

**Subsidized employment for young long-term
unemployed workers - an evaluation**

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In this paper we estimate the impact of subsidized employment for young long-term unemployed workers in Belgium on the transition rate from employment to non-employment. We account for selective participation on the basis of a multivariate duration model with correlated unobserved heterogeneity. We find that the policy decreases the transition rate from employment to non-employment in the first year of participation. There is no significant effect on the transition rates in the second year. After participation, the transition rates out of employment for men (but not for women) increases. The median impact on employment duration is positive.

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