



What impact for non-curricular internships?

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In summary

1. The problem

Youth unemployment has a large structural component

In Italy the **school-to-work** transition is **slow and hard** (Pastore, 2017). This problem contributes to explain the high level of youth unemployment. In Italy, and in Tuscany, the structural component of youth unemployment is connected to the misalignment between educational provision and productive skills requirement. This mismatch explains around 40 percent of the observed unemployed (Irpel 2017)

2. The measure to facilitate the entry of young people into work

Giovanisì project

The Tuscany Region, as part of the Giovanisì project, grants private firms to receive a contribution of 300 euros if they activate **non-curricular internships** with young people between 18 and 29 years old. The duration of the training period is six months

3. The evaluation exercise: key findings

Non curricular internships improves employment opportunities of young jobseekers

They are effective **stepping-stones into a work**, although not necessarily lead to a regular work

Internships effectiveness depends on participants characteristics

Effectiveness is more relevant for participants **without previous working experiences**. As a whole, internships are more effective for youngest people (18-29 aged) with worst employment chances, while they are less useful for those easier to relocate in the labour market

In summary

Internees have faster transition to work and enduring careers

Compared to other contractual forms, internees have **shorter waiting time for a subsequent hiring and longer employment spells**: if first job seekers, they spend more days in employment than non internees (considering 18 months subsequent their entry in the labour market).

4.

The evaluation exercise: Data Base

Analysis relies on administrative data, using: a) the dataset on European Social Fund (ESF) activities; b) the dataset on unemployed signed up by Public Employment Services; c) the labour market flows information system (hirings, transformations, extensions and terminations of dependent contracts). All data refers to Tuscany (Italy) for the period 2012-2014.

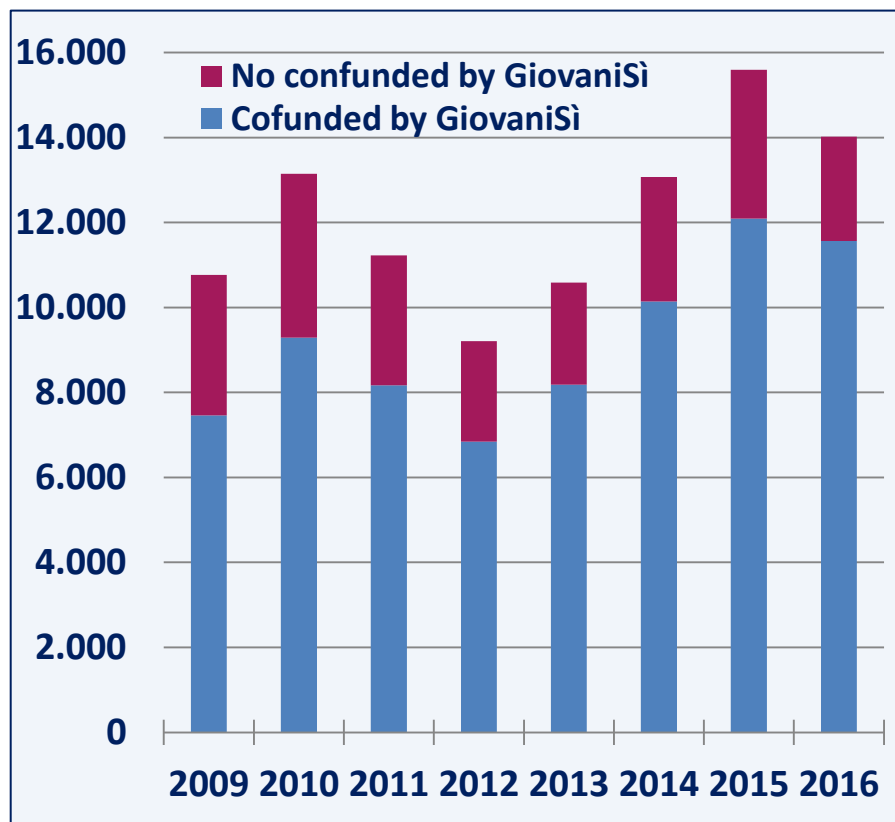
5.

