Short-run evaluation of NExTWORK

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Executive summary

This report presents findings from a randomised controlled trial (RCT) evaluating NExTWORK, a new active labour market programme developed by the ROCKWOOL Foundation in partnership with stakeholders including Roskilde Municipality. The programme is designed to improve the educational and economic outcomes of disadvantaged young people receiving social assistance in Denmark. Using a combination of administrative register, municipality, and programme data, it assesses the effectiveness of the programme relative to the existing system of supports over a 2.5 year (130 week) time horizon.

The main findings of the evaluation are as follows:

- **We find some evidence that NExTWORK leads to a small increase in the number of weeks individuals claim social assistance.** Participants claim social assistance for 4 weeks more over a 130 week horizon than the control group, who claim for an average of 76 weeks. However, there is no evidence of differences in the likelihood of claiming social assistance at 130 weeks, suggesting this effect represents an initial lock-in effect which has dissipated by the end of the 130-week time horizon.

- **A more nuanced picture emerges when we examine the type of social assistance claim being made by individuals.** Nearly all of the increase arises from weeks spent on educational assistance (Uddannelseshjaelp) linked to internship activity, with claims for other forms of benefits, including cash assistance (Kontanthjaelp), exhibiting no statistically significant difference. This suggests that the change in benefits claims reflect a shift towards the intended track of the programme: greater engagement with internship-linked activation.

- **For education, there is no clear evidence of an effect on completion of upper-secondary or higher courses.** NExTWORK participants claim the state educational grant (Statens Uddannelsesstøtte or SU) for 4 weeks fewer over the 130 week horizon, which suggests that they spend less time in formal education. However, there is no strong evidence that the programme re-

duces completion of the first year of general upper-secondary or vocational education and training within this time horizon.

- **We find no statistically significant difference in total time spent in employment between the treatment and control groups over the 2.5-year follow-up.** Nor do we find a statistically significant difference in average weekly earnings when including those not in paid work. However, among individuals in employment, there is suggestive evidence of a positive effect: NExTWORK participants earned on average 464 DKK (12%) more per week than employed individuals in the control group after 130 weeks. This may reflect improvements in job quality and wages for participants who find work, but could also be due to selection effects, given the small (and statistically insignificant) decline in employment at 130 weeks.
- **Finally, there is no evidence that NExTWORK had any effect on involvement in crime.** The probability of being charged with a criminal offence within 2.5 years of randomisation was not statistically different between the treatment and control group.

Overall, the evidence suggests that NExTWORK did not lead to improvements in employment or educational attainment over the 2.5-year follow-up period. However, the programme appears to influence the type of activities undertaken by young people on social assistance, with participants more likely to undertake internships. There is also tentative evidence that NExTWORK participants who enter employment earn more than their counterparts in the control group, though this may partly reflect differences in who takes up work rather than improvements in job quality alone. These findings highlight the value of longer-term follow-up to assess whether early shifts in benefit use and earnings patterns translate into sustained changes in education or the labour market.

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Chapter 1

Introduction

A key policy challenge facing governments across the world is how to reduce the proportion of youth not in education, employment, or training. While this challenge was particularly acute in European economies in the aftermath of the Great Recession, the transition from school to the labour market can be problematic for many youth even in a healthy macroeconomic landscape, especially for those from disadvantaged backgrounds. A large literature has shown that an early period of unemployment can have long-lasting negative impacts on a variety of future outcomes including earnings (von Wachter, 2020), crime (Bell et al., 2018), substance misuse (Maclean, 2015; Cutler et al., 2015), wellbeing (Daly & Delaney, 2013) and even mortality (Maclean, 2013; Schwandt & Von Wachter, 2020). These impacts are all in addition to the immediate fiscal costs arising from the reduced tax revenues and increased welfare expenditure associated with low levels of employment and education.

Active Labour Market Policies (ALMPs) have formed one of the primary policy responses to this challenge. Such policies typically comprise some combination of labour market training schemes, job search assistance (e.g. CV workshops), wage subsidies, and public sector work programmes. However, while ALMPs now make up a substantial fraction of public expenditure for OECD countries (Crepon & van den Berg, 2016), evidence on their effectiveness is mixed. Drawing on their meta-analysis of 207 such studies, Card et al. (2015) characterise job search assistance and sanction programmes as typically having a relatively large short-run impact which fades over time; programmes which seek to raise human capital (e.g. training or wage subsidies) as having small or even negative short-run impacts which become more positive in the medium- and long-run; and public sector employment programmes as having negligible or even negative programme impacts at all time horizons. More recent evidence from a large-scale meta-analysis of randomised controlled trials by Levy Yeyati et al. (2025) supports these broad conclusions, highlighting particularly positive effects of well-designed wage sub-

sidies and training programmes under the right macroeconomic conditions.

ALMPs also do not seem to work equally well for everyone. They have been found to be least effective for younger adults, the long-term unemployed, those from socially disadvantaged backgrounds, and those with very low skills or motivation (Caliendo & Schmidl, 2016; Card et al., 2018). All this suggests that new tools and approaches may be needed to help policymakers address the challenge of economic inactivity.

