

Lack of support prolongs unemployment

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Everyone has to call in sick at work at some point. With caseworkers at the employment office, however, a sudden absence has direct economic consequences for a third party: The people they support are unemployed on average five percent longer if a meeting is canceled, which corresponds to a period of twelve days. This may sound rather trivial, but it can entail considerable costs for both the welfare state and the individual concerned.

Amelie Schiprowski, economist of the Cluster of Excellence ECONtribute at the Universities of Cologne and Bonn (Germany), evaluated Swiss unemployment insurance data from 2010 to 2012 and investigated how much the personal interaction with caseworkers matters for unemployed individuals. She found out: The duration of unemployment depends to a large extent on how reliable and committed the support provided by the employment office is.

Regular support important for reintegration

Caseworkers at the employment office help to reintegrate unemployment benefit recipients into the labor market. A spontaneous absence of a caseworker reduces the average number of meetings that an unemployed individual can attend. As there are only about two to three meetings per half-year, one missed meeting corresponds in the analyzed data to about 40 percent of support time. The cancelation of a [meeting](#) results on average in a five percent longer unemployment spell. This means in turn that regular support is very important for successful reintegration.

Quantity and quality are important

The economist divided the observed caseworkers into two groups according to their productivity; productivity means how quickly, on average, the people they supported found a job again. The result:

Absences of less productive caseworkers have no [negative effect](#), while the absence of a more productive caseworker extends unemployment by an average of 13 percent. The negative impact of a canceled appointment therefore depends on the quality of the support.

Investment in human capital can reduce duration of unemployment

The paper highlights the economic importance of staff at the employment office. "Caseworkers are underestimated as an important resource for welfare states," says Amelie Schiprowski. Every day of additional [unemployment](#) is expensive for the state. Unemployment could be decreased by reducing the workload of individual caseworkers to facilitate more individual meetings, and by investing into the quality of the support provision.

More information: Amelie Schiprowski, The Role of Caseworkers in Unemployment Insurance: Evidence from Unplanned Absences, *Journal of Labor Economics* (2019). [DOI: 10.1086/706092](https://doi.org/10.1086/706092)

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