The evaluation exercise: methodology

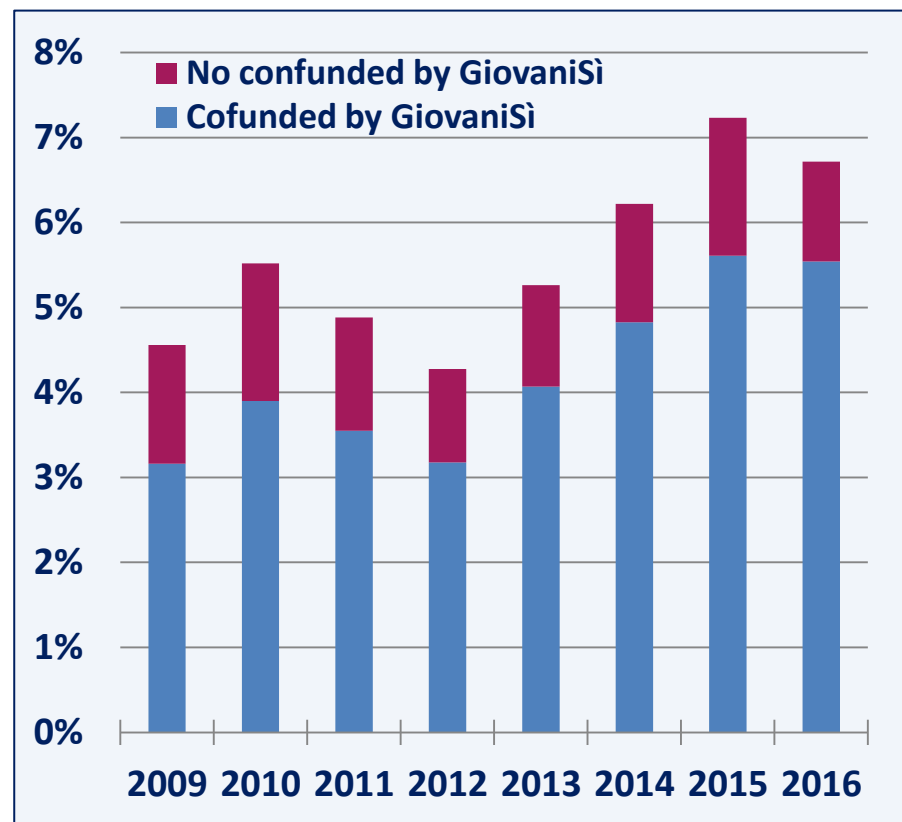
The evaluation is based on non experimental control group design. Exploiting administrative data, impact estimates are obtained controlling for initial conditions through statistical matching (propensity score matching).

