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A description of three randomised experiments in Swedish labour market policy

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A description of three randomised experiments in Swedish labour market policy[†]

by

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Abstract

In this paper, three experiments in active labour market policy conducted in different counties of Sweden in 2004 are outlined. The purpose of the experiments was to test and find improved methods of matching to be implemented in the regular services at the employment offices. The background, the organisational structure and the experimental design of each experiment is described, as well as the demonstration services offered the participants.

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Table of contents

1	Introduction	3
2	Background.....	3
3	Organisation	5
4	The experiment and control group services.....	6
4.1	The demonstration services	6
4.2	The regular services.....	8
5	Basic experimental design	8
5.1	The admission procedure.....	10
6	Evaluation.....	11
7	Data.....	12
7.1	Compliance.....	14
8	The demonstration programmes	14
8.1	The Jämtland demonstration.....	15
8.1.1	Background and administration.....	15
8.1.2	Basic design.....	15
8.1.3	The demonstration services	16
8.1.4	The regular services.....	17
8.1.5	The admission procedure.....	17
8.2	The Uppsala demonstration	18
8.2.1	Background and administration.....	18
8.2.2	Basic design.....	18
8.2.3	The demonstration services	19
8.2.4	The regular services.....	20
8.2.5	The admission procedure.....	20
8.3	The Östergötland demonstration	20
8.3.1	Background and administration.....	20
8.3.2	Basic design.....	21
8.3.3	The demonstration services	21
8.3.4	The Regular services	22
8.3.5	The admission procedure.....	22
	References.....	24

1 Introduction

In 2004, the Swedish Labour Market Board (SLMB) initiated several demonstration programmes with the purpose of finding more efficient methods of matching. In different regions, various placement activities were tested on targeted subgroups of unemployed registered at the employment offices. In implementing the demonstrations, it was decided that some of the services were to be evaluated against the regular services using an experimental design in which job seekers were randomly assigned to either of the service alternatives. In this paper the background, the organisational structure and the experimental design of each experiment is outlined, as well as the demonstration services tested. Some results from these experiments are reported in Hägglund (2006a). More extensive analyses are being performed in the writing moment.

2 Background

In a government decision dated in 2002, a number of government authorities were commissioned to set up a joint consultation group to assist the government in counteracting unemployment on local labour markets hit by lay-offs. Coordinating the efforts were supposed to be the most efficient way to secure sustainable growth at the local level.¹ The same year, the SLMB set up a project group within the organisation to address these questions. One important task was to make sure that the employment offices at the local labour markets affected by lay-offs were equipped with sufficient economic resources and skilled personnel to minimise the social consequences. It was also emphasised that the undertaken labour market measures must harmonise with the industrial, regional and educational political efforts to create new jobs.

One year later the project group's work description had evolved. Besides supporting regions and communities hit by lay-offs, the project was also supposed to supervise various regional and local specific measures aiming at solving structural problems among groups of unemployed. In more detail, the project group was supposed to i) establish the need for new measures, ii)

¹ Government decision: "Uppdrag till Arbetsmarknadsstyrelsen m fl att bilda samrådsgrupp".

outline, together with the county labour boards, services/activities to be tested, iii) carry out these measures in demonstration programmes, iv) make certain that the activities were appropriately documented, v) make certain that the schemes were appropriately assessed, and vi) disseminate “good examples” on the basis of the documentation and assessment. In practice, the purpose of the demonstration programmes was to find efficient methods to pursue placement services that could be implemented in the public employment service’s (PES) regular services. This extension of the project group’s authorities was a consequence of a new policy of the SLMB, emphasising uniformity and efficiency in the services offered at the public employment offices.

Since the demonstrations’ objectives were concentrated on placement in jobs, rather than placement in programmes, 20 million Swedish kronor were added to the administrative budget in the 2003 SLMB financial plan. This would cover the expenses for personnel and overhead costs. By using outside funds, the demonstration nature of the activities was pronounced. Locally, the extra money also served as a signal providing the authority necessary to gain acceptance for the demonstrations. The funding would finance activities during 2004 and in some cases during 2005.

