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## Using the unemployed as temporary employment counsellors: Evaluation of an initiative to combat longterm unemployment

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Term Unemployment

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## **Abstract**

This study investigates empirically the effects of a pilot project in which unemployed persons were used as temporary employment counsellors. Economic theory clearly points in the direction of a positive relation between search intensity and exit from unemployment. The fundamental concept of the project was the use of unemployed, who underwent customised training, to assist other unemployed in their job search. The project was carried out during a period in which the caseload was very high at public employment offices, which resulted in a drastic reduction in individual placement services available to the unemployed. It was based on a collaboration agreement between trade union confederations and the Swedish Labour Market Administration.

Based on individual records drawn from administrative data, this paper examines the impact of the project on the probability of being removed from the live register of the Employment Service (various reasons for being removed are analysed separately) or being placed in a labour market policy programme. For job seekers placed in such programmes, the evaluation also examines effects on the probability of gaining employment within a given time period subsequent to programme participation. The impact on the period of time from the start of the project until a job seeker is removed from the register or placed in a labour market policy programme is also examined. The estimated effects indicate that the project had a positive impact on job search effectiveness and, thereby, in its efforts to reduce long periods out of work.

## **Zusammenfassung**

Die vorliegende Studie ist eine empirische Untersuchung der Auswirkungen eines Pilotprojektes, bei dem Arbeitslose vorübergehend als Arbeitsberater eingesetzt wurden. Wirtschaftstheorien sehen einen positiven Zusammenhang zwischen der Intensität der Suche nach einem Arbeitsplatz und dem Austritt aus der Arbeitslosigkeit. Das grundlegende Konzept des Projektes lag im Einsatz von Arbeitslosen, die nach einer kundenorientierten Schulung anderen Arbeitslosen bei ihrer Arbeitssuche assistierten. Zeitlich angesiedelt wurde das Projekt in einer Phase sehr hoher Arbeitsbelastung in den öffentlichen Arbeitsagenturen, die zu einer drastischen Reduzierung der Kapazitäten für die Einzelberatung von Arbeitslosen führte. Grundlage bildete ein Abkommen zwischen Gewerkschaftsverbänden und der schwedischen Arbeitsverwaltung.

Basierend auf Geschäftsdaten der Arbeitsverwaltung untersucht dieses Papier die Wirkung des Projektes auf die Wahrscheinlichkeit aus der Arbeitslosenstatistik der Beschäftigungsagenturen auszuschneiden (einzelne Gründe für das Ausscheiden werden separat untersucht) oder in ein Beschäftigungsprogramm aufgenommen zu werden. Für arbeitssuchende Programmteilnehmer untersucht die Studie auch die Wahrscheinlichkeit des Eintritts in Beschäftigung im Anschluss an die Programmteilnahme. Ebenso wird der zeitliche Zusammenhang zwischen dem Projektbeginn bis zum Ausscheiden eines Arbeitssuchenden aus der Arbeitslosenstatistik oder dessen Eintritt in ein Arbeitsmarktprogramm untersucht. Die Ergebnisse zeigen, dass sich das Projekt positiv auf die Bemühungen bei der Suche nach einer Beschäftigung auswirkt und dadurch Langzeitarbeitslosigkeit reduziert wird.



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# Using the Unemployed as Temporary Employment Counsellors: Evaluation of an Initiative to Combat Long-Term Unemployment

## 1. Unemployed employment counsellors: A project to reduce long-term unemployment

In 1995, a collaboration agreement to combat unemployment was signed by the Labour Market Administration, the Swedish Trade Union Confederation (LO), the Confederation of Professional Employees, and the Swedish Confederation of Professional Associations. This agreement aimed to give the Public Employment Service the opportunity to utilise unemployed as resources in assignments to find employment or placements in suitable labour market policy schemes for other unemployed. The deal was based, amongst other things, on a concept that had been introduced by LO. It meant that unemployed members of blue-collar trade unions, within the scope of their participation in a labour market policy programme called *Employment development*, could be used as resource persons by employment offices. Their task was to help other unemployed LO members in their efforts to find work. Between autumn 1996 and spring 1997, a project based on this idea was carried out at a number of employment offices in Stockholm County. The project received much attention and interest, not only at other employment offices in Stockholm County but also at a national level. This resulted in further development of the concept and in its application in different regions countrywide, on basis of the above mentioned collaboration contract between the Labour Market Administration and trade union confederations. This countrywide application is the initiative that is evaluated in this article.

### 1.1 *Programme design and programme targets*

At each employment office that was going to take part in the project, placement officers selected among their clients five unemployed persons, who were offered the opportunity of performing the function of temporary guidance counsellor for other unemployed, registered at the office. The persons selected were supposed to represent a variety of qualifications and have recent work experience. Desirable qualities looked for in the selection process include: interest in people; good communicative ability; ability to plan, organise, motivate and inspire psychological insight; and flexibility in the search for new solutions. Those who were selected underwent a training programme tailored to the project. In most cases, this programme was arranged by a folk high school. During a period of about a month, the participants learned about the motives, objectives, and methods of work of the project, and about labour market conditions, training and education opportunities. In order to prepare the temporary counsellors for working with people in a difficult situation, much time was also devoted to interview methodology, psychology and pedagogy.

When participating in the training course and while the project was going on at the employment office, the temporary counsellors were considered as placed in a labour market policy programme, and their unemployment benefits were replaced by such a grant as is received



by participants in regular programmes (the office's means assigned to "untraditional measures" were used). In this case, the compensation was slightly higher than the unemployment benefit. The difference, about EUR 100 per month, was intended to cover extra costs that might occur for the temporary counsellors. Like other participants in cyclical labour market policy programmes, they were not supposed to wholly relinquish their own job search while they were attached to the project. After the project, some of them remained in the Employment Service organisation and were trained to be employment officers. The others found other jobs, and it is reasonable to assume that knowledge acquired from the project's training programme and experience from having temporarily worked as guidance counsellors proved useful in the job search process. Unfortunately, no methodical follow-up of the temporary counsellors' views regarding the project and of its possible consequences for their own labour market progress was performed.

At each employment office where a project was started, a member of its own staff was chosen to set aside working-hours to supervise project activities. The tasks included making the practical arrangements, planning and directing activities from day to day. The officer in charge was also responsible for selecting the unemployed who were to take part in the project. The only centrally issued directive regarding project participants was that they should be registered at the employment office as "Unemployed in need of placement services".<sup>1</sup> However, supervisors had to select participants who had special need of help in their job search. These were, above all, found among the *long-term registered* and *long-term unemployed* (Arbetsmarknadsstyrelsen 2000, 2).<sup>2</sup> To the extent that individuals with shorter times on the register were judged to need much active help in the job search process and, therefore, were selected as participants, the project can be said to have taken aim also at persons who were considered to *run the risk of becoming long-term registered or long-term unemployed*.

At each participating office, 160 unemployed were selected to be included in the project. Participation was mandatory for those selected according to the rules governing entitlement to receiving unemployment benefits. The participants were called to an introductory meeting where they were informed about the project and on the opportunities offered. There, they were introduced to their guidance counsellor and an appointment was made for the first meeting. Each project lasted for twelve weeks. During this time, the guidance counsellor met each one of her or his participants at least once a week, with the exception of weeks devoted to training or studies. Each meeting lasted about one hour. Initially, time was devoted to analysing the participant's situation, updating her or his list of qualifications, and sorting out the opportunities that might be considered. At subsequent meetings, the participant was advised on which jobs or labour market policy programmes that might lead to work were available, received assistance with job applications and contacts with employers, got help to organise

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<sup>1</sup> An unemployed person who is registered at the Swedish Public Employment Service is classified into one of the following job seeker categories: Unemployed in need of placement services. Unemployed in need of in-depth counselling. Unemployed awaiting participation in a labour market policy programme decided upon.

<sup>2</sup> Long-term registered = Persons registered at the Employment Service who have not had an employment in the last two years. During this time they may by turns have been registered as *unemployed* (according to the definition of the Labour Market Administration) and as *participants in labour market policy programmes* (such programmes that are not counted as work). Long-term unemployed = Persons who have been registered at the Employment Service as *unemployed* during a continuous period of six months or more for job seekers 25 years or older, and for more than 100 days for those who are younger than 25 years.

an action plan on personal efforts in finding a job, etc. An explicit goal for the project was for participants to fully realise that it is the job seekers themselves that have the main responsibility to see that progress is made towards gaining employment. At each meeting the preceding week's job search efforts were followed up, and a plan was made for next week's search activities.

If considered appropriate, an orientation course towards either employment or studies, tailored to the project, was offered. The employment-oriented course aimed at improving the participants' employment prospects by raising their job seeking skills, building up their self-confidence and making them perceive their opportunities on the labour market. The purpose of the course oriented towards studies was for participants to find out whether further studies would be a choice to take into consideration with regard to the skills and experiences they already had. These courses were arranged by folk high schools. As we will see shortly, the activities summarily described here amounted to a decided increase of services to each participant compared to what the regular employment office staff was in a position to provide at the time.

The initiative for every local project came from the County District of the Swedish Confederation of Trade Unions (LO), acting in co-ordination with employment offices in the county. A project management group was set up, consisting of representatives of the County District of LO, the County Labour Board and a regional folk high school. Co-ordinators from the County District of LO were responsible to the management group, and it was their task to co-ordinate the direction and planning of the projects that were started at employment offices in the county.

