Comparing Innovative 'Chosen Training' with 'Standard Training' in Czechia: How Did the New Program Help?

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This paper evaluates the active labour market policy instrument called 'chosen training' (in Czech zvolené rekvalifikace), introduced to the Czech labour market policy in 2012. This new instrument allows the registered unemployed much more freedom to choose their supposed future career path by selecting the preferred profession for training and preferred training provider than traditional standard training programs. The added value of this paper is in the intentional linking of the provision of new measures with the assessment of impacts. The methodology of this text is based on quantitative program assessment. We used PES administrative data OK Práce for programmes implemented in 2016 and tracked the outcomes for 2016-2020. We compare a new instrument with more traditional training programs that continue to be provided alongside the new tool. We concluded that chosen training provided better results than standard training, and we addressed some of the reasons behind the perceived difference.

Key words: training, active labour market policy, evaluation, targeting.

INTRODUCTION

Training programs are active labour market policy (hereafter ALMP) instruments organised by public employment services (PES) to help unemployed people gain new competencies, certified qualifications, and find appropriate jobs. This article evaluates the active labour market policy instrument called 'chosen training' (in Czech *zvolené rekvalifikace*), introduced to the Czech labour market policy in 2012. Policymakers introduced similar reforms in Germany (Rinne et al., 2013), Slovakia (Stefanik, 2021) and Poland (Madoń et al., 2021). This new instrument allows the registered unemployed much more freedom to choose their supposed future career path by selecting the preferred profession for training and preferred training provider than traditional standard training

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programs. The new instrument is based on setting a new set of implementation rules rather than creating an entirely new way to help the unemployed.

The results of previous studies indicated potential benefits and some improved impacts of 'chosen training' programs (see below). However, the issue of difference between chosen and standard training has not been systematically addressed in Czechia yet. This paper contributes to the discussion of program's effects by the intentional linking of the provision of new measures with the assessment of impacts and providing insight into the role of some factors which may help to explain how the program impacts were constituted. The new program provides a substantial innovation in the Czech active labour market policy. The question of choice in the provision of training seems to be an essential issue. Evaluation of new programs in EU countries can initiate further discussion and research on this issue and provide valuable information and insight for policymakers in Czechia and other countries who decide on the appropriate training programs.

The methodology of this text is based on quantitative program assessment. To estimate program effects, we asked: "*How was the chosen training program targeted, and what were its impacts in the assessment period compared to more traditional training programs?*" We compared a new instrument with more traditional training programs that continue to be provided alongside the new tool. In contrast to other analyses on a similar topic (Rinne et al., 2013; Stefanik, 2021), we evaluated two different program types implemented within the same year and not the same programs before and after the reform. We do not have data about training programs performed before implementing the reform (2011-2013). In addition, we wanted to give the chosen training program some time to mature. Thus, we have chosen programs for 2016, which was the fourth year of program implementation. We followed information about the outcomes of training programs for 2016-2020, allowing follow-up of program participants for more than three years. Evaluation is further supported by quoting qualitative information about the implementation and context of the program gained during focus groups conducted at regional Employment offices (implementation studies).

The rest of the paper is structured as follows. In the theoretical part, we discuss the general relevance of training programs within the context of ALMP policy. Next, we explain the main differences between 'standard training' and 'chosen training', and we discuss the real innovation in chosen training measure and what problems it could help solve. The theoretical section also briefly refers to the program history before 2016. Additionally, we note some aspects of concrete program implementation and targeting in Czechia, and we provide evidence that implementation does matter (especially in countries like Czechia). Next, we showed whether this new form of training brought more promising results than traditional measures. We concluded that chosen training provided better results than standard training, and we addressed some of the reasons behind the perceived difference.

TRAINING PROGRAMS AND THEIR THEORETICAL RELEVANCE FOR EMPLOYMENT INTEGRATION

Training programs are a traditional cornerstone of ALMP measures. They aim to increase the human capital of participants and support their reintegration into the labour market (Kruppe and Lang, 2018) by getting a reasonable job or self-em-

ployment, potentially leading to increased productivity and earnings (Ibarrarán et al., 2019). Underlying assumptions are that the skills trained during ALMP are recognised and rewarded in the labour market (Acevedo et al., 2017). When relevant training is provided, this may reduce skill mismatch between unemployed workers and offered jobs and help raise general-level employment (Cedefop, 2015). Training programs benefit participants and can have many positive externalities, e.g., reducing inequalities (Horáková, 2013).

The standard form of training (standard training) program has been implemented in Czechia for almost 30 years. Formally this type of training is called "training conducted by the Employment office" (*rekvalifikace zabezpečované Úřadem práce*) (§ 109, 435/2004 Coll.). It is provided as further training and not as initial education. However, training programs are not a homogenous category. We distinguish four basic types of training programs:

(1) Retraining: Training programs aim to substantially change an employee's original qualification – preparing him for a completely new job. These are aimed to solve the structural component of unemployment.

(2) Further training (for a concrete profession, for closing specific skill shortages): Training programs that continue developing the original school qualification, e.g., by allowing for specific formal certification (e.g., welding).

(3) Generic skills training (untargeted training): Training programs develop basic general skills (e.g., soft skills, language skills, computer skills) that are not specific for use in a concrete profession but are generally needed for work. Often, these skills are provided to people who are further from the labour market as a base for their further development (Cedefop, 2015; European Commission, 2015). Sometimes, this type of training is necessary, but it is often not alone sufficient to get (a qualified) job.

(4) Training for future self-employment: Training programs developing skills for self-employment.