The demonstration programmes were preceded by an application procedure where the local labour boards were invited to submit ideas for working methods to apply on particular groups of job seekers. The applications typically contained three features; First of all, a brief background described the current labour market situation and local specific difficulties. Second, a strategy was presented on how to pursue placement services on a, more or less, targeted group of unemployed. Third, a project organisation plan with cost estimation for recruitment of personnel was specified. Several demonstrations also specified targets for their own achievements (*working goals*), for instance the job seeker contact frequency or the number of contacted employers each month.

If the demonstration programme was ratified, the application fundamentals were summarised in the official document in which the SLMB commissioned the county labour board to execute the programme activities agreed upon. This document also stated granted funds, exact start and finish dates, and *operative goals* to achieve. *The operative goals* (distinct from the *working goals*) were

typically formulated in a routine manner, stated either as the experiment group outcome relative to the control group outcome, or as a fixed number of job seekers remaining at the end of the project period.² The specified goals lacked any correspondence with the results required to economically motivate the demonstration services. They were therefore, if anything, regarded as soft targets. The demonstrations were also responsible for necessary documentation of the services. This involved detailed notes of daily events and activities within the project. Finally, the document specified criteria for the selection process. From a specified target group, participants were to be randomly selected. A correspondingly randomly assigned comparison group was supposed to constitute the counterfactual events of the experiment group. Exits from the experiment group were supposed to be replaced continuously.

3 Organisation

The demonstration organisations consisted of three levels. At the top, supervising the programmes, was the above mentioned project group at the SLMB entitled the *Project for regional specific development measures*. The project group occupied four full-time employments from January 1 2003 and onward. As financially in charge, the group decided which schemes to support as well as which schemes to prematurely close down. One project group representative was assigned to each demonstration and, as such, appointed chairman of the *reference group* attached to each demonstration.

The *reference group*, which represented the middle level of the demonstration organisation, also contained the assigned evaluator at the SLMB, representatives from the county labour boards and the operative team manager of the particular project (the *project team manager*). In some cases, the local industry and/or the local trade unions were also represented. The role of the reference group was to continuously follow the demonstration activities and to make strategic decisions on comprehensive matters concerning the project

² For example: 30 percent higher employment rate at the end of the project period.

course.³ The reference group held meeting typically every 4–6 weeks. At these meetings the project team manager updated on current status in the project and reported on matters in the near future. Also discussed was the degree of goal achievement in the specified working goals set up by the project team and, when necessary, personnel issues. The evaluator also presented fresh results of the demonstration services, typically as the simple mean differences in unemployment status between experiment and control group. The results were contrasted against the operative goals formulated for the demonstration activities.

Finally, at the operative level, a *project team* of 3–5 case workers including the project team manager carried out the services at the local employment offices. The county labour board selected members of the project team.

4 The experiment and control group services

4.1 The demonstration services

The various activities offered in the demonstration programmes were above jointly referred to as placement services. However, although job matching was highly emphasised, participation did not imply exclusion from entering labour market programmes. In some cases, where found motivated, participants were placed in programmes.

The concept of placement services here represents different types of services. First of all, the schemes offered *job-search assistance* and *in-depth counselling*, which typically involves activities like self-assessment, establishing job goals, learning about different job-search strategies, completing applications and preparing resumes. Also, one demonstration almost exclusively focused on instructing the job seekers in the self-service Internet applications offered at the PES. This involved skills in specifying profiles on

³ These matters could for instance deal with the amount of time and resources allocated on contacts with the unemployed relatively the employers, or the rate of which new job seekers should be added to the experiment (and control) group.

the job seeker's and the employer's matching websites, the *Vacancy Bank* and the *Job Seeker Bank*, and also operating in interactive job training programmes.

Second, besides trying to increase job-search efficiency among the unemployed, another strategy was to focus on the demand side efforts and *job acquisition*. This strategy was usually exercised when the services were targeted on particular groups of unemployed with certain skills or/and qualifications to be promoted towards certain categories of employers. To some extent, the idea was to influence employers in making untraditional choices in hiring situations. Although the significance of intensified employer contacts was pronounced in almost every scheme description, the amount spent on these outgoing activities varied considerably.

Third, besides matching, the other important function of the PES is to *monitor job-search efforts* among unemployment insurance (UI) recipients. To be eligible for benefits, the unemployed must accept job offers and actively seek for jobs. The "control-function" has historically been down prioritised on behalf of the "service-function" at the employment offices. All schemes expressed an ambition to pursue a stricter enforcement of the eligibility criteria and to stress the requirements as benefit recipients, although the Jämtland demonstration was the only one explicitly testing a procedure for that purpose. One should, however, keep in mind that all demonstrations involved more frequent contacts between the case worker and the unemployed. This in itself created tighter checks of the job-search efforts.

