Employing the unemployed of Marienthal: Evaluation of a guaranteed job program

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January 2022

The Marienthal job guarantee pilot

- Started October 2020, Gramatneusiedl.

- All longterm unemployed (> 9 months) are eligible.
  Participation is voluntary. No sanction for declining jobs.

- Preparatory training for up to 8 weeks.

- Jobs are individually tailored. Options include:
  - Jobs in a newly founded social enterprise
    (childcare, gardening, renovation, carpentry).

  - Some of these: Projects created by participants themselves.

  - Subsidized jobs in the regular labor market.

- Emphasis on meaningful, productive employment,
  taking into account health constraints.

Three evaluation challenges and possible solutions

1. **Small sample size**:
   Pairwise randomization.
   Matching on a rich set of baseline characteristics.

2. **Anticipation effects**:
   Staggered rollout.
   Contrasting earlier to later participants.

3. **Equilibrium effects**:
   Cross-location comparisons.
   Pre-registered synthetic control municipalities.

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Study design

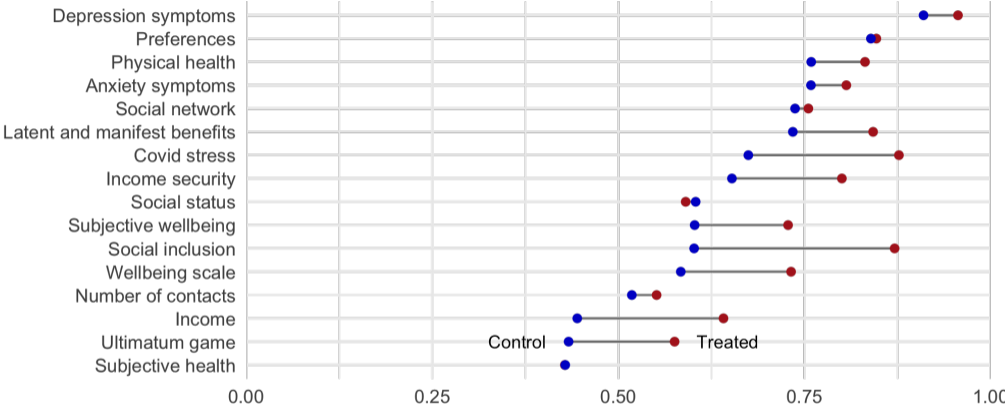1. **Pairwise matching and staggered roll-out:**
   - Baseline covariates $\Rightarrow$ Pairwise Mahalanobis distance.

   - Pairwise matching minimizing sum of distances within pairs.

   - Random assignment to one of two waves within pairs.

2. **Synthetic control comparison:**
   - Pick the 26 (5%) of municipalities in Lower Austria most similar to Gramatneusiedl.

   - Find the synthetic control (convex combination) of these municipalities
     closest to Gramatneusiedl in terms of baseline covariates
     and in terms of the trajectory of unemployment 2011-2020.

Both parts of the design were pre-registered!

Average outcomes in treatment and control group

Red dots are averages for Group 1, those already treated.
Blue dots are averages for Group 2, those who will be treated later.
Higher values imply better outcomes. Outcomes are scaled to have range 0 to 1.

Quantitative methods across a century

Die Arbeitslosen vom Marienthal	Employing the unemployed of Marienthal
Classification	Causality
No control group	Several contrasts for causal inference
Historical macro event	Micro policy intervention
Capture heterogeneity	Balance out heterogeneity
Estimate $=$ estimand	Sample $\neq$ population
No uncertainty quantification	Standard errors, confidence intervals
Methodologically open-ended	Fully pre-registered

A historical arc:

- Jahoda elaborated the non-monetary benefits of employment.

- In our study, we find the most significant effects on the LAMB index, which builds on her work.

Thank you!