Although these programs are provided in Czechia, it is not always possible to distinguish them sufficiently in the available data. Training programs in Czechia are usually relatively short and more theoretically than practically oriented (Hora et al., 2018). Typical examples are the provision of training for driving licence for trucks or buses (type 1-2 above), welding (1-2), training for work in social services (1), accounting (1), PC training (3), and other similar courses. Training is rarely combined with other ALMP instruments, e.g., a retrained person is given a job subsidy to ensure employment with a concrete employer. The qualification gained during retraining courses is recognised in the national qualification system in some specific cases. Training programs are perceived as one of the cheapest ALMP programs considering both expenses per individual and the total scope of costs (Hora et al., 2020). ALMP training is often publicly sponsored. However, in many cases, public funding depends on the promise of a concrete job, and sometimes the unemployed must pay for the training themselves. Horáková (2013) argued that the first and second types mentioned above are often conditional on the promise of a concrete job.

Previous empirical evidence on the impact of training programs

Evidence of the impact of training programs around the world is mixed (Rinne

et al., 2013, European Commission, 2015; Ibarrarán et al., 2019), which is not surprising given the variety of training programs' designs, their different contexts, including labour market situation and phase of the business cycle, and heterogeneous target groups. Most literature notes the differences between short-term and long-term impacts of training programs. Depending on the length of the training, training programs may have 'locking-in' effects (the unemployed do not look for work during training). In addition, some unemployed need to start looking for a job after the end of the program, which further strengthens this effect. These reasons are probably why short-term effects of training programs are often minor or negative, while long-term results are sometimes more promising (see Fitzenberger and Völter, 2007; Card et al., 2010; Ibarrarán et al., 2019). It can also be argued that it takes time for attained qualifications to be further developed and recognised by employers.

Rinne et al. (2013), Stefanik (2021), and Madoń et al. (2021) addressed the issue of change of program allocation for effects of the programs. Rinne et al. (2013) concluded that the medium term (1.5 years) effects were more promising after the allocation reform due to institutional effect. They excluded the role of stricter selection effect caused by the different composition of participants. Stefanik (2021) found positive effects of training both before and after the reform. While short-term effects were higher after the reform (more pronounced locking-in effect before the reform), similar effects were found at the end of the observed period of 22-27 months (after the training). While Rinne et al. (2013) found the positive reform effect only for skilled individuals, Stefanik (2021) provided a contrasting example, with the low-skilled (ISCED 0-2) participants benefiting from training participation slightly more than high-skilled (ISCED 5-6) participants, especially in the longer run, and no reform effect. Madoń et al. (2021) found a difference between chosen and standard type of training for on-the-job training, but not for the classroom training.

Previous evaluation of training programs in Czechia showed only modest impacts – despite a relatively small locking-in effect. These effects are more visible in the long run than briefly after the end of the program (see Hora et al., 2018). The general effectiveness of the ALMP training programs and individual beneficence for participants is often questioned in Czechia. The main argument is that programs are not of sufficient quality to bring substantial change in the labour market position of participants. Unemployed and PES workers sometimes criticise training programs for being short, not providing an adequate level of knowledge, lacking a direct link to following work experience, and the unemployed cannot find jobs in the field after program graduation (Rákoczyová et al., 2021). In contrast, other PES workers disagree and positively assess the achieved quantitative outcomes of training programs (see Rákoczyová et al., 2019). At the individual level, training may enhance or reduce the motivation and engagement of the unemployed in various periods according to the fulfilment of their expectations (Acevedo et al., 2017).

THE RATIONALE FOR CHOSEN TRAINING IN COMPARISON TO STANDARD TRAINING

The key issue discussed in this paper is the choice of training. The literature distinguishes systems where the selection of the training is more at the discretion of the unemployed person, systems where more responsibility for the choice is given to

the PES worker, and systems of cooperation (see European Commission, 2015). When responsibility is given to the PES worker, profiling is used, or sometimes prediction of the situation at the local level is considered, including vacant workplaces (European Commission, 2015). When more choice is given to the unemployed person, information symmetry (e.g., insufficient information) and sovereignty of the unemployed person for decision-making may be important (see Hipp and Warner, 2008)[1]. In the Czech system, no program is in the form of an explicit voucher system, the sovereignty of the unemployed person is limited (restricted by PES workers), and both types of training programs function in local training provision market conditions (i.e., appropriate programs may not be available).

A new active labour market instrument, 'chosen training', was introduced in Czechia in 2012 by law No. 435/2004 coll. The reasons for the introduction of the chosen training were stated in the Explanatory Memorandum (2011) of Law 367/2011 (PSP, 2011) as limits of the current system: the provision of standard training is 'very administratively demanding' and it 'limits the unemployed in the choice of type of training and training provider'. Innovation aimed to 'provide more flexibility' in choosing a suitable training and training provider. The chosen training was intended to function as a supplement/alternative to standard training.

We explain the problem addressed and the rationale beyond the new measure. The standard training system provides training in fields where employers have a stable interest. Some certified providers win public competitions for the provision of concrete training programs. This system was perceived to be very inflexible because (Rákoczyová et al., 2019, 2021; Hora et al., 2020):

- Competition is challenging to implement, with the high administrative burden. It often ends with negative results – e.g., no winner or a winner who is later not able to provide promised services. Competing may lead to reducing the number of providers in the long run (Rákoczyová et al., 2021).
- A completely new provider winning the competition means to 'build everything all over again', and the quality of the courses is uncertain in advance. Rákoczyová et al. (2019) noted the paradox that PES workers are sometimes better able to assess or estimate the quality of the chosen training course than the course of standard training.
- The extended competition process causes delays in the provision of the courses (Horáková, 2013; Rakoczyová et al., 2021).
- Sometimes standard training courses were not filled and thus provided due to insufficient demand from the unemployed. Training is reliably provided only in fields with stable triple course demands (employers, providers, participants). PES workers have a dilemma between acquiring sufficient course participants and targeting courses to people who need it less or are not the best candidates (Rákoczyová et al., 2021).
- It was difficult to react to the changed labour market situation and to cover specific training needs that were individually relevant but less frequent.

