Reinforced counseling scheme: lessons from two randomized experiments

Hélène Giacobino (J-PAL Europe at Paris School of Economics)
& Bruno Crépon (Centre de Recherche en Economie et Statistiques)

Reinforced counseling scheme operate through a well identified process: concentrate means on unemployed at risk of long term unemployment to put them quickly in employment. This policy has become the cornerstone of many employment policies. Yet it raises a set of questions that are frequently strongly debated. We present results from Randomized experiments that help answer these issues. We insist on the usefulness of RCTs to address these issues as well as the practical conclusion that can be drawn from what we learn from them. The first issue is about the employment effect of these policies both in the short and long run. Indeed one idea associated with this policy is that there will be a stepping stone effect and that providing quickly unemployed with a job will have long lasting effects. Another issue is about who should provide these services to the unemployed. Indeed a key orientation of the employment policy in France has been to turn to the private sector to provide the unemployed with these services. Yet the issue remains to know whether private or public operators best address their needs. A last but key issue surrounding the usefulness of reinforced counseling is the displacement effect issue. It is frequently claimed that these policies do not create jobs and that they only produce turmoil in the waiting queue for unemployment.