

# **A role for laboratory experiments in developing labour market policy? a DWP perspective**

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# Brief presentation will cover:

- Background
- Potential advantages to us of laboratory experiments
- Disadvantages
- Possible areas of application

# Background

- Strong Government emphasis on evidence-based policy making – ‘Adding it Up’ white paper
- Challenging targets – e.g. ‘eradicate child poverty’
- Need for more subtle understanding
- Methodological innovation

# Understanding of experiments

- Advantages:
  - Control/precision
  - Possibility of complexity
  - Cost
  - Other resources - in particular available subjects or areas for pilots
  - Speed
  - Avoidance of negative outcomes

- Disadvantages:
  - Necessarily somewhat artificial – how does this affect responses?
  - Restricted set of scenarios – what will happen with a broader range?
- Need to see as complement rather than replacement

# Ideas for exploration

- Have used in past – evaluation of Social Fund
- Personal Advisers and decision making
- Response of organisations and their staff to targets and incentives
- Response of individuals to financial incentives
- Programme take-up – willingness to invest

# Conclusion

- Many issues worth exploring
- Open to use of different methods
- Not just about labour market programmes – e.g. pensions, Housing Benefit