

Evaluation of Training Programs in St. Gallen, Switzerland

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1. INTRODUCTION

In Switzerland, unemployment was not a major problem until 1992. Unemployment rates were negligible, at 1.08 percent in 1991¹, but then rose to 5.21 percent in 1997 – a threatening increase within only five years.

As a result of this development, the Swiss unemployment insurance law (AVIG) was reformed in order to allow for better monitoring and consulting of the unemployed. The most important elements were set forth in the second stage of the reform process in 1996²: (i) the introduction of new types of Active Labor Market Policies (*ALMP*) such as promoting self-employment or subsidies to vocational education, (ii) the creation of a dense network of local employment offices (*RAV*'s), and (iii) the explicit connection of passive and active labor market policies so that individual duration of unemployment insurance compensation can only be prolonged if the unemployed person is willing to participate in *ALMP*.³ To ensure that this last point could be realized, each canton was obliged to provide a minimum number of program places, depending on its number of unemployed persons and inhabitants. For instance, in 1997 for all Swiss cantons a total of 25000 year-equivalent program places (St. Gallen: 1311) should have been provided. If a canton could not fulfill its requirements, it had to bear 20 percent of the costs of the incidental unemployment insurance compensation (*uic*) – an effective measure to increase program participation.

Thus, *ALMP* became a central key of Swiss labor market policy. In addition, in order to control their effectiveness the Swiss government decided to let these programs be evaluated by independent researchers. This study represents one part of this evaluation

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1. Based on the total labor force, source: OECD. Statistical Compendium, Main Economic Indicators.
2. For a short overview over the reforms see H.J. PFITZMANN (1995).
3. For example, an unemployed person younger than 50 years old receives unemployment insurance compensation for no longer than 150 days. This time will be prolonged to a maximum of 525 days if he/she participates in *ALMP*.

mandate.⁴ It was restricted locally to the canton St. Gallen and concentrated on three types of training programs: basic general training, language courses (German), and computer courses. The evaluated courses took place between January 1998 and April 1998, and re-employment events could be observed until September 1998. The results point to positive re-employment effects only in the case of language courses. For general basic courses and computer courses, however, the re-employment probabilities of former participants were not significantly larger than those of the control group. The results, however, should be interpreted with caution since only short-term effects could be evaluated.

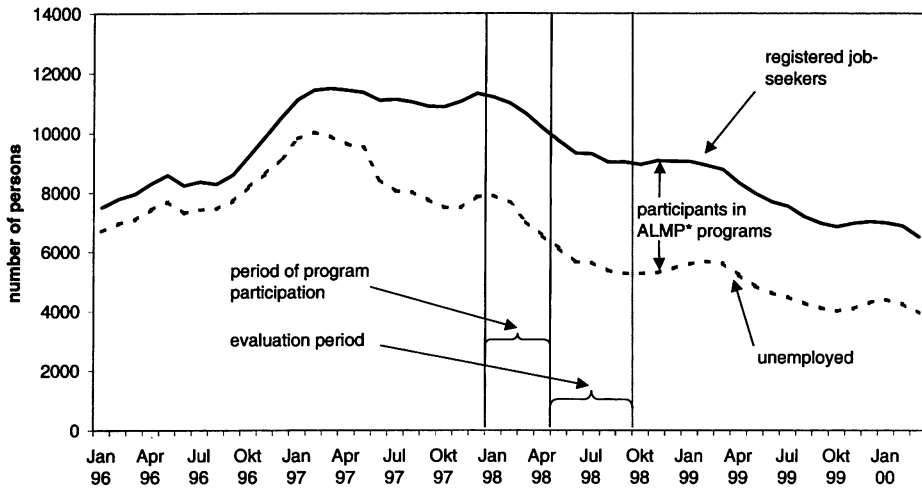
This article is structured as follows: the next section describes the development of unemployment and ALMP in the canton St. Gallen. Section 3 gives an overview of the programs which were analyzed as well as the data that were used for the empirical part of the study. In section 4, the methodological approach is discussed. Finally, sections 5 and 6 present the results and conclude with a short discussion on the implications of the findings.