## *1.2 Individual placement services in a period of high work loads*

The project was carried on in a period when the caseload at the Swedish public employment offices was very high. This had led to considerable reductions of individual services to the unemployed and, apart from, e.g., handicapped persons, job seekers could, on average, only count on seeing their employment officers about once every third month. In the meantime, they were reduced to using the self-service systems of the Employment Service and, of course, to searching jobs via other channels. The fact that services had to be drastically cut down also for job seekers who needed active help in their job search was a driving force behind the project. For fiscal reasons and since the burdensome position for the Employment Service was dependent on the economic situation and, therefore, considered to be of a temporary nature, an increase of staff at employment offices was a possibility that could be ruled out. Under these conditions, the use of unemployed as temporary guidance counsellors to help other unemployed was seen as a way of restoring a reasonable level of individual placement services to those in greatest need of help in the process by which they seek for work.

This means that the project was initiated as an attempt to solve an acute problem and not as a downright experiment to be evaluated as a basis of decision-making. In fact, the question of an evaluation of effects of the initiative was not raised until very late and all regional projects that were included in the evaluation presented here had been completed long before the evaluation was carried through. Under these circumstances it is scarcely likely that the

outcome of the initiative has been distorted by a Hawthorne effect (which can occur when the behaviour of members of a project is affected, if they know that they are being studied, so that they, for example, will work harder than under normal conditions). The circumstances also tell against the possibility that the officers in charge at employment offices assigned to the project those unemployed who were most likely to succeed. Such “creaming” of participants was not in the interest of the staff at employment offices, where participation in the project was seen as an arrangement to ease the work-load of the permanent staff and strengthen services to unemployed who were in great need of help in their job search—first and foremost individuals who had been out of work for a long time.

The target group of the project has been described as follows in a project description produced by LO and the County Labour Board in Stockholm:

“... many individuals, in particular those with lower education and limited experience, risk long-term unemployment. This group usually finds it difficult to create new conditions required to further develop themselves. In time, they become less self-confident and view their situation as a hopeless one. The job seeker often tends to live life at a slow ‘job seeker pace’, devoid of stimulation and development opportunities.” (LO-facken, Länsarbetsnämnden n.d., 2:2)

The text quoted firstly highlights a central group in the fight against unemployment, the long-term unemployed, and secondly aptly describes the fact that long-term unemployment causes reduced opportunities to get a job. The remainder of this section will be focused on this issue, which can be conceived as an evaluation not of the effects of the project, which will be dealt with in Section 3 below, but more of the project concept as such: an analysis of the role played by this type of project in combating unemployment—of how initiatives of this nature can contribute to improving the functioning of the labour market.

### 1.3 *Strong arguments for combating long-term unemployment*

In spite of the fact that the project has not explicitly been limited to a definite specific target group, over and above the focus placed on “Unemployed in need of placement services”, it has, in line with the above quotation, concentrated to a great extent on job seekers who were *long-term registered* at the Employment Service or *long-term unemployed*. It has turned out that approximately 75 per cent of project participants at the employment offices included in the evaluation had been registered at the Employment Service for a total period of two years or more prior to the commencement of the project.

The following discussion concerning the significance of a project such as the one evaluated here does not oblige one to distinguish between the concepts of long-term registered and long-term unemployed, because they both focus on persons who have been out of work for a long period of time.<sup>3</sup> For the sake of simplicity, we have therefore selected to use the expressions long-term unemployment and long-term unemployed in this section.

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<sup>3</sup> The discussion is based on Layard (1997) and Layard et al. (1991).

It must be recognised as an entirely correct strategy, for various reasons, to recruit project participants from the category of long-term unemployed. One reason of course is that these cases of unemployment are linked with the greatest personal welfare losses. Another reason is related to the economic and political objective to reduce the level of unemployment without causing an increase in wages and prices. The strategy then has to be to reduce the type of unemployment that does not seem to curb inflation. Long-term unemployment belongs in this category. Inclusion of the proportion of long-term unemployed in a real wage equation reveals that long-term unemployed are not good inflation-fighters. This can be explained quite simply by the fact that long-term unemployed are not good at filling vacancies—they are less “employable”, a concept we will discuss soon. This can be portrayed, for example by examining time series data that displays, at any given level of unemployment, a greater vacancy rate the higher the proportion of unemployed who are long-term unemployed.

As experience from Sweden clearly showed at the end of the eighties, short-term unemployment is required to a certain degree to restrain the inflation that arises from an overheated labour market. Long-term unemployment does not however play such a role. In other words, there are good arguments for a policy that focuses on reducing the risk for persons *becoming* long-term unemployed—which reduces the inflow into long-term unemployment. There are, however, also reasons to test, as in the case of the project studied here, endeavours that intend to reduce the risk of people *remaining* long-term unemployed—which aims at increasing the outflow from long-term unemployment.

Unemployment decreases more at a given unemployment inflow, if work is made available to persons with long anticipated remaining unemployment durations compared to those with shorter expected remaining durations. Then, of course, the question has to be asked who can be expected to remain unemployed for a long time period. It is not always easy to know the answer at the point in time when individuals have just become unemployed. The large majority of those who have recently joined the ranks of the unemployed have a relatively short expected unemployment period before them. Persons who have already been unemployed for some time have on the other hand much longer expected unemployment durations compared to the average group of individuals who have recently become unemployed. This relationship provides a strong argument in support of the efforts for those in long-term unemployment.

As always, the effects of such endeavours must be weighed against their costs. If helping long-term unemployed is linked with very high costs, if the effects on periods of unemployment are small, and if the probability of renewed unemployment is disproportionately high, then this type of endeavours is not particularly appealing.

Costs for the programme being dealt with here are low, which is a consequence of its using unemployed as temporary counsellors and of its focusing on increasing the intensity and effectiveness of project participants' own job search. In the empirical study in Section 3 below, we will attempt to answer questions regarding the effects of the project on the probability of being removed from the live register of the Employment Service due to employment or for another reason, or on the probability of receiving placement in a labour market policy programme that is expected to increase ones chances of finding work. The principal message in this present section is that, *if* the project resulted in such effects, it contributed significantly to combating unemployment by focusing on a central determinative factor—unemployed per-

sons' "employability". In this we include such factors that affect the speed with which the unemployed find jobs as: "the time and effort the unemployed devote to job search, their 'choosiness' with regard to vacancies and job offers, and the recruitment practices of employers." (Cf. what is termed "search effectiveness" in Layard et al. 1991, 216.)

The concept of employability relates to the capacity to fill vacancies, an attribute that deteriorates in a situation of extended unemployment. Long-term unemployment *results* in reduced employability and therefore long-term unemployed have a lower outflow from unemployment than short-term unemployed. In those cases where efforts to help long-term unemployed gain employment are successful, the average employability in the entire stock of unemployed increases, which in turn results in vacancies being filled and unemployed finding work faster. At a given inflow in unemployment, this means that unemployment decreases without any wage inflation—the goal of price stability is not put in jeopardy.<sup>4</sup>

Persons affected by long periods without work can (a) be demoralised as a result of repeated failures to find work, and (b) be exposed to stigmatising behaviour from employers resulting in them being sorted out at an early stage of the recruitment process. These two effects reinforce each other, and there are as a result strong arguments to intervene with active measures to assist long-term unemployed back into the mainstream of the labour market—to contribute to their inclusion in "the effective supply of labour".

Since the participants in the project studied here have been classified as "Unemployed in need of placement services", strong emphasis on increasing the effectiveness of such services is part and parcel of the initiative. For many project participants with long registration periods at the Employment Service, the possibilities of success with pure placement activities may, however, be rather limited. It can then be a matter of bringing about placements in labour market policy schemes that increase opportunities for getting work. For many long-term unemployed, measures that stimulate them to further education (outside the scope of labour market policy programmes) can be another and most significant method to strengthen their position on the labour market in the long term.

Section 3 examines how the project has influenced the probability of being removed from the live register of the Employment Service (different reasons for being removed are analysed separately) or being placed in some labour market policy programme. As regards job seekers placed in such programmes, the evaluation examines effects on the probability of gaining employment within a given time period subsequent to programme participation. Also examined is the effect on the period of time from the start of the project until a job seeker is removed from the register or placed in a labour market policy programme—the effect on the remaining duration of unemployment. First, however, we will in Section 2 describe the design of the evaluation on which estimates of programme effects have been based.

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<sup>4</sup> To a great extent participants in the project discussed here were recruited from that category of unemployed that no longer obtain any job offers, which means that they, in practice, are excluded from the labour market—they do not belong to the effective supply of labour. This means that if the project was effective, the effective supply of labour increased which, in turn, can have positive effects on total employment. (Bellman and Jackman 1996)

## 2. Evaluation design

Evaluations can be designed in different ways depending on their ultimate purpose. A *goal-attainment evaluation* focuses on answering the issue of whether or not an initiative has resulted in the realisation of goals. This type of evaluation deals with questions that can be answered through a study of *one* process only, namely the process that was actually implemented.

If one, however, wishes to obtain answers to questions regarding the effects of an initiative, it is not sufficient to study just one process. An *effect evaluation* demands a comparison of alternative processes, where each process studied is associated with its specific course of action. The choice of one definite course of action in preference to another can be described as an initiative. *Effects* of an initiative are the *differences* between the events that follow if one course of action is chosen and events that ensue if instead the other course of action is chosen.

