Preface and acknowledgements

This book examines the effectiveness of active labour market policies (ALMP) and their contribution to the prevention of social exclusion. The evaluation studies reported in this volume focus on two aspects of ALMP that have been relatively neglected in previous research and merit special attention: 1) aggregate impact analysis and 2) process evaluation. The methodology for impact assessment is most developed for research designs using micro-data, but effects on the micro-level may be different from those on the macro-level, and it is the effects on macro-level that matter most. Furthermore, the potential effects of ALMP may be positive even though the actual effects are not. This is due to the fact that the impact of ALMP depends to a large extent on the way in which it is implemented.

In the vast literature on the impact of ALMP most studies apply a control group methodology to assess the effects of individual ALMP measures on the labour market position of the participants, using individual data. In Europe effectiveness is usually measured by employment status and the non-experimental version of the control group method is generally used to assess impacts, whereas income is the usual impact indicator in US studies, many of which use experiments. The control group method, particularly the experimental version, has the merit of producing reliable results. However, an important limitation of this approach is that it is unable to deal with displacement, substitution and indirect effects of ALMP measures. Thus, we cannot draw conclusions about the impact of ALMP on an aggregate level on the basis of these studies alone. Since ALMP is only effective when it helps to reduce the overall unemployment rate or the inequality between the unemployment rates of various groups, knowing the aggregate impact of ALMP is essential. Currently, however, the number of aggregate studies is relatively small, and little can be said about the aggregate impact of ALMP on the basis of these studies (see de Koning, Chapter 1 in this volume). Given the importance of aggregate effects and the fact that we know so little about them, we focus on aggregate impact analysis of ALMP in this book. The assessment will be based on econometric models and is therefore non-experimental.

Even when ALMP has potentially positive effects, these policies may have no impact in practice because of shortcomings in implementation. While even less is known about the impact of ALMP implementation, it seems
likely that it is an important determinant of ALMP results. Implementation of active labour market policies is, therefore, the second focus of the evaluation studies in this volume. Implementation is relevant on different levels (see Mosley and Sol, Chapter 6 in this volume). The studies reported in this volume address the following themes: decentralization, targeting, and cooperation in ALMP implementation at the local level.

Part I of the book deals with aggregate impact analysis. For five countries (France, Germany, the Netherlands, Spain and Sweden) an attempt has been made to estimate the impact of ALMP on the transitions from unemployment to employment using aggregate data at the regional level. Although quantitative in nature, these contributions also take into account qualitative aspects such as the socio-economic context in the countries concerned and the structure of ALMP. Part II focuses on the implementation of ALMP. Implementation studies have been carried out in three countries (Germany, the Netherlands and Sweden). The qualitative element plays a more important role in these contributions, which rely on case studies and surveys in addition to statistical data. A distinctive feature of all the evaluation studies in this volume is that they are based on regional-level data and analysis.

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