[1] Hipp and Warner (2008) and Rinne et al. (2013) were also concerned that more choice given to the unemployed may lead to creaming off.

The unemployed had to choose from the existing offer of the courses, and often a concrete course was not in the proposed set at that time (they had to wait or choose something different).

During the 'chosen training', the unemployed can attend courses conducted by the training provider they have chosen themselves (Employment office, 2016). We see the innovation within this measure in the assumption of better addressing even the specific training needs of the unemployed. In addition, the system is much less dependent on the need to fulfil a particular demand for retraining to provide training courses. Thus, courses can be offered in atypical fields (with low interest of the unemployed and not usually offered by the Employment office), when retraining for self-employment, or when the contract for training between PES and the concrete provider in the chosen field was not yet established (Employment office, 2016). See the comparison of both programs in the table.

Table 1
Main differences between standard training and chosen training

	Standard training	**Chosen training**
Legislation	Law 435/2004, 109	Law 435/2004, 109a
Establishment of training provider	The Employment office calls for competition in the provision of training courses. The unemployed choose from the final pre-set offer of courses	The unemployed can find a training provider (the provider must be certified).
Variety of offers	Courses are usually provided only in fields where enough training places can be expected.	Courses are also provided in fields where only a low amount of training is needed.
Eligibility criteria	Registration at the Employment office (see below).	Registration at the Employment office (see below).
Beholder of the initial decision about the field of training.	The Employment office more often initiates training based on what was contracted after the public competition (available courses).	Unemployed people more often initiate training based on their interests and individually perceived opportunities.
Financial support for unemployed	There is specific 'financial support for retraining' (social benefit) for the personal needs of the unemployed provided during the training course. In addition, the Employment office can pay travelling costs or insurance during retraining (this is facultative).	There is no specific financial support during the training course. The unemployed persons must pay any additional costs (travelling, health screening, etc.) themselves.
Financial support for training providers	The employment office is obliged to pay expenses for provided training. The cost of training is usually the result of public competition for concrete training.	The employment office can support a maximum of 50 000 CZK in the three following years. Costs are paid directly to the training provider and must correspond to the usual expenses for similar training in a given region.

Source: publicly available information on the Ministry of Labour and Social Affairs of Czechia (MPSV) and Employment office website, own adjustments.

Criteria for assessment of retraining requests initiated by the unemployed are similar for both types of programs:

- **perceived need for retraining**: whether the unemployed can(not) find a job with his current qualification,
- **utility of retraining**: whether retraining is conducted in the field where there is an assumption of finding a job,
- **eligibility criteria for entering courses**: whether an unemployed person fulfils the primary required conditions for entering the course (e. g., needed level of previous education, computer skills, driving licence)
- **health status**: whether retraining and the job for which a person is retrained corresponds to the health status of an unemployed person.
- **quality of training**: in the case of chosen training, the quality of the training is assessed. The training provider must be certified, or it has to be a standard initial education provider (school).

A concrete street-level worker decides about standard training after the screening interview with the unemployed person. A special commission considers the conditions of the chosen training (usually, the request for the chosen retraining is negotiated in advance between the unemployed and street-level workers). Provision of training is, in both cases, facultative, and it is in full consideration of PES workers whether they will provide training in the concrete case. The potential effectiveness of training is carefully assessed. Especially in the case of specific training, there is intense pressure for placement after course completion, which is unwanted by some clients (Rákoczyová et al., 2019). The unemployed must finish the chosen retraining or have a severe reason (defined by law) for not doing so. Otherwise, they are at risk that the Employment office will not pay their training costs or they will have to pay the expenses back. In addition, the unemployed can be sanctioned for non-compliance during training with expulsion from the PES register.

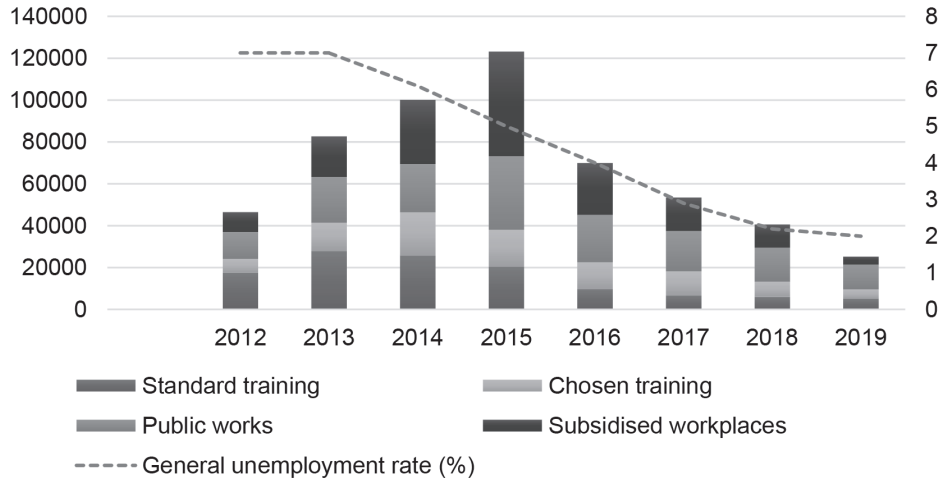
EXPERIENCE WITH IMPLEMENTATION OF THE CHOSEN TRAINING IN CZECHIA

This section mainly uses information from realised implementation studies (Hora et al., 2020; Sirovátka and Rákoczyová, 2020). Expenditures on ALMP in Czechia are traditionally low compared to other countries (see, e.g., European Commission, 2019)[2]. The role of standard training was somewhat diminished in Czechia in the last decade compared to the position of other ALMP programs, involving a substantial reduction of both scope and expenditure on training programs (Hora et al., 2020). Within this context, the chosen training quickly grew in size several years after its first implementation (2012-2015), only to be reduced again in subsequent years with a general reduction of ALMP (see Graph 1). This reduction was caused by the perceived low need to provide support (the favourable economic situation, most unemployed had already left the PES register in the previous period) and

[2] Acording to Eurostat data (LMP expenditure by type of action - summary tables), the expenditures on active labour market policy (excluding labour market services) were 0.246%, 0.192%, and 0.193% of GDP in 2016, 2017, and 2018. Average expenditures for EU27 countries were 0.423% in 2018 and the Czech expenditures were the 6th lowest in the EU27.

the heightened ALMP effort in the earlier years. In addition, during interviews PES workers often complained that they could not find suitable candidates for the programs.

