# Raditi za 200 eura?
# Učinci reforme stručnog osposobljavanja na ishode na tržištu rada u Hrvatskoj

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# Motivacija

## SOR

*Preko Zavoda za zapošljavanje **svi će mladi** moći kod poslodavca doći do godine dana iskustva. Dobivat će naknadu od 1600 kuna, je malo, ali do sada ljudi nisu dobivali ništa. Ovdje im se plaća staž i nakon godinu dana imat će iskustvo i **moći konkurirati**. ... Zloporaba je uvijek moguća, uvijek postoje mogućnosti. Postavili smo **mehanizme** preko kojih ćemo moći **kontrolirati poslodavce**...*

Mirando Mrsić, dnevnik.hr, 11.4.2012.

*Tih godinu dana je **minimum** da uopće možete konkurirati za bilo kakvo zapošljavanje.*

Milanka Opačić, dnevnik.hr, 12.4.2012.

*Predloženi model mladima **ne može štetiti**. Za njih je puno štetnije da dvije-tri godine budu na burzi rada, potpuno pasivni i bez mogućnosti primjene znanja stečenih tijekom studija.*

Branko Grčić, dnevnik.hr, 12.4.2012.

*...ako se ovakve mjere ozakone niti jedan racionalan poslodavac neće uzimati nekog običnog pripravnika (i plaćati mu puni iznos plaće koliko god malen on bio) kada može dobiti istog čovjeka besplatno, što znači da bi takvim zakonom **svi mladi koji ne pristanu na 'volontiranje' ostali na burzi**.*

Iva Tomić, tportal.hr, 16.4.2012.

# Motivacija

## SOR

*(Grad Imotski) ...stažiranje odobreno za 13 mladih ljudi, ali im je navodno rečeno da **slobodno mogu ostati kući** i 'trgati grožđe', a da će im novac redovito stizati i da će im mirovinski staž biti uplaćen.*

slobodnadalmacija.hr, 4.12.2012.

*Volontiranje mi **nije pomoglo pronaći stalni posao**. Ni meni, a koliko znam, ni ostalim kolegama od nas 20, koliko nas je primljeno lani.*

Marijo Popović, vecernji.hr, 28.10.2013.

*Za privatni sektor stručno osposobljavanje pokazalo se kao vrlo korisna mjera koja je svojevrsni **korektiv obrazovnog sustava** koji ne osigurava dovoljno praktičnih znanja, ... Više od 50% mladih angažiranih putem SOR-a kod članica HUP-a dobilo je zaposlenje (...u toj mjeri privatni sektor sudjelovao s 30%).*

HUP, vecernji.hr, 28.6.2016.

*Nama je neprihvatljiva ova situacija u kojoj se mladi školuju i zarade diplomu, da bi onda nekome bili **besplatna radna snaga**. ... U javnom sektoru, gdje postoji zabrana zapošljavanja, doista je **bilo zloupotreba**. ... (SOR) apsorbira više od polovine svih uključenih u mjere APZ-a, zamjenjuje redovna radna mjesta i zapošljavanje, a njegova dugotrajna primjena s vremenom **ruši cijenu rada** ...*

Ana Milićević Pezelj (SSSH), tportal.hr, 1.7.2016.

# Motivacija

## Aktivne politike zapošljavanja

*Pod mjerama i uslugama aktivne politike zapošljavanja smatraju se one intervencije na tržištu rada kojima je cilj aktivirati radnu snagu te povećati zapošljivost i pronalazak posla* ***onim skupinama nezaposlenih koje teže samostalno pronalaze put prema otvorenom tržištu rada****.*

*...*

*U Hrvatskoj, aktivna politika zapošljavanja oduvijek je bila* ***zadnja rupa na svirali javnih politika****. Pogled u prošlost otkriva da su valovi provođenja aktivne politike zapošljavanja obilježeni brojnim problemima: od skromnih izdataka do prekida u financiranju,* ***visokog mrtvog tereta mjera*** *('vjerojatnost pronalaska posla i bez sudjelovanja u mjeri'), slabe usmjerenosti mjera prema ciljnim skupinama i male uspješnosti u povećanju zapošljivosti sudionika.*

Mario Munta, ideje.hr, 13.6.2018.

# Sažetak rada

- Procjenjuje se učinak reforme stručnog osposobljavanja za rad bez zasnivanja radnog odnosa (SOR-a), u okviru aktivnih politika zapošljavanja, na ishode na tržištu rada u Hrvatskoj:
  - SOR je redizajniran kako bi olakšao (prvi) ulazak na tržište rada i/ili omogućio pravo na polaganje državnih i/ili drugih stručnih ispita uz jednogodišnji ugovor i mjesečnu naknadu od 210 eura (1600 kuna).
  - Ubrzo je činio trećinu izlazaka iz nezaposlenosti za visokoobrazovane.
- Koristeći podatke Ankete o radnoj snazi u razdoblju 2007.–2016. te metodu razlike u razlikama (*diff-in-diff*), procjenjuje se učinak namjere sudjelovanja u mjeri (*intent-to-treat*) onih koji potencijalno ispunjavaju uvjete sudjelovanja: osobe u dobi između 18 i 29 godina starosti.
- Glavni nalazi:
  - bez (statistički) značajnog učinka na vjerojatnost zapošljavanja, uz naznaku negativne veze;
  - naznake povećanja vjerojatnosti bivanja u neaktivnosti s nejasnim učincima na nezaposlenost;
  - negativni učinci na plaće (očekivano), i na gornjim dijelovima distribucije.

# Background

## Croatia and recession

- Croatia experienced particularity persistent economic crises—from 2009 to 2014—with cumulative GDP drop of 12%.
- Adverse tendencies translated on the labor market as the unemployment rate more than doubled between 2008 and 2014 (from 8.6% to 17.3%) with more than 200,000 jobs lost.
  - This is accompained with labor market rigidities, public finance concerns, low or inexistent job creation in the private sector (plus employment restriction in the public sector), skills mismatch, etc.
- Youth (15-24) unemployment rate increased from 20.5% in September 2008 to 43.8% at the beginning of 2012 (January-March).
  - Youth unemployment rate high even before the crisis–23.7% in 2008 as the second-highest among EU-member states, behind Spain (24.5%)–thus the reason is not only cyclical.

# Background

## Traineeship reform

- Croatian government introduced the *Act on the Promotion of Employment* in mid-2012 enabling the use of active labor market policy (ALMP) as means to fight youth unemployment:
  - Complete re-design of the program already in place—vocational training for work without commencing employment (SOR)—that enabled a young person without relevant work experience to get a one-year contract and a net monthly remuneration of 210 euro (less than a third of average net wage at the time).
  - Although similar program has been operating since 2010—intended only for individuals specializing in specific occupations—this law extended the measure for all individuals without relevant working experience, regardless of occupation, sector and employer.
- Since its introduction the program has been modified on several occasions—most importantly increasing the remuneration to 315 euro in 2015—but the core remained the same.

