

Effectiveness of European Active Labor Market Policies

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Abstract : This article comes, very timely, to look at the effectiveness of active labor market policies (ALMP) in improving labor market outcomes. Using panel data estimates for 19 European countries during the period 2000-2012, this article showed the role of institutional factors, especially the role of employment policies implementation based on three variables: the allocation of resources for the implementation of policies, continuity and timing in the implementation of policies to capture their effectiveness on the labor market. Empirical results shows favor effect of training, employment incentives, sheltered employment and rehabilitation and direct job creation on the entire population employment growth. Results shows also that start-up incentives seems to be more effective in increasing employment than other types of policies. Importantly, two aspects are important in terms of implementation: public expenditure on program administration, e.g. (PES) watches the most favorable aspect and the continuity of policies implemented.

Keywords : active labor market policies, implementation, public expenditure on program administration, start-up incentives, training

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