Graph 1
Scope of four main tools of Czech active labour market policy and general unemployment rate 2012-2019.



Source: MPSV (2013-2020): Statistical yearbooks from work and social affairs. CZSO (2020).
Note: Left vertical scale: number of program participants, right vertical scale: general unemployment rate (in %).

Hora et al. (2020) found that the chosen training was used in different scopes in various regions in Czechia in 2016. In some regions, the chosen training replaced almost all standard courses. In contrast, the chosen training was used only for a small minority of the courses (about 10 percent) in other regions.

Many courses were done in the same profession (e.g., driver) in both standard and chosen training. In this respect, the chosen training was not functioning as intended because it was initially supposed to be a supplement and not a replacement for standard training courses. Hora et al. (2020) found that chosen and standard training programs are not (with some exceptions) very different considering their essential characteristics. However, the structure of training in both groups was different. For example, the most prevalent group in chosen training was training for driving licence, while this group was the fourth most numerous category in standard training programs. The most pervasive category for standard training was training for basic computer skills – such programs are almost not provided in chosen training (for more details, see Hora et al., 2020, table 4.1). PES workers argued that this might influence differences in program outcomes (Kotrusová et al., 2019).

During the focus group, one of the PES workers explained that street-level workers had started using the chosen training too much to avoid competition and contracting for standard training problems. At the same time, PES management wanted to reduce the chosen training to be used only in originally intended cases, i.e., only

when standard training could not be provided (Hora et al., 2020). However, the chosen training was probably used as both supplement and replacement in some regions during 2016 (see Hora et al., 2020, graph 4.2). We see regional differences in the provision of training as an excellent opportunity to investigate the effects of the measure in 2016.

TARGETING OF STANDARD AND CHOSEN TRAINING TO SPECIFIC CATEGORIES OF UNEMPLOYED

Targeting in ALMP concerns the question: 'Which programs are provided to whom?' PES workers in Czechia often consider whether people belong to some of the 'risk groups' with a higher probability of labour market problems when considering allowing participation in training (Rákoczyová et al., 2019). In the economic conjuncture years that we follow in this evaluation (2016-2020), the diminishing general unemployment level allowed street-level workers to focus on the most difficult cases. However, it was recognised that the labour market integration of this group of people with multiple problems is challenging and often less successful (Sirovátka and Rákoczyová, 2020). This potential risk of failure leads PES workers not to risk public support and denial of training.

'Forecasting of success' in training can lead to selecting more suitable candidates, i.e., well-known 'cream skimming' effects (Kruppe and Lang, 2018). The unemployed who are better equipped with human capital are often more motivated and are more likely to enter ALMP programs (Sirovátka and Rákoczyová, 2020). Some researchers note that the mass character of training programs and poor targeting of specific groups may cause the low impact of training programs (Fitzenberger and Völter, 2007). They also assume that the effects of programs are often heterogeneous – some groups benefit from programs more than others (Fitzenberger and Völter, 2007; Kruppe and Lang, 2018; Acevedo et al., 2017). The issue of creaming may not be so relevant when the effects of the concrete program for sub-groups of participants are relatively homogenous (see Rinne et al., 2013). Another evaluation perspective aims to evaluate the impact of programs considering the training for different professions (e.g., healthcare, truck driver) in interaction with other characteristics of the unemployed (Kruppe and Lang, 2018). We suppose that targeting various subgroups of the unemployed may matter for the program's impact (see Hora and Sirovátka, 2020).

Considering the different targeting of standard and chosen training, some PES experts expect that people who want to attend the chosen training are different from people attending standard training. For example, participants in the chosen training are expected to be more motivated and be willing to cover some direct expenses (health assessment costs) and indirect expenses (lost training benefit) in their retraining. They can arrange retraining themselves etc. (see Rákoczyová et al., 2019; Hora et al., 2020). On the other hand, some participants of standard training are more motivated by the provision of 'training benefit' than by the vision of getting a job after training (Rákoczyová et al., 2019)[3]. PES workers are more active

[3] Kotrusová et al. (2019) noted that the effects of income support on the motivation of the unemployed might be ambiguous in Czechia. While some unemployed may have it as their main motivation, social assistance claimants may have lower incomes while in training comparing to situation of social assistance.

in individual work with more passive candidates, and they choose those candidates more often for standard training (Sirovátka and Rákoczyová, 2020). From the theory of targeting perspective, this may mean that there could be a present 'creaming off' effect for chosen training leading to a potential reduced impact of the program. However, this risk may be overcome by a substantial improvement of the matching process, reduction of some barriers to participation in employment, and a thorough process of entitlement assessment, including the use of some specific tools – e.g., the visit of a potential employer (Rákoczyová et al., 2019). It was also possible that there would be no difference in targeting the two programs due to the above-described substitution of standard training programs by the chosen training.