The evaluation accounted for in Section 3 of this report is an effect evaluation, where the comparison alternative to the project being evaluated is “customary employment office activities for job seekers”—or to be more precise, other measures than those that characterise the project in question.

The effect estimates are based on comparing results obtained for unemployed job seekers participating in the project with the results for unemployed registered in employment offices that have not implemented the project.

*Outside Stockholm County*, 16 employment offices that participated in the project were included in the evaluation. Certain offices have implemented more than one project. From these, one project has been chosen at random to be included in the effect evaluation study.

The effect evaluations are based on comparisons made of the results obtained for project participants at these employment offices and for job seekers from offices in selected comparison municipalities. The selection of comparison municipalities has been based on a classification of labour market areas and employment zones that is being used for different purposes by Statistics Sweden (SCB). In this classification, the 284 municipalities in Sweden have been aggregated to 111 labour market areas with largely internal commuting. SCB's objective of demarcating local labour markets was primarily to create areas of reference that are suitable for use as a means of comparing different regional areas as regards, for example, the functioning of the labour market. The labour market areas have been clustered into ten employment zones that are not geographically linked. Characteristics reflecting mobility and flexibility of the labour market and qualitative aspects of labour were used as a basis for these groupings. Each employment zone can be looked upon as homogenous in terms of the character of regional economy and structure of the labour market. Each of the employment zones contains labour market areas that are characterised by similar characteristics and problems, independently of their geographical location in the country. (CERUM 1993)

Comparison offices, required for the effect evaluation, were chosen to represent municipalities with the same distribution among employment zones as found in the group of municipalities where the employment offices participating in the project are located. In those

cases where experimental offices are located in so-called dominating municipalities in their labour market areas, comparison offices have been chosen in municipalities with the same position in their labour market areas. This method of selecting control offices, matched sampling, created intervention and comparison offices that are comparable in terms of the variables used in matching, though of course the groups may still differ in other ways (Robinson 2002, 2–3).

*In Stockholm County*, 15 employment offices participated in the project. Comparison offices to these were chosen among employment offices in the County of Stockholm where the project was not implemented.

This procedure resulted in 31 pairs of intervention and comparison offices. For each separate intervention group of job seekers at an individual employment office, a comparison group was selected, where the observation cycle for its job seekers began at the same time as when the corresponding project commenced—in most cases the individual projects started at different times. (When in the following, terms such as “time from project start” or similar are used, we are referring, therefore, to persons from both the intervention and comparison groups.) The job seekers in the comparison group were *all* those who were found in the register of their employment office, classified as “Unemployed in need of placement service”, at the time of the start of the project for the group they were to be compared with.

Effect estimates have been made separately for job seekers with a total registration time prior to project start that was *less than two years* and for job seekers with a total registration time prior to project start that was *two years or longer*. The total registration time is defined as the accumulated time a job seeker had been registered at the Employment Office during a four-year period prior to the project start (this can of course also relate to one continuous time period).

Since at comparison offices *all* individuals, registered as “Unemployed in need of placement services” at the start of the project, were entered into the comparison group of job seekers, this group contains also persons who have just become unemployed and other short-term unemployed. In the intervention group, on the other hand, job seekers with very short unemployment duration are exceptional. As was brought up in Section 1, the job search effectiveness of people who have been unemployed long is less than that of short-term unemployed. In consequence, there is reason to believe that the average search effectiveness of those in the intervention group who had a total registration time below two years was less than that of the corresponding job seekers in the comparison group. This heterogeneity as regards search effectiveness, to the disadvantage of the intervention group, should be borne in mind when judging the results of effect estimates regarding job seekers with accumulated registration periods of less than two years.

### 3. Results of effect estimates

After an introductory description of the data that is the basis of the analyses, we will in this section account for the results obtained as regards the effects of the project on:

- the probability at a given point of time to be either removed from the register of the Employment Service or placed in a labour market policy programme;
- the probability at a given point of time of obtaining employment after having been placed in a labour market policy programme;
- time on the register of the Employment Service from the start of the project to an event (for the sake of brevity, occasionally referred to as “remaining duration”).

#### 3.1 Data specification

##### *Population*

Two groups of job seekers have been extracted from a database kept by the Labour Market Administration:<sup>5</sup>

- Intervention group of project participants identified by a specific code in the registers of offices that participated in the project.
- Comparison group consisting of job seekers registered as “Unemployed in need of placement services” at the comparison offices.

##### *Period of observation*

From the commencement of each project until and including the 30<sup>th</sup> of April 2000.

##### *Explanatory variables*

Following details on individuals in the intervention and comparison groups at the start of the observation period—project start:

- Group affiliation (intervention or comparison group)
- Age
- Sex
- Citizenship
- Education, 3 categories: primary school; secondary school; post-secondary education
- Handicap

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<sup>5</sup> The database contains information about all individuals that have been registered at the Public Employment Service since August 1991. This information is obtained from the computerised placement system that employment officers use in their daily work with job seekers. This means that, for each job seeker, there is in the data base both personal particulars such as sex, age, citizenship, education, training in job sought, etc., and information about the result of job search. Therefore, this database was used as a source of information for the present evaluation as regards both explanatory variables and outcome variables.



- Wanted field of occupation
- Searching full-time or part-time job
- Education/training in wanted profession
- Experience in wanted profession
- Mobility (local or regional job search)
- Unemployment benefit
- Accumulated total registration time from four years prior to project start until project start. (Used to divide the job seekers into two groups: those with a total registration time  $\geq 2$  years and those with a total registration time  $< 2$  years. Separate effect estimations have been done for each of the groups.)
- Number of periods of unemployment from four years prior to project start until project start.
- Accumulated time (number of days) in unemployment from four years prior to project start until project start.

In this list, there are examples of both quantitative variables and nominal variables having values that define category affiliation. For the statistical analyses, the latter were coded as dummy variables according to *Table A.1* in the Appendix.

#### Outcome variables

##### A)

- If the job seeker was still registered on the 30<sup>th</sup> of April 2000:
- Job seeker category (unemployed in need of placement service; unemployed in need of in depth counselling; unemployed waiting for placement in a labour market policy programme; participating in a labour market policy programme; etc.) at the end of the observation period.

##### B)

- If the job seeker was not in the live register/was placed in a labour market policy programme on the 30<sup>th</sup> of April 2000 or had been removed or placed in a programme during the observation period:
- Date for first removal from the register during the observation period.
- Reason for first removal from the register during the observation period.
- Date for first placement in a labour market policy scheme during the observation period.
- Kind of labour market policy programme as regards the first programme placement during the observation period.

There are two characteristics of the analyses to be presented. Firstly, we will evaluate the effects of the project on *a number of* events (exclusive of each other). By “events” we mean:

(a) the removal of job seekers from the register of the Employment Service—five separate reasons for removal are considered, and (b) placements in labour market policy programmes (when job seekers are not deleted from the register). Since more than one event is considered, we are confronted with a statistical problem generally characterised as a competing risk problem. (See e.g. Blossfeld et al. 1989) The other distinguishing feature is the existence of censored observations, meaning that at the conclusion of the observation period, there are individuals in the intervention group and in the comparison group who still remain registered at the Employment Service as “Unemployed in need of placement service”. Therefore, information is not available for these job seekers about the time of and the reason for their removal from the register of the Employment Service or time of placement in labour market policy programmes.

### 3.2 *Effects on hazard rates*

The job seekers included in the analyses were initially divided into two groups: (a) participants in the project and the job seekers they were compared with at *offices outside Stockholm County* and (b) participants in the project and the job seekers they were compared with at *offices in Stockholm County*. Job seekers from each of these groups were subsequently divided into two further groups: *job seekers with a total registration time prior to project start that was less than two years* and *job seekers with a total registration time prior to project start that was two years or longer*. The total registration time is defined as the accumulated time a job seeker had been registered at the Employment Office during a four-year period prior to the project start (this can of course also relate to one continuous time period).

As we previously mentioned, 75 per cent of project participants from employment offices involved in the evaluation belong to the group with a total registration time of at least two years. The long registration time indicates that this group mainly consists of job seekers that have considerable difficulties in getting firmly set up on the labour market. According to the discussion in Section 1, it is, from a labour market policy perspective, particularly important to find solutions for these job seekers. Effect evaluations have been carried out both for the group with a total registration time less than two years and for those job seekers with a total registration time of two years or more prior to project start, but the following account of results offers more details regarding the latter group.

For effect estimates, we have used a Cox regression model of the form:

$$(1) \quad h(t, \mathbf{X}) = h_0(t) \exp \sum_{i=1}^k \beta_i X_i$$

where  $h(t, \mathbf{X})$  is the hazard rate, the probability, at a given point of time, of being removed from the register of the Employment Service or being placed in a labour market policy programme. If we define the set of explanatory variables for an individual in the group of programme participants as  $\mathbf{X}^p$  and as  $\mathbf{X}^c$  for an individual in the comparison group, the hazard ratio can be defined as:

$$(2) \frac{h(t, \mathbf{X}^p)}{h(t, \mathbf{X}^c)} = \exp \sum_{i=1}^k \beta_i (X_i^p - X_i^c)$$

Let us say that the variable  $X_1$  defines group affiliation and that we (as stated in the list of dummy variables in *Table A.1* in the Appendix) have coded affiliation to the intervention group = 1 and to the comparison group = 0. Then the hazard ratio used to compare persons in the intervention group with those in the comparison group is simply  $e$  to the estimated coefficient  $\hat{\beta}_1$  (see e.g. Kleinbaum 1996, 101).