Internships in Tuscany: main figures

Internships 2009-2016 Absolute values

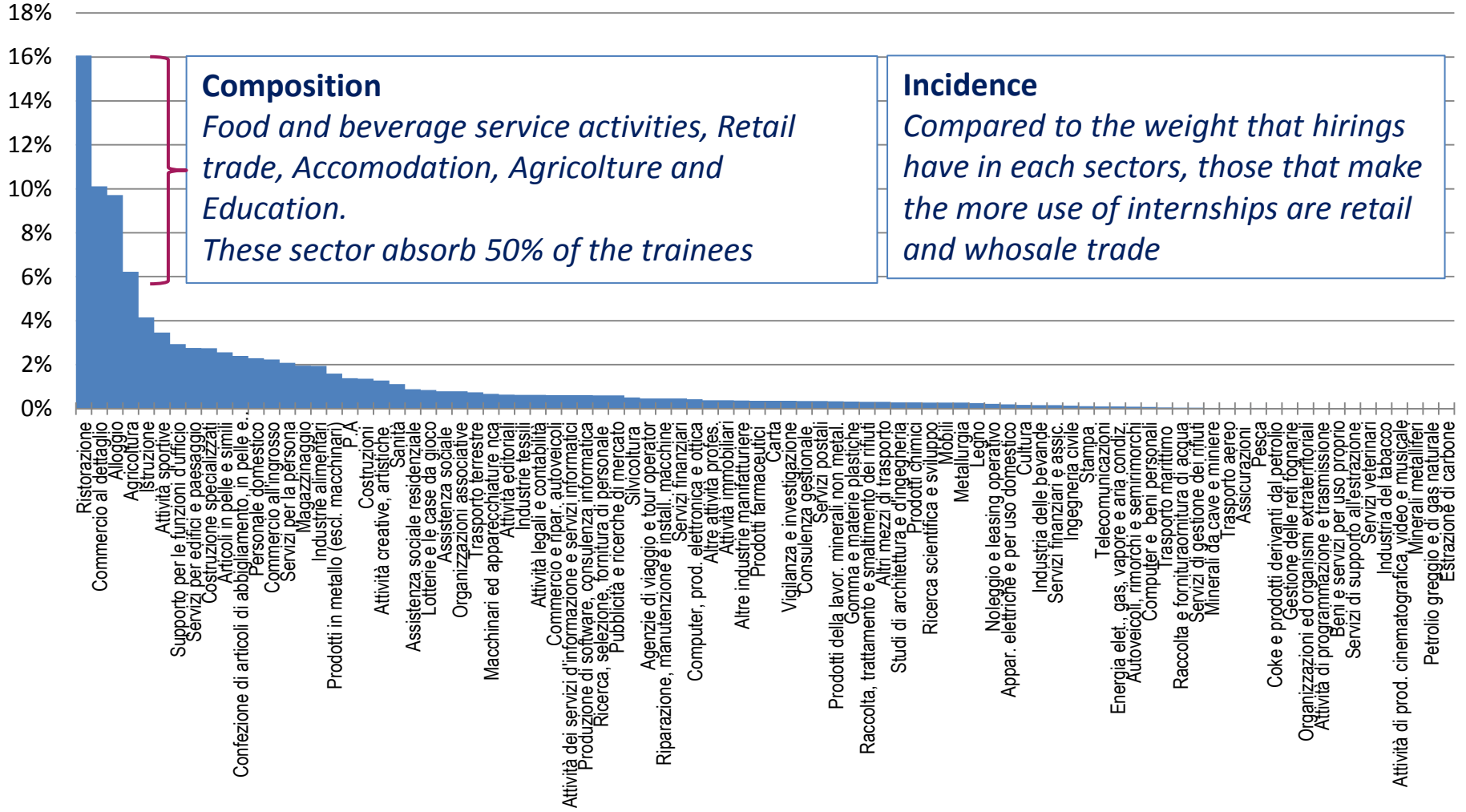


Internships on total hirings 2009-2016 Percentage point



Internships in Tuscany: main figures

Percentage value



Questions and techniques

RESEARCH QUESTIONS

1. Has internships improved young people to enter the labor market? And who benefit the most?
2. What happens to trainees once their employment relationship has ceased? Do they find a new job faster? Do they work even longer?
3. Is the effect of training persistent over time?

STATISTIC TECHNIQUES

Propensity score matching

Cox regression

Linear parametric regression

Propensity score matching

Identification strategy

GROUP OF TREATED

Trainees

All those who have started an internships between 2012 and 2014. Trainees are grouped by three-month periods on the basis of the starting date of the hiring

Source: European Social Fund database

Number: *14.400 Treated*

GROUP OF CONTROLS

For all three-month periods identified on the basis of the internships' starting dates, the control group is represented by all **unemployed people** being **registered to Public Employment Services for the first time** in the same period.