We present shares of groups of program participants and targeting indexes in Table 2. The value of the targeting index (T IND) above one means that the measure is targeted to a specific group more than it would correspond to its overall presence in the PES register and vice versa. Empirical targeting analysis of our data has shown that the general targeting profiles of both programs are similar. However, noted differences show that the categories that usually have the most problems with labour market integration (the long-term unemployed, people with disability status, and people over fifty) are less present in the chosen training program. In contrast, younger unemployed persons and university graduates are more presented there. This difference is expected given the assumptions mentioned above because the young unemployed may be more motivated to get more qualifications than people who have already established their work profile, have serious health problems, or are much closer to their retirement age.

We have tried to establish regional training profiles to see whether the different share of chosen training in different regions mirrors different targeting profiles. Initially, we supposed that within regions where chosen training replaced standard training, the targeting profile should be closer to the profile of standard training. Nevertheless, our data show that the differences between the structure of participants in standard and chosen training were maintained. In regions where the share of the unemployed in chosen training is 70% and more (Vysočina and Olomouc region), participants are somewhat younger, healthier, and more qualified than participants of standard training programs. A larger accent on the chosen training in these regions did not change the program targeting profile. In other words, the chosen training did not replace standard programs but is inherently a different type of measure with a specific (relatively more favourable) structure of participants. The participants' better characteristics may also affect the results and effects of chosen training in these regions.

Table 2
Targeting of standard training and chosen training towards specific categories of unemployed in 2016

		Standard training		Chosen training	
		SHARE	T IND	SHARE	T IND
Gender	Men	44.8	0.89	55	1.09
	Women	55.2	1.11	45	0.91
Education	Elementary	13.4	0.56	12.7	0.53
	Lower secondary	33.9	0.88	33.1	0.86
	Upper secondary	39.6	1.49	38.8	1.46
	Tertiary	13	1.18	15.4	1.40
Age	15-19 years	1.3	0.38	0.7	0.21
	20-24 years	10.5	0.78	13.5	1.01
	25-29 years	11.9	0.89	16.2	1.22
	30-34 years	11	1	13.9	1.26
	35-39 years	14.5	1.22	15.4	1.29
	40-44 years	14.7	1.27	14.6	1.26
	45-49 years	11.2	1.23	10.2	1.12
	50-54 years	12.8	1.35	8.9	0.94
	55-59 years	9.7	0.94	5.4	0.52
	60+ years	2.4	0.37	1.2	0.18
Health	Good	71.5	0.99	82.4	1.14
	Health handicap	15.6	1.15	10	0.74
	Invalidity status (I)	7.9	1.05	3.8	0.51
	Invalidity status (II-III)	3.3	0.79	1.8	0.43
	Unknown	1.7	0.65	2	0.77
Length Current U Spell	0-90 days	23.2	1	29.5	1.33
	91-365 days	53.8	1.21	53.1	1.20
	366+ days	23	0.69	17.5	0.52
Total Length Previous U Spell	No previous U spell	18.3	0,87	19.3	0.92
	0-90 days	7.8	1,10	9.2	1.30
	91-365 days	20.8	1,14	23.4	1.29
	366+ days	53.1	0,99	48.2	0.90

Source: Hora et al. (2020), adjusted, data OKPráce 2016.

DATA AND METHODOLOGY OF ESTIMATION OF PROGRAM IMPACTS

We used administrative data administered by PES[4] to compute program targeting and impact evaluation. These data included 835,487 individual records of unemployed registered for at least one day in 2016. Data include information about the unemployed, their characteristics, ALMP participation in 2016 and employment and unemployment history. The dataset is enriched with information about local unemployment levels and vacant workplaces. There were 10,376 total program participants in standard training and 6,785 in chosen training.

[4] The individual administrative data supporting this study (Okpráce) were provided by the OKSystem company with a written permission from the Ministry of Labour and Social Affairs of Czechia (MPSV). The data were used under license for the current study. Any further provision of the data to third parties is restricted to acquiring the newly written consent of MPSV.

Our primary interest is in the difference between standard training and chosen training. An 'institutional effect' can be caused by a different standard and chosen training functioning (allocation mechanism). Additionally, we needed to control for other factors which may be behind the potential difference between the effects of both programs. Significantly, more skilled participants may be better able to use their human capital effectively to use offered opportunities. Thus, participants' more favourable composition or type of training activity may cause a difference in the effects of the programs. We would generally expect chosen training to have better outcomes (probably better-off unemployed participate) but worse impacts (because better-off unemployed are also present in the control group – see also Rinne et al., 2013).

We estimated the treatment effect on treated under ignorability (conditional independence (CIA) and common support (CS) assumptions) in two steps.

First, to eliminate selection on observables between participants and non-participants of both programs ("selection treatments vs controls"), we use coarsened exact matching (CEM, Iacus et al., 2012) and case-to-case (one-to-one) variant. We matched program participants with people who did not participate in any ALMP measure during 2016 for each program separately. Out of 6,785 chosen training participants, 4,953 were matched (73%), and out of 10,376 participants of standard training, 7,332 (71%) were matched. Because of the one-to-one matching, the corresponding control groups are of the same size. Program impacts were measured from the first day of program attendance. We used the following variables for creating pairs: region of living, unemployment level at the local level, free workplaces advertised by PES at the local level, gender, age, health status, nationality, number of children, level and field of previous education, and employment and unemployment history.

Second, to compare the effects of both programs, differences between both program participants (selection 'treatment A vs treatment B') must be eliminated. We used inverse probability weighting and regression adjustment (IPWRA) estimator for observational survival data with multi-categorical treatment ('multivalued' treatment by Cattaneo, 2010) using STATA „stteffects" command. Our treatment variable has the following categories – Treatment A, Control A, Treatment B and Control B.

Balance tables (tables A1, A2) and overlap plot (graph A1) in the annex show that CEM balances each treatment type distribution with its controls, and the IPWRA estimator balances differences between both treatments. Therefore, the CIA and CS assumptions are met.