# Traineeship reform

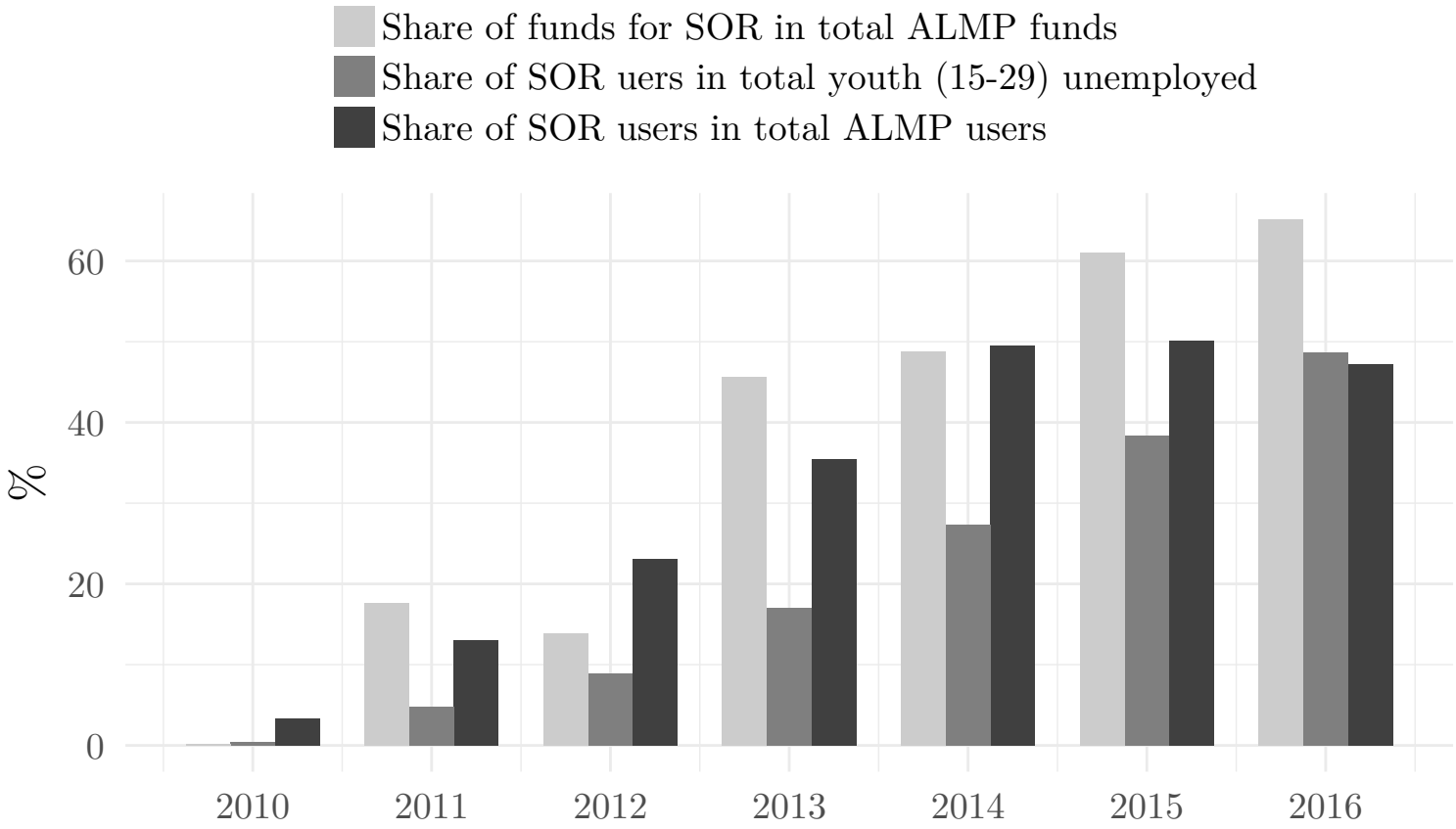
## Basics

- The government covered the remuneration in the amount of 1,600 kuna (approximately 210 euro or 29% of the average net wage at the time and below the minimum wage of about 300 euro) and pension contributions.
- The eligibility condition was a lack of relevant work experience in the specific profession and being registered at the employment service for at least 90 days (what later turned into 30 days), the age-limit was also set later-on.
- The employer was expected to ensure relevant working environment and a mentor for a young person in training.
- This type of contract was generally up to one year and employer did not have the formal obligation to offer a full-time contract.
- The program soon gained popularity both among employers and unemployed youths.
  - As of 2013 (2014) the measure was (partially) financed through *Youth Guarantee* and YEI programs.

# Traineeship reform

## SOR intensity

Figure: Share of SOR intensity (%)