2. UNEMPLOYMENT AND ACTIVE LABOR MARKET POLICY IN ST. GALLEN

After an almost continuous increase in unemployment in the nineties, the labor market in the canton St. Gallen has, since January 1997, experienced a reduction in unemployment. However, this was only the case for registered unemployment. As can be seen in figure 1 the number of registered job-seekers did not decrease until the beginning of 1998. The difference between job-seekers and registered unemployed arises from those individuals participating in ALMP.⁵ Their number increased during 1997 – just before conditions in the job-seekers market improved. The central question is now whether the decrease of registered job-seekers can be attributed to the enforced implementation of ALMP or whether it is simply the result of other factors such as the favorable economic developments in Switzerland during this time period.

4. For an overview see M. CURTI and B. ZÜRCHER (2000).

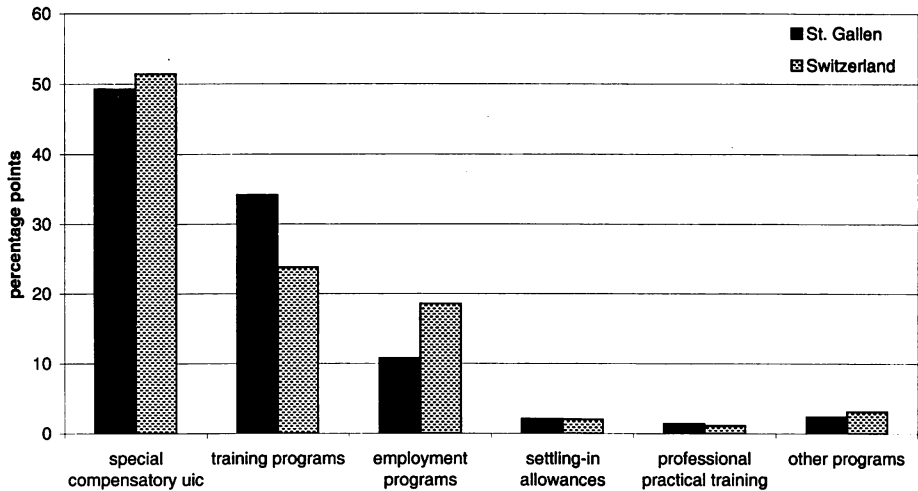
5. In the official denotation, this group was termed “not unemployed job-seekers” and covered all participants in ALMP who could not be placed within 30 days.

Figure 1: Unemployment in St. Gallen

* ALMP = Active Labor Market Policy

Source: State Secretariat for Economic Affairs (seco).

Figure 2 shows the kinds of programs that the participants were assigned to in 1998. The most important “program” type is “special compensatory” uic, reflecting those uic-payments which are paid to persons who could not be allocated to a program although they were eligible (and willing) to participate in a program. This means that the employment offices were not able to place more than about 50 percent of eligible unemployed persons into a program. Obviously, the quantitative targets were clearly missed which, in turn, reveals a serious deficiency in the Swiss ALMP: it is very likely that the employment offices were under great pressure to assign people into programs. This is a potential source of selection problems which could lead to negative program effects.

Figure 2: Program participants by program type in percent

Source: State Secretariat for Economic Affairs (seco).

Regarding the other program types, St. Gallen has placed more emphasis on training programs than other Swiss cantons. About 34 percent of all eligible unemployed took part in training in St. Gallen whereas the Swiss average is equal to 24 percent. Figure 2 shows also that, apart from special compensatory uic, training programs make up the most important program type. Another important policy is employment programs. However, as measured by cost or duration, employment programs are at least as important as training programs. The former are usually more expensive and have a longer duration than training programs. In this regard, St. Gallen is below the Swiss average. Further program types – although not very significant – are settling-in allowances, professional practical training, and others.