Estimation of impacts of chosen training and standard training

The first estimate showed that the chosen training had a more significant effect than standard training (the result of - 98 days). Balance tables, namely means of covariates before weighting, show that, on average, chosen training participants have better health status and come from economically better regions and higher populated cities with more free working places. However, this selection that advantages chosen training participants is eliminated in our IPWRA model (Table 3).

Table 3
Basic estimation of impacts of the standard and chosen training

Survival treatment-effects estimation				Number of obs = 23,400		
Estimator	IPW regression adjustment					
Outcome model	Weibull					
Treatment model:	Logit					
Censoring model:	Weibull					
T						
	Coef.	Robust Std. Err.	z	P > [z]	[95% Conf.	Interval]
ATET						
CHOS TR vs ST CO	-100.2106	13.607	-7.36	0.000	-126.8798	-73.54132
CHOS CO vs ST CO	3.825628	21.05911	0.18	0.856	-37.44948	45.10073
ST TR vs ST CO	-1.993217	17.10303	-0.12	0.907	-35.51453	31.5281
POmean						
ST CO	276.0179	12.44166	22.18	0.000	251.6327	300.4031

Source: OKPráce data 2016-2018. Note CHOS – chosen training, ST – standard training, TR – treatment, CO – control.

We assumed that the resulting estimated difference in post-treatment unemployment length (98 days) between chosen (276 – 100 = 176 days) and standard training participants (276 – 2 = 274 days) is, to a certain extent, due to 1) different program type, 2) different length of the program, 3) whether participants successfully finished program (not only started to participate and left during the program) and 4) other unknown factors. Next, we used Cox regression to explain the potential difference in treatment effects of both programs by including additional information on the type and length of training and the successful or preliminary finish of the program.

Controlling for program characteristics

We were interested in explaining some of the program's design-related factors behind the difference between chosen and standard training. We run the Cox hazard model only on treatment because these program characteristics are measured only in the case of participants. To eliminate selection factors that favour chosen training participants over standard training ones, we included all variables previously included in CEM and IPWRA models.

Table 4
Models explaining difference between standard and chosen training by program characteristics

VARIABLES/MODELS	1	2	3	4	5
Chosen (1) vs. standard (ref.)	1.387	1.329	1.466	1.376	1.64 (1.42 – 1.89)
+ DROP OUT (1) (finished as ref.)		0.698	0.685	0.689	0.69 (0.66 – 0.72)
+ LENGTH (1 – 10 days, 80 days + as ref.)			2.106	2.084	2.11 (1.87 –2.37)
11 - 15			1.662	1.844	1.87 (1.67 – 2.10)
16 - 21			1.357	1.593	1.62 (1.45 – 1.81)
22 - 27			1.694	1.743	1.76 (1.58 – 1.95)
28 - 32			1.654	1.716	1.73 (1.56 – 1.91)
33 - 38			1.523	1.598	1.60 (1.44 – 1.78)
39 - 46			1.592	1.624	1.63 (1.47 – 1.80)
47 - 58			1.396	1.421	1.42 (1.29 – 1.58)
59 - 79			1.212	1.221	1.23 (1.11 – 1.36)
+ SPECIFIC TYPE (industry, other as ref.)				1.126	1.13 (1.02 – 1.25)
Agriculture, gardening, security				1.074	1.08 (0.94 – 1.25)
Transport and driving licence				1.139	1.12 (1.01 – 1.24)
Economy and THP				0.941	0.92 (0.83 – 1.03)
Services				0.988	0.99 (0.90 – 1.10)
PC and IT				0.701	0.69 (0.62 – 0.77)
Preparation for business/ self-employment				0.523	0.52 (0.43 – 0.63)
+ Interaction term (EDUC* Chosen vs. standard)					0.91 (0.78 – 1.06)
					0.75 (0.65 – 0.88)
					0.81 (0.67 – 0.98)
-2LL	135059	134841	134586	134413	134394
Chi-2 change	1842***	218***	255***	173***	18***

Source: OKPráce data 2016.
*All models include the following controlling variables: age, sex, health status, education, care for children, previously self-employed, number of spells, employed in last three years, time of entry into unemployment, the sum of preceding spells' length, region, size of the locality, free employment places, level of unemployment in place.

The first column in Table 4 shows that participants of the chosen training program have a 39% higher hazard of leaving unemployment than participants of standard training (HR = 1.39). However, we include additional information because we saw in our treatment assignment model that participants of chosen training type are more likely to choose more promising types of training (acquiring a driving licence vs elementary IT course participation) than participants of standard training. We also add information about the length of the program and the success or the preliminary ending of the training program. These three variables are added step by step into our following models to control their potential effects.

Our second model shows that early dropout from the program decreases the hazard of leaving unemployment by 30% (HR = 0.7), and the effect of chosen vs standard program fell to HR = 1.33. Thus, part of the difference in the impact of chosen vs standard programs is confounded by early dropouts (a higher proportion of dropouts is in standard programs).

From our third model, we can see that the effect of chosen vs standard training was suppressed by the length of the program and increased higher than its starting position, namely to HR = 1.47. The shorter the program is, the shorter is post-program unemployment. Namely, programs with a length of up to 10 days increase the hazard of leaving the unemployment register twice compared to programs over 79 days (HR = 2.1). This effect can also be partly due to different program types with specific lengths. Therefore, we include this information in our final model.

Our 4th model, including the specific type of the program variable, shows that the effect of chosen vs standard training is back in its starting position while the impact of length stays untouched. The specific type of the program affects the hazard of leaving unemployment. Namely, industrial and traffic programs (driving licences) increase hazards by 13%. IT programs decrease it by 30% and self-employment programs by 48% compared to non-specified programs. We conclude that 19% (47% vs 38% increase in hazard in the final model) of the effect of chosen vs standard program is related to the type of the program. However, participants of chosen programs still have a 38% higher hazard of leaving unemployment than standard program participants (HR = 1.38), controlling for the program length, dropout, and type of the program.