Typically the demonstration programmes contained a mix of services. This obviously has implications for interpreting the results, which are further commented on in section 4.

In general, all demonstration activities started with a thorough review of the job seekers using the PES internal information and matching system. Data were corrected when wrong, and updated when outdated. Special attention was paid to information on formal education, other qualifications and occupation searched for. This was generally considered the first step in increasing matching probability. In several cases, however, the flaws in register data caused disqualifications from the experiment group. These compliance problems are discussed further in section 6.1.

There are reasons to believe that the services offered at the start of the evaluation period, and the ones offered in the end, deviate to some extent. Service elements were fine-tuned over time due to increased skills among the scheme workers, whereas others were eliminated or filled with new contents.

These variations are, however, minor in comparison to the variations in treatment dose between the participants. The activities were typically not time-restrained; once starting the activities the participants stayed until their situation were resolved. Hence, the treatment dose varied significantly between those finding a job early and those finding a job late in the programme.

To sum up, the assessed services involved no innovative strategy to match unemployed and vacancies. Rather, the services were typically higher quality delivery of already existing services. Traditional and well-documented methods and instruments were applied in slightly alternative modes and carried out in somewhat new combinations. With the demonstration programmes focus on placement activities, participation in ALMPs was generally less frequent in the experiment groups. The services involved fewer job seekers per case worker which allowed more frequent contacts between the job seekers and the employment office personnel.

4.2 The regular services

The regular (or counterfactual) services offered the control groups varied between the demonstration programmes, both due to the various target populations and the different local specific labour market situations. An interesting circumstance is that the Swedish government in the fall of 2003, due to an enhanced troublesome situation among unemployed youth, announced that they intended to halve the number of registered long-term unemployed persons between 18 and 25 within a year (before August 31 2004). Since long-term unemployment in Sweden is terminated through participation in labour market programmes, a tempting approach in reaching the set out target level specified for each county was to increase the number of programme participants. The events of the youth in the control groups can thus scarcely be said to correspond to the “normal” activities at the employment offices. This is of particular importance interpreting the results in the Östergötland demonstration focusing on youth unemployment.

5 Basic experimental design

Random assignment assures an equal base for comparisons between groups offered different treatment. Had the decision of participation instead been the choice of the job seekers or the project teams, we would not be able to

guarantee that the participants did not differ from the comparisons in a systematic manner.

In common for all experiments was the concept of comparing alternative modes of providing placement services with the regular services offered at the public employment offices. In the basic design, registered job seekers from a well-defined target population were randomly assigned to the demonstration services and to the regular services respectively. Participation was compulsory and usually time unlimited which means that the job seekers stayed in the programme until their unemployment situation was resolved. Persons returning to unemployment often re-entered the demonstration services. Some demonstrations applied an “absence” duration restraint. The randomly selected control group members were referred to the employment offices’ regular services. In that way, the counterfactual events of the experiment group members were captured. Using the regular services as a benchmark was necessary to avoid ethical discussions about denying job seekers services they otherwise would be entitled to. Neither the experiment nor the control group members were informed of that there was an experiment going on.

The demonstrations typically concentrated on subgroups of unemployed in one particular region. The results are therefore not necessarily representative for other groups of unemployed and/or for other regions. However, the scheme specific backgrounds are, in some sense, representative for the type of regions they represent. For instance, the troublesome labour market situation for highly educated in Uppland is more typical for regions with universities than regions without. In the same way, the excess supply situation of ITT-qualified in Stockholm could be described as more characteristic for big rather than small cities. The services were usually offered on several sites. Typically each county consisted of one relatively large town, in which a considerable part of the sample was situated, and a few minor towns in peripheral areas. This offers the opportunity to study the programme effect in different local labour markets.