3. EVALUATED TRAINING PROGRAMS AND DATA USED

3.1. Evaluated Training Programs

Contrary to the other Swiss evaluation studies, this project was restricted to one canton only. On the one hand, this reduces the number of observations considerably. On the other hand, it has been argued that selection bias may become a serious matter in program evaluations if program participation takes place in different regional labor markets.⁶

6. See HECKMAN/ICHIMURA/TODD (1997), pp. 640 ff.

Therefore, restricting the analysis to one canton only with a fairly homogenous labor market avoids this source of selection bias. Also, a close cooperation with the canton's labor office was possible. With its help, all courses that took place from January 1998 to April 1998 could be exactly identified. Three types of courses were selected for evaluation by order of the seco:

- general basic training ("Abklärungs- und Bewerbungskurse"),
- language courses in German, and
- computer courses.

General basic training combines introductory information on rights and responsibilities during unemployment as well as initial training in job-search techniques. The participants usually send at least two applications to vacant jobs by the end of the course. The duration is 10 or 11 days and the general basic courses are especially aimed at persons who have just entered unemployment. Furthermore, in St. Gallen, general basic training courses were offered in different languages such as Albanian, Italian, Turkish, and Serbo-Croat.

There are several language courses offered by the St. Gallen's labor office. "German for foreigners" is the most common offered course, although there are also other language courses such as French, Italian, or English. For this evaluation, only language courses in German were selected. These include both introductory courses in German as well as advanced German courses. Duration varies between 10 and 12 weeks. The participants are mostly foreigners although a small number of French- or Italian-speaking Swiss also took part.

The computer courses are the most heterogeneous type of course analyzed. They include, for instance, courses for those individuals who have never worked with a PC before, introductory courses in desktop applications (spreadsheets and word processing), courses in system administration, programming languages, internet usage, and also courses for highly specialized computer experts. The duration varies from 10 to 110 days. Accordingly, the target group for these courses is also very heterogeneous and includes both unskilled as well as highly skilled persons.

3.2. *Data*

This study is based on administrative data provided by the State Secretariat for Economic Affairs (seco). One part, "AVAM" is collected by the regional labor offices and includes information on sex, age, education, job search, etc. The other part, "ASAL", stems from the unemployment insurance's finance department and comprises detailed data on individual program participation history and the related costs. The basic sample includes every job-seeker in St. Gallen registered on the 31st of December 1997. The sample size is equal to 11312 individuals. The AVAM and ASAL data for each individual in this sample were available from the 1st of January 1996, up to the 31st of July 1998

(ASAL) or the 31st of September 1998 (AVAM). Therefore, the complete unemployment history of each person was known for this period. The evaluated program participation took place between the 1st of January 1998, and the 30th of April 1998. With this sample, data is available for up to two years before the start of the program, and up to 8 months (minimum: 5 months AVAM, 3 months ASAL) after the end of the program.

In Switzerland, multiple program participation during unemployment is quite frequent. This imposes a problem on program evaluation, because if a person takes part consecutively in more than one labor market program, the effects cannot be separated anymore. Therefore, either assumptions on the hierarchy of multiple program effects are necessary⁷ or the sample has to be adjusted in a suitable way. In this paper, the latter approach was chosen. Although the number of observations drops considerably if multiple program participation is common, one can now be sure that – in the absence of selection effects – the measured effects can be unambiguously assigned to the program of interest. The following groups of persons have been selected: (i) those who have never participated in any labor market program between 1/96 and 9/98 (the “naive control group”, 3941 individuals), and (ii) those who have participated in one, and only one, of the evaluated courses with a duration of at least 5 days between 1/98 and 4/98 (the numbers of participants are as follows: 246 in general basic training, 127 in German language courses, and 87 in computer courses).

4. METHODOLOGICAL CONSIDERATIONS

Evaluating ALMP has gained great interest during the last years in Europe. The development of appropriate evaluation methods and the intense discussion about them has strongly contributed to the increased funding and provision of evaluation studies.⁸ It is the basic evaluation problem which demands sophisticated methods.

4.1. *The Evaluation Problem*

Consider a person who participates in an active labor market program. The central question is whether participation led to improved labor market chances or not. The reference situation is if the person had not participated. However, this state cannot be observed for a participating individual and has to be estimated.