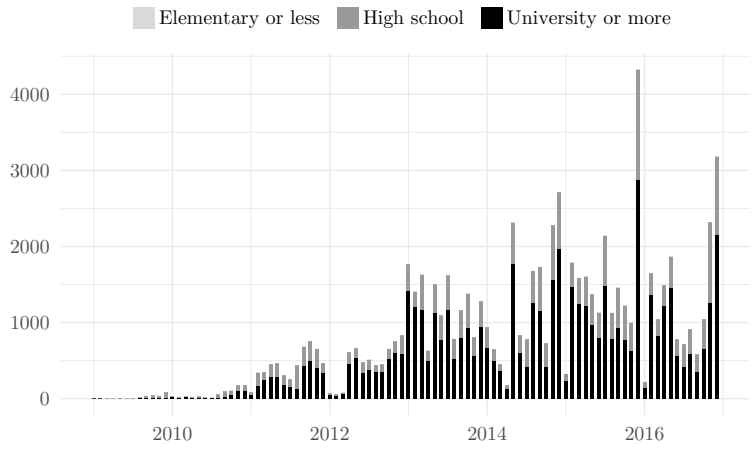



Source: Croatian Employment Service

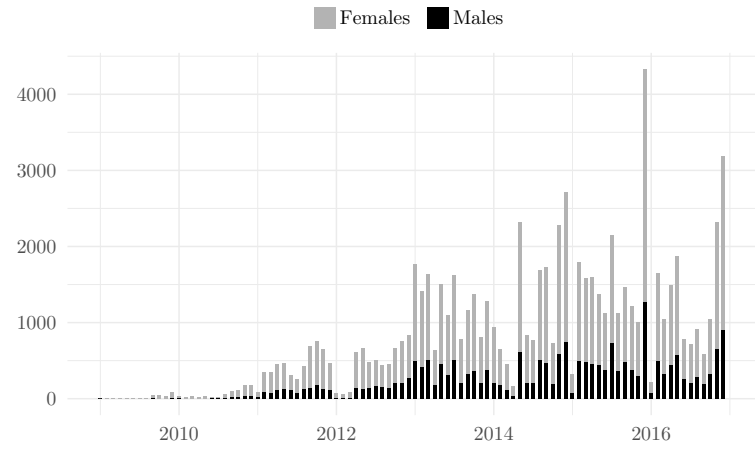
# Traineeship reform

## Number of users

Figure: Unemployment exits due to SOR




(a) By education



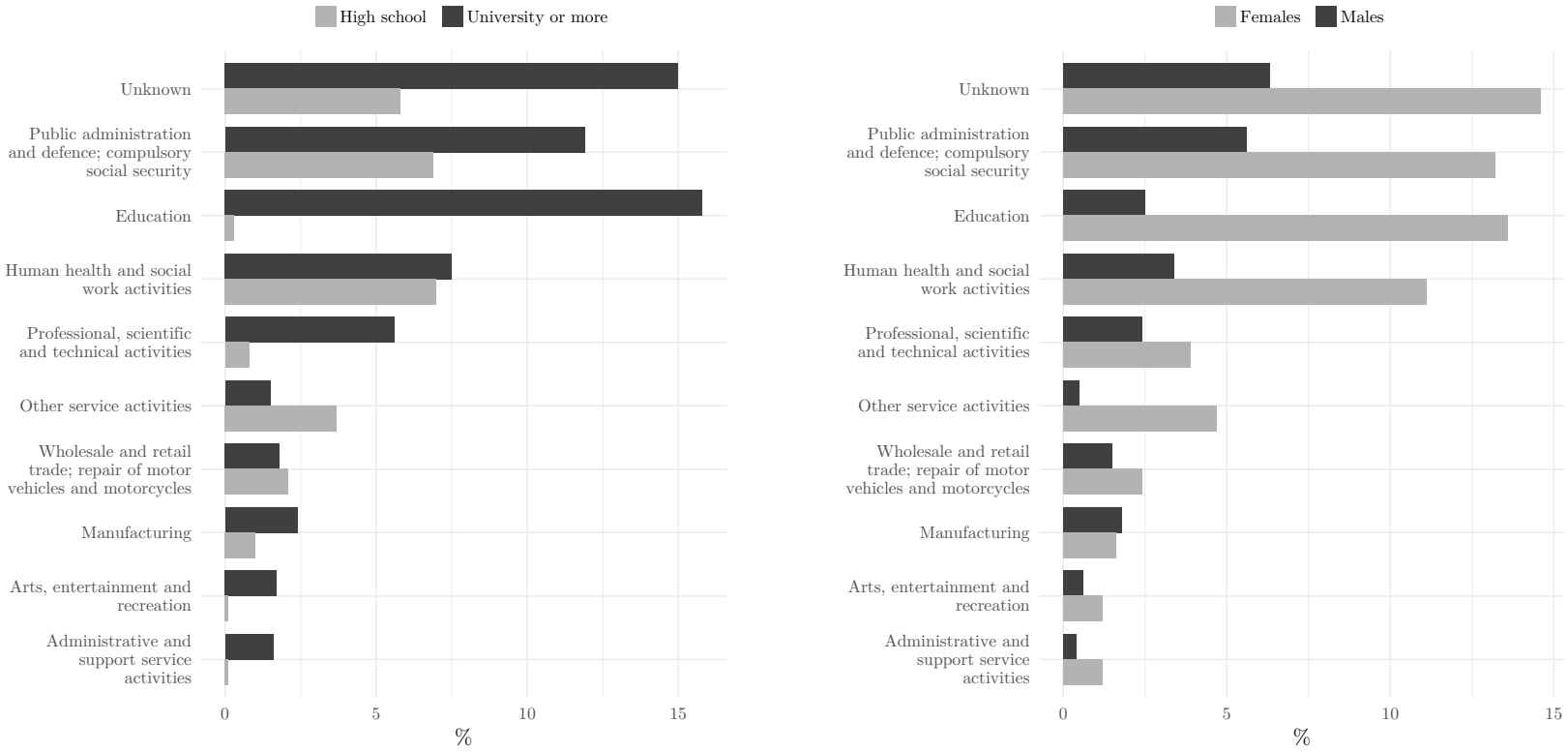

(b) By gender

Source: Croatian Employment Service

# Traineeship reform

## Number of users

Figure: Share of SOR users (in total number of SOR users) by NACE sector




(a) By education

(b) By gender

Source: Croatian Employment Service

# Related literature

## and contribution

- There are studies that evaluate SOR measure, for example Matić (2014), Levačić (2015) and HZZ (2016); however, they are mainly focused on the participants of the new traineeship model thus neglecting:
  - issues of self-selection into the program,
  - spillover effects.
- While this paper tackles an important local issue, it also contributes literature on:
  - ALMPs and/or vocational trainings and labor market outcomes of youths: Biavaschi et al. (2012), Chung et al. (2012), Eichhorst et al. (2013);
  - the effectiveness of active labor market policies: Kluve (2010), Caliendo and Schmidl (2016), Card et al. (2017);
  - evaluation of programs aimed to activate young subpopulation: Cammeraat et al. (2017), Hamalainen et al. (2018), Ghirelli et al. (2018).

