

Can Administrative Data Improve  
Labor Market Policy?  
Lessons from Switzerland and Austria

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# Four questions

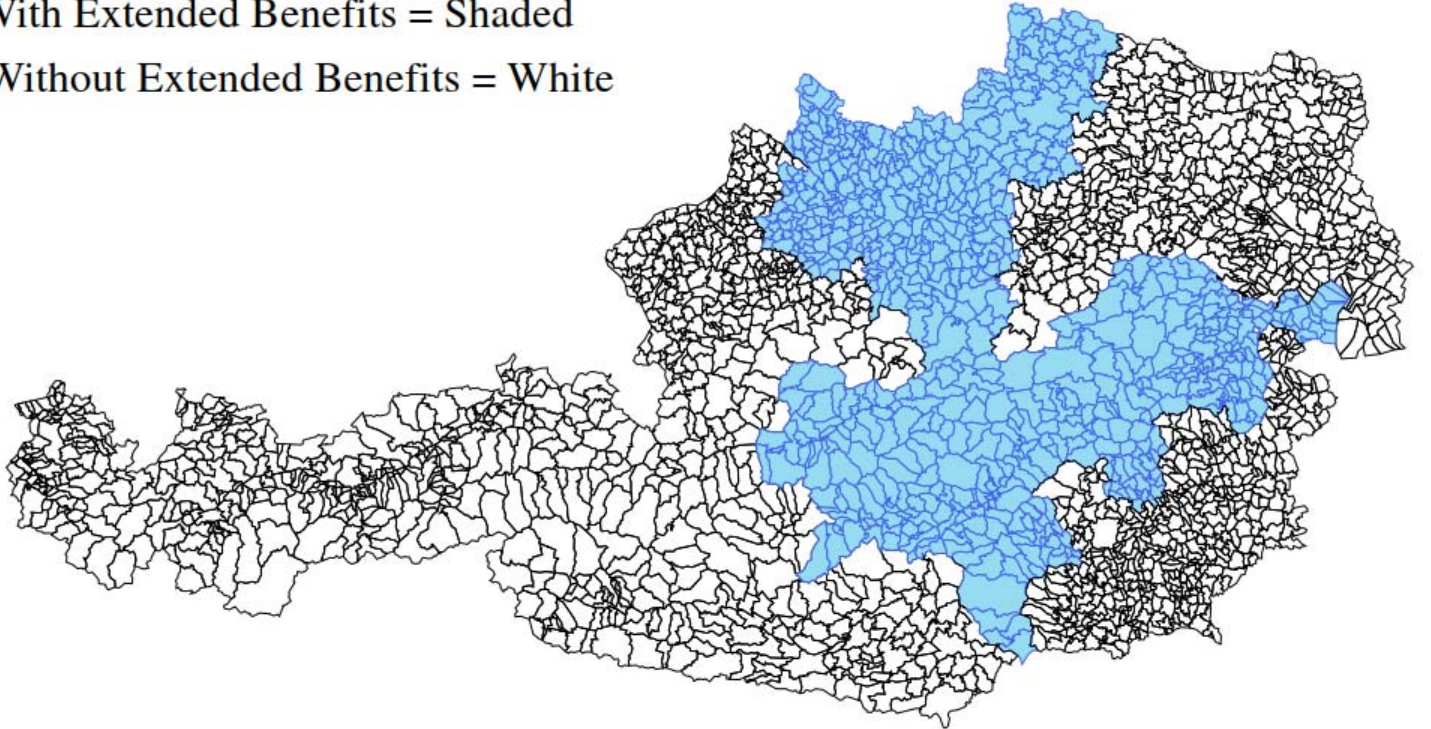
- What's so great about administrative data?
- Does administrative data improve research?
- Can research improve policy?
- What are the key challenges?