7. For example, in GERFIN/LECHNER (2000) the researchers assumed that in case of multiple program participation, the first program with a duration of more than two weeks dominates future employment chances over the other, succeeding programs, see GERFIN/LECHNER (2000), p. 40. LALIVE/ZWEIMÜLLER (2000) analyze mainly the impact of the first program as well. However, they also discuss the effects of multiple program participation.
8. For an overview, see for example HECKMAN/LALONDE/SMITH (1999) or FITZENBERGER/SPECKESSER (2000) in the case of Germany.

Formally, for an individual, the direct program effect Δ is the difference between the outcome with treatment, denoted by Y_1 , and the outcome without treatment, denoted by Y_0 :

$$\Delta = Y_1 - Y_0.$$

For the same individual, only one of both states can be observed at one time. For participants, Y_0 , the so-called counterfactual, can be obtained by econometric (parametric or non-parametric) techniques or by social experiments. In the former case, one can exploit the "Conditional Independence Assumption" (CIA)⁹. CIA states that the expected value of Y_0 is independent of participation D ($D = 1$ when participating, $D = 0$ when not participating), if all relevant factors X are considered which influence selection into the program or nontreatment outcome:

$$E(Y_0|X = x, D = 0) = E(Y_0|X = x, D = 1) \quad (\text{CIA}). \quad (1)$$

Thus, CIA allows a direct comparison of the outcomes of participants and non-participants if both groups share the same characteristics X . However, a high dimension of X may hamper the comparison. Fortunately, ROSENBAUM/RUBIN (1983) show that, given CIA, a balancing score $b(x)$ can be used as a valid alternative to x with $b(x)$ being represented by the propensity score which is the probability of being assigned to program participation. So the counterfactual $E(Y_0|b(X) = b(x), D = 1)$ can be estimated because:

$$E(Y_0|b(X) = b(x), D = 1) = E(Y_0|b(X) = b(x), D = 0), \quad (2)$$

where $E(Y_0|b(X) = b(x), D = 0)$ denotes the average outcome of non-participants given $b(x)$.

4.2. Evaluation Method

One possible method widely used in recent evaluation studies to obtain the counterfactual is to perform a matching algorithm based on the propensity score. This approach is also followed here. In addition, a subsequent regression analysis in the matched sample compares the labor market outcomes of participants and comparison group dependent on further covariates.¹⁰ Thus, the evaluation proceeds in two steps: in a first stage, individual course participation is modeled and, based on this, a matching algorithm is performed to find a comparison group using the estimated participation probabilities as balancing scores. The second stage estimates employment probabilities in the matched sample of participants and comparison group to assess the impact of program participa-

9. See ROSENBAUM/RUBIN (1983).

10. For similar approaches, see HUIER/MAURER/WEILLNER (1998) or FITZENBERGER/PREY (1999).

tion.¹¹ This procedure has been applied to each of the three training types separately whereby the sample in the first step consists of the naive control group plus the participants of the respective training program.

4.2.1. Matching

The propensity to participate in a program is estimated by a bivariate probit. The covariates used for this probit are sex, age, age squared, a foreigner dummy, occupational qualification, the responsible labor office, individual unemployment history (duration of unemployment in the current spell up to 12/97, cumulative duration of unemployment from 1/96 to 12/97), temporary employment in 12/97, and, depending on the sort of evaluated training program, last occupation held before unemployment, sector of the firm of previous employment, living in a mountainous region which receives subsidies, differentiated foreigner status, language abilities (German, English), and Swiss mother language.¹²

