TRANSITIONS OUT OF SUBSIDIZED EMPLOYMENT
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Main Research question: How does subsidized employment affect wages and future employment chances?

METHODS

SUB-QUESTIONS:

1. What kind of firms use subsidized employment?
2. Does subsidized employment increase employees’ wages? How is the subsidy shared between the employer and the employee?
3. To what extent is a subsidized job a good beginning for a decent career?
4. What is the impact of subsidized-employment from the firm’s point of view?

DATA

WHIP is a database of individual work histories developed by LABOReco. It offers the basic information of administrative data. The original source of information are social security contributions collected from firms and employees by the Italian Institute for Social Security (INPS). The following categories of occupations pay unemployment security contributions in INPS: employees in the private sector, self-employed in artisan and trade activities, in minor occupations, freelance professionals and self-employed workers in agriculture.

The method used is a matched analysis. We matched administrative and endogenous information for a period of 5 years from 1995 until 1999. Match people on the employment date, gender, age, occupation and industry. The effect of subsidy is negative after 1 year on the employment transition to employment and becomes positive after 2 years on the employment transition to employment.

RESULTS

We use a weighted regression by gender and age, matching people with a job.

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COMMENTS AND FEEDBACK are WELCOME

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