Once singled out to participate, full responsibility of the job seekers was taken over by the *project teams*. Hence, while all control group members remained in the control of their current case worker, all experiment group members were transferred to new ones. This way the process of learning each job seeker’s unique unemployment situation had to start over again. One cannot rule out the possibility that this restart, at least initially, had a somewhat negative effect on the participants. This would imply that the final outcome not only reflects the impact from the demonstration services, but also, to some

extent, the experiment itself. On the other hand, a restart including a thorough check of the job seekers' education, work experience, and job search behaviour, was part of all formulated demonstration strategies and had been carried out irrespective of whether or not the participant had stayed with their original case worker. To avoid any kind of influence from the experiment itself, an alternative strategy would have been to restrict the target population to newly registered. However, such a strategy not only had been difficult to pursue with the target populations defined, and the demonstration activities planned, it would also have had strong implications for the admission routines and the sample sizes.

The job seekers were generally coded as able to accept a job immediately. The Uppsala demonstration, however, also included some part-time employed. The experiment group members could have received services similar to those offered in the demonstrations earlier in the current, or previous, unemployment period. Also, it is possible that some control group members received services similar to the demonstration services during the evaluation period. To clarify the differences in services offered the experiment and control group members, careful documentation of the demonstration activities was required. Also, programme participation for both experiment and control group members was reported in the unemployment register. The register, however, contains no explicit information on placement efforts at the employment offices, which might have been offered some control group members. Available information should however be sufficient to perform cost analyses in order to retrieve the most cost efficient service alternatives.

5.1 The admission procedure

The admission procedure consisted of several steps where each step, with the exception of the final, was similar to most schemes. The first step involved eliminating persons in the defined target population wrongly coded, or with programmes or jobs about to start in the near future. This step was crucial in order to minimise compliance problems in terms of no-shows in the experiment group.⁴ In the second step, the evaluator performed the randomisation and singled out those to be offered the scheme services, and those to continue with

⁴ Throughout I distinguish between *experiment group members* and *participants*, where the first refer to both participants and no-shows.

the regular services respectively. Nobody except for the evaluator had information about which job seekers that were included in the control groups.

The proceedings of the third and final step, in which the experiment group members were notified of the services, varied significantly between the schemes. In common for all demonstrations was that a certain time interval was applied between notification and programme start. Also, all demonstrations agreed upon undertaking the exact same procedure for all experiment group members in the same admission. This way, the behavioural response between notification and programme start could be studied explicitly.

The referrals briefly introduced the job seekers to the objectives and the general working methods of the demonstrations. Those receiving UI benefits were also reminded of their obligations as UI receivers and the penalties involved in violating them. The admission routine for each demonstration is described in detail in the demonstration presentations below.

6 Evaluation

Responsible for conducting the experiments and to assess the outcomes of the demonstration activities was the appointed evaluator at the SLMB.⁵ As currently employed at the SLMB, the author of this paper was the assigned evaluator of the demonstration programmes presented in this paper.

During the active phase of the experiments, the evaluator continuously performed randomisation of experiment and control group members, and updated on the performance at the reference group meetings. The purpose of regularly assessing the performance was to eliminate the risk of the experiment group members being considerably worse off as participants. One could, however, object to repeatedly reporting of the results with the argument that poor results would create incentives to modify the offered services. The final evaluation would then fail in providing results of the services initially specified. As discussed in section 3, experiences from conducting the experiments show that the services were in constant progress due to the gradually enhanced skills among the project teams. However, once the basic

⁵ The evaluator was not involved in designing and preparing the particular demonstration activities.

forms of the demonstration activities were found, no drastic changes of the tested services were made.

The short-term effects of the demonstrations were supposed to be reported three months after the active period ending. The evaluations were supposed to involve various measures of employment outcome using both register and survey data (presented in the following section). In the fall of 2004, however, and before these assessments were initiated, the SLMB announced that they were no longer interested in the results of these demonstration activities.

7 Data⁶

Both register and survey data were used to analyse the effects of the demonstration services. As to the former, most recent research on unemployment duration in Sweden has utilised unemployment register data from the SLMB (*Händel*). In *Händel*, the events of each unemployed job seeker are continuously followed between periods of open unemployment and programmes until deregistration.⁷ A drawback with *Händel* is the heavy reliance on self-reported information. For instance, job seekers who find jobs or leave the work force sometimes omit to inform the employment office. If the employment office is notified after some time, the code for exit cause would be correct, but the de-registration date could be wrong. If the employment office is *not* notified, this cause de-registration with the code “reason unknown”. Then, both the deregistration code and the registered date for leaving unemployment are wrong. Furthermore, shorter periods of inactive job seeking sometimes pass without inducing an event. One such example is sickness in which case the recipients remain registered as unemployed but instead of UI compensation collects sickness allowances. As a consequence of these register deficiencies, the unemployment register most likely exaggerates the true number of unemployed at any given time.