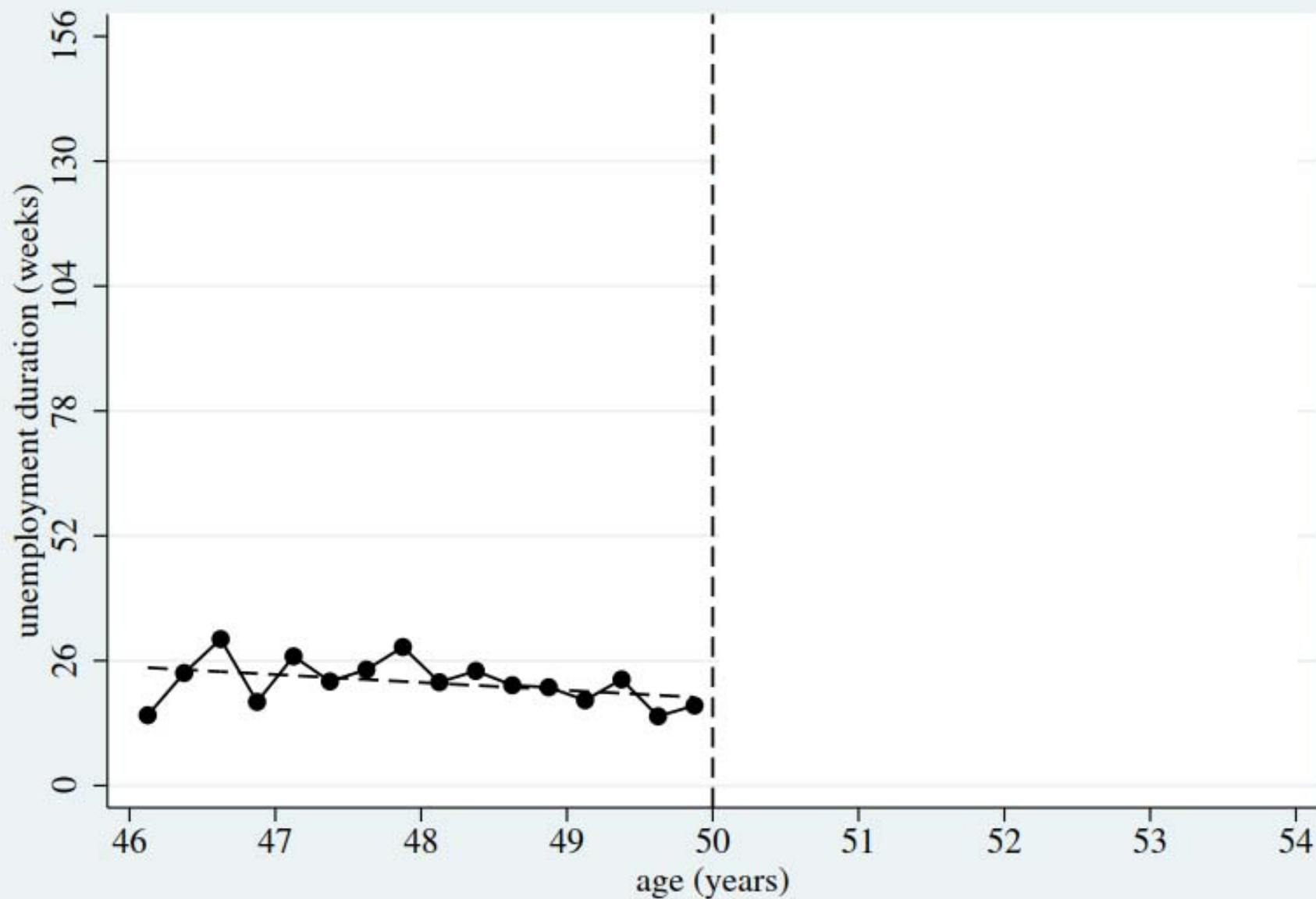
# Administrative Data

# Data is great, because it

- Measures things we care about
  - Employment, earnings
  - Health, criminal behavior, etc.
- Is precise, and cheap
  - “How much did you earn during the last 12 months?”
  - It’s there
- Can be linked
  - Several domains
  - Program substitution
- Is administrative
  - Same information as those who run the program

With Extended Benefits = Shaded  
Without Extended Benefits = White





Discontinuity at threshold = 109.645; with std. err. = 4.927.

