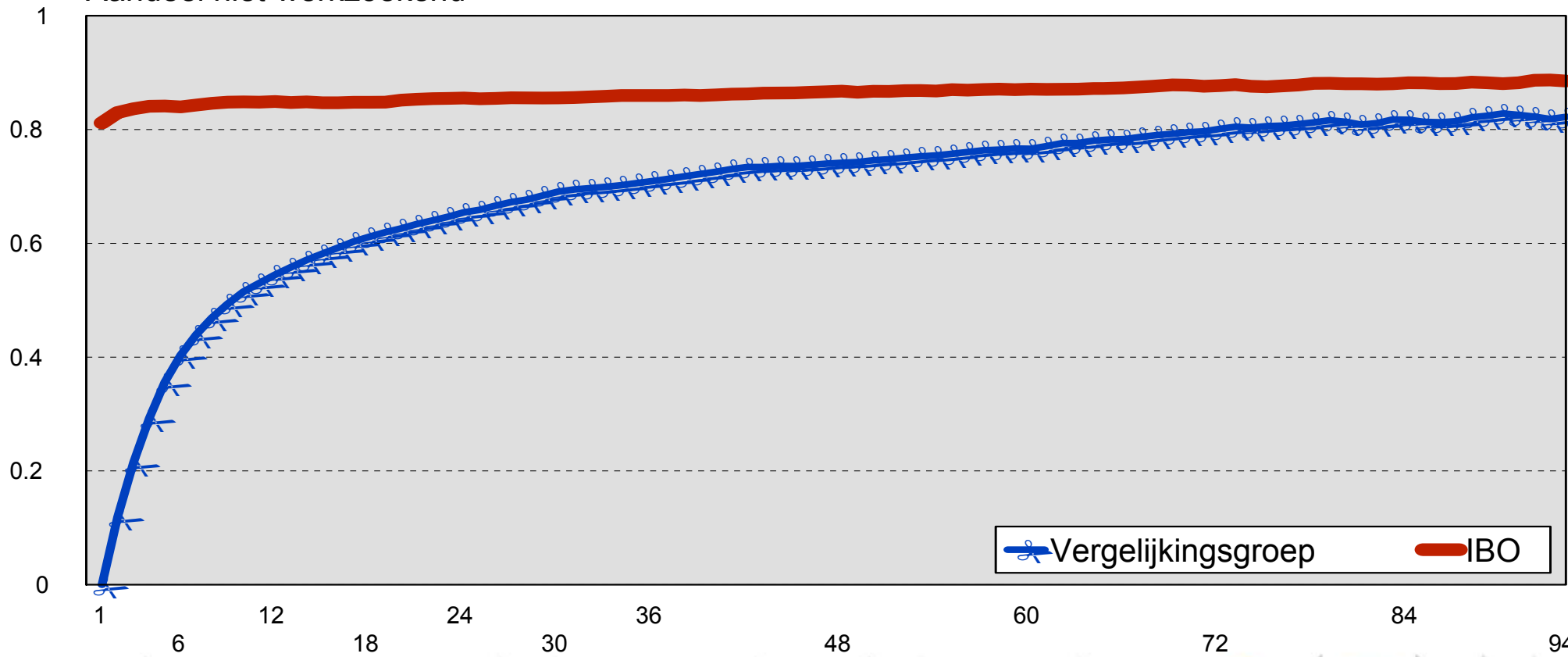
- Outcome very positive
- Due to programme, or due to selectivity?
- What would have been outcome in the absence of the programme?
- Compose comparison group via matching technique (Propensity Score Matching)

- Basic idea: find for every participant, a non-participant with comparable characteristics
- Matching on sex, age, unemployment duration, educational attainment, province, month and year of terminating the training
- Selection on observables, **not on unobservables**