Explanation of suppressing effect of length and confounding effects of program dropouts and the type of the program is following. Generally, chosen programs are usually longer, which decreases their impact. On the other hand, they have fewer dropouts and focus more on the traffic industry (driving licences) and less on IT, which increases its impact on leaving the unemployment register. But the most important conclusion is that there is still a significant part of the effect of chosen vs standard unexplained, which shows a considerable potential "institutional" effect of chosen programs over standard ones.

Heterogeneity of the effects

Finally, we also address the issue of heterogeneity of the effects. Mainly we are interested in the difference between various education groups for both standard and chosen training programs. This issue is relevant because those who are better educated may be better able to use options offered by chosen training (see Rinne et al., 2013). In our fifth model (column 5), we use interaction term between chosen vs standard program and education to compare the effect of chosen vs standard program in different education groups.

The effect of chosen vs standard training differs by education. All other equal, highly educated in chosen training have a 32% higher hazard to leave unemployment than their educated counterparts in standard training (HR= 1.64 * 0.81 = 1.32). This may mean that a) participants can use their potential better in chosen programs or b) there are some unobserved differences between highly educated groups (e.g., more active and autonomous participants in chosen programs).

The difference in effect between chosen and standard programs is even more articulated among middle school without graduation (HR= 1.64 * 0.91 = 1.49 in favour of chosen training) and people with primary education only (HR= 1.64 in favour of chosen training). Since we control in presented models for many potential factors behind these differences, like gender or regional differences in program implementation, we argue that the differences in program design could cause the perceived difference. However, we cannot exclude the possibility that these are caused by hidden issues like different mo-

tivations or the readiness of training participants to enter the labour market. Nevertheless, please note that we controlled for the labour market history of participants in these models. Thus, motivational issues may be partially controlled if such issues influence the labour market situation in a longer perspective.

CONCLUSION

This paper discussed the politically relevant issue of whether chosen training could allocate the unemployed better to appropriate training programs, potentially leading to improved program effects. Researchers in other EU countries, including Eastern European countries, also addressed this topic (Rinne et al., 2013; Stefanik, 2021; Madoń et al., 2021). These analyses generally argued that involvement of the unemployed in program selection is in some ways positive for program effects. However, it may not be true for all types of training (see Madoń et al., 2021). We have chosen Czech training programs for assessing this issue, using administrative data from PES registers.

The allocation mechanism in Czechia was not wholly switched to the unemployed, but it is still firmly in the hands of PES workers. We found the situation in Czechia unique also because only part of standard training was replaced by chosen training, and this replacement was not fully managed, leading to notable program variability. PES workers at the local level replaced programs more than it was the policymakers' original intention. This uncontrolled replacement can be assessed as implementation failure or original policy design. We found that replacing standard training with chosen training means changing the training participants' profiles.

The main conclusion is that chosen training brought more promising results in the evaluated period in Czechia than standard training. Both outcomes and impacts of chosen training are substantially better than those for standard training. PES workers argued that people attending chosen programs are more engaged, and their chance to get a job after training is carefully assessed in advance (Hora et al., 2020). These aspects may help program impacts. However, the observed difference in impacts between chosen and standard training can be only partially explained by the characteristics of these programs, different compositions of program participants, etc. A substantial part of the difference remains unexplained, leaving us uncertain but hoping that different allocation mechanisms may cause this result. The outcomes of chosen training were even better for the low educated even after controlling for other factors. Among issues that need further research are exploring allocation mechanism, dropout rates from the training (often for health reasons), the interaction of training with the system of social benefits, and the timing of the interventions.

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Annex:
Graph A1
Overall balance plot