Observation cycles for individual job seekers in the intervention and comparison groups used as a basis for analysis refer to *the time elapsed from project start to the first event*. Seen from an analysis perspective, for a number of individuals, the first event after project start is simply the termination of the observation period. These are the censored observations—observations concerning job seekers that have remained registered as "Unemployed in need of placement services" from the commencement of the project to the end of the observation period on the 30th of April 2000. Instead of simply dismissing censored observations, we take full advantage of the information they provide. Suppose for example that a participant in a project that started on the 1<sup>st</sup> of January 1999 was still registered as "Unemployed in need of placement services" on the 30<sup>th</sup> of April 2000. We still have access to sixteen months of information relating to this individual that should be treated as significant. During this period, this person has belonged to those given the opportunity of being removed from the register of the Employment Service or placed in a labour market policy programme. All calculations of the probability of the occurrence of an event up until the sixteenth month ought to take into consideration data concerning this person and others that have remained during the sixteen-month period.

Estimates of hazard functions to determine effects of project participation on the probability of an event at a given point of time, apply to the events listed below.

<i>Event</i>	<i>Number of project participants for which the event occurred</i>
– Obtained permanent employment	452
– Obtained temporary employment	345
– Obtained sheltered employment	12
– Placement in education/training other than employment training within the scope of labour market policy programmes	446
– Removal from the register of the Employment Service for another reason than above or still registered but not in need of placement services and not participating in a cyclical labour market policy programme	805

The analyses were carried out for one event at a time: effect on the hazard rate for job seekers who have obtained permanent employment; effect on the hazard rate for job seekers who have obtained temporary employment; etc. Other events than those dealt with in a specific analysis were treated as censored observations (see Yamaguchi 1991, 171).

### Effects for job seekers with long registration periods

In this case, we obtain as many as  $2 \times 6 = 12$  regressions by dividing up job seekers at employment offices in and outside Stockholm County respectively, and performing separate analyses for each of the six events listed above. As it is not easy to take in the whole information in a large number of tables, each of which is rather comprehensive, we begin by displaying below the results of the effect estimations in qualitative form, i.e., without numbers. Estimates indicating that participants in the project, compared with non-participants, have had a higher hazard rate, and thereby a greater probability at a given point of time to be removed from the register of the Employment Service or placed in a labour market policy programme are marked with ++ if the estimated coefficient is statistically significant or with + if it has the correct sign but does not differ significantly from zero. Correspondingly, -- and - are used to signify outcomes indicating that project participants have had a lower hazard rate.

Estimates for job seekers with a total registration time  $\geq 2$  years prior to project start at experiment offices in Stockholm County and their comparison offices:

- + Obtained permanent employment.
- ++ Obtained temporary employment.
- <sup>a)</sup> Obtained sheltered employment.
- ++ Placement in education/training other than employment training within the scope of labour market policy programmes.
- Removal from the register of the Employment Service for another reason than above or still registered but not in need of placement services and not participating in a cyclical labour market policy programme.
- ++ Placement in a cyclical labour market policy programme.

*Estimates for job seekers with a total registration time  $\leq 2$  years prior to project start at experiment and comparison offices outside Stockholm County:*

- Obtained permanent employment.
- ++ Obtained temporary employment.
- <sup>a)</sup> Obtained sheltered employment.
- + Placement in education/training other than employment training within the scope of labour market policy programmes.
- Removal from the register of the Employment Service for another reason than above or still registered but not in need of placement services and not participating in a cyclical labour market policy programme.
- ++ Placement in a cyclical labour market policy programme.

<sup>a)</sup> Sheltered employment placements were so few that analyses of this event were not meaningful.

As can be seen from this summary, the estimations indicate that the probability, at a given point of time, of obtaining temporary employment or of receiving placement in a labour market policy programme is significantly greater for participants in projects both in Stockholm County and in the rest of the country than for job seekers in the comparison groups.

Project participation in the county of Stockholm has also meant a significant increase in the probability of being removed from the live register of the Employment Service due to placement in education or training programmes other than employment training within the scope of labour market programmes. This probability is also greater for the intervention group outside Stockholm County, but the effect in this case is not statistically significant.

The same applies to participants in Stockholm County regarding obtainment of permanent employment. The probability at a given point of time of being removed from the register due to this reason was clearly lower for participants in the intervention group outside Stockholm County than for participants in the corresponding comparison group. The absence of a more tangible *positive* effect is perhaps not particularly surprising. As was mentioned in Section 1, the opportunity of achieving results using pure placement activities can be rather limited for many in the group in question, individuals with long periods of registration. The fact that the estimations indicate an even *negative* effect for projects (taken together) outside Stockholm County can be assumed to be a manifestation that other activities have been given greater priority. As we will see further on in this report, the projects have however achieved success, both in Stockholm County and outside the county, concerning the probability of obtaining employment, within a given time period, *after* having participated in a labour market policy programme.

The probability at a given point of time of being removed from the register due to other reasons than those mentioned above is lower, though not significantly lower, for participants in the intervention group in Stockholm County and significantly lower for participants in the corresponding comparison group. One of these other reasons is that the employment office has lost touch with the job seeker and it has, quite likely, been uncommon for individuals in the intervention groups to be removed from the register for this reason. Only job seekers that were in focus by the employment office at the time of the commencement of the project were included in the intervention groups. The comparison groups, on the other hand, consisted of all job seekers who at the time of the project start were registered as unemployed in need of placement service. It is likely that a number of these were in reality no longer unemployed and were as a result removed from the register during the observation period. It must also be emphasised that the staff of employment offices in the intervention group, during the period of the project, maintained a close control over the participants, thereby reducing the risk of losing contact with them.

We will now take a closer look at how *large* effects the project may have resulted in. The results of estimations utilising Cox's regression model are shown in *Tables A.2 to A.9* in the Appendix. The first column under each event (reason for removal from the register of the Employment Service or placement in a labour market policy programme) displayed under the Coefficient heading, gives the values of  $\hat{\beta}_i$  (and corresponding standard errors), while the second column under the  $e^{\text{Coeff}}$  heading, shows  $e$  to  $\hat{\beta}_i$ .

$e^{\text{Coeff.}} = 1$  means that the variable does not have any effect on the hazard rate ( $\hat{\beta}_i = 0$ ), while  $e^{\text{Coeff.}} < 1$  and  $e^{\text{Coeff.}} > 1$  means that the variable has a diminishing ( $\hat{\beta}_i < 0$ ) and increasing ( $\hat{\beta}_i > 0$ ) effect, respectively. If the value of an explanatory variable  $X_i$  increases by only one unit (for example when one goes from comparison group = 0 to intervention group = 1), the hazard rate, i.e., the probability, at a given point of time, of the occurrence of the event being studied, is increased by  $(e^{\text{Coeff.}} - 1) \times 100\%$  if  $\hat{\beta}_i > 0$  and decreased by  $(e^{\text{Coeff.}} + 1) \times 100\%$  if  $\hat{\beta}_i < 0$ .

We focus below only on those effects of the project that are statistically significant. All the results obtained were commented on in the previous qualitative overview.

The probability at a given point of time for project participants in Stockholm County to obtain temporary employment (which, at least as regards trial employment, can be a significant step to gain a firm footing on the labour market) is approximately 27% greater than for participants in the comparison group (*Table A.2*). The corresponding effect for project participants from the other counties is about 26% (*Table A.3*).

The estimation concerning the probability at a given point of time of placement in education/training other than employment training within the scope of a labour market policy programme indicates a very considerable effect for project participants in Stockholm County—the probability for these is about 76% greater than for job seekers in the comparison group (*Table A.4*).

The probability of removal from the register of the Employment Service due to “Other reasons” is  $(1 - 0.7868) \times 100 \cong 21\%$  lower ( $\hat{\beta}_1 < 0$ ) in the intervention group than in the comparison group at employment offices outside Stockholm County (*Table A.7*).

Estimations regarding placements in labour market policy programmes indicate that the project has had a very large effect. In Stockholm County, the probability for participants in the intervention group is no less than approximately 85% greater than for those in the comparison group (*Table A.6*). In the other counties, the probability at a given point of time of receiving placement in a programme is about 55% greater for project participants than for job seekers in the comparison group (*Table A.7*).

According to estimation results, project participation has not given rise to increased probability of direct transition from unemployment to permanent employment, but has, however, lead to a considerable increase in the probability of placement in labour market policy programmes. Hence, there is reason to also examine if there is any difference between the intervention and the comparison group concerning the probability at a given point of time to obtain employment subsequent to taking part in a labour market policy programme. Therefore, for these very job seekers, we have not only evaluated the effect as regards the first event after project start, but also with regard to one next subsequent event: removal from register of the Employment Service due to employment.

Cox-regressions including job seekers that have been placed in labour market policy programmes and with posterior removal from the register due to employment as a dependent variable, display significant effects of the project. In Stockholm County, the probability at a given point of time of obtaining employment after having participated in a labour market pol-

icy programme is approximately 58% greater for job seekers in the intervention group than for those in the comparison group (*Table A.8*). Outside Stockholm, this probability is about 50% greater for the intervention group than for the comparison group (*Table A.9*).

### Effects on job seekers with shorter accumulated registration periods

There are reasons to expect less tangible effects for project participants with a total registration time prior to the start of the project that is less than two years in comparison with those with longer registration periods. One reason for this is that the outflow from unemployment per unit of time, the probability of leaving the ranks of the unemployed, is greater for short-term unemployed than for long-term unemployed. One can of course presume that it is harder to markedly increase a greater than a lesser probability to leave unemployment.

