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LONG-TERM EFFECTS OF ACTIVE LABOUR MARKET POLICIES IN A CONTEXT OF HIGH INFORMALITY

I study the effectiveness of three active labour market policies (ALMPs) available to unemployment benefit recipients in Mauritius. For identification, I exploit the random allocation of program participants to caseworkers within a labor office at the time of program registration. I use administrative data for the universe of participants from the social security records up to four years after job loss, matched with the household survey in the country. I find that job-search assistance leads to faster re-employment in the year after job loss. Training and start-up support instead have some negative lock-in effects in the short term, but the most positive returns in the medium to long run. These positive effects of training and start-up are particularly large for young people as well as women.