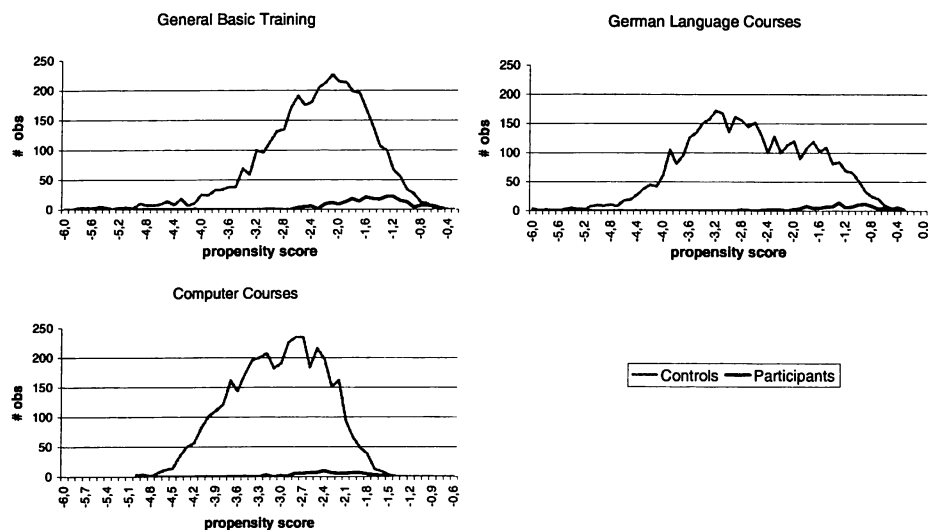
Based on the probit estimates the individual propensity score is used to find, for each participant, one person from the naive control group ("one-to-one matching"). The matching criterion is an identical or a very similar value for the propensity score.¹³ It is also required that the person selected from the group of non-participants be unemployed immediately before the course started. If there is more than one person with the same propensity score in the naive control group, further comparisons based directly on variables in X are made. These variables are the duration of unemployment in the current spell up to 12/97, and the cumulative duration of unemployment from 1/96 to 12/97.

One possible problem occurring with the matching technique is that there is not enough support in the naive control group to find at least one match for each treated participant. This problem, however, does not seem to be a serious one, because the naive control group is very large. Figure 3 depicts for each type of training the frequencies for different values of the propensity score of trainees and controls.

11. All estimated standard errors are robust against heteroskedasticity following WHITE (1982).

12. The detailed results are available from the author upon request.

13. The matching protocol used here follows closely the one in FITZENBERGER/PREY (1999).

Figure 3: Support of Propensity Scores of Trainees and Controls

4.2.2. Estimating Individual Employment Probabilities in the Matched Sample

After pairs of trainees and non-trainees have been found by matching, a new sample consisting of these pairs was formed. The success criterion is whether a person finds a job and is employed after participation or not. There are two problems involved. First, it is not completely sure whether or not a person remains employed even if she or he does not become unemployed again. The information from the data regarding one's labor market status is unemployed, job-seeking but not unemployed, exit from unemployment into different labor market states, or entry into unemployment. If a person leaves unemployment into employment, then there is no guarantee that the person remains employed. However, here it is assumed, that, once a person becomes employed, she or he will stay there within the period of interest. Second, there is a considerable number of persons who found a job but returned to unemployment after a short while. Surely, the exit from unemployment to employment cannot be termed a success if the person comes back to unemployment after a few days. The question is, which duration of employment can be accepted as a "real" employment spell. This has been discussed with experts from St. Gallen's labor market office. They agreed that at least 30 days should be spent in employment before a placement can be termed "successful" (since this is a common probation period for a new job). Thus, the success criterion used here is a dummy constructed for each month after the end of the labor market program which equals one if a person exited unemployment into employment and does not return to unemployment within 30 days ("employment"), and zero otherwise ("unemployment").

For the non-participants the time horizon is constructed according to the end-of-course information of their matched participating partner.

Then, the individual employment probability is estimated by a pooled probit depending on a set of covariates. The latter are sex, age, age squared, the labor officer's assessment regarding one's chances to find a job, the responsible labor office, a dummy for foreigners coming from a member state of the European Union, the last occupation held before unemployment, and monthly time dummies (months since the end of the program – constructed for both trainees and respective non-participants). Course participation is depicted by a training dummy, D , for the time period since the end of the course (course ended t months ago, $t \in \{1, \dots, 8\}$). In the case of German language courses and computer courses also the individual duration of course participation, l_i , in days, duration times the number of months since the end of the course, $l_i \cdot t$, and a dummy indicating whether or not a certificate could be obtained, C , were included. Those variables were not included for the analysis of general basic courses as there is almost no variation in course duration (10 or 11 days) and no certificate is awarded. Thus, the estimated "success equation" is:

$$Y_{i,t} = Z'_{i,t}\beta + \sum_{k=1}^8 \lambda_k \cdot t_k \cdot D_i + \gamma_1 \cdot l_i + \gamma_2 \cdot l_i \cdot t + \gamma_3 \cdot C + \varepsilon_{i,t}. \quad (3)$$

