

Do case workers help the unemployed?

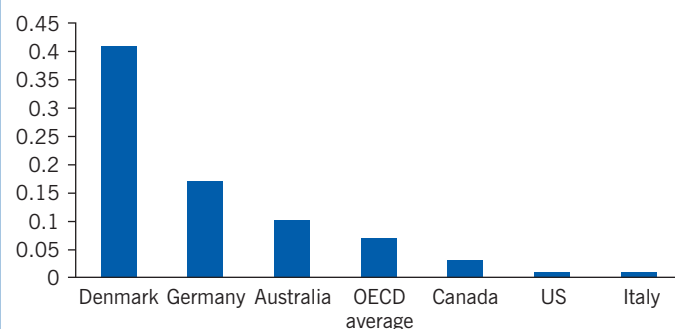
Evidence for making a cheap and effective twist to labor market policies for unemployed workers

Keywords: unemployment, active labor market policies, effects of meetings, case workers

ELEVATOR PITCH

Organisation for Economic Co-operation and Development countries spend, on average, an equivalent of 0.4% of their gross domestic product on active and passive labor market policies. This is a non-negligible sum, especially in times of strained government budgets. Meetings with case workers—who can provide advice and information on what jobs to look for, and how to search, and give moral support, as well as monitor search intensity—are a simple and effective option for policymakers to help the unemployed find work.

Expenditures for caseworker services as a % of GDP, 2011



Source: OECD StatExtracts. Online at: <http://stats.oecd.org/Index.aspx?DataSetCode=LMPEXP#>

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KEY FINDINGS

Pros

- + A case-worker-based approach is a simple and less costly policy option for increasing job-finding rates.
- + Meetings can be scaled up or down to accommodate the upturns and downturns of the business cycle.
- + Meetings with case workers appear to be associated with longer-term job stability for the reemployed.
- + Because there are no lock-in effects, meetings can be an effective tool early in the unemployment period, when a worker's chances of being rehired are at their highest.

Cons

- Meetings tend to help only the most employable workers (whose skills and abilities are demanded by the local labor market), while not helping less desirable workers.
- If there are fewer jobs than job-seekers, meetings may help some workers get the available jobs at the expense of other seekers.
- Economists do not fully understand how and why meetings are beneficial to individual job seekers.

AUTHOR'S MAIN MESSAGE

Meetings between the unemployed and case workers are an inexpensive policy option. They can easily be scaled up or down, their content can easily be varied, and they are an effective tool during the early phases of unemployment. A modest shift in emphasis on traditional activation tools toward a more intensive use of case workers' own competencies can simultaneously reduce unemployment and the costs of active labor market policies.