⁶ Hägglund (2006b).

⁷ *Händel* also contains individual information on gender, age, educational level, citizenship, working disability, occupation searched for, education and experience in occupation searched for etc.

In the last few years, the improved quality of the UI-payment register data (*A-stat*), administered by the UI funds, offers an alternative to *Händel* in following spells of unemployment.⁸ Again, information is based on reports from the claimants. However, rather than notifying the employment office, UI-eligible job seekers leaving unemployment simply quit sending in their applications for UI compensation. More importantly, falsely reporting to the UI fund could lead to prosecution. *A-stat* should thus be more reliable than *Händel*. *A-stat* does not, however, contain information about disruption cause.

There are at least two strong reasons for using *A-stat* to study unemployment duration in these experiments. First of all, *Händel* was used to identify the target groups. With the deficiencies in *Händel*, this suggests that randomisation can, in fact, involve people no longer unemployed. Reaching out to the experiment group members by sending out notifications to the demonstration services, we would expect those wrongly coded in the experiment group to be systematically exposed and corrected as opposed to the randomised out controls. This would cause an upward bias in the difference in exit rates between the groups in favour of the experiment group.

Second, with an expected higher coach-job seeker contact frequency in the experiment group, the risk of wrongly defined, and/or late dated, events in *Händel* is expected to be reduced. Put differently, the events in the experiment group are expected to be more accurately coded, which once again are likely to work in favour of the demonstration services' results. To conclude, using *Händel* to analyse pre-programme effects most likely involves overestimating the difference in exit rates in favour of the experiment group.

Instead relying on *A-stat*, the analysis must be confined to those qualified for UI benefits. In Jämtland, and to some extent also in Östergötland, where the services were targeted towards UI eligibles, the loss of observations is relatively small (20 and 26 % respectively).⁹ In the Uppsala scheme, however, 53 per cent of the sample was lost. Also, since *A-stat* lacks information on

⁸ *A-stat* contains weekly data on the number of UI compensated days, type of UI benefit and benefit level for all unemployed who are entitled to either Basic insurance or Income-related UI benefits since January 1 1999. Data also includes information on payment decisions, previous income and remaining days of benefits.

⁹ Claims for UI benefits are sent in to the UI funds in arrears, usually between two and four weeks after the week of unemployment. Hence, fully updated information on current UI claimants is not available.

disruption cause, it is linked to *Händel* and the event-specific information. If, however, a corresponding disruption is not found within two weeks, a constructed disruption cause is used.

Survey data are based on telephone interviews performed in the spring of 2005 among all experiment and control group members in the Jämtland and Östergötland demonstration. The follow-up period thus differed between approximately 6 and 15 months among those interviewed. Survey data contain information on for instance current employment status, job-search effort and applied job-search channels among those currently unemployed, and income and employment type among those employed.

7.1 Compliance

All experiment and control groups contain persons wrongly identified as members of the targeted populations (*no-shows*). They primarily refer to job seekers who already had a job or a regular programme about to start, and whose referrals correspondingly were withdrawn.¹⁰ Since these were equally distributed between the experiment and control groups, their presence should not affect the outcome differences. Inactive observations do, however, reduce the scope for identifying them. The “cleansing”-procedure, presented in Section 4.1, removed those with wrong or inconsistent information and/or programmes about to start. This considerably helped to reduce the number of no-shows, although not completely eliminating them.

8 The demonstration programmes

We now turn to the different experiments in more detail. Below the background and administration, the experimental design, the experiment and the regular service content, and the admission procedure of each demonstration programme is presented. *Table 1* sums up the essentials of the programmes.

¹⁰ These would be referred to as “no-shows” evaluating the programme.

8.1 The Jämtland demonstration

8.1.1 Background and administration

Serving as the starting point of the scheme in Jämtland was the 2003 second quarter *Job seeker survey*¹¹ of currently registered unemployed. The survey exposed a notably modest search effort among the job seekers. For instance, as many as 31 percent had *not* applied for a single job during the last month. Although several activities to increase the search intensity had already been initiated during 2003, the county labour board wanted to see a more unanimous effort to alter the search behaviour among the unemployed. Another object was to test new routines of enforcement of the work search requirements. This was in line with the new SLMB policy document emphasising the importance of reducing abuse of the UI system and to assure equal treatment of job seekers across public employment offices and regions. The demonstration services concentrated on openly unemployed (hence, not currently active in labour market programmes) entitled for UI benefits.