5. RESULTS

According to the methodological procedure outlined above the following section summarizes the results of the program evaluation.

5.1. Matching

Based on the estimated propensity scores, for each participant one non-participant was selected. In some cases, the matching procedure was not completely successful, in others the distribution of characteristics of trainees and matched controls is particularly similar. Table 1 shows the means and population shares of selected variables.¹⁴

The first column shows the numbers for the naive control group, i.e., those persons who did not participate in any labor market program between 1/96 and 9/98. The other columns display the respective means and population shares for the participants in the specific training course ("trainees") and for those non-participating persons who were selected from the naive control group by means of the matching procedure ("controls").

Comparing the naive control group with the participants of the different training courses gives an indication of the prevalent selection processes. For instance, the share

14. The complete tables can be found in the project report, see PREY (2000).

of women in the naive control group is 42 percent. Among the participants in general basic courses, however, the fraction of women is remarkably low, at roughly 33 percent, among participants in German language courses very high, at 61 percent, and among those in computer courses similar to the naive control group. It is difficult to understand why women are under-represented in general basic courses since these are intended as introductory courses for all new entrants into unemployment. Furthermore, they are also offered in different languages by the labor office. The high proportion of women among participants in language courses may point to more serious language problems among women than among men. From table 1 one can also see that participants in all three different types of courses are on average younger than the non-participants in the naive control group. A very striking difference between the naive control group and training participants is found in individual unemployment duration both regarding the current spell as well as the cumulative duration of unemployment since 1/96. It seems that long-term unemployed participate less in labor market programs than others. It is also surprising that average unemployment duration among participants in general basic training is still quite high, at 116 days, although these courses are targeted at new entrants into unemployment.

Looking at the difference between trainees and matched controls, table 1 shows that the distribution of characteristics has become quite similar. In the case of language courses, apart from the fraction of skilled persons (12 percent trainees, 16 percent controls), the matching procedure has been very successful. For general basic courses matching has also brought the distribution much closer together. However, the proportion of female participants or the duration of unemployment in the current spell are still different between trainees and controls. Concerning computer courses the gap between naive control group and participants has been reduced considerably as well. This is especially true for the high proportion of skilled persons among participants (78 percent). Among the persons of the matched control group 80 percent are skilled compared to 50 percent in the naive control group. Nevertheless it should be noted that – though the matching results appear to be very good – only means and fractions have been compared. There might still remain large differences between trainee and matched control based on a 1 to 1 comparison.

Table 1: Selected characteristics of trainees and controls before and after matching

	Naive control Group	Gen. Basic Courses		Language Courses		Computer Courses	
		trainees	controls	trainees	controls	trainees	controls
number of persons	3'941	246	246	127	127	87	87
women in %	41.77	27.64	32.93	61.42	61.42	40.23	44.83
mean age	40.04	36.54	35.63	36.93	37.97	37.13	36.69
foreigner in %	48.54	62.60	60.16	92.13	93.70	25.29	27.59
unskilled in %	35.63	36.59	34.15	71.65	71.65	13.79	9.20
skilled in %	49.84	40.65	42.68	11.81	15.75	78.16	80.46
Unemployment duration until 12/97, mean number of days:							
current spell	319.59	115.90	110.02	225.24	225.13	187.11	180.06
cumulative since 1/96	371.96	163.02	164.51	256.38	258.11	220.33	225.46

5.2. *Employment Effects of Course Participation*

After a new sample out of the matched pairs has been formed, the individual employment probabilities of trainees and matched controls have been modeled by means of a probit estimation.¹⁵ Some aspects of the results should be noted briefly which are valid both for trainees and controls (not reported here): There are positive employment chances for all individuals during the first half of 1998 indicated by time dummies. This corresponds to the general positive development of the Swiss labor market in 1998. Women perform significantly better on the labor market in the "computer-course sample" than men, they perform significantly worse in the "general-basic-course sample" and even more pronounced so in the "language-course sample".