Moreover, as regards job seekers with shorter accumulated registration times than two years, the intervention group differs from the comparison group in one aspect, which is to the disadvantage of the former when comparing the probability for job seekers in each group to leave unemployment. The comparison group consists of “all Unemployed in need of placement services” that were found in the registers of the comparison offices, at the time the project commenced. This means that the comparison group also includes job seekers with very short registration times—those who signed up with the office days or weeks etc., before the point of time in question. These job seekers are more likely, on average, to obtain employment fast. Considering that long-term unemployed were designated as chief targets for the project, there were, however, not many job seekers with very short registration times included in the intervention group.

The following list displays estimated hazard ratios for the six events studied. Coefficients, on which the ratios are based, that are significantly different from zero at the 10% level are marked with a \*, while those that are significant at the 5% level are marked with \*\*.

#### *Project offices in Stockholm County and their comparison offices.*

<i>Event</i>	<i>Hazard ratio ( <math>e^{\text{Coeff.}}</math> )</i>
– Obtained permanent employment	1.00
– Obtained temporary employment	1.27*
– Obtained sheltered employment	a)
– Education/training other than employment training within the scope of labour market policy programmes	1.67**
– Removal from the register of the Employment Service for reasons other than above	1.17
– Placement in a cyclical labour market policy programme	2.21**
<sup>a)</sup> Sheltered employment placements were so few that analyses of this event were not meaningful.	

#### *Project and comparison offices outside Stockholm County*

<i>Event</i>	<i>Hazard ratio ( <math>e^{\text{Coeff.}}</math> )</i>
– Obtained permanent employment	0.79
– Obtained temporary employment	1.25

– Obtained sheltered employment	a)
– Education/training other than employment training within the scope of labour market policy programmes	1.12
– Removal from the register of the Employment Service for reasons other than above	0.80*
– Placement in a cyclical labour market policy programme	1.70**

a) Sheltered employment placements were so few that analyses of this event were not meaningful.

According to the estimation results, participation in the project in Stockholm County led to increased probability of being placed in education/training other than employment training within the scope of labour market policy programmes. This probability is as much as 67% greater for project participants than for job seekers in the comparison group.

As for job seekers with long accumulated registration times, estimation results indicate a positive effect for project participants in Stockholm County regarding removal from the register of the Employment Service due to obtainment of temporary employment.

As can be seen, the estimations reveal very strong effects on the probability of placement in a labour market policy programme at a given point of time. In Stockholm County, this probability is more than twice as great for job seekers in the intervention group as for those in the comparison group,  $(2.21 - 1) \times 100\% = 121\%$ . For the intervention group in other counties it is  $(1.70 - 1) \times 100\% = 70\%$  greater than for the corresponding comparison group.

As was the case with project participants with long accumulated registration periods, estimations have been carried out of the probability, during a given time period, of obtaining employment subsequent to participation in a labour market policy programme. The results, which are significant at the 5% level, indicate that even for those with shorter registration periods, participation in the project has led to a substantial probability increase.

*Job seekers with an accumulated registration period of less than two years that were placed in labour market policy programmes. Results of Cox regressions concerning the event: Obtained employment (permanent employment; temporary employment; continued employment, former employer) subsequent to programme.*

<i>Variable</i>	<i>Hazard ratio ( e<sup>Coeff.</sup> )</i>
Intervention group: Stockholm County	1,74**
Intervention group: Other counties	1,32**

### 3.3 Effects on times from project start to an “event”

The reader is reminded that by “event” we mean either the reason for removal from the register of the Employment Service or placement in a labour market policy programme. For the sake of brevity, this time period is in what follows termed “duration of unemployment”. A standard multiple regression analysis model has been used to examine the effects of the project on the length of time from project start to an event. The regression equation is:



$$(3) \quad Y = \alpha + \sum_{i=1}^k \beta_i X_i + u_i$$

For job seekers in the intervention group,  $X_1 = 1$  and therefore  $\beta_1$  defines changes in  $Y$ , the duration of unemployment, when  $X_1$  increases by one unit—going from a comparison group affiliation value 0 to intervention group affiliation value 1, while all other variables included in the analysis that can effect the said duration are kept constant. In other words,  $\hat{\beta}_1$  is the estimated difference in duration of unemployment between two job seekers, where one belongs to the intervention group and the other to the comparison group but where they each have similar values for all other explanatory variables (same sex, age and nationality, etc.).

As in the case of the Cox regressions, job seekers included in the analyses have been categorised into two groups depending on the location of the office they were registered with: in Stockholm County or in other counties.

As regards job seekers with an accumulated registration time of *two years or more* prior to project start, evaluation results indicate that participation in the project has resulted in a reduction in the time period from project start up until removal from the live register of the Employment Service or placement in a labour market policy programme. The regression including job seekers outside Stockholm County yielded  $\hat{\beta}_1 = -27.038$ , which means that the project has resulted in an estimated reduction of unemployment duration of 27 days (*Table A.11*). In the analysis of job seekers in Stockholm County,  $\hat{\beta}_1 = -23.762$  was obtained, indicating a reduction of unemployment duration of approximately 24 days (*Table A.10*). In both cases, estimates of  $\beta_1$  are highly significant.

For job seekers with a total registration time of *less than two years*, the regression analysis gave the expected sign (negative) of the coefficient for group affiliation, indicating reduced periods of time from project start until removal from the register of the Employment Service or placement in a labour market policy programme for project participants. The result was, however, not statistically significant for either projects in Stockholm County or in other counties. Once again, it should be borne in mind that circumstances point towards heterogeneity, to the disadvantage of the intervention group, as regards average job search effectiveness in the groups of job seekers with accumulated registration times of less than two years.

#### 4. Summing-up and concluding remarks

The account in Section 1 focused on emphasising the significance of combating long periods out of work, either in the form of long-term open unemployment or a vicious circle of open unemployment and fruitless participation in labour market policy programmes. The initiative evaluated in this article engaged in this combat by using unemployed to help people who were already long-term unemployed or long-term registered at the Public Employment Service but, to some extent, also registered job seekers who run the risk of becoming long-term unemployed.

The leading principle of the programme was to help participants to become more employable by increasing their job search effectiveness. There was an awareness of the fact that the behaviour of unemployed people themselves matters, and that there were arguments to induce long-term unemployed to devote more time to job search, but also to help them increase the effectiveness of time spent on search and to boost their willingness to consider a whole range of available jobs.

Long-term unemployment affects a worker's chances of finding a job not only through effects on job search, worker's skills, motivation and morale, but also on employers' perceptions. "Effectiveness ... reflects not only how hard the workers look for work, but also how willing the employers are to consider them." (Layard et al. 1991, 38) Many employers believe that differences in unemployment duration reflect pure heterogeneity—that it is the least motivated and energetic people who have most difficulty in finding jobs. Therefore, the programme aimed at strengthening the participants' self-confidence, in order to make them perform better when called to interview and, thereby, increase the chances of persuading employers of their fitness, and also at seeing to it that their lists of qualifications were brought up to date and put in order.

Search-effectiveness, however, can also depend on how well the attributes of the employed match those of the available vacancies. Therefore, the programme had in view not only to trigger project participants to apply all their energies to gather information about possible vacant jobs, to make job applications, to attend interviews, etc., but also, in cases when strenuous efforts of this kind had been made without result, to help programme participants into suitable training or other labour market policy activities to promote their chances on the labour market.

All this is customary quality placement service and counselling. The novelty of the initiative was to make use of unemployed to create room for such activities, to those who were in greatest need of them, under circumstances when the permanent employment office staff found themselves compelled to drastic reductions of individual placement services, because of a very high caseload. This expedient was chosen on a firm conviction that, in addition to the overall demand for labour, the search effectiveness of the unemployed plays a central role in explaining unemployment, and that many individuals, not least long-term unemployed, need active help in the process by which they seek for work. For participants, the project resulted in a substantially intensified and steadfast pursuit of job search. Seeing the appointed temporary counsellor approximately one hour per week during twelve weeks does perhaps not sound very much (it surpassed, nevertheless, by far what the permanent staff could offer at that time), but each meeting was used for close planning of the next week's job search activities and careful follow-up of the preceding week's efforts. By that, the meetings were used as an instrument to bring the project participants to busy themselves full-time with quality job search. For many of them, this meant a radical change in behaviour since, as was pointed out by the Trade Union Confederation and the Stockholm County Employment Board in the project description quoted in Section 1: long-term unemployed often tend "to live life at a slow 'job seeker pace', devoid of stimulation and development opportunities." (LO-facken, Länsarbetsnämnden n.d., 2:2)

According to the evaluation, the probability of exit from unemployment to temporary employment during the observation period was about 25 per cent higher for project participants than

for job seekers in the comparison group. The evaluation also indicated a considerable, positive effect on the probability of exit to participation in labour market policy programmes and in regular education. There was, however, no significant positive effect on transfers to permanent employment. These effect estimates were based on observation cycles referring to the time elapsed from project start to the first event after that. The observations as regards transfers from unemployment to labour market policy programmes and to permanent employment indicate that for job seekers in the intervention group, great importance was attached to alerting them to the possibility to improve their employment prospects by taking part in available labour market policy schemes. Therefore, for job seekers who joined in such schemes, the evaluation also considered the effect as regards the second event after the start of the project. In that case, the evaluation revealed a very strong, positive effect of the project on the probability of exit to employment. In a report to the Ministry of Industry, Employment and Communications, the National Labour Market Board considered it likely that this notable effect, subsequent to participation in labour market policy programmes, could be attributed to the programme participants' and the temporary counsellors' careful work with the personal action plans that were the basis of progress and decisions regarding job seeking, aim and direction of potential further training, occupational choice, etc.

