

Active Labor Market Policy Evaluation: A Meta Analysis

by

David Card, Jochen Kluve and Andrea Weber

Comments by
Hartmut Lehmann

Comments on ALMP evaluation: A meta study structure of comments

1. Data, methods and results
2. Problems of meta analysis
 - Sufficient controls for equality of quality?
 - Sufficient controls for (a) differences and (b) changes in labor market institutions?
3. How useful are the results for policy advice – in developing and transition countries?

Comments on ALMP evaluation: A meta study discussion of data

- Following a carefully developed protocol microeconomic evaluation studies are selected
- Careful discussion of pro and cons of data used (e.g. unemployment register data vs. survey data covering all labor market states)
- Careful discussion of program types, participants' characteristics and evaluation methodology (table 3) – there is no discussion of labor market institutions and business cycle issues (or the discussion is very feeble)
- Discussion of impact measures – in short-term (up to 12 m.), medium-term (12-24 m.) and long-term (> 2 yrs.) – leading to 3 qualitative categories (+1,0,-1)

Comments on ALMP evaluation: A meta study methods and results

- “Static” and “dynamic” ordered probit (with some robustness checks)
 - Separate regression done for Germany with East-German dummy (transition matters!)
 - Results – just a look at programs
 - Short-term effects: comparing column (2) and (6) in table 7:
 - Training: marginally significant & negative (2) to insignificant & positive (6)
 - Subsidized public jobs: strongly significant & negative (2) to insignificant & negative (6)
 - Medium-term effects:
 - Training: insignificant & positive (2) to significant & positive (6)
 - Subsidized public jobs: insignificant & negative (2) to insignificant & negative (6)
 - Other interesting result: no difference between non-experimental and experimental studies
- ⇔ Kluve (2007) – see there specifications 5 and 6 e.g.

Comments on ALMP evaluation: A meta study

Problems of meta analysis

- Sufficient controls for equality of quality?
- Sufficient controls for (a) differences and (b) changes in labor market institutions?
- Example: volatility of transition countries (most studies, even if recent, use data from times of turmoil)

Comments on ALMP evaluation: A meta study policy advice for developing and transition countries

- Most studies come from mature capitalist economies with well functioning labor markets
- In developing countries and transition countries – many distortions
- Examples:
 - Segmented labor markets
 - Large informal sector
 - Wage arrears and unpaid leave