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Unemployment Duration in the United Kingdom: An Incomplete Data Approach

Abstract

This paper uses administrative individual spell data from the UK (JUVOS) to analyse the determinants of unemployment duration. JUVOS is considered as an important data set for the analysis of UK unemployment as it contains daily information about claim periods for unemployment compensation from the 1980s until the summer of 2007. However, data limitations include the unavailability of other administrative data sources within JUVOS which results in partial identification of unemployment periods.

Another constraint consists in the uncertainty of the labour market state before and after unemployment. This research takes these data limitations into account. The econometric analysis suggests that several empirical result patterns are not robust with respect to competing data preparation steps. A more precise analysis of the determinants of unemployment duration would require the availability of merged administrative data.