# Estimation

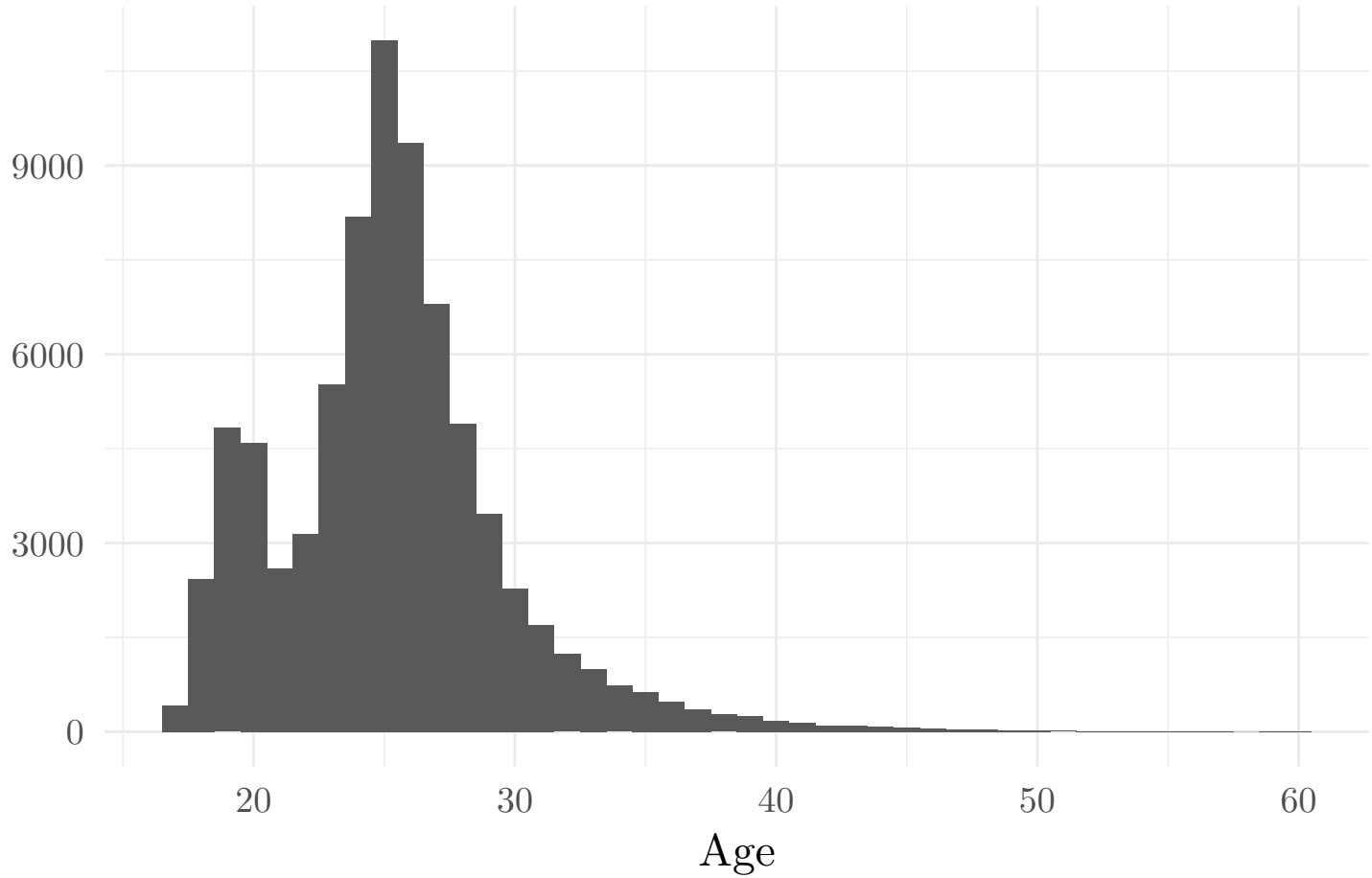
## Design

- Instead of identifying users of the measure, we focus on the whole young cohort.
- We define individuals aged from 18–29 as *potentially eligible* and individuals aged 35–44 as control group:
  - it is plausible that even if a person was not in the measure hers potential labor market outcomes might be altered;
  - we avoid complications with the selection into the measure;
  - by excluding overlapping age-groups (30–34) we take those generally not eligible for the program as our control group.
- We use pooled Croatian Labor Force Surveys 2007–2016.
  - ILO definitions for employment and unemployment (education out of inactivity status).

# Estimation

## SOR users by age

Figure: Histogram of SOR participants by age




Source: Croatian Employment Service

# Estimation

## Methodology

We estimate:

$$y_{iat} = \alpha + \beta treat_{ia} + \gamma post_{it} + \delta_{DD}(treat_{ia} \times post_{it}) + \phi' X_{it} + \epsilon_{iat}$$

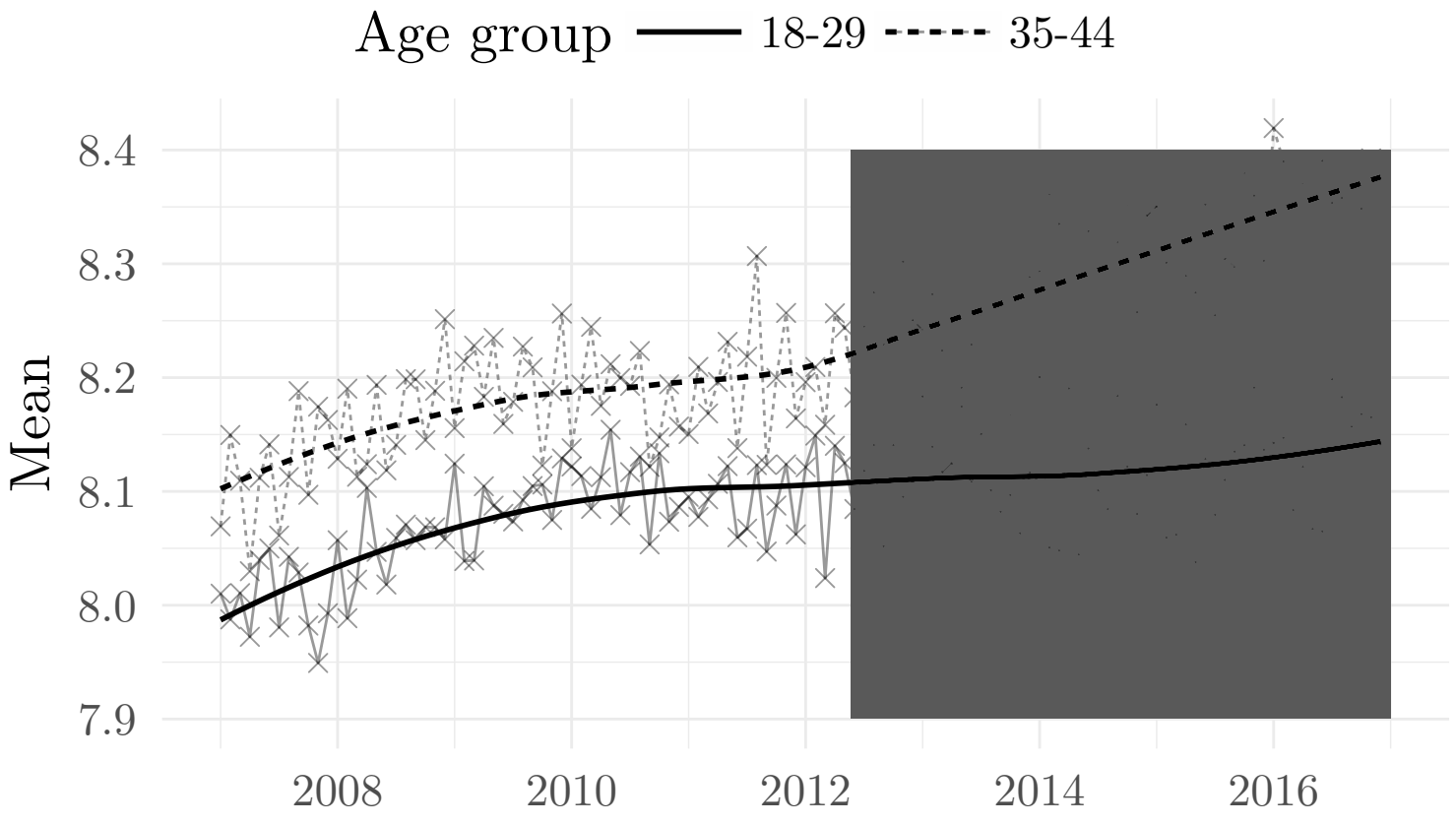
where $y_{iat}$ is a labor market outcome of a person $i$ aged $a$ in time $t$:

- log(1+wage),
- indicator of being employed,
- indicator of being unemployed,
- indicator of being inactive,
- log(wage), conditional on having a wage.
  - We also use group-specific time trends which relax the parallel-trends assumption.