For job seekers with an accumulated registration time of two years or more, the evaluation indicated a statistically significant reduction of the duration of unemployment up the first event after project start. For project participants in this class, the time on the register of the Employment Service in the category "Unemployed in need of placement service" was, on average, shortened by almost a month.

The evaluation of the project was restricted to estimating effects on the probability of exit from open unemployment and on unemployment duration. To judge the economic consequences of the initiative, we need, however, to know more than its employment effects. For a full-fledged efficiency assessment, knowledge of the output benefits and real resource costs would be needed, and for an assessment of the net benefits to the taxpayer, we would need to know the effects on transfers between project participants and non-participants and on payments of direct, indirect and payroll taxes. In want of such information, we have to confine ourselves to a qualitative judgement. It can then be noted that the real resource cost was small and consisted essentially of resources required for customised training programmes for those who were selected as temporary counsellors and for short orientation courses towards employment or studies for a number of project participants, and of some supervisory work by employment officers. There may also have been an opportunity cost of temporary counsellor labour, since it is possible that some of them forwent employment opportunities they would otherwise have taken. Also the public exchequer costs were small and consisted of: payments for the training programmes and orientation courses; the small difference between the compensations to the temporary counsellors and the unemployment benefits that these compensations replaced; and, possibly, forgone tax payments from some temporary counsellors who, otherwise, might have obtained jobs during the project period. These facts suggest that the balance probably is favourable both if we concentrate on social gains and costs in terms of output effects and if we focus on the benefits and costs to the public finances.

The initiative that has been evaluated here can be considered as a response to the following statement in *Unemployment* (Layard et al. 1991, 509): "Prolonged unemployment diminishes

people and wastes their productive power. It is not something we can just accept. Once we understand how it happens, we should act to control it.” The originators of the project understood that long-term unemployment has an adverse effect on job search effectiveness, and by that on the chance of finding a job, which emphasizes the significance of targeted placement and counselling services. They also discovered a way, out of the ordinary, to find the resources needed for such services at a time when the workload at the Public Employment Service curtailed its possibilities to help all who were in need of quality assistance. Since fiscal and other restraints precluded bridging over a troublesome period by means of a temporary increase of staff at employment offices, the use of unemployed to help unemployed was seen as an alternative at hand.

Basically, however, the theoretical question investigated in this study is about the effect of increased job search intensity on the outflow from unemployment. During the project period, project participants were given the opportunity of obtaining help at the employment office in their job search process about twelve times as often as the regular employment office staff was in a position to offer at the time—once a week instead of, on average, once every third month, and they were stimulated and urged to engage in search between the weekly meetings with their temporary counsellor. Therefore, the real significance of the evaluation is the general conclusion that increased search intensity will increase the rate of outflow from unemployment also among persons who have been out of job for an extended period of time. Obtaining this result by using unemployed to help unemployed, as in the project described and evaluated in this article, was attractive from a political point of view because of the small fiscal costs—the unemployed who served as temporary counsellors were already financed.

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- Note: "aha" is an acronym for the Swedish expression "arbetslösa hjälper arbetslösa" (unemployed help unemployed).
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## Appendix

Table A.1 Coding of dummy variables.

<i>Qualitative variables</i>	<i>Coding</i>	
Group affiliation	Intervention group = 1	Other = 0
Sex	Man = 1	Other = 0
Citizenship	Reference category: Swedish Other Scandinavian = 1 Other European or North American = 1 Asian, African, South American = 1	Other = 0 Other = 0 Other = 0 Other = 0
Education	Reference category: Secondary school Primary school = 1 Post-secondary education = 1	Other = 0 Other = 0
Handicap	Handicap = 1	Other = 0
Wanted field of occupation	Reference category: Production work Management work etc. = 1 Service work and other similar work = 1 Other work excluding production work = 1	Other = 0 Other = 0 Other = 0
Experience in wanted field of occupation	Reference category: No experience Good experience = 1 Some experience = 1	Other = 0 Other = 0
Education/training in wanted field of occupation	Not educated/trained for wanted profession = 1	Other = 0
Mobility	Reference category: Local job search Regional job search = 1	Other = 0
Unemployment benefit	Receives unemployment benefit = 1	Other = 0
Labour supply	Reference category: Full-time job seekers Part-time job seekers = 1 Full-time or part-time = 1	Other = 0 Other = 0

**Table A.2** Result of Cox regressions concerning the events: Obtained permanent employment and obtained temporary employment. Intervention offices in Stockholm County and their comparison offices. Total registration time prior to project start  $\geq 2$  years

Variable/Category affiliation for qualitative variables	Permanent employment		Temporary employment	
	Coefficient (Standard error)	e <sup>Coeff.</sup>	Coefficient (Standard error)	e <sup>Coeff.</sup>
Intervention group	0.0299 (0.0769)	1.0304	0.2392** (0.0872)	1.2703
Man	0.1317** (0.0362)	1.1408	-0.0074 (0.0449)	0.9927
Handicap	0.04482** (0.2052)	0.6388	-0.2805 (0.2197)	0.7554
Scandinavian (non-Swedish) citizenship	-0.2415** (0.0927)	0.7855	0.1610* (0.0922)	1.1747
Other European or North American	-0.0689 (0.0706)	0.9334	-0.1200 (0.0897)	0.8869
Asian, African, South American	-0.1940** (0.0595)	0.8237	-0.1969** (0.0730)	0.8213
Primary School	0.1755 (0.04773)	1.1918	-0.13966** (0.0482)	0.8697
Post-primary education	0.1755** (0.0473)	1.1918	0.0946* (0.0583)	1.0992
Good experience	-0.2359** (0.0492)**	0.7898	-0.0879 (0.0593)	0.9159
Some experience	-0.1414 (0.0377)	0.8681	-0.1045** (0.0465)	0.9008
Skills in wanted field of occupation	-0.1076** (0.0355)	0.8980	-0.0153 (0.0429)	0.9848
Regional job search	0.0322 (0.0460)	1.0327	-0.0712 (0.0579)	0.9313
No unemployment benefit	-0.5966** (0.0495)	0.5507	-0.7326** (0.0651)	0.4806
Part-time job seeker	-0.2204** (0.0911)	0.8022	-0.2293* (0.1187)	0.7951
Searching full-time or part-time	-0.1052** (0.0314)	0.9002	0.1330** (0.0386)	1.1422
Management work etc.	0.0938* (0.0482)	1.0983	-0.1994** (0.0584)	0.8192
Service work and other similar work	-0.0824 (0.0455)	0.9209	-0.3313** (0.0549)	0.7180
Other work other than production work	-0.2583** (0.0657)	0.7724	-0.3644** (0.0775)	0.6946
Age	-0.0101** (0.0017)	0.9900	0.0043** (0.0021)	1.0043
No. of unemployment periods prior to project start	0.0347** (0.0091)	1.0353	0.0735** (0.0109)	1.0763
Time unemployed before project start	-0.0005** (0.0000)	0.9995	-0.0002** (0.0000)	0.9997

\* The coefficient is significantly different from zero at the 10% level

\*\* The coefficient is significantly different from zero at the 5% level

Reference category in the variable

- Citizenship: Swedish
- Education: Secondary school
- Wanted field of occupation: Production work
- Experience in wanted field of occupation: No experience
- Mobility: Local job search
- Full-time or part-time: Full-time job seeker

**Table A.3** Result of Cox regressions concerning the events: Obtained permanent employment and Obtained temporary employment. Intervention and comparison offices outside Stockholm County. Total registration time prior to project start  $\geq 2$  years

Variable/Category affiliation for qualitative variables	Permanent employment		Temporary employment	
	Coefficient (Standard error)	e <sup>Coeff.</sup>	Coefficient (Standard error)	e <sup>Coeff.</sup>
Intervention group	-0.2325** (0.1112)	0.7925	0.2334** (0.0869)	1.2629
Man	0.5311** (0.0889)	1.7008	0.1288 (0.0816)	1.1375
Handicap	-0.8550** (0.1857)	0.4253	-0.4712** (0.1395)	0.6243
Scandinavian (non-Swedish) citizenship	0.3419* (0.2039)	1.4076	0.0736 (0.2120)	1.0764
Other European or North American	0.1929 (0.1492)	1.2127	0.1620 (0.11475)	1.1758
Asian, African, South American	-0.0212 (0.1437)	0.9790	-0.3748** (0.1548)	0.6874
Primary School	-0.2251** (0.0930)	0.7984	0.0088 (0.0803)	1.0088
Post-primary education	0.1680 (0.1181)	1.1829	0.2369** (0.1148)	1.2674
Good experience	-0.0550 (0.0975)	0.9465	-0.2367** (0.0963)	0.7893
Some experience	-0.1531* (0.0842)	0.8581	-0.1822** (0.0775)	0.8334
Skills in wanted field of occupation	-0.1521* (0.0805)	0.8589	-0.0083 (0.0726)	0.9917
Regional job search	0.2046** (0.0726)	1.2271	0.1401** (0.0688)	1.1504
No unemployment benefit	-0.3872** (0.1054)	0.6790	-0.3590** (0.1012)	0.6984
Part-time job seeker	-0.5555** (0.2763)	0.5738	-0.1877 (0.2066)	0.8289
Searching full-time or part-time	-0.1298* (0.0730)	0.8783	-0.1360** (0.0688)	0.8728
Management work etc.	-0.1728 (0.1090)	0.8413	-0.3809** (0.1065)	0.6833
Service work and other similar work	-0.2434** (0.0971)	0.7839	-0.4416** (0.0919)	0.6430
Other work other than production work	-0.4618** (0.1523)	0.6302	-0.4504** (0.1300)	0.6374
Age	0.0022 (0.0040)	1.0022	0.0094** (0.0036)	1.0095
No. of unemployment periods prior to project start	-0.0080* (0.0173)	0.9920	0.0928** (0.0154)	1.0972
Time unemployed before project start	0.0005** (0.0002)	0.9995	-0.0004** (0.0001)	0.9996

