

Principled Discovery of Effect Heterogeneity: Evidence from Swiss job search programmes

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Abstract: We systematically investigate the effect heterogeneity of Job Search Programme for unemployed, which are part of the Swiss Active Labour Market Policy. The analysis is based on rich data coming from the Swiss social insurance system. We combine recently developed Lasso-type estimators from machine learning to detect systematically such heterogeneities with matching and inverse probability weighting to correct for selective participation in the programme. We find that while in the medium run-effect there appear to be no systematic heterogeneities, the so-called lock-in effect (close to the beginning of the programme) shows considerable heterogeneities. In line with previous results in the literature, unemployed with a priori bad chances ('bad employment risks') in the labour market suffer much less of a lock-in effect than unemployed expected to find jobs soon even without a programme.