Source: Public Employment Services database

Number: *80.700 Controls*

Identification strategy

IDENTIFICATION STRATEGY

Counterfactual approach based on
propensity score matching

MATCHING VARIABLES

Exact matching on:

sex, nationality, unemployment status (first time job seeker/unemployed) and period of evaluation

Propensity score matching on:

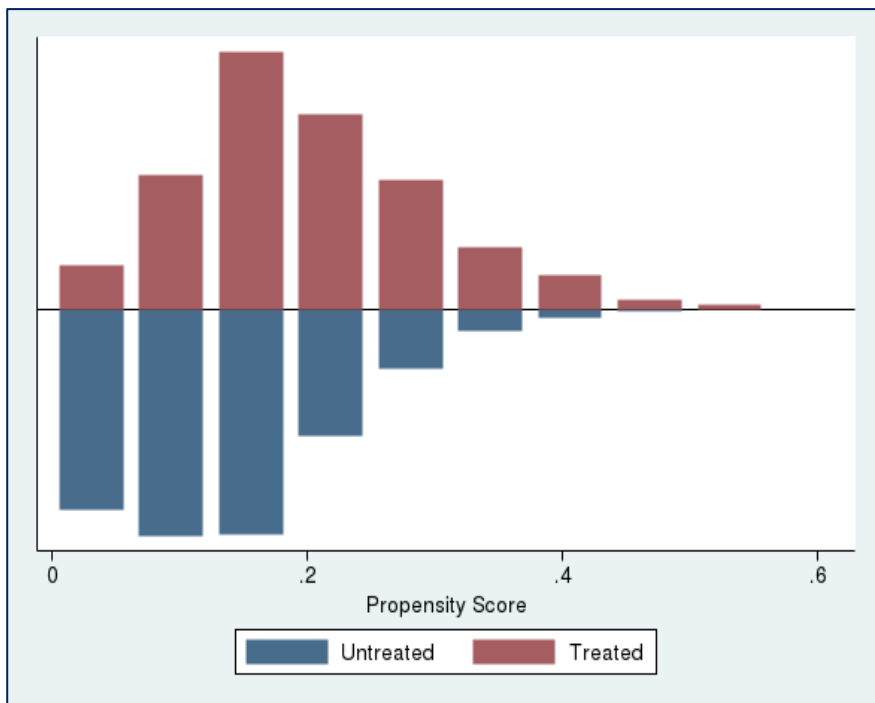
age, local labour system

Balancing test

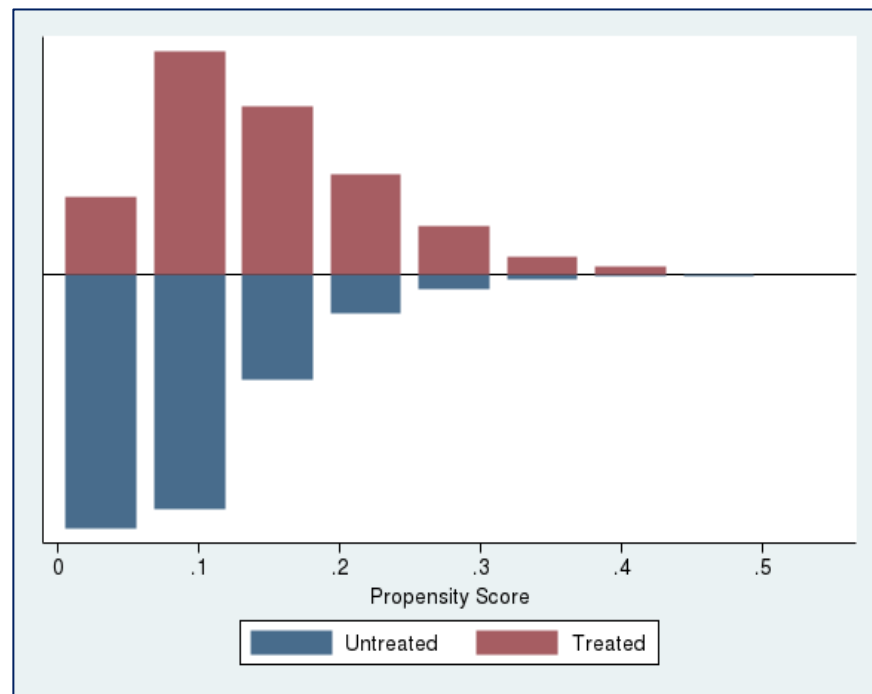
	MEAN STANDARDIZED DIFFERENCES		VARIANCE RATIO	
	Pre-matching	Post-matching	Pre-matching	Post-matching
First job seekers				
Age	0.286	0.000	0.850	1.001
SLL	0.047	0.000	0.900	1.003
Unemployed				
Age	-0.137	0.000	0.872	1.001
SLL	0.005	0.000	0.961	1.001