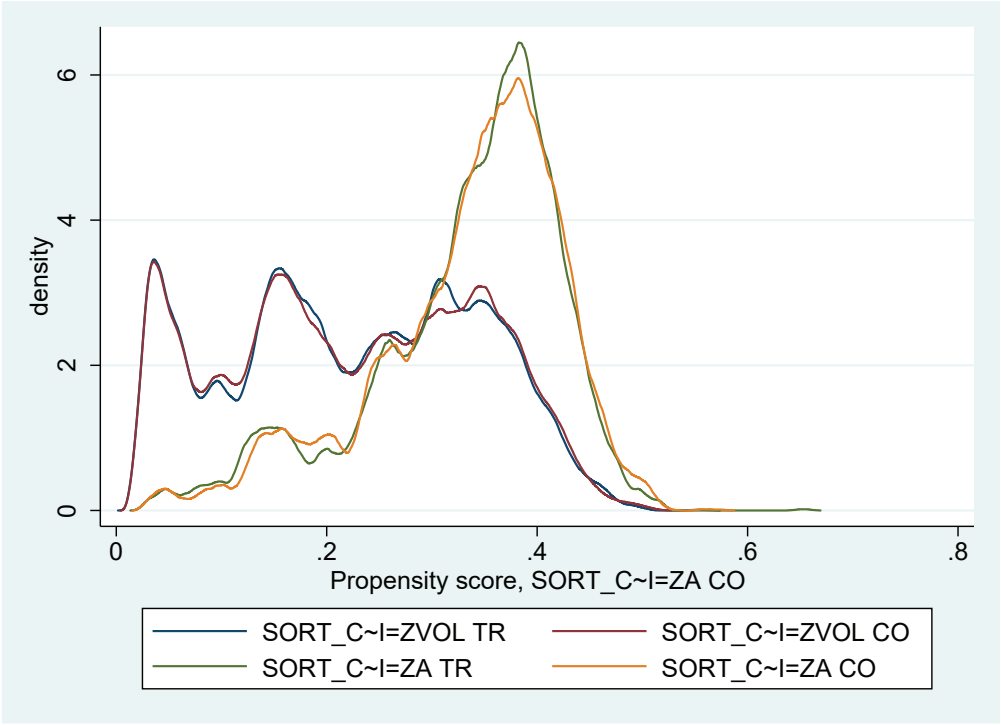

Table A1
Covariates means table after CEM

Means (matched pairs before weighting)				
	ZA CO	ZA TR	ZVOL CO	ZVOL TR
Care for children	0.81	0.81	0.84	0.84
Vacant workplaces	2562.00	2187.00	3961.00	4043.00
Unemployment level	7.06	7.05	6.41	6.44
Settlement size	130516.50	94115.19	238750.60	247642.10
Age	39.52	39.45	36.79	36.64
Středočeský region	0.09	0.09	0.06	0.06
Jihočeský region	0.07	0.07	0.05	0.05
Plzeňský region	0.05	0.05	0.03	0.03
Karlovarský region	0.02	0.02	0.03	0.02
Ústecký region	0.06	0.06	0.11	0.11
Liberecký region	0.05	0.05	0.05	0.05
Královéhradecký	0.03	0.03	0.02	0.02
Pardubický region	0.01	0.01	0.03	0.03
Vysočina region	0.01	0.01	0.10	0.10
Jihomoravský reg.	0.12	0.12	0.09	0.09
Olomoucký reg.	0.01	0.01	0.07	0.07
Zlínský region	0.11	0.11	0.05	0.05
Moravskoslezský	0.31	0.31	0.11	0.11
Gender	0.55	0.55	0.44	0.44
Health status	0.25	0.25	0.13	0.13
Education	2.49	2.49	2.56	2.56
Lenght of c. unempl.	13.69	13.69	13.34	13.34
Employment history	481.91	486.39	459.55	472.38
Unemployment spells	3.75	3.68	3.66	3.64
Unemployment hist.	3.20	3.16	3.12	3.09

Source: OKPráce data 2016.

Table A2
Covariates balance table before and after IPWRA

Standardised differences RAW vs WEIGHTED (vs ZA CO)						
	ZA TR		ZVOL CO		ZVOL TR	
	RAW	WEIGHTED	RAW	WEIGHT-ED	RAW	WEIGHTED
Care for children	0.00	0.00	0.09	-0.02	0.09	-0.02
Vacant workplaces	-0.12	0.00	0.30	0.00	0.31	-0.02
Unemployment level	0.00	0.00	-0.28	-0.02	-0.26	0.00
Settlement size	-0.14	0.00	0.28	-0.01	0.30	-0.02
Age	-0.01	0.00	-0.24	-0.04	-0.26	-0.06
Středočeský region	0.00	0.00	-0.13	0.02	-0.13	0.01
Jihočeský region	0.00	0.00	-0.06	-0.01	-0.06	-0.02
Plzeňský region	0.00	0.00	-0.13	0.02	-0.13	0.02
Karlovarský region	0.00	0.00	0.07	-0.01	0.07	-0.01
Ústecký region	0.00	0.00	0.18	0.00	0.18	0.00
Liberecký region	0.00	0.00	0.03	-0.01	0.03	-0.01
Královéhradecký	0.00	0.00	-0.04	0.00	-0.04	-0.01
Pardubický region	0.00	0.00	0.12	0.01	0.12	0.01
Vysočina region	0.00	0.00	0.41	0.00	0.41	0.00
Jihomoravský reg.	0.00	0.00	-0.11	0.00	-0.11	0.02
Olomoucký reg.	0.00	0.00	0.35	0.00	0.35	0.00
Zlínský region	0.00	0.00	-0.20	-0.01	-0.20	-0.01
Moravskoslezský	0.00	0.00	-0.52	-0.01	-0.52	0.00
Gender	0.00	0.00	-0.21	0.02	-0.21	0.02
Health status	0.00	0.00	-0.30	-0.02	-0.30	-0.02
Education	0.00	0.00	0.08	0.00	0.08	-0.02
Lenght of c. unempl.	0.00	0.00	-0.05	-0.03	-0.05	-0.03
Employment history	0.02	0.00	-0.08	-0.01	-0.04	-0.01
Unemployment spells	-0.04	0.00	-0.05	-0.01	-0.06	0.02
Unemployment hist.	-0.03	0.00	-0.06	0.00	-0.09	0.00

Source: OKPráce data 2016.

Sažetak

USPOREDBA INOVATIVNOG 'ODABRANOG OSPOSOBLJAVANJA' I 'STANDARDNOG OSPOSOBLJAVANJA' U ČEŠKOJ: KAKO JE NOVI PROGRAM POMOGAO?

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Rad procjenjuje instrument aktivne politike tržišta rada pod nazivom „odabrano osposobljavanje" (na češkom zvolené rekvalifikace), uveden na češko tržište rada 2012. godine. Taj novi instrument omogućuje registriranim nezaposlenim osobama znatno više slobode u odabiru mogućeg budućeg tijeka karijere nego tradicionalni programi osposobljavanja jer mogu odabrati profesiju unutar koje se žele osposobljavati kao i željenog pružatelja osposobljavanja. Dodana vrijednost ovoga rada leži u ciljanom povezivanju novih mjera s procjenom učinaka. Metodologija rada temelji se na kvantitativnoj procjeni programa. Koristili smo PES administrativne podatke OK Práce za programe uvedene tijekom 2016. godine i pratili ishode u razdoblju od 2016.-2020. Usporedili smo novi instrument s tradicionalnijim programima koji se i dalje nude usporedno s novime. Zaključili smo da je odabrano osposobljavanje polučilo bolje rezultate nego standardno osposobljavanje te navodimo neke razloge koji objašnjavanju uočene razlike.

Ključne riječi: osposobljavanje, aktivna politika tržišta rada, evaluacija, ciljanje.