The demonstration services were throughout the demonstration period, between February 1 2004 and December 31 2004, offered at the employment office in Östersund. In periods, the activities were also carried out in the small-sized local offices in Svenstavik, Bräcke and Hammarstrand.

The participants were assigned to one of the 3–4 full-time employed scheme workers in the project team. The recruited personnel were well-experienced case workers from the region.¹² Throughout the demonstration period, they were situated in Östersund. Scheduled visits were arranged at the smaller offices. The *project team manager* functioned at the county labour board and was not actively involved in carrying out the services. The demonstration reference group consisted of two representatives each from the SLMB, the chairman and the evaluator, and the county labour board.

8.1.2 Basic design

Different from the other demonstration programmes, the services of the Jämtland demonstration were time limited. If the unemployment situation was

¹¹ The *Job seeker survey* is a monthly survey among currently unemployed or programme participants performed by the Swedish Labour Market Board.

¹² In the fall of 2004 the project team occasionally contained 3.5 full-time employments.

not resolved within three months, the participants returned to their regular case worker. The experiment group was randomly divided into two separate groups. The first group (*the JSA group*) received both assisted job-search and increased job-search monitoring in monthly group meetings. The other group (*the increased job-search monitoring group, or the no-JSA group*) was only subject to increased job-search monitoring treatment that involved monthly in-person interviews. This design enables the effects from being referred to JSA and increased job-search monitoring to be identified separately.

The demonstration services were carried out between February and November in 2004 and involved 611 experiment group members (311 receiving both treatments and 300 subject only to increased monitoring), and another 642 control group members. Among these, 496 (246 +250) and 507 were UI eligible the week of the referrals and are therefore included in the main sample.

Finally, by using the same fixed interval between notification and programme start the design makes it possible to discriminate between pre-programme and programme effects.

8.1.3 The demonstration services

The services started with an individual meeting at which the participant was informed of the demonstration services. Register information was checked, complemented and updated on issues such as for instance which jobs they were interested in, recent educational achievements and job experiences. All participants received increased surveillance in the data system, which meant that their qualification profiles continuously were matched against all new reported job openings. Positive matches resulted in either *job suggestions* or *job referrals*.¹³ The participants were reminded of their obligations as UI receivers to actively seek for work. Referrals to jobs were, whenever possible, followed up.¹⁴

The extra monitoring services offered both groups consisted of elucidating the UI eligibility requirements to prevent violation of the unemployment insurance, and tighter enforcement of the UI rules in terms of denials of

¹³ The difference between the two is that the job seekers are not required to apply for the jobs specified in the *job suggestions*, as in contrast to the jobs specified in the *job referrals*.

¹⁴ Many times the stated hiring date was set to after the services ended. Such referrals were not followed up.

benefits in cases where the rules were violated. The group receiving only the extra monitoring was later called to three individual follow-up meetings at which recent job search efforts were scrutinised.

The group receiving both extra monitoring and job-search assistance had three visits involving traditional job-search training in groups, one full day and two half days.¹⁵ The participants thoroughly analysed their current situation by responding to different questions like; what kind of job do I want? What kind of employer do I want? Where (geographically) do I want to work? What are my qualifications? What are my good qualities? They learned about different job-search channels and how to get in contact with employers. They also examined the different parts of the CV and practised on job-interview situations.

8.1.4 The regular services

Following registration at the public employment office, the unemployed were called back within two months for an assessment and for formulating the mandatory individual action plan. Based on this, the unemployed could for instance be assigned to job-search activities. The time period between the follow-up meetings were typically set to six months. In general, youth received more attention and had more frequent contacts with the employment office. A specified action plan was required within two weeks. Subsequent follow-ups took place every 45th day.