# Estimation

## Parallel trends assumption

Figure: Log wages (conditional on positive)




more

# Results

Table: The effects of SOR reform on labor market outcomes (18-29 vs 35-44)

| | Variable mean | (1) | (2) | (3) |
|---|---|---|---|---|
| Log (1 + wage) | 3.64 | −0.381*** | −0.417*** | −0.162 |
| N = 97,602 | | (0.065) | (0.062) | (0.114) |
| Employed | 0.58 | −0.057*** | −0.055*** | −0.016 |
| N = 97,602 | | (0.007) | (0.007) | (0.012) |
| Unemployed | 0.13 | 0.023*** | 0.023*** | −0.016* |
| N = 97,602 | | (0.005) | (0.005) | (0.009) |
| Inactive | 0.11 | 0.028*** | 0.020*** | 0.021** |
| N = 97,602 | | (0.005) | (0.005) | (0.009) |
| Log wage (given having one) | 8.16 | −0.079*** | −0.081*** | −0.050*** |
| N = 46,706 | | (0.011) | (0.010) | (0.018) |
| Covariates included | | No | Yes | Yes |
| Group-specific time trends | | No | No | Yes |

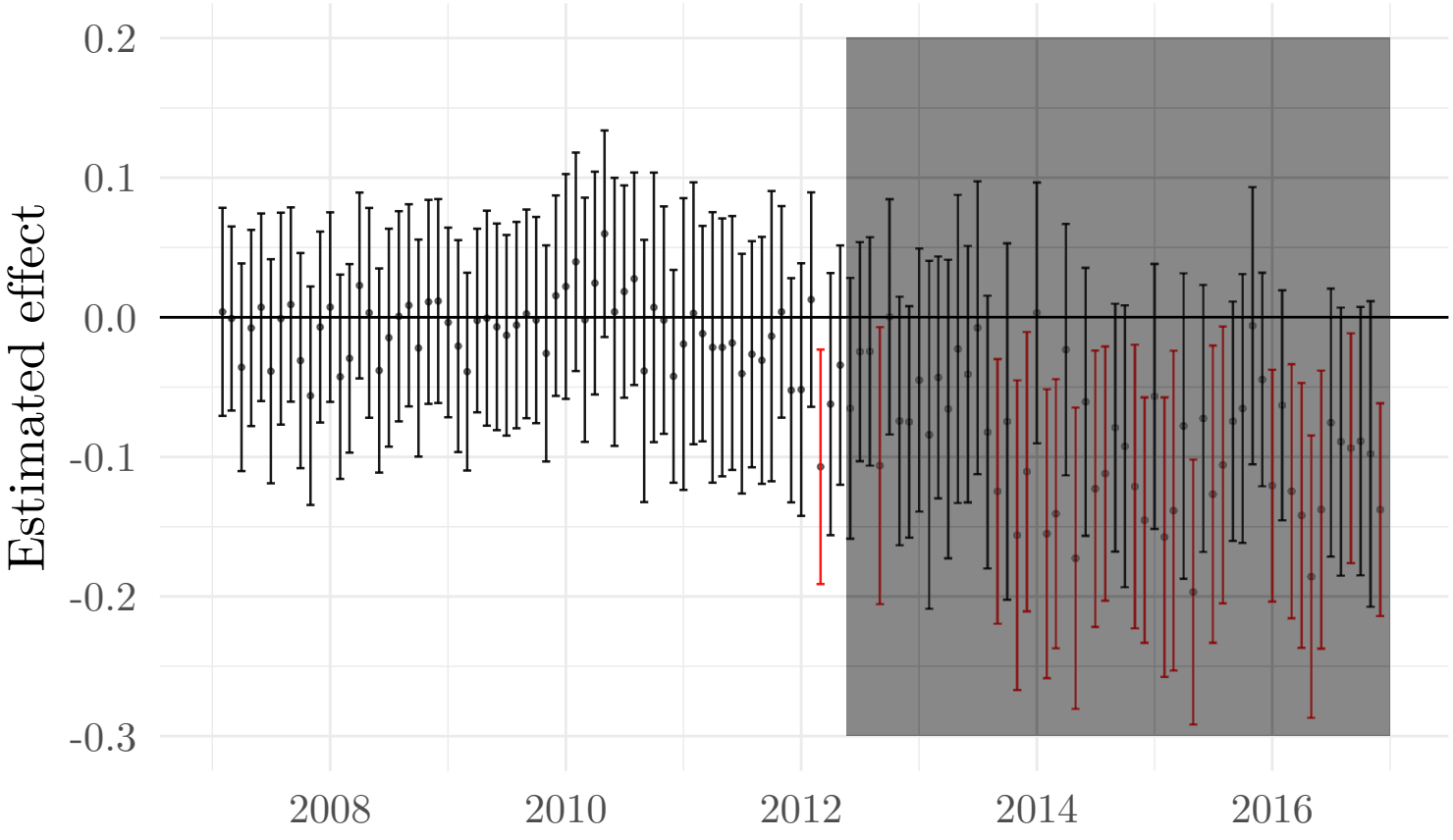
Note: Standard errors are clustered at a household level. Each coefficient is the effect of the reform on a different outcome variable. Covariates include gender, years of education, dummy for being married as well as dummies for education type, education level, age, regions of residence and survey year.

*p<0.1; **p<0.05; ***p<0.01

# Results

## Dynamic effects

Figure: Dynamic effects (log wage)




more

# Results

## Robustness checks

Table: Robustness checks

| | Eligible group: 23-27 | Control group: 45-54 | Placebo estimation (35-44 vs 45-54) |
|---|---|---|---|
| Log (1 + wage) | −0.249 | −0.022 | 0.117 |
| | (0.157) | (0.094) | (0.117) |
| Employed | 0.002 | −0.014 | −0.002 |
| | (0.018) | (0.011) | (0.012) |
| Unemployed | −0.024* | −0.005 | 0.010 |
| | (0.014) | (0.008) | (0.008) |
| Inactive | 0.022** | 0.012 | −0.008 |
| | (0.011) | (0.009) | (0.011) |
| Log wage (given having one) | −0.093*** | −0.058*** | −0.012 |
| | (0.023) | (0.018) | (0.018) |
| Covariates included | Yes | Yes | Yes |
| Group-specific time trends | Yes | Yes | Yes |