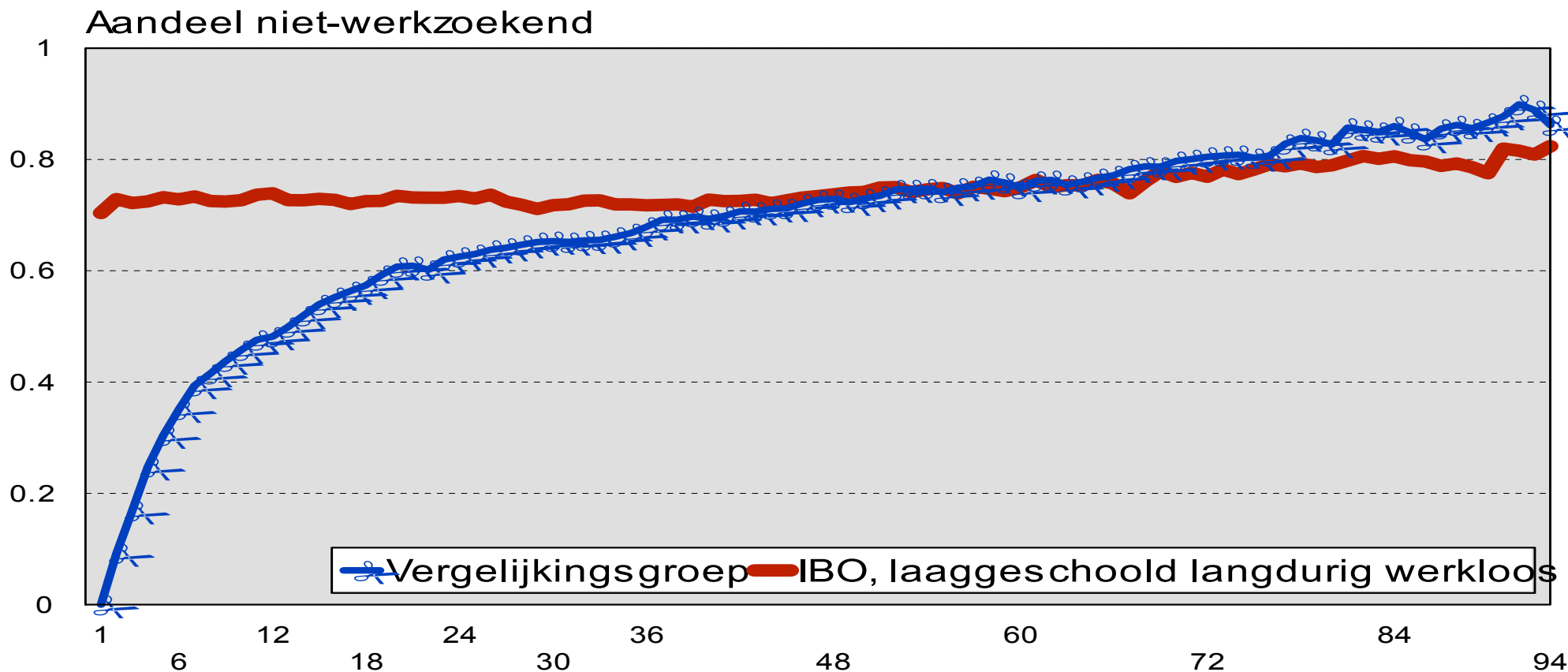
- Here : unemployed or not unemployed (\leftrightarrow working or not working)
- From 2000 onward (\leftrightarrow 2003)
- In graph : % not unemployed
- Starting in first month after terminating the training
- Until 12.2008

