

LONG-TERM EFFECTS OF PUBLIC SECTOR SPONSORED TRAINING IN WEST GERMANY

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Abstract

We estimate the short-, medium-, and long-term effects of different types of government-sponsored training in West Germany using particularly rich data that allows us to control for selectivity by matching methods and to measure interesting outcome variables over eight years after a programme's start. We use distance-weighted radius matching together with a bias removal procedure based on weighted regressions in order to increase the precision and robustness of standard matching estimators. We find negative employment effects in the short term for all programme types, effects whose magnitude and persistence is directly related to programme duration. In the longer term, training seems to increase employment rates by 10–20 percentage points. For most programmes the longer-term positive effects seem to be sustainable over the eight-year observation period. (JEL: J68)