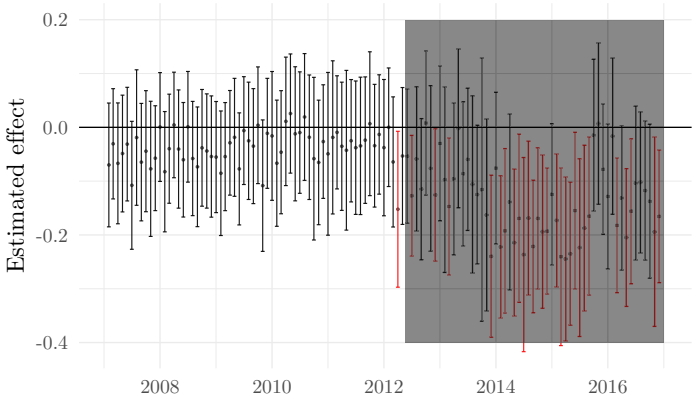
N = 61,309; 114,197; 104,683 and in case of Log wage (given having one) N = 33,787; N = 49,465; N = 57,093. Note: Standard errors are clustered at a household level.

*p<0.1; **p<0.05; ***p<0.01

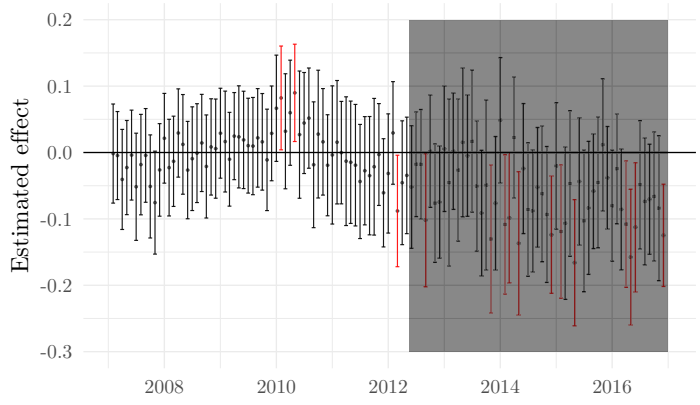
# Results

## Robustness checks

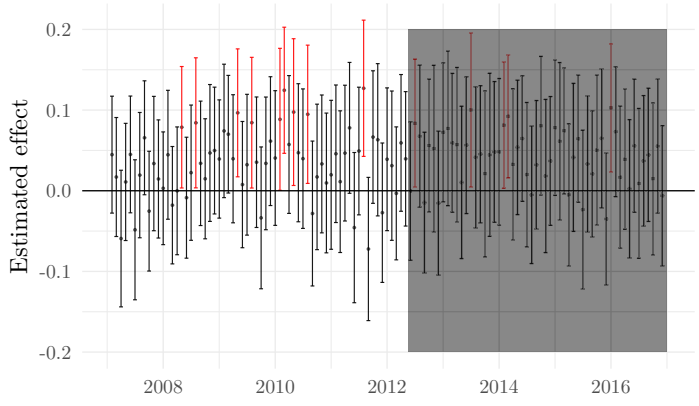
Figure: Robustness check: results on wage given working