Balancing test: treated and controls along common support

First job seekers



Unemployed

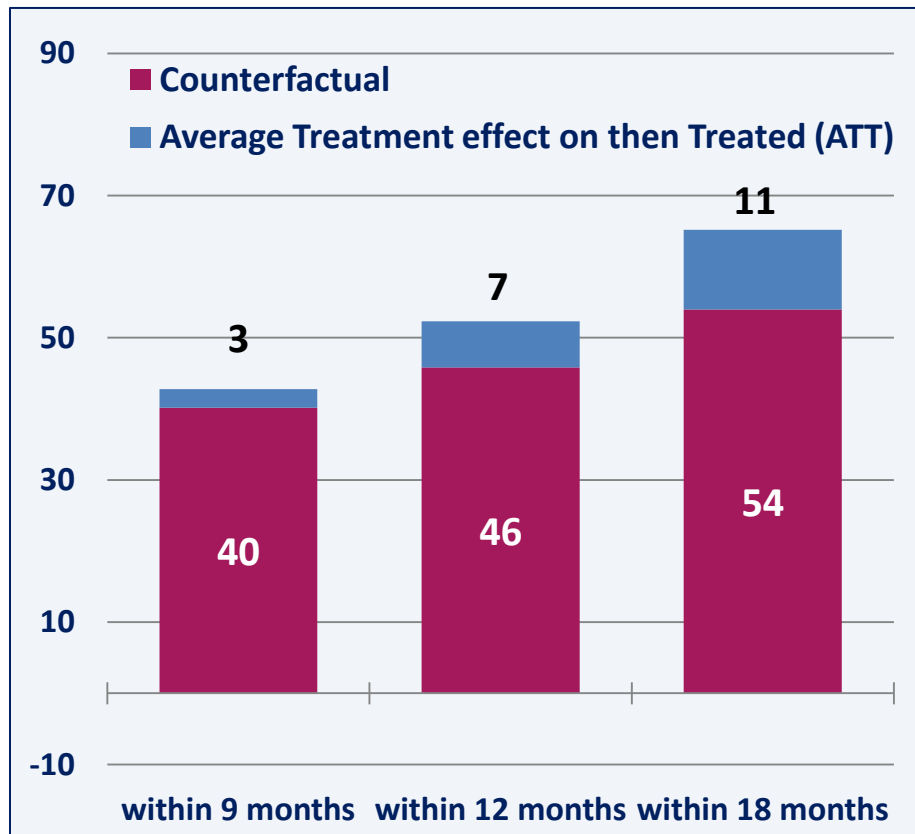


Units that have same characteristics should have a positive but not perfect probability of being either participants or nonparticipants to the measure. This condition is respected: in fact we observe the overlap in the propensity scores of the participants and non-participants