This study evaluates the effectiveness of a new ALMP called NExTWORK, which was developed by the ROCKWOOL Foundation in partnership with several stakeholders including Roskilde Municipality. The programme aims to improve economic and educational outcomes for youth aged 18 to 29 who are receiving social assistance in Denmark. Its impact was tested through a randomised controlled trial (RCT) carried out across six municipalities,[1] in which eligible individuals were randomly assigned either to participate in the NExTWORK programme or to continue receiving standard municipal ALMP services. This report presents results based on administrative data covering a 2.5-year (130-week) follow-up period after randomisation, providing robust evidence on the short-term effects of the programme.

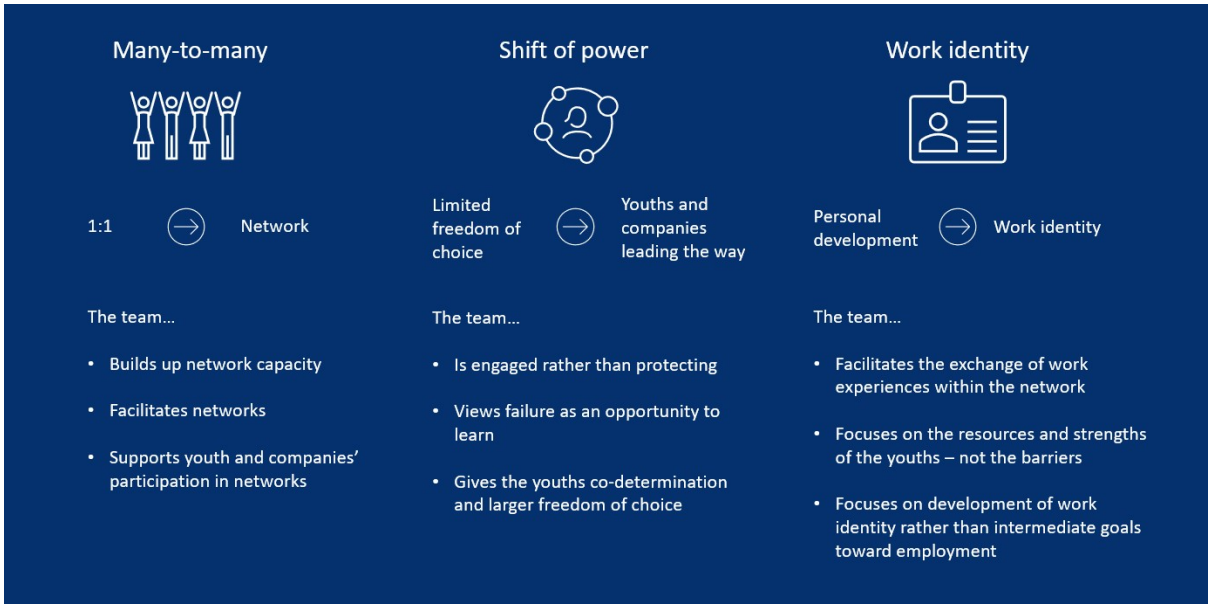
Denmark has an extensive system of social assistance that provides a relatively high consumption floor overall. For the young people targeted by NExTWORK, the main form of support is Uddannelseshjælp (described in detail in the next section), which is set at the same level as the study grant rather than at the more generous rates available under other assistance programmes. Nonetheless, previous research (e.g. Landersø & Heckman, 2016) has argued that the system as a whole can weaken incentives to work and invest in education. Reflecting these concerns, the Danish government devotes a much larger share of public resources to ALMPs than most other countries: 1.2 per cent of GDP in 2022, compared to an OECD average of 0.32 per cent.[2] Despite this, Schultz-Nielsen & Skaksen (2016) estimate around 7-8 per cent of each birth cohort progress through their 20s without a stable labour market affiliation or post-compulsory education and that the financial benefits of integrating such ”disconnected youth” into the labour market are large: between 12 and 15 billion DKK (€1.6-€2 billion) per year.

NExTWORK was developed to address weaknesses identified in earlier ALMPs and within the current Danish system. The programme is built around three core

[1] The NExTWORK programme was also later rolled out as an RCT in three additional municipalities: Haderslev, Fredericia, and Favrskov. However, data on young people in these municipalities was not available for a sufficiently long period after randomisation at the time of writing, so it is not included in this evaluation report. It will, however, be included in any future evaluation(s).

[2] Source: Total Active Measures (Categories 2–7) from OECD Labour Market Programmes database, following OECD (2025).

Figure 1.1: The three key principles of Nextwork



Source: Rambøll (2025).

principles - many-to-many, shift of power and work identity - which are set out in Figure 1.1. Rather than relying on a prescriptive manual, these principles provide the framework for how practitioners work with and interact with young people participating in NExTWORK, shaping both the approach and ethos of the programme.

