



EINLADUNG ZUR NÄCHSTEN VERANSTALTUNG DES POTSDAM RESEARCH SEMINAR IN ECONOMICS

Wir laden Sie herzlich zur nächsten Veranstaltung des Potsdam Research Seminar in Economics am **08.11.2016** ein.

Das Seminar findet von **14.00 bis 16.00 Uhr** (c.t.) in Raum **3.06.S 27** statt.

Referent:

Robert Mahlstedt

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Thema des Vortrages:

The Role of Expectations on the Effectiveness of Active Labor Market Policies

Abstract:

The study investigates the impact of job seekers pre-treatment expectations on the effectiveness of training programs. Using German survey data on individuals freshly entering unemployment, it is shown empirically that participants who are not aware of the prospective treatment face substantially lower long-run employment rates compared to their participating counterparts expecting the treatment ex ante. While the empirical analysis shows that neither observed characteristics, nor unobserved ability differences, nor differences with respect to expected treatment effects can sufficiently explain the finding, it is in line with a job search model which incorporates the fact that misjudging future participation probabilities could encourage unemployed workers to choose search strategies that provoke high adjustment costs once the true treatment status has been realized. Further analysis of search strategies shows that job seekers who do not expect a treatment also receive less support of the caseworker during job search and show a lower willingness to adjust their search behavior during the treatment. The results imply that caseworkers could improve the labor market performance of participants by providing better information to unemployed workers about potential future treatments directly at entry into unemployment.

Wir freuen uns auf Ihre Teilnahme.