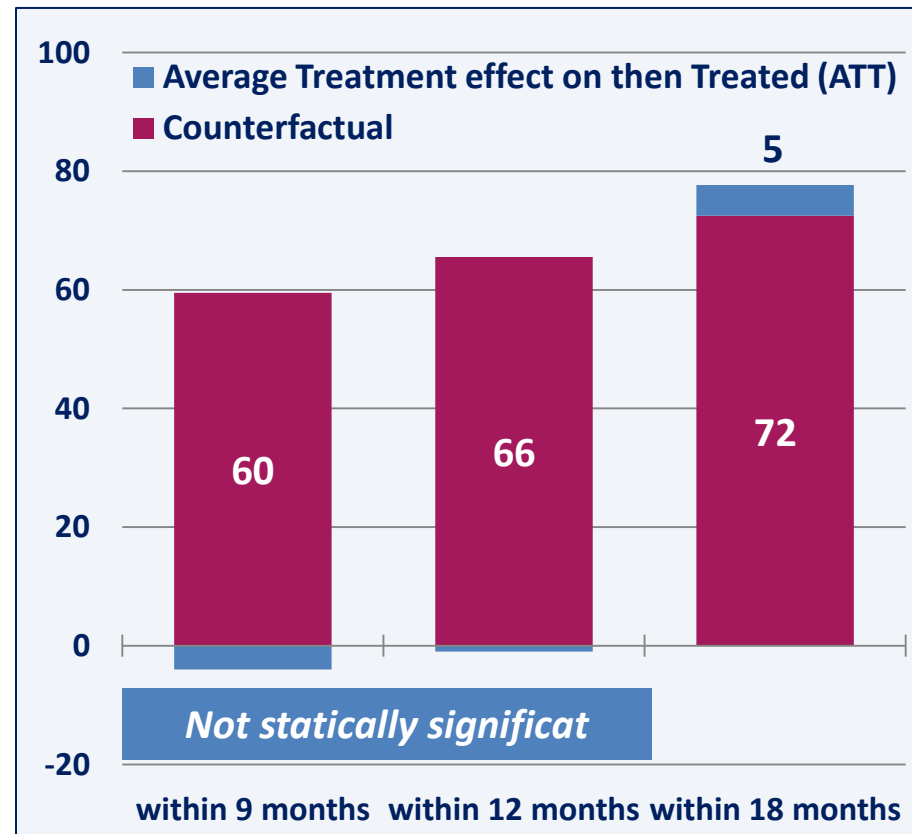
Has internships improved young people to enter the labor market? And who benefit the most?

EXIT RATE FROM UNEMPLOYMENT TO EMPLOYMENT
Probability of being hired with and without internships