(a) Eligible group: 23-27




(b) Control group: 45-54

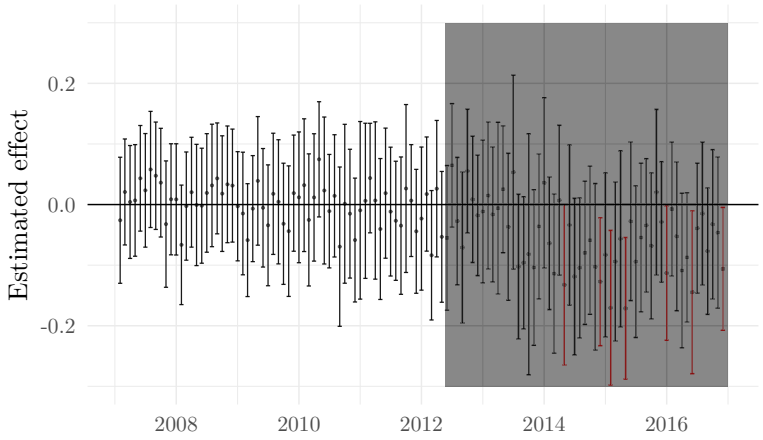



(c) Placebo estimation: 35-44 vs 45-54

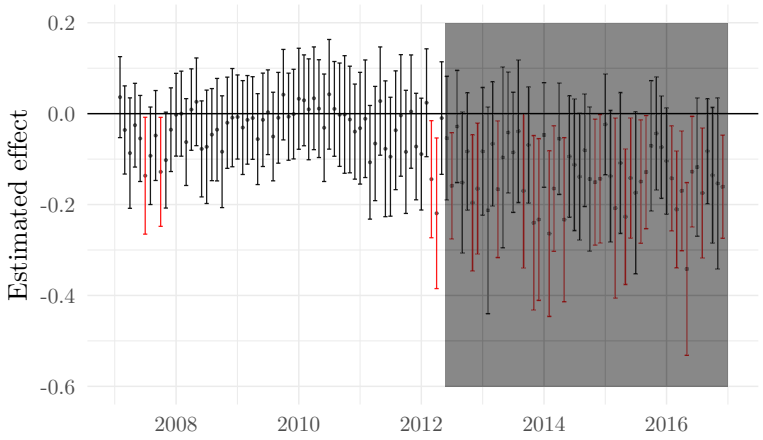
# Results

## Heterogenous results

Figure: Heterogeneous effects: results on wage given working by gender




(a) Males

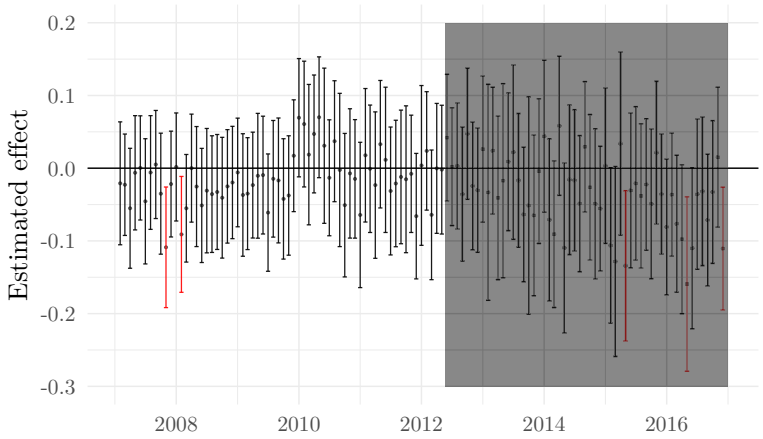



(b) Females

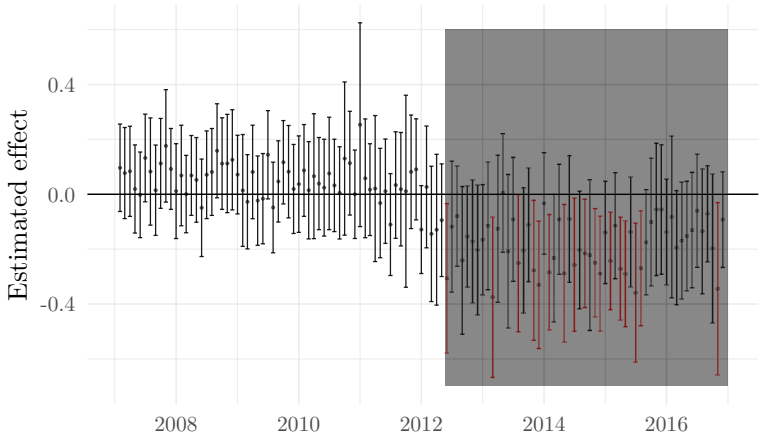
# Results

## Heterogenous results

Figure: Heterogeneous effects: results on wage given working by education




(a) High-school graduates

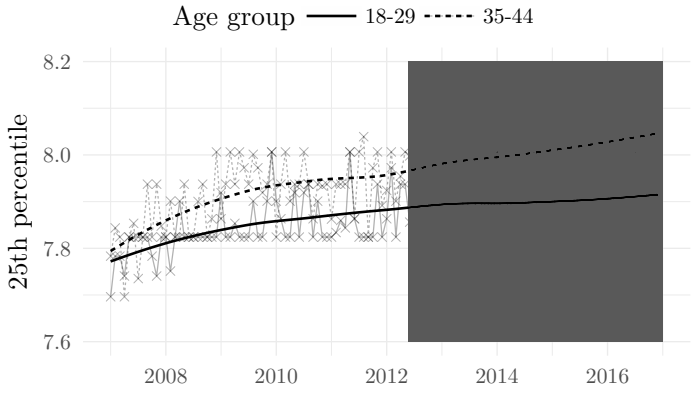



(b) University graduates

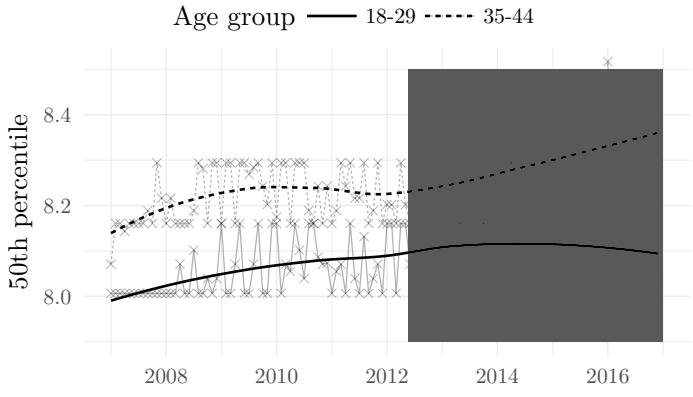
# Results

## Wage effect beyond the mean

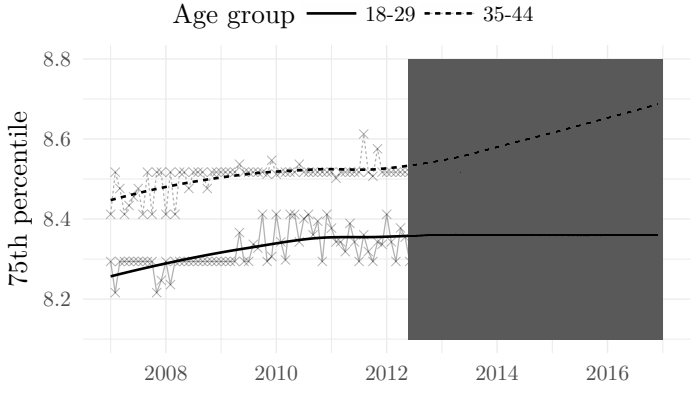
Figure: Log wage (conditional on positive)



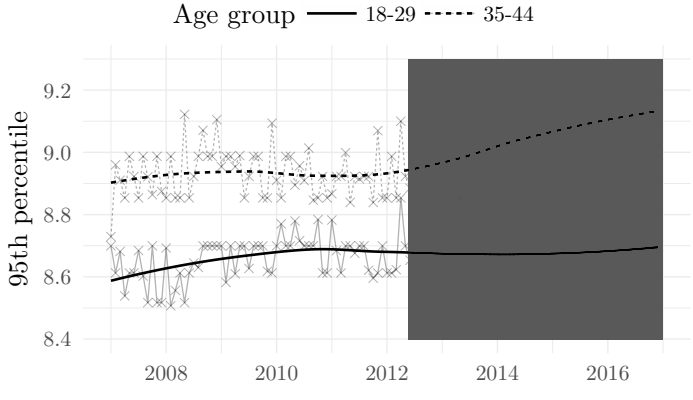

(a) 25th percentile




(b) 50th percentile




(c) 75th percentile




(d) 95th percentile

# Umjesto zaključka

...

- Važnost (nezavisnih) evaluacija javnih politika!
  - Ispunjavanje ciljeva aktivne politike zapošljavanja?
  - Učinkovitost trošenja javnih sredstava?
  - Fragmentacija javnih politika (MZO vs MRMS)?
- Puno širi učinci SOR-a od učinaka samo na one koji su sudjelovali u mjeri!
  - Distorzije na tržištu rada?
- Moguće posljedice (*potrebno dodatno istražiti*):
  - Povećanje udjela prekarnog rada (rekorderi u EU; gotovo 50% su mladi do 29 godina)?
  - Kasno odseljavanje iz roditeljskog doma (rekorderi u EU)?
  - Iseljavanje mladih (rekorderi?)?
  - ...

Thank you.