8.1.5 The admission procedure

Admission of participants was done in two steps. In the first step, those selected to participate were referred to an individual meeting where an initial assessment was performed. The participants were also informed that their next meeting, which either was a JSA-group meeting or an individual job-search monitoring meeting, would take place three or five weeks later. A second referral confirmed this. An on average 6.3-week interval was applied between the job seeker first being notified, and the programme start.¹⁶

¹⁵ The extra monitoring services were thus performed differently in the two groups; in individual and group meetings respectively.

¹⁶ In the first admission in February, there was a five-week interval between notification and start of the programme. The following admissions applied a seven-week interval.

8.2 The Uppsala demonstration

8.2.1 Background and administration

The county of Uppsala in general, and Uppsala town in particular, is largely characterised by their two universities and approximately 40 000 students. The large number of highly educated is also reflected in the unemployment data. Besides the neighbour town Stockholm, Uppsala in 2003 held the largest proportion of persons with experience from post-upper secondary studies among the unemployed (approximately one third). The share among the long-term unemployed was even higher, more than 40 percent, and increasing. To reverse the trend, the county labour board decided to take measures. These measures, primarily involving different types of job-search intensifying activities and employer contacts, were targeted towards educated in social science, which was a particularly exposed group.¹⁷ The population was further limited to openly unemployed, although some part-time employed (17 %) were allowed in the first admission.

The services were carried out in several local sites. The vast majority (91 %) of the population was, however, situated in Uppsala town. Smaller admissions took place in local labour markets outside of Uppsala (Tierp/Gimo/Skutskär (4 %), Enköping/Bålsta (5 %)).

Including the project team manager, the demonstration occupied five full-time employed, all located in a local labour market office in Uppsala town. The reference group contained representatives from the SLMB (the chairman and the evaluator), the county labour board, and the project team manager. Also, representatives from Uppsala University and the local employers' association (*Svenskt Näringsliv*) were represented.

8.2.2 Basic design

The outcome of the experiment group offered the demonstration services was compared to the regular services offered a similar group of unemployed at the selected sites. Allocation of job seekers between the services was done using randomisation. Admissions took place at four different occasions in 2004;

¹⁷ The group contains lawyers, sociologists, economists etc. Also, a full degree was not a prerequisite to be included in the population. Only minor experience from university was sufficient.

February, May, September and November. The experiment comprised a total of 1092 (517) job seekers (UI eligible), where 549 (275) were offered the scheme services, and where 543 (242) were directed to the regular services. A fixed admission routine was applied, which allows for explicit investigation of pre-programme incentive behaviour.

8.2.3 The demonstration services

The demonstration services consisted of active measures directed towards both job seekers and employers. By carefully reviewing the register information of each participant, and by improving their job-search skills, the job seekers would become easier to match. Also, by actively promoting their skills towards the employers, and by contrasting their qualifications against the qualification requirements, the employers would be encouraged to recruit.

The demonstration design relied heavily on group dynamics. At the first information meeting, participants were casually divided into smaller job-search groups of 8–10 individuals. The job-search groups functioned independently of each other and met without supervision from the scheme workers. No pre-arranged action plan was formulated specifying the exact activities and the forms of these activities in each group. Instead they were presented with some problems to regularly discuss at their meetings. The formulated problems were of “problem-solving” character, for example, “What would need to occur to resolve your unemployment situation?”. The group members also reviewed and gave feedback on each other’s CVs. They practiced on interview situations, helped each other to find suitable employers, specified job-search and training activities and services to be provided by the employment offices etc. Each group appointed a contact person who served as a spokesperson for the group and kept the minutes at the meetings. The groups initially met 2–3 hours two times a week at first. This was gradually reduced to one meeting per week. A few denied the opportunity to function in groups for personal reasons. These were offered individual meetings instead.

The concept of non-monitored job-search groups is based on the idea that by allowing the unemployed to more actively take part in the process of choosing the most useful measure, the job seekers would become more motivated to solve their situation. Furthermore, the frequent group meetings, and the social pressure from within the group, would trigger higher job-search intensity.

To promote the qualifications of the unemployed towards the employers, a survey of future demand of this kind of labour was performed. The answers

constituted a useful guide in the subsequent work with actively approaching the employers in different forums.

8.2.4 The regular services

Similar to the personnel situation at the public employment offices in other counties, the situation in Uppsala was strained. In Uppsala town, where the vast majority of the sample was situated, the job seekers to a large extent were left on their own. After registering, the following contact was typically set to 4–6 months later. After that, a 3–4 month interval was usually applied (youth excepted who had a somewhat more frequent contact). Also, continuous contact with the exact same case worker was rare.