First job seekers



Unemployed

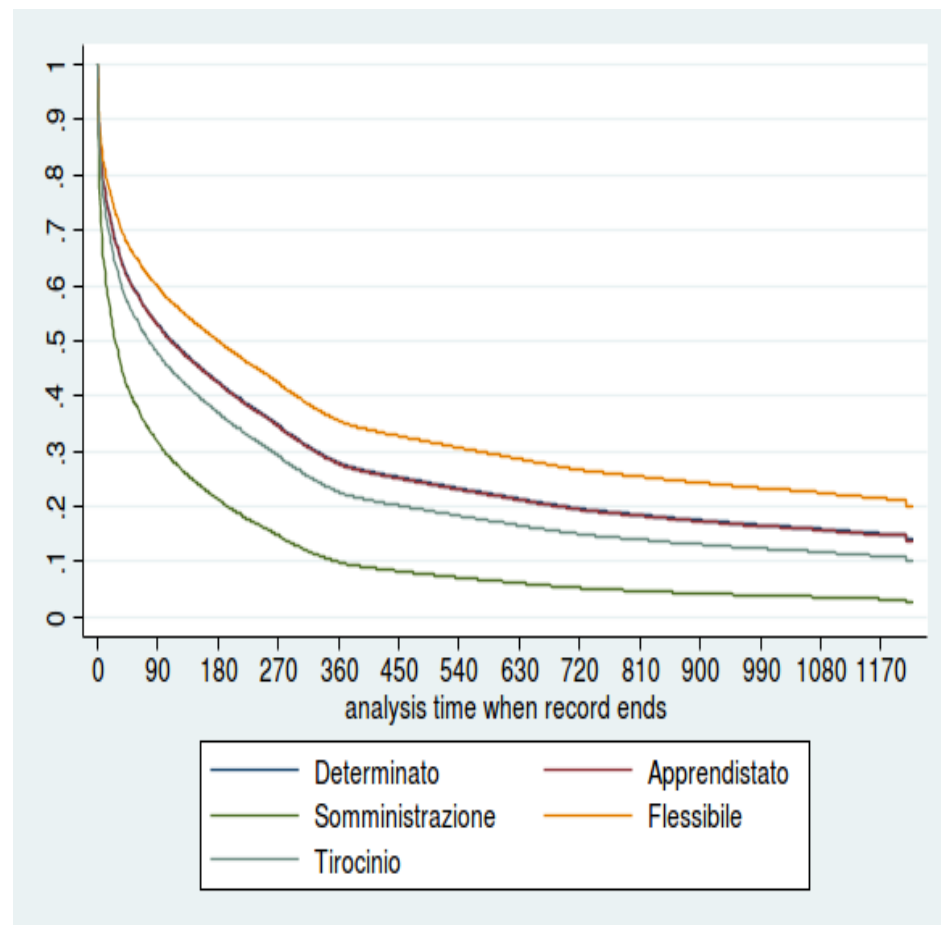


What happens to trainees once their employment relationship has ceased?

Cox (Proportional Hazards) Regression

	Coef.	P>z
Main		
Età	0.0298702	0.000
Maschio	0.1751649	0.000
Italiano	-0.2218391	0.000
Diploma	0.5120911	0.000
Laurea	0.7228903	0.000
Durata contratto di esordio	0.0011916	0.000
<i>Contratto di esordio</i>		
Apprendistato	0.0088142	0.444
Somministrazione	0.05992084	0.000
Flessibili (parasub e intermitt)	-0.2013217	0.000
Tirocinio	0.1660257	0.000
<i>tvc</i>		
Età	-0.0173914	0.000
Maschio	-0.0209262	0.000
Cittadinanza	0.0035254	0.417
Durata contratto di esordio	-0.00027	0.000

Survival function



Does the internship help you work longer?

Days worked in the 18 months from the end of the contract of debut in the labour market - Linear regression

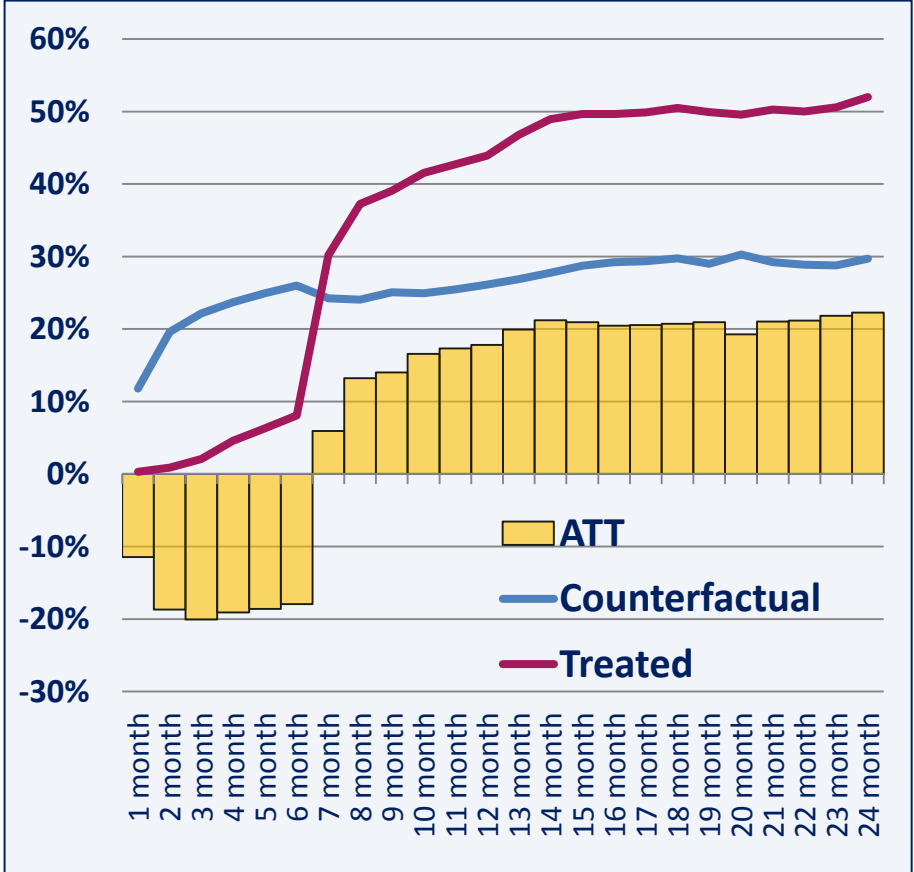
	I	II	III
Femmina	-10***	-8.5***	-5.5**
Straniero	19.7***	27.5***	23.1***
Età	0.3	1.3***	0.3
Obbligo	-22.7***	-15.3***	-16.5***
Laurea	51.6***	35.8***	24.1***
Apprendistato		31***	1.0
Somministrazione		15.4***	35.4***
Flessibile (parasub, intermitt)		13.3***	4.1
Tirocinio		113***	78.2***
Durata contratto esordio			0.5***
COSTANTE (id tipo)	236***	189***	172***