% not unemployed

Aandeel niet-werkzoekend

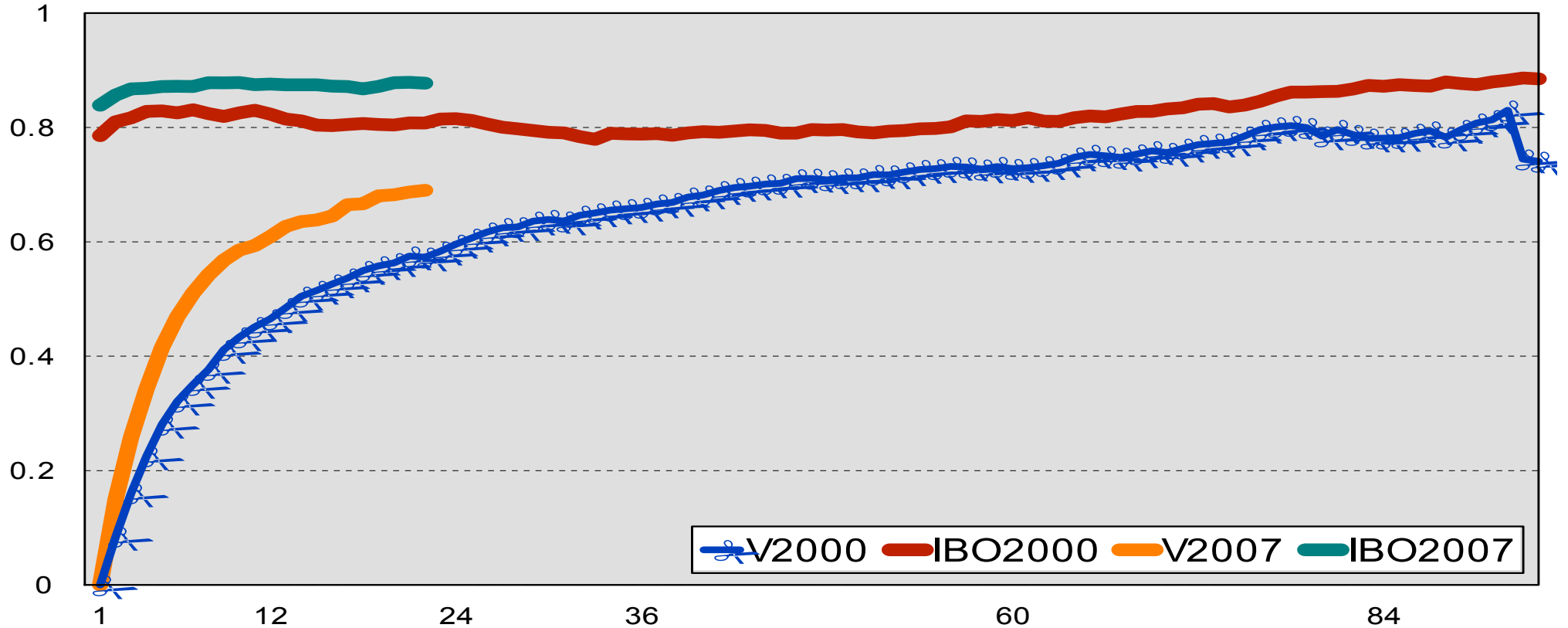


Low skilled & LTU



Business cycle : gross effect

Aandeel niet-werkzoekend



Business cycle : net effect

Net effectiveness of the training, in blocks of 12 months after terminating the training, and per calendar year

	1st year	2nd year	3rd year	4th year	5th year	6th year
2000	52.4%	32.3%	15.6%	10.0%	7.7%	7.3%
2001	47.3%	27.8%	12.3%	8.6%	8.4%	7.4%
2002	46.5%	27.1%	14.4%	11.2%	10.8%	10.0%
2003	46.2%	26.4%	15.4%	13.1%	13.5%	11.2%
2004	47.7%	28.5%	18.3%	16.9%	16.7%	
2005	47.3%	29.5%	20.0%	17.1%		
2006	48.4%	30.8%	19.9%			
2007	44.9%	20.8%				
2008	47.8%					

- Two objectives
 - As an answer to skill shortages, avoiding bottlenecks
 - Potentially high benefits
 - But dead weight possible : monitor entrance
 - As activating measure
 - Who enters, clearly benefits
 - But probability of entering unequally divided
 - How to change this?