# Data and Science

# Better Data = Better Science

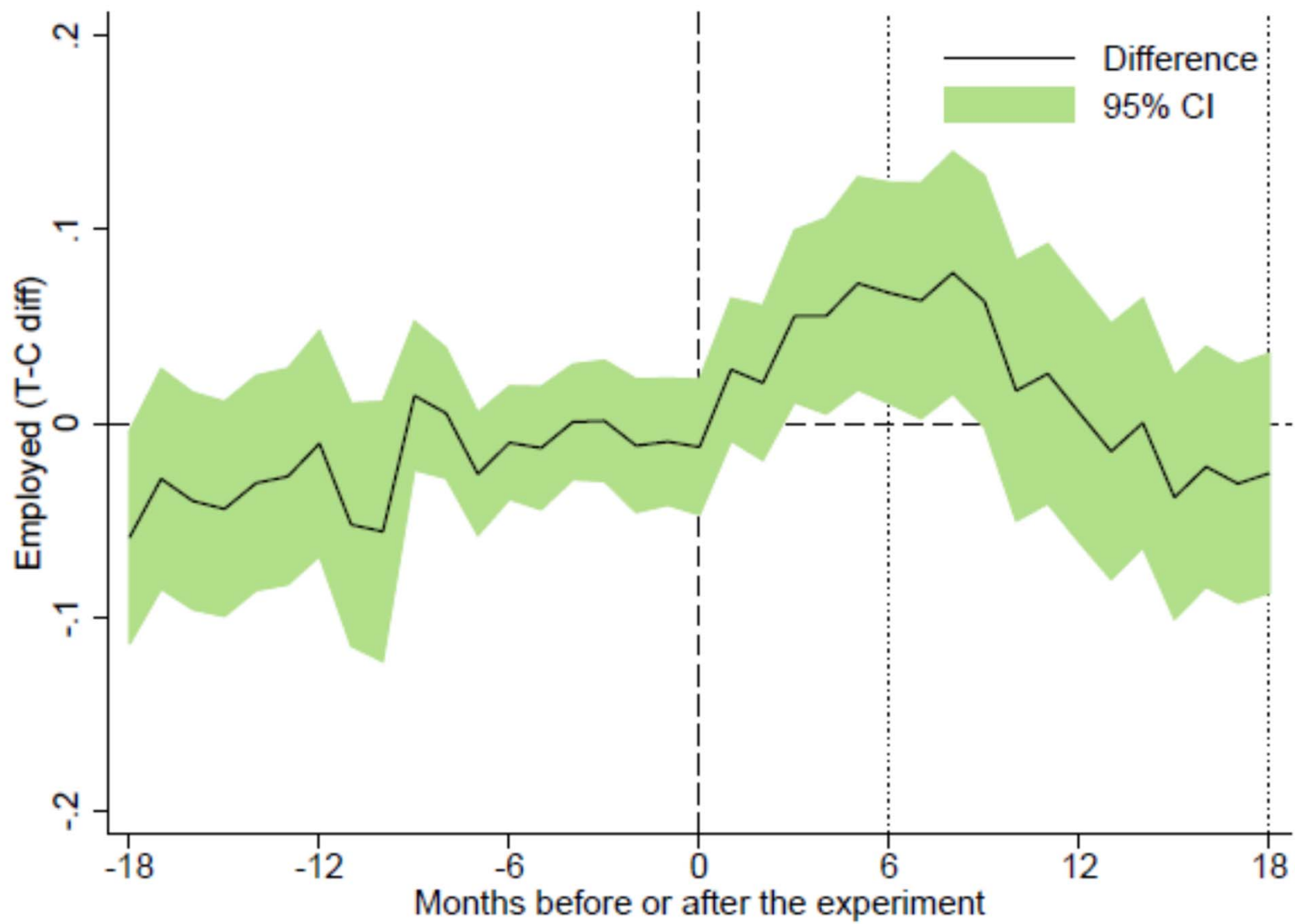
- Science is about explaining what happened and why
- Data on what happened and why improves Science
  
- If Québec offered a new job search training program
  - Who attended a labor market program, and who did not?
  - Did the labor market program affect earnings and employment?
  - For how long?
  - Why did the program work?
  - What aspect needs to be improved?



