

Comments on “The Impact of Literacy and Essential Skills Development Programs on the Socio-Economic Integration of Immigrants – A Cost-Benefit Analysis Model”

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Paper Summary

- A non-experimental evaluation of language training courses delivered to Immigrants
 - Cost-benefit perspective
 - Outcome variables are duration of unemployment and post-intervention wages
 - Comparisons done within employed workers and within unemployed workers
- Conclusions suggest that pursuing LES training has little positive impact on the performance of immigrants in the labour market
 - Very unexpected and counter-intuitive findings
 - Subject to many qualifications

Overall Assessment

- Given the data constraints that confronted the author, the methodology is sound
 - The empirical shortfalls are beyond the control of the author
- I am not convinced that these interventions have little efficacy
- The project remains quite worthwhile
 - What lessons can be learned from it?
 - If the project is replicated, how can it be improved?

Disclaimers

- My area of expertise is evaluation of program impacts on labour market outcomes
 - Totally restricted to the benefit side
 - My comments are limited to that aspect
- I am not an expert in the economics of cost-benefit analysis
- Although my livelihood and career are centered on PSE, I care very deeply about Literacy and Essential Skills training for both immigrants and natives

Disclaimers (cont.)

- Gray and Morin
 - Plug for my own work
 - We do not even have a control group
 - Conclude that many program participants appear to need only a minor intervention
 - And then they drop out

General Remarks

- Current state of the Canadian literature is virtually non-existent
 - Only fairly recent studies of which I am aware are the LMMA summative evaluations executed by ESDC
 - Solid and credible but far from perfect
 - Why?
 - Many obstacles to execution, including expense, ethics, and privacy concerns
 - Academic journals in economics will not publish them
- We lag way behind Scandinavian countries and the USA

General Remarks (cont.)

- This is indeed a novel study
 - Commence from scratch
- Very recent time period (2013-2017)
- Incredibly important policy issue
 - Very topical given current events and policy announcements
 - Even well-educated immigrants who arrived over the past two decades take many, many years to “catch-up” to their native counterparts in terms of wages
 - Language competence is of paramount importance

General Remarks (cont.)

- Some of the variables seem like they would be informative and not available in admin data
 - Education level
 - Continent of origin
 - Years since arrival
 - Category of immigrant
 - Current immigration status
 - Prior experience
 - Pursuit of further training

General Remarks (cont.)

- Interesting to have qualitative information from the employers

My conclusion

- The subjects are extremely heterogeneous in their abilities and skills
- And hence the policy interventions have to vary as well
 - Need assessment at the intake point

Comments regarding methodology

- Conditional independence condition is not satisfied
- Implies that control group is not similar to the treatment groups
 - Only matters for the unobservable influences if the observable attributes are included as controls
 - My sense is that the control group is much more “work ready” in terms of cognitive and non cognitive skills
 - Causes the impacts to be under-estimated

Comments regarding methodology (cont.)

- A huge challenge is that the unemployed often get treated at different temporal points relative to the start of their unemployment spells
 - Initiate spells right after treatment ends
 - Pre-treatment unemployment spells, whether they occur in the observation interval or not, have to be treated differently

Comments regarding methodology (cont.)

- Estimation of hazard models could benefit from more frequent data (in the next round)
- Could implement propensity score matching estimators if samples are larger (in the next round)
- Attrition from the treatment group is low, but somewhat higher for the control group (as expected)
- Another possible outcome variable is the degree of stability of subsequent employment