8.2.5 The admission procedure

First being informed of, and introduced to, the services in a letter or by e-mail, the job seekers were asked to update the coaches on any recent educational achievements and new work experience. A second notification was sent out as a reminder of the start date. The interval between first being notified and programme start was gradually reduced from initially six, to two weeks in the last admission. On average, the length of the pre-programme period was 4.4 weeks.

8.3 The Östergötland demonstration

8.3.1 Background and administration

In Östergötland, the beginning of the 2000-century was characterised by a difficult labour market situation with a large amount of lay offs. With the Swedish “last in first out”-policy regulating the priorities in lay-off situations, youth was one of the groups particularly exposed. Young people also had the most difficult time finding new jobs. The idea of the demonstration was to improve matching by individualising the employment services in a coach system, practising job-search club activities and frequent follow-ups. Within the demonstration, the job seekers could, if found motivated, also be referred to various labour market programmes. Especially, vocational training to professions with supply shortage was encouraged.

The intention was to target the services towards long-term unemployed youth. However, the nation-wide focus on this group, and the subsequent enhanced propensity of programme placement dramatically decreased the

target population. The demonstration therefore gradually allowed youth with shorter unemployment duration to participate.

The demonstration activities were executed in six sites spread out in the county, four of which were minor local offices in the countryside. The four full-time employed scheme workers, and the project team manager, were (with one exception) all experienced case workers. The fourth scheme worker was employed on probation exclusively for the demonstration. The reference group, which included the project team manager and two representatives from the SLMB and the county labour board respectively, met monthly throughout the active period of the demonstration.

8.3.2 Basic design

Comparing the two service alternatives, randomisation decided which job seekers to be referred the regular services, and which to be offered the demonstration services. New experiment and control group members were continuously singled out twice a month between March and October (July and August excepted). Participants stayed in the project until employment was found. A total of 487 (357) job seekers registered as openly unemployed (UI eligible) were singled out to participate, whereas another 504 (379) were controls.

A three-week interval was applied in the admissions of new participants, which allows for explicitly studying the effect of being *offered* the services, as opposed to the effect of actually receiving them.

8.3.3 The demonstration services

After the first individual meeting, in which the project and the demonstration services were presented, the activities were arranged as groups meetings once a week. The participants were assigned homework between every meeting. Also, the scheme workers were highly accessible to the job seekers through telephone or e-mail.

In the first meetings, the participants were introduced to several of the self-service Internet applications available at the PES. For instance, they were educated in how to upgrade the CV in the PES information and matching system, and the PES public website the *Job Seeker Bank*. This was expected to significantly increase the matching functioning in both systems. In the *Vacancy Bank*, the participants specified various qualification profiles that were to be followed up at every succeeding meeting. The participants also worked in an interactive job-training programme that served as a point of reference in the

continuous job search. The subsequent meetings were dominated by updating on the current situation, and following up on the assigned homework.

8.3.4 The regular services

After registration at the employment office, the youth were referred to a group, or an individual, meeting after 60–90 days where they were informed of programmes preventing long-term unemployment, for instance the *Youth Guarantee*. During the programme period the youth contacted the employment office every fourth week (by telephone) to report what jobs they had applied for. After the programme, the same procedure of 60–90 days of job-search followed by a programme was repeated.

8.3.5 The admission procedure

New participants were added to the demonstration sample in a straightforward manner. Three weeks prior to the start the job seekers were notified with a letter in which the scheme purpose were briefly presented. UI eligible job seekers were also reminded of their obligations as UI receivers.

Table 1 The demonstration programmes: an overview.

	Jämtland	Uppsala	Östergötland
Target group	Openly unemployed, eligible for UI	Openly unemployed/part-time workers & post secondary educated in social science	Openly unemployed youth
Type of services	1. Arranged job-search activities in groups & increased monitoring. 2. Increased job-search monitoring	Non-supervised job-search workshops & job acquisition	Arranged job-search activities in groups
Average # of weeks between notification and programme start	6.3	4.4	3.0
Number of observations (All/UI eligible)	1253/1003	1092/517	991/736
-Experiment group (All/UI eligible)	611/496	549/275	487/357
-Control group (All/UI eligible)	642/507	543/242	504/379

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