\* The coefficient is significantly different from zero at the 10% level

\*\* The coefficient is significantly different from zero at the 5% level

Reference category in the variable

– Citizenship: Swedish

– Education: Secondary school

– Wanted field of occupation: Production work

– Experience in wanted field of occupation: No experience

– Mobility: Local job search

– Full-time or part-time: Full-time job seeker



**Table A.4** Result of Cox regressions concerning the event: Training/education other than training within the scope of labour market policy programmes. Intervention offices in Stockholm County and their comparison offices. Total registration time prior to project start  $\geq 2$  years

Variable/Category affiliation for qualitative variables	Training/education other than training within the scope of labour market policy programmes	
	Coefficient (Standard error)	e <sup>Coeff.</sup>
Intervention group	0.5702** (0.0770)	1.7686
Man	-0.4905** (0.0491)	0.6123
Handicap	-0.5699** (0.2692)	0.5656
Scandinavian (non-Swedish) citizenship	0.0741 (0.1101)	1.0770
Other European or North American	0.3421** (0.0896)	1.4079
Asian, African, South American	0.3670** (0.0637)	1.4434
Primary School	-0.0873* (0.0505)	0.9164
Post-primary education	-0.2507** (0.0754)	0.7783
Good experience	0.1113* (0.0603)	1.1177
Some experience	0.0578** (0.0500)	1.0595
Skills in wanted field of occupation	0.1663** (0.0458)	1.1809
Regional job search	-0.1937** (0.0718)	0.8239
No unemployment benefit	-0.5521** (0.0655)	0.5758
Part-time job seeker	-0.0223 (0.1106)	0.9779
Searching full-time or part-time	-0.0434 (0.0426)	0.9575
Management work etc.	-0.0629 (0.0754)	0.9390
Service work and other similar work	0.1278** (0.0637)	1.1363
Other work other than production work	0.0967 (0.0794)	1.1016
Age	-0.00239** (0.0025)	0.9764
No. of unemployment periods prior to project start	0.0313** (0.0120)	1.0318
Time unemployed before project start	-0.00004 (0.0001)	1.0000

\* The coefficient is significantly different from zero at the 10% level

\*\* The coefficient is significantly different from zero at the 5% level

Reference category in the variable

- Citizenship: Swedish
- Education: Secondary school
- Wanted field of occupation: Production work
- Experience in wanted field of occupation: No experience
- Mobility: Local job search
- Full-time or part-time: Full-time job seeker

**Table A.5** Result of Cox regressions concerning the event: Training/education other than training within the scope of labour market policy programmes. Intervention and comparison offices outside Stockholm County. Total registration time prior to project start  $\geq 2$  years

Variable/Category affiliation for qualitative variables	Coefficient (Standard error)	e <sup>Coeff.</sup>
Intervention group	0.1177 (0.1079)	1.1249
Man	-0.6668** (0.0901)	0.5134
Handicap	-0.0661 (0.1387)	0.9360
Scandinavian (non-Swedish) citizenship	-0.1563 (0.2812)	0.8553
Other European or North American	0.1027 (0.1875)	1.1082
Asian, African, South American	0.0931** (0.1492)	1.0975
Primary School	-0.7727** (0.1594)	0.4618
Post-primary education	-0.0164 (0.1881)	0.9838
Good experience	0.3358** (0.1051)	1.3991
Some experience	0.1440 (0.0902)	1.1549
Skills in wanted field of occupation	0.2228** (0.0821)	1.2496
Regional job search	-0.0383 (0.0914)	0.9625
No unemployment benefit	-0.7225** (0.1317)	0.4855
Part-time job seeker	-0.0164 (0.1881)	0.9838
Searching full-time or part-time	0.603 (0.0788)	1.0621
Management work etc.	0.3885** (0.1309)	1.4748
Service work and other similar work	0.2755** (0.1081)	1.3172
Other work other than production work	0.2276* (0.1348)	1.2556
Age	-0.0117** (0.0046)	0.9884
No. of unemployment periods prior to project start	-0.0351* (0.0208)	0.9655
Time unemployed before project start	0.0003* (0.0002)	1.0003

\* The coefficient is significantly different from zero at the 10% level

\*\* The coefficient is significantly different from zero at the 5% level

Reference category in the variable

– Citizenship: Swedish

– Education: Secondary school

– Wanted field of occupation: Production work

– Experience in wanted field of occupation: No experience

– Mobility: Local job search

– Full-time or part-time: Full-time job seeker

**Table A.6** Result of Cox regressions concerning the events: Removal from the register of the Employment Service for “another reason” (not stated in the other tables) and Placement in a labour market policy programme. Intervention offices in Stockholm County and their comparison offices. Total registration time prior to project start  $\geq 2$  years

Variable/Category affiliation for qualitative variables	“Other reason”		Labour market policy programme	
	Coefficient (Standard error)	e <sup>Coeff.</sup>	Coefficient (Standard error)	e <sup>Coeff.</sup>
Intervention group	-0.0182 (0.0608)	0.9819	0.6159** (0.0441)	1.8513
Man	0.1286** (0.0288)	1.1372	0.0464* (0.0263)	1.0475
Handicap	0.3922** (0.1095)	1.4802	0.0566 (0.1090)	1.0582
Scandinavian (non-Swedish) citizenship	0.0662 (0.0642)	1.0684	-0.0129 (0.0585)	0.9872
Other European or North American	0.0244 (0.0524)	1.0247	0.0063 (0.0514)	1.0064
Asian, African, South American	0.0316 (0.0421)	1.0137	0.0695* (0.0392)	1.0720
Primary School	0.0845** (0.0299)	1.0882	0.0834** (0.0277)	1.0870
Post-primary education	-0.0179 (0.0388)	0.9822	0.0341 (0.0342)	1.0346
Good experience	0.1161** (0.380)	1.1231	0.0608* (0.03349)	1.0627
Some experience	0.0979** (0.0305)	1.102	-0.0219 (0.0279)	0.9784
Skills in wanted field of occupation	0.0115 (0.0281)	1.0116	-0.0358 (0.0256)	0.9649
Regional job search	-0.0125 (0.0390)	0.9876	0.0447 (0.0338)	1.0457
No unemployment benefit	0.8040** (0.0284)	2.2344	-0.3025** (0.0333)	0.7390
Part-time job seeker	0.2476** (0.0609)	1.2809	-0.2431** (0.0683)	0.7842
Searching full-time or part-time	0.0416 (0.0257)	1.0424	0.0461 (0.0230)	1.0472
Management work etc.	0.1235** (0.0405)	1.1314	0.0243 (0.0355)	1.0246
Service work and other similar work	0.2057** (0.0374)	1.2283	-0.0138 (0.0335)	0.9863
Other work other than production work	0.3109** (0.0459)	1.3647	0.0177 (0.0434)	1.0179
Age	0.0150** (0.0014)	1.0151	-0.0018 (0.0012)	0.9982
No. of unemployment periods prior to project start	-0.0026 (0.0072)	0.9974	-0.0375** (0.0068)	0.9632
Time unemployed before project start	0.0002** (0.0000)	1.0002	0.0005** (0.0000)	1.0005

\* The coefficient is significantly different from zero at the 10% level

\*\* The coefficient is significantly different from zero at the 5% level

Reference category in the variable

– Citizenship: Swedish

– Experience in wanted field of occupation: No experience

– Education: Secondary school

– Mobility: Local job search

– Wanted field of occupation: Production work

– Full-time or part-time: Full-time job seeker

**Table A.7** Result of Cox regressions concerning the events: Removal from the register of the Employment Service for “another reason” (not stated in the other tables) and Placement in a labour market policy programme. Intervention and comparison offices outside Stockholm County. Total registration time prior to project start  $\geq 2$  years