Example

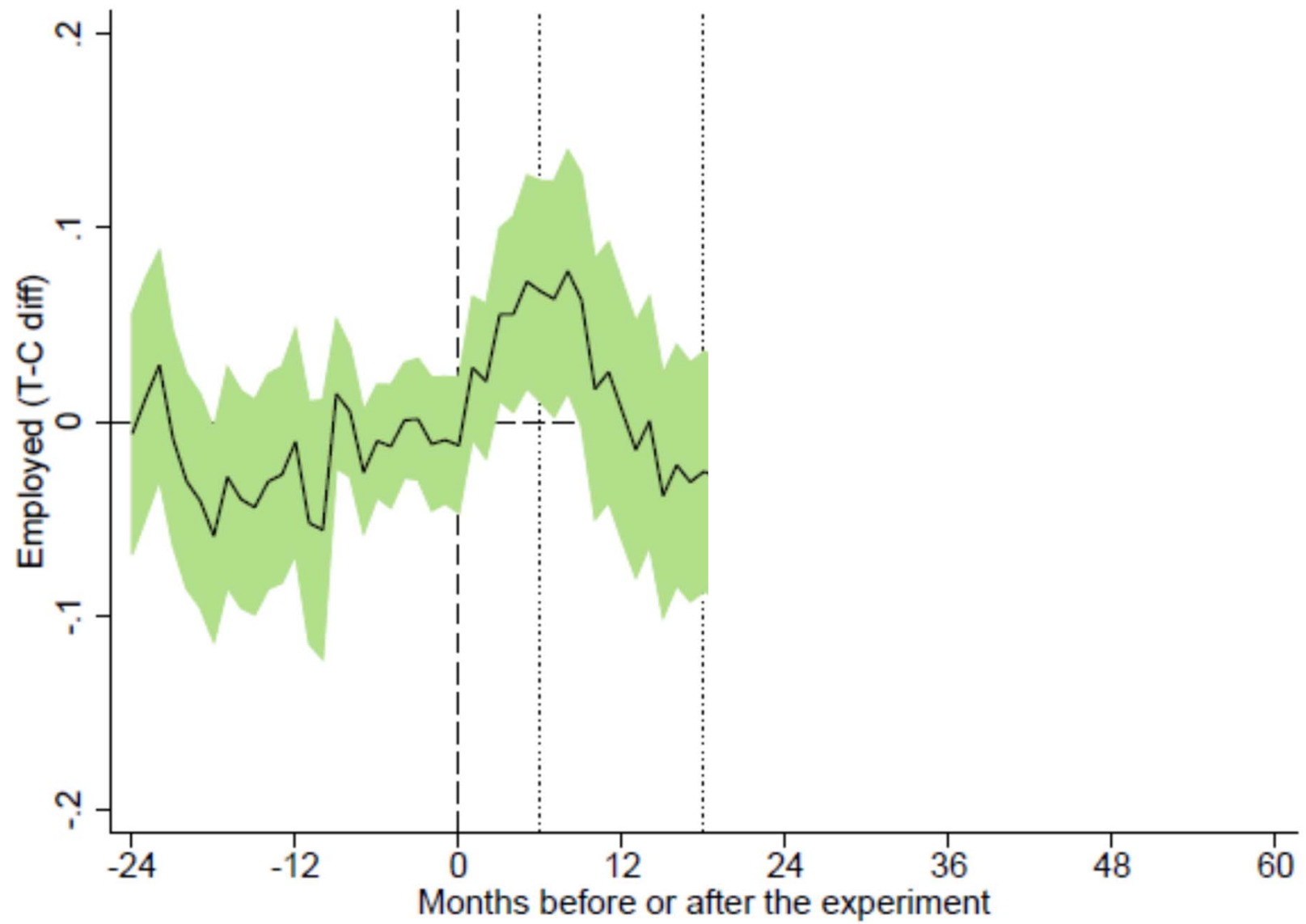
# Jobs for job-seekers

- Hestia
  - Greek goddess of the home, and fire
  - Job placement firm in Geneva
- Offers job placement for the long-term unemployed
- 2006 randomized pilot
  - 60% of new long-term unemployed offered Hestia Services
  - 40% receive regular services
- Short-term evaluation
  - Hestia improves job finding considerably
  - Hestia is self-financing, despite being costly



# What happens after?

- Does Hestia help jobseekers find better jobs?
  - Better pay
  - More stable
- UI data alone: ???
- Additional administrative data
  - Employment, Federal Office for Social Insurance Programs
  - Other Labor Market Programs, Ministry of Economic Affairs
  - Social Assistance, City of Geneva
- Linking, Federal Statistical Office



# Hestia, reconsidered

- Hestia helps people find jobs faster
- But Hestia does not place workers into better jobs
  - Leave jobs more quickly
  - Do not earn more
- Cost-benefit assessment
  - Hestia is worse than the alternative
- Geneva stopped relationship with Hestia in 2012

# Why is Better Science Important?

- Careers for our scientists
  - Better publication opportunities for researchers
  - Linked data is our key advantage compared to the U.S.
  - Quality publications make a career
- Impact on science
  - E.g. I published two papers on benefit sanctions, with Jan van Ours and me as two of three co-authors on each paper.
    - Paper A with UI data: 6-7 citations per year
    - Paper B with UI and employment data: 29 citations per year
- Impact on society
  - Paper B cited in German media to discuss whether tough sanctions are appropriate.

# Science And Policy



# Better Science = Better Policy

- Who decides on labor market programs?
  - Policy makers chooses, Krugman “facts plus ideology”
  - Information constrains the space of policy options
- Many provide biased information
  - Media, to maximize attention
  - Consulting firms or lobbies, to maximize satisfaction of client
- Academic papers provide unbiased information
  - Quality of a paper: novelty, importance, truthfulness
  - Papers state facts, subject to peer review, constrained past research

# Challenges

# Types of data I worked with

- Switzerland
  - Unemployment Insurance, State Secretariat of Economic Affairs
  - Social Security, Federal Office of Social Insurance Programs
  - Social Assistance, Geneva and Lausanne
- Austria
  - Matched data prepared by the Association of Social Insurance Providers
  - Employment, earnings, parental leave, unemployment insurance, disability insurance,
  - Health insurance records of one region
- Sweden
  - UI records, matched with detailed location of job seekers

# Main challenges

- Tower of Babel
  - Different government agencies maintain data
  - Common data protection agreement: essential but challenging
  - Since 2014, Swiss FSO provides service, slow initially, but very fast now
- Information
  - Linking data requires that people know about other people's data
  - Description and documentation of data
- Providing access is not free
  - Handle data
  - Data protection
  - Follow up
- “Better Research for Better Societies”
  - Network of Swiss Scientists, funding agencies, research programs
  - Support FSO in setting up data access platform

Thank you