# Assisting the Transition from Workfare to Work: A Randomized Experiment

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<tr>
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**Abstract**

Argentina's Proempleo Experiment, conducted in 1998-2000, was designed to assess whether a wage subsidy and specialized training could assist the transition from workfare to regular work. Randomly sampled workfare participants in a welfare-dependent urban area were given a voucher that entitled an employer to a sizable wage subsidy; a second sample also received the option of skill training; and a third sample formed the control group. The authors find that voucher recipients had a higher probability of employment than did the control group, even though the rate of actual take-up of vouchers by the hiring employers was very low. The employment gains were in the informal sector and largely confined to female workers, younger workers, and more educated workers. Skill training had no statistically significant impact overall, though once the analysis corrects for selective compliance, an impact for those with sufficient prior education is found.

**Gender Connection**

Gender Informed Analysis

**Gender Outcomes**

Female labor force participation, wages

**IE Design**

Randomized Control Trial

**Intervention**

The intervention had two treatment arms and a control group. The first treatment provided a voucher that provided a potential employer a wage subsidy to cover part of the wages paid to the employee. The second arm paid for training as well as the wage subsidy. A third arm served as the control group.

**Intervention Period**

1998-2000

**Sample population**

The target population for the experiment was the set of beneficiaries of temporary employment programs. In all 953 workfare participants answered the baseline survey in full.

**Comparison conditions**

The study compared individuals who received an employment voucher, individuals who received a voucher and vocational training, and a control group who received no intervention.

**Unit of analysis**

Individual Level
### Evaluation Period
The study conducted a follow up survey every six months for 18 months.

### Results
The voucher participants had a higher probability of employment than the control group, yet most of the employment gains were in temporary employment. The impact on the gain in wage employment is largely confined to women, young workers and more educated workers. There is no impact of the subsidy on current incomes. The total impact of training is not statistically significant. The takeup of the subsidy was quite low, suggesting that large scale change would require change in demand.

### Primary study limitations
Selected assignment within randomization may have biased the results. Also, the effects from a small program may not have external validity.

### Funding Source

### Reference(s)

### Link to Studies