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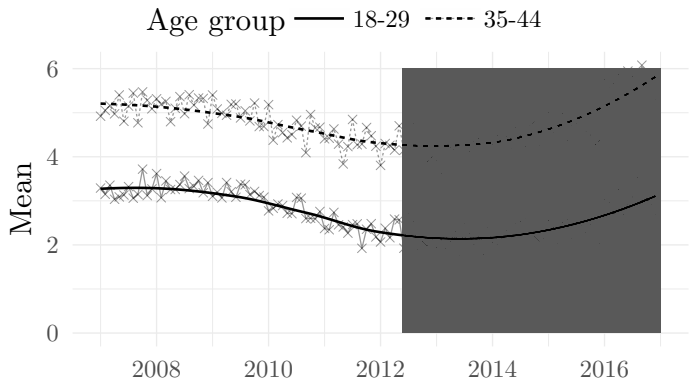
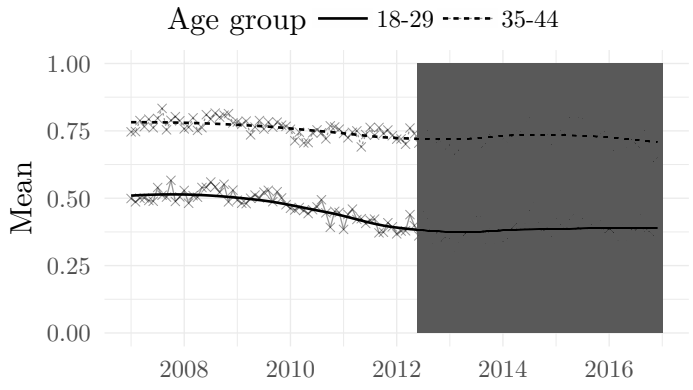
# Estimation

## Parallel trends assumption

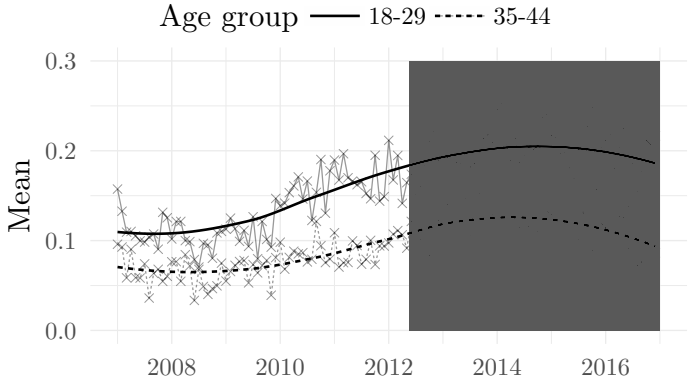
Figure: LM outcomes



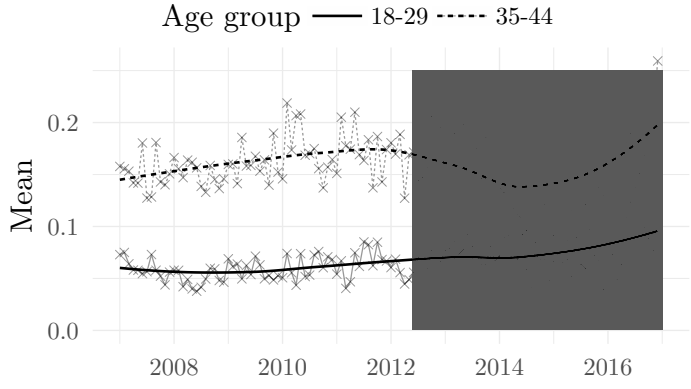

(a) Log(1+ wage)




(b) Employed




(c) Unemployed



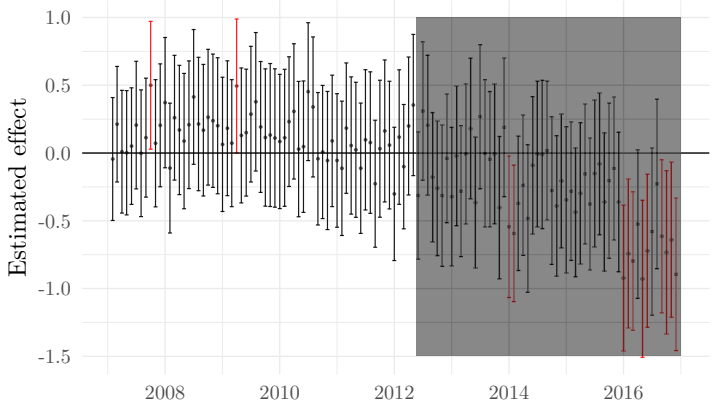

(d) Inactive

main

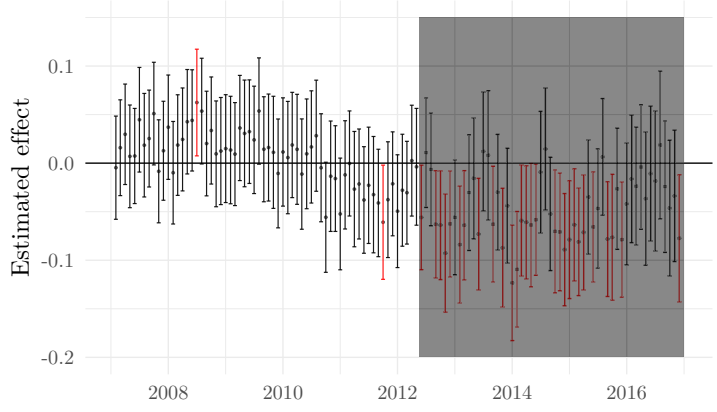
# Results

## Dynamic effects

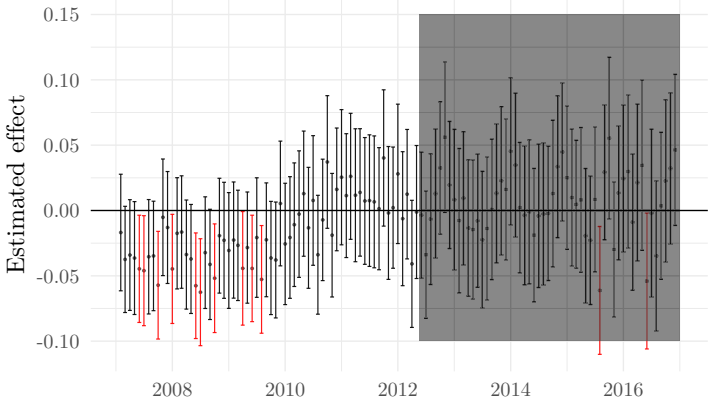
Figure: LM outcomes



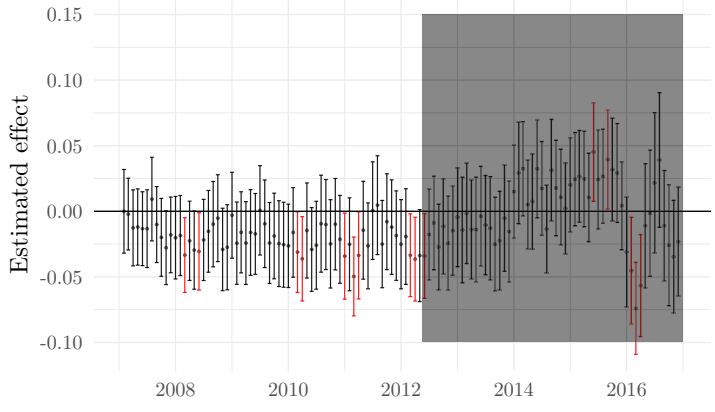

(a) Log(1+ wage)




(b) Employed




(c) Unemployed




(d) Inactive

main