The set of covariates includes a number of dummies indicating program participation which are central for the program evaluation. Table 2 summarizes the estimated program effects.

The estimated coefficients for participation in general basic courses are significantly negative for the first 5 months after the end of the program. The coefficients remain negative but are not significant thereafter. One reason for this may be that there are too few observations for which the (un-)employment status after more than 5 months can be observed so that standard errors become too large.¹⁶ Another possibility is that the

15. The complete results are available upon request.

16. In the data, only a person who participated in a course that ended in January 1998 can be followed for 8 months after the program, i.e. until September. For participants in courses which ended in April 1998 information whether they become unemployed again is only available for 5 months after the program, i.e. from May to September. However, from the 246 participants in general basic courses in the sample, after all 80 persons participated in a course which ended in January 1998.

insignificant coefficients may indicate more positive program effects in the medium or long run.

Table 2: Employment Effects of Course Participation

	Gen. Basic Courses		Language Courses		Computer Courses	
	Coef.	t-stat.	Coef.	t-stat.	Coef.	t-stat.
Course participation ended						
<i>1 month ago</i>	-0.868	-5.75	0.995	0.74	-1.251	-3.99
<i>2 months ago</i>	-0.481	-3.74	1.683	1.70	-0.995	-3.87
<i>3 months ago</i>	-0.366	-2.99	2.303	2.87	-0.718	-3.01
<i>4 months ago</i>	-0.349	-2.90	3.029	3.36	-0.638	-2.74
<i>5 months ago</i>	-0.345	-2.87	3.759	3.10	-0.593	-2.50
<i>6 months ago</i>	-0.225	-1.72	4.500	3.08	-0.565	-2.15
<i>7 months ago</i>	-0.241	-1.65			-0.702	-2.25
<i>8 months ago</i>	-0.363	-1.72			-0.153	-0.29
Course duration			-0.010	-0.44	0.010	1.43
Course duration * months						
since end of course			-0.008	-1.35	-0.002	-1.00
Course certificate						
awarded			0.094	0.35	0.594	3.96

Contrary to general basic courses, participation in German language courses reveals large and significant positive employment effects. The impact becomes even stronger the longer ago the end of the course. In addition it was estimated whether the course duration or the possibility to obtain a course certificate may have a further impact on individual labor market success. However, no significant effects are found. The result shows that in the case of foreigners or non-German speakers in St. Gallen the missing language skill seems to be the major problem for job-search. Obviously, teaching the local language is an effective means to improve the participants' labor market prospects.

Finally, the estimated employment effects of computer courses turn out to be negative as in the case of general basic courses. Also, the negative coefficients become smaller and even insignificant the longer ago the end of the program. However, courses in which a certificate is awarded to the participants lead to better employment chances than courses without certificate.

6. CONCLUSIONS

It is often the case that positive effects of active labor market policies are assumed without comment. Especially training courses are seen as powerful instruments to combat unemployment because it is supposed that participants receive qualifications that fit the

labor market's demands. However, the widespread use of enterprise-related training and vocational adjustment for job-entrants show that the prevailing qualifications of the job-seeking labor force do not always suit the needs of firms. Obviously, these qualifications can be very specific and therefore there is not too great a chance that publicly provided or supported training meets the labor market's demand. Instead, if an evaluation study finds negative employment effects of a training program this can mean that the program simply hindered the active job-search by the participants.

This evaluation study found negative impacts of program participation on individual employment chances for general basic courses ("Abklärungs- und Bewerbungskurse") and for computer courses in St. Gallen. Positive employment effects were found in the case of German language courses. The latter is encouraging since foreigners accounted for 53,5 percent of the job-seekers in St. Gallen in the end of 1997. If language courses can help so effectively to improve one's labor market chances in St. Gallen, then they should be used more intensively.

