

The Effects of On-the-job and Out-of-Employment Training Programmes on Labor Market Histories

Abstract

We evaluate the impact of both on-the-job and out-of-employment training programmes on the mobilities on the labour market. Using French data giving individual work histories over five years, we estimate a multi-spell multistate transition model with unobserved heterogeneity to take participation in programmes and their duration as endogenous and to study both current and past duration and state dependencies. Training has a lasting effect on the individual trajectories and there are interdependencies between the two types of training. On-the-job training increases the risk of separation, but it increases, like out-of-employment training, the hazard rate to employment.