Variable/Category affiliation for qualitative variables	“Other reason”		Labour market policy programme	
	Coefficient (Standard error)	e <sup>Coeff.</sup>	Coefficient (Standard error)	e <sup>Coeff.</sup>
Intervention group	-0.2398** (0.0920)	0.7868	0.4389** (0.0509)	1.5511
Man	-0.1173* (0.0648)	0.8893	-0.0834* (0.0462)	0.9199
Handicap	0.4579** (0.0862)	1.5808	0.4438** (0.0526)	1.5586
Scandinavian (non-Swedish) citizenship	-0.1586 (0.1922)	0.8533	-0.1894 (0.1404)	0.8275
Other European or North American	-0.2482* (0.1332)	0.7802	0.00677 (0.0965)	1.0067
Asian, African, South American	0.0226 (0.1031)	1.0228	0.0565 (0.0875)	1.0581
Primary School	0.1648** (0.0667)	1.1792	0.1176** (0.00455)	1.1248
Post-primary education	-0.0254 (0.1003)	0.9749	-0.1378* (0.0758)	0.8712
Good experience	-0.0415 (0.0819)	0.9594	0.1116** (0.0567)	1.1180
Some experience	0.1105* (0.0657)	1.1168	0.0279 (0.0459)	1.0283
Skills in wanted field of occupation	0.0656 (0.0612)	1.0678	-0.0262 (0.0422)	0.9741
Regional job search	-0.0549 (0.0651)	0.9466	0.0468** (0.0441)	1.0479
No unemployment benefit	0.6304** (0.0665)	1.8783	-0.2267** (0.0639)	0.7971
Part-time job seeker	0.4120** (0.1263)	1.5099	-0.1651* (0.0999)	0.8478
Searching full-time or part-time	0.1477** (0.0583)	1.1592	0.0736* (0.0402)	1.0764
Management work etc.	0.1268 (0.0942)	1.1352	-0.1493** (0.0649)	0.8613
Service work and other similar work	0.2046** (0.0766)	1.2271	0.0174 (0.1095)	1.0176
Other work other than production work	0.2987** (0.0950)	1.3481	0.0865 (0.0687)	1.0903
Age	0.0013 (0.0033)	1.0013	0.0039* (0.0021)	1.0039
No. of unemployment periods prior to project start	-0.0082 (0.0148)	0.9918	-0.0324** (0.0104)	0.9681
Time unemployed before project start	0.0002* (0.0001)	1.0002	0.0004** (0.0000)	1.0004

\* The coefficient is significantly different from zero at the 10% level

\*\* The coefficient is significantly different from zero at the 5% level

Reference category in the variable

– Citizenship: Swedish

– Education: Secondary school

– Wanted field of occupation: Production work

– Experience in wanted field of occupation: No experience

– Mobility: Local job search

– Full-time or part-time: Full-time job seeker

**Table A.8** Job seekers placed in labour market policy programmes. Result of Cox regressions concerning the event: Obtained employment (permanent employment; temporary employment; continued employment, former employer) subsequent to programme. Intervention offices in Stockholm County and their comparison offices. Total registration time prior to project start  $\geq 2$  years

Variable/Category affiliation for qualitative variables	Coefficient (Standard error)	e <sup>Coeff.</sup>
Intervention group	0.4600** (0.00578)	1.5840
Man	0.0887** (0.0283)	1.0928
Handicap	-0.3959** (0.1500)	0.6731
Scandinavian (non-Swedish) citizenship	-0.0208 (0.0654)	0.9795
Other European or North American	-0.0448 (0.0555)	0.9562
Asian, African, South American	-0.1236** (0.0463)	0.8837
Primary School	-0.0036 (0.0308)	0.9964
Post-primary education	0.1473** (0.0368)	1.1587
Good experience	-0.1238** (0.0293)	0.8835
Some experience	0.0166 (0.0360)	1.0167
Skills in wanted field of occupation	-0.0838** (0.0274)	0.9196
Regional job search	0.0166 (0.0360)	1.0167
No unemployment benefit	-0.6545** (0.0393)	0.5197
Part-time job seeker	-0.2905** (0.0723)	0.7479
Searching full-time or part-time	0.0023 (0.0243)	1.0023
Management work etc.	0.0063 (0.0372)	1.0063
Service work and other similar work	-0.1450** (0.0351)	0.8650
Other work other than production work	-0.2529** (0.0501)	0.7765
Age	-0.0051** (0.0013)	0.9949
No. of unemployment periods prior to project start	0.0351** (0.0070)	1.0357
Time unemployed before project start	-0.0002** (0.0000)	0.9998

\* The coefficient is significantly different from zero at the 10% level

\*\* The coefficient is significantly different from zero at the 5% level

Reference category in the variable

- Citizenship: Swedish
- Experience in wanted field of occupation: No experience
- Education: Secondary school
- Mobility: Local job search
- Wanted field of occupation: Production work
- Full-time or part-time: Full-time job seeker

**Table A.9** Job seekers placed in labour market policy programmes. Result of Cox regressions concerning the event: Obtained employment (permanent employment; temporary employment; continued employment, former employer) subsequent to programme. Intervention and comparison offices outside Stockholm County. Total registration time prior to project start  $\geq 2$  years

Variable/Category affiliation for qualitative variables	Coefficient (Standard error)	e <sup>Coeff.</sup>
Intervention group	0.4065** (0.0686)	1.5016
Man	0.2254** (0.0602)	1.2528
Handicap	-0.4543** (0.1118)	0.6349
Scandinavian (non-Swedish) citizenship	0.2048 (0.1469)	1.2272
Other European or North American	0.2312** (0.1052)	1.2601
Asian, African, South American	-0.2598** (0.1058)	0.7712
Primary School	-0.0669 (0.0607)	0.9353
Post-primary education	0.0830 (0.0827)	1.0865
Good experience	-0.0586 (0.0680)	0.9431
Some experience	-0.1569** (0.0569)	0.8548
Skills in wanted field of occupation	-0.0415 (0.0539)	0.9593
Regional job search	0.2096** (0.0500)	1.2332
No unemployment benefit	-0.3158** (0.0734)	0.7292
Part-time job seeker	-0.3602** (0.1654)	0.6975
Searching full-time or part-time	-0.1079** (0.0500)	0.8977
Management work etc.	-0.3952** (0.0769)	0.6735
Service work and other similar work	-0.4067** (0.0672)	0.6659
Other work other than production work	-0.4321** (0.0989)	0.6491
Age	0.0078** (0.0027)	1.0078
No. of unemployment periods prior to project start	0.0479** (0.0114)	1.0491
Time unemployed before project start	0.0004** (0.0001)	0.9996

\* The coefficient is significantly different from zero at the 10% level

\*\* The coefficient is significantly different from zero at the 5% level

Reference category in the variable

– Citizenship: Swedish

– Education: Secondary school

– Wanted field of occupation: Production work

– Experience in wanted field of occupation: No experience

– Mobility: Local job search

– Full-time or part-time: Full-time job seeker

**Table A.10** Results of regression analysis concerning times on the register of the Employment Service from project start to removal from the register or placement in a labour market policy programme. Intervention offices in Stockholm County and their comparison offices. Total registration time prior to project start  $\geq 2$  years.

Variable/category affiliation	Coefficient	(Standard error)
Constant	94.458**	10.888
Intervention group	-23.762**	7.450
Man	-14.219**	3.829
Handicap	11.546	17.111
Scandinavian (non-Swedish) citizenship	-23.575**	8.685
Other European or North American	4.074	7.161
Asian, African, South American	9.882*	5.827
Primary School	-5.609	4.068
Post-primary education	8.197	5.133
Good experience	-2.400	5.062
Some experience	3.126	4.004
Skills in wanted field of occupation	1.527	3.710
Regional job search	11.009**	5.091
No unemployment benefit	0.886	4.327
Part-time job seeker	25.030**	8.817
Searching full-time or part-time	3.273	3.369
Management work etc.	16.663**	5.280
Service work and other similar work	8.178*	4.891
Other work other than production work	5.551	6.409
Age	2.868**	0.178
No. of unemployment periods prior to project start	-5.252**	0.963
Time unemployed before project start	0.023**	0.007

\* The coefficient is significantly different from zero at the 10% level

\*\* The coefficient is significantly different from zero at the 5% level

Reference category in the variable

– Citizenship: Swedish

– Education: Secondary school

– Wanted field of occupation: Production work

– Experience in wanted field of occupation: No experience

– Mobility: Local job search

– Full-time or part-time: Full-time job seeker

**Table A.11** Results of regression analysis concerning times on the register of the Employment Service from project start to removal from the register or placement in a labour market policy programme. Experiment and comparison offices outside Stockholm County. Total registration time prior to project start  $\geq 2$  years.

Variable/category affiliation	Coefficient	(Standard error)
Constant	140.098**	15.079
Intervention group	-27.038**	7.071
Man	12.551**	5.658
Handicap	11.261	8.457
Scandinavian (non-Swedish) citizenship	-27.703*	15.572
Other European or North American	-9.151	10.908
Asian, African, South American	-13.365	9.709
Primary School	-8.675	5.886
Post-primary education	4.646	8.492
Good experience	-9.447	6.783
Some experience	3.986	5.619
Skills in wanted field of occupation	2.250	5.248
Regional job search	-2.130	5.242
No unemployment benefit	-10.272	6.545
Part-time job seeker	-3.999	12.809
Searching full-time or part-time	0.870	4.933
Management work etc.	-2.111	7.776
Service work and other similar work	-2.955	6.527
Other work other than production work	0.132	8.721
Age	1.136**	0.271
No. of unemployment periods prior to project start	-3.438**	1.204
Time unemployed before project start	0.015	0.010

\* The coefficient is significantly different from zero at the 10% level

\*\* The coefficient is significantly different from zero at the 5% level

Reference category in the variable

- Citizenship: Swedish
- Education: Secondary school
- Wanted field of occupation: Production work
- Experience in wanted field of occupation: No experience
- Mobility: Local job search
- Full-time or part-time: Full-time job seeker





## Bücher

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