Yet, a few caveats of this study have to be mentioned. Most importantly, the evaluation period is very short. At most, the (un-)employment status of participants and comparison group can be observed for 8 months after the end of the program. Potentially different effects of program participation may occur in the medium or long run, and, thus, the short-run results may be misleading. Furthermore, the success criterion is perturbed by the uncertainty of the employment stability of former unemployed persons. Regarding the labor market status the data contain only information on job-seekers or on individuals who enter or exit unemployment. It is not known, whether a person, once she/he has found a job, stays employed or leaves the labor force. Another qualifying point is related to the special sample selection: although many individuals took part in more than one labor market program only those unemployed who participated in only one program were selected for this evaluation. This led to relatively small sample sizes and to a very specific selection of program participants. However, dealing appropriately with the problem of selection bias was central to the methodological approach taken in this study.

Having these caveats in mind, the question that arises is which factors are responsible for the negative program effects in the case of general basic courses and computer courses? This study can contribute only little to the answer. However, the following aspects should attract some attention. For example, there is a very high proportion of individuals who received special compensatory uic. To fulfill the quantitative targets for ALMP, the labor offices have to place a given number of unemployed into labor market programs. Otherwise the canton must take over a share of the costs for unemployment compensation. This points to serious pressure in the labor offices which may lead to erratic program placement. Under these circumstances, well selected and target-groups oriented labor market programs are difficult to implement. This can be an important source for the negative results obtained here. In the case of general basic courses, the relatively long duration of individual unemployment before the start of course does also point to possible inappropriate target groups since these courses are aimed at per-

sons who have just entered unemployment. Thus, removing the quantitative targets for ALMP may reduce the pressure in the labor offices considerably, thereby improving program targeting, and thus leading to better labor market prospects for the participating unemployed.

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SUMMARY

This study evaluates the short-run employment effects of general basic courses, German language courses, and computer courses which were held for unemployed persons in the Swiss canton St. Gallen between January and April 1998. It is based on administrative data provided by the Swiss State Secretariat for Economic Affairs for the time period between January 1996 to September 1998. To account for a possible selection bias a matching algorithm combined with a matched-sample regression was applied. It is found that, of the training courses evaluated, only German language courses could significantly improve the participants' labor-market chances.

ZUSAMMENFASSUNG

In dieser Studie werden die kurzfristigen Beschäftigungswirkungen von Abklärungs- und Bewerbungskursen, Sprachkursen (Deutsch für Fremdsprachige) und Computerkursen für Arbeitslose evaluiert. Diese Kurse fanden zwischen Januar und April 1998 im Schweizer Kanton St. Gallen statt. Die empirische Untersuchung basiert auf administrativen Daten des Schweizerischen Staatssekretariats für Wirtschaft und umfasst den Zeitraum Januar 1996 bis September 1998. Um für mögliche Selektionseffekte zu kontrollieren, wurde ein Matching-Ansatz, zusammen mit einer Regression, die auf der gematchten Stichprobe beruht, durchgeführt. Es zeigt sich, dass von den evaluierten Kursarten nur die Teilnahme an Sprachkursen zu signifikant besseren Beschäftigungschancen der Teilnehmenden führt.

RESUME

Cette étude évalue les effets à court terme de cours de bilan professionnel et de techniques de recherche d'emploi, de langue (allemand comme langue étrangère) et d'informatique sur les perspectives d'emploi des chômeurs. Ces cours eurent lieu entre janvier et avril 1998 dans le canton suisse de St.-Gall. L'étude empirique se base sur des données administratives du Secrétariat d'Etat Suisse pour l'Economie et couvre la période de janvier 1996 à septembre 1998. Afin de tenir compte de potentiels effets de sélection, une méthode de matching ainsi qu'une régression sur la base de matched-samples furent utilisées. Les résultats démontrent que seuls les cours de langue allemande conduisent à une amélioration significative des chances des participants sur le marché du travail.