

## THE EFFECT OF UNEMPLOYMENT INSURANCE SANCTIONS ON THE TRANSITION RATE FROM UNEMPLOYMENT TO EMPLOYMENT

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### **Appendix: The Data Set**

The data set is provided by Dutch Social Security Council (SVr) and are administrative data from the industrial organisations that implement the unemployment insurance system, the UI agencies. In 1992, there were 19 UI agencies, one for each of

- (1) agriculture and tobacco processing,
- (2) meat processing,
- (3) construction,
- (4) the metal and electro-technical industries,
- (5) the other metal industries,
- (6) transportation,
- (7) catering and hotels,
- (8) government services,
- (9) banking, insurance, wholesale, and various commercial services,
- (10) the dairy industry,
- (11) the wood and furniture industries,
- (12) printing and reproduction,
- (13) the baking industry,
- (14) the dock industry, fishing and inland navigation,
- (15) the merchant navy,
- (16) health and social services,
- (17) retail, crafts, and housekeeping, and two agencies with more general industrial denominations and coverage,
- (18) the so called Nieuwe Algemene Bedrijfsvereniging (NAB) and the
- (19) Nieuwe Industriële Bedrijfsvereniging (Nibv).

For technical and administrative reasons, the organisations for (2) meat processing, (3) construction and (16) health and social services did not provide data to the SVr and are not included in the data set. All cases of individuals applying for unemployment benefits in 1992 to any of the other 16 UI agencies were included in the database and, if necessary, followed up to September 1993. The raw data provided by the SVr contain 284,877 such cases.

We have excluded all cases that started collecting benefits before 1992 or had sanctions imposed right at the start of the benefits period. Furthermore, we excluded cases for which information relevant to the construction of the variables we use in our analyses is missing or inconsistent. The main reason for deleting cases is missing information on wages. All in all, this leaves us with data on 182,239 cases. In 5,339 of these cases, sanctions are imposed. In

43.5% of the cases, the re-employment durations are right-censored. Tables 1 and 2 provide sample statistics on the full data set, and on random samples (for males and females separately) that are used in the empirical analysis.

The main analyses in this paper are based on data of two particular UI agencies, labelled 'metal and electro-technical industries' (i.e., not 'other metal industries') and 'banking, insurance, wholesale and various commercial services' above. Throughout the article, we simply refer to these agencies as the metal industry and the banking sector. Table 3 gives sample statistics.

We end with some details on measurement and construction of some of the variables. 'Age' is computed as the age in years at the start of the individual's benefits spell. The 'wage' variable is the daily wage loss before taxes for which UI compensation is paid, i.e. the daily wage equivalent to the earnings in the hours that were lost. It is the wage that is used by the UI agency to compute the level of the benefits (see Section 3). It is observed in 43 intervals of width 10 Guilders up to 430 Guilders and a residual interval for those earning over 430 Guilders. Wages over 430 Guilders only occur in 0.8% of the spells in the full data set. The continuous wage variable is defined as the average wage in each wage class or 435 Guilders for those in the highest wage class. District (local authority) codes are observed and recoded to regional and urbanisation dummies. The north is defined as the provinces of Groningen, Friesland and Drenthe. The east consists of Overijssel, Flevoland and Gelderland. The south contains Noord-Brabant and Limburg. The west represents Utrecht, Noord-Holland, Zuid-Holland and Zeeland. Urbanised areas are districts that are highly urbanised according to the Dutch Central Bureau of Statistics (CBS): Amsterdam, Delft, The Hague, the city of Groningen, Haarlem, Leiden, Rijswijk, Rotterdam, Schiedam, the city of Utrecht, Vlaardingen and Voorburg. 'Part-time' and 'full-time' refer to the employment situation of the benefits recipient preceding the UI spell. Full-time refers to working 100% or more of the regular number of hours. Part-time refers to working less than 100% of the regular number of hours.