

How Do Extended Benefits Affect Unemployment Duration? – Austria, 1989 to 1993

Lalive (2006)

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CEU

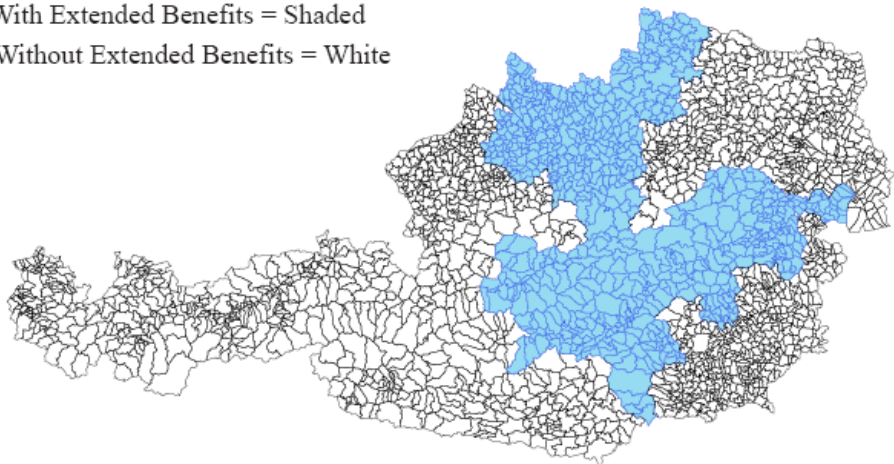
ProgramEvaluation Spring 2010

The "program"

- Unemployment benefits in Austria before 1989
 - ▶ up to 30 weeks
 - ▶ 39 weeks for 40-49 years old
 - ▶ 52 weeks for 50+ years old
- Reform of 1989
 - ▶ 209 weeks (4 years) for a specific group of unemployed
 - ▶ 50+ years old
 - ▶ living in 28 regions
- The "program" ended in 1993

- The 28 regions
 - ▶ characterized by heavy industry
 - ▶ that went in trouble in the 1980's

With Extended Benefits = Shaded
Without Extended Benefits = White



The evaluation study

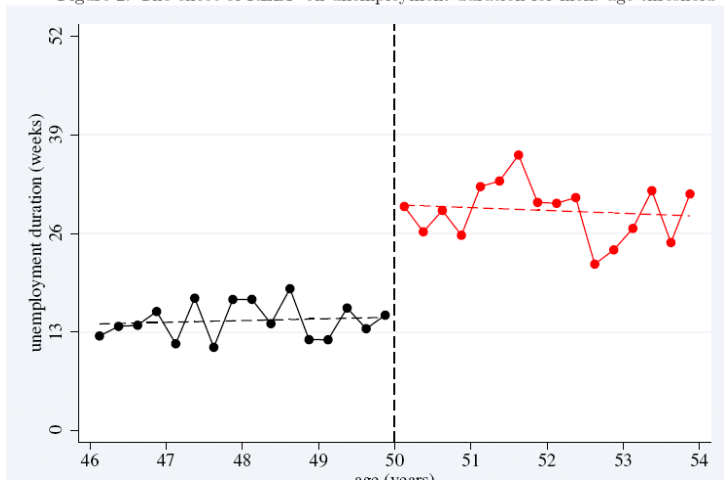
Lalive, 2006

- Outcome: unemployment duration
- Regression Discontinuity Design
 - ▶ treated group: 50-53 years old in treated regions
 - ▶ control group 1: 46-49 years old in treated regions
 - ▶ control group 2: 50-53 years old in neighboring regions

Results: control group 1

men

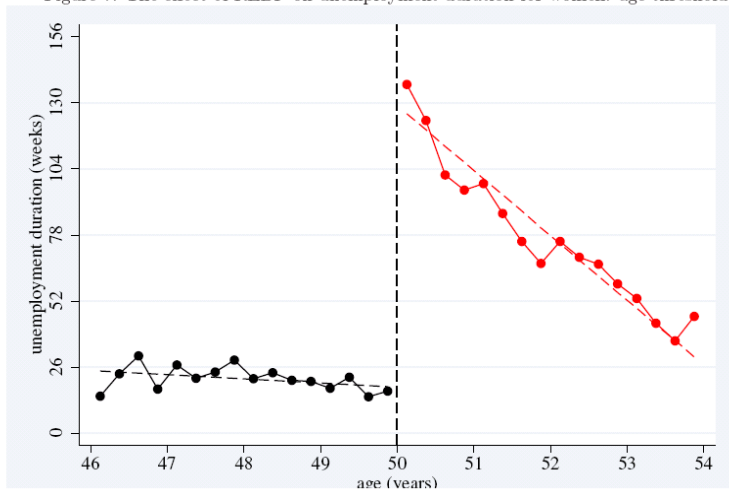
Figure 2: The effect of REBP on unemployment duration for men: age threshold



Results: control group 1

women

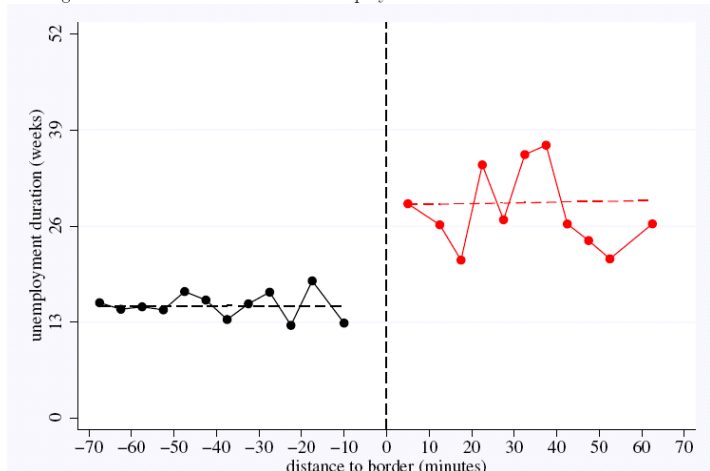
Figure 7: The effect of REBP on unemployment duration for women: age threshold



Results: control group 2

men

Figure 3: The effect of REBP on unemployment duration for men: border threshold



Results: control group 2

women

Figure 8: The effect of REBP on unemployment duration for women: border threshold