* Significant at 10%, ** Significant at 5%, *** Significant at 1%

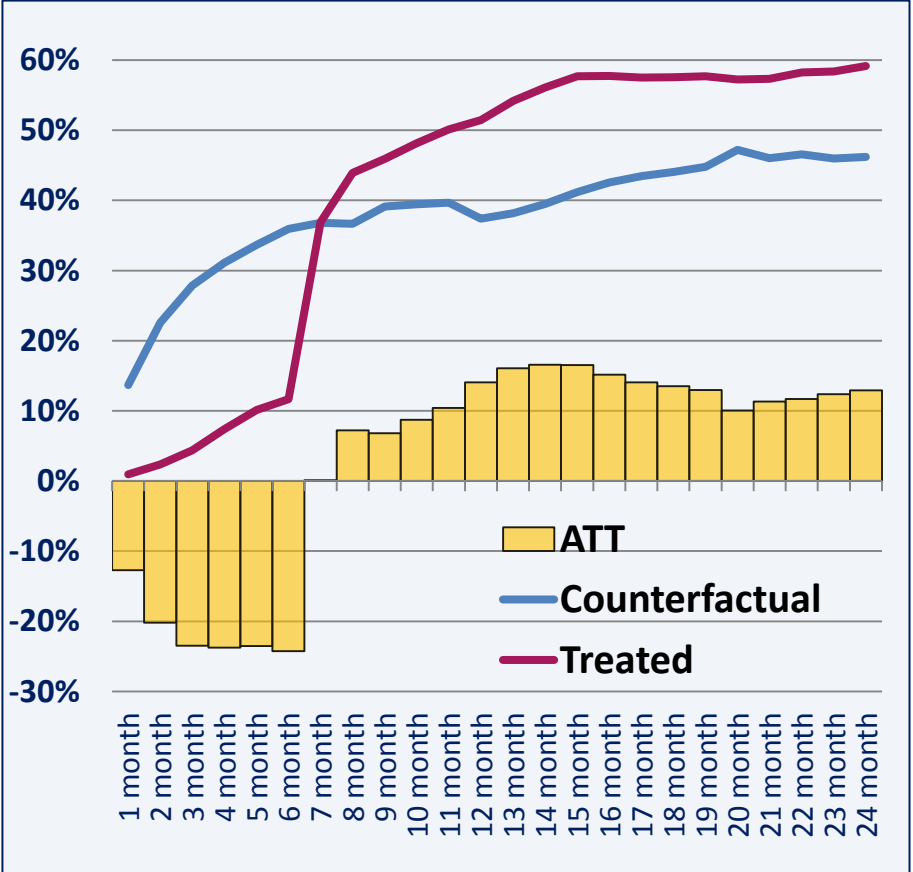
Persistence of the effect of internship over time

Monthly probability of being employed

First job seekers



Unemployed



Conclusions

Non curricular internships improves employment opportunities of youth

Internships effectiveness is more relevant for youth without previous working experiences

Non curricular internships ensure higher probability to find a new job and shorter waiting time in unemployment (comparing to other fixed term contracts)

Internships effectiveness is persistent in the short and medium term