Building on these principles, NExTWORK incorporates a structured internship component that draws on evidence from previous ALMPs. Research shows that internships and work placements with private sector firms can improve young people's employment prospects (Card et al., 2015). Unlike the standard Danish system, where municipal caseworkers allocate placements, NExTWORK adopts a many-to-many model: young adults are connected with a network of companies and given genuine choice in selecting their workplace. This approach expands the scope for matching, enabling both firms and participants to form relationships that are more likely to result in productive outcomes. Companies in the network remain in close contact with a dedicated coordinator and youth counsellors, who can provide support on demand.

NExTWORK also seeks to foster a stronger work identity among participants. This is achieved through counsellor-led group meetings that centre on sharing and reflecting on work experiences. The sessions are intended not only to help young people confront and overcome challenges collectively, but also to expose them to a range of workplaces and organisational cultures. The underlying motivation is that individuals' perceptions of their own identity - and of how they are perceived by others - shape behaviour and choices, and thereby influence eco-

nomic outcomes (e.g. Akerlof & Kranton, 2010; Kranton, 2016).

This report presents the findings from a randomised controlled trial (RCT) evaluating NExTWORK. Drawing on administrative register data, municipal records, and programme-level information, it assesses the programme's effectiveness relative to the existing system of supports over a 2.5-year (130-week) follow-up period. Chapter 2 describes the NExTWORK intervention in detail, along with the other programmes currently offered by municipalities. Chapter 3 outlines the study design, while Chapter 4 explains the data sources and empirical methods used in the evaluation. Chapter 5 presents the estimated impacts of NExTWORK across a range of outcomes, and Chapter 6 summarises the main findings and implications.

Chapter 2

Existing ALMPs and the NExTWORK programme

This chapter sets the context for evaluating NExTWORK by first describing the Active Labour Market Policies (ALMPs) currently available to young people receiving social assistance, and then outlining how NExTWORK differs from these existing programmes. Understanding this landscape is crucial: the programme's impacts are measured against a backdrop of established interventions, meaning its added value depends on what municipalities already offer.

To be eligible for NExTWORK, young people must be in receipt of social assistance and lack a qualifying education with direct relevance for the labour market (erhvervskompetencegivende uddannelse). In practice, this means receiving educational assistance (Uddannelseshjælp), a benefit specifically targeted at young people without such qualifications.[1]

2.1 Existing ALMPs

The benefit entitlements and obligations of young people depend on their classification under Lov om en aktiv beskæftigelsesindsats (LAB) - the Danish law governing active labour market policy, aimed at supporting a well-functioning labour market. This is determined by caseworkers' assessment of the needs and capabilities of youths, with youth in receipt of educational assistance categorised as either "Education ready" or "Activity ready".[2]

For young people classified as "Education Ready," support focuses on helping them engage with and prepare for the education system. This may involve tai-

[1] In the early years of the intervention, a small number of recipients of cash assistance (Kontanthjælp) were also randomised into the programme in Roskilde and Copenhagen.

[2] This corresponds to the LAB categories 2.12 and 2.13 before 1st of January 2020 and 6.4 and 6.5 from the 1st of January 2020.

lored visits to local vocational schools to inform their choice of study, company internships, and targeted efforts to improve Danish and maths skills to meet entry requirements. The youth classified as "Activity Ready" can participate in many of the same offers as those who are "Education Ready," but they receive an additional layer of support tailored to their needs. This includes a stronger emphasis on personal development and guidance, such as mentoring and participation in physical and social activities. The aim is to equip them with the skills and confidence needed to make the transition to the "Education Ready" category. Chapter 4 draws on municipal data to describe in greater detail the activities provided to the control group under existing ALMPs.

2.2 The NExTWORK programme

In contrast to the focus of existing ALMPs on acquiring educational qualifications as a route out of economic inactivity, NExTWORK aims to help youth develop a work identity that motivates them to do so. The programme has grown out of the positive youth development (PYD) approach, a framework developed in developmental psychology that emphasises building on young people's strengths, fostering supportive relationships, and creating opportunities that promote positive developmental outcomes (Catalano et al. (2004) and Lerner et al. (2005)). [3] A recent policy-oriented definition of the PYD approach provided by the U.S. Interagency Working Group on Youth Programs (2025) describes it as:

> An intentional, prosocial approach that engages youth within their families, peer groups, schools, organizations, and communities in a manner that is productive and constructive; recognizes, utilizes, and enhances youth's strengths and assets; and promotes positive outcomes for young people by providing opportunities, fostering positive relationships, and furnishing the support needed to build on their leadership strengths.

A key way that NExTWORK aims to help develop this work identity is through linking youth with companies willing to offer internships through the programme.[4] Rather than determining matches directly, NExTWORK facilitates matching events at which youth and companies meet. The programme then provides ongoing support to the youth through a counsellor and peer-support groups, and to the

[3] See also Vygotsky (1980); Bruner (1993); Benson et al. (2007); Damon (2004) and Nissen (2012).

[4] The programme requires that companies offering these internships provide a contact person for each intern and take part in match events with the youth. They are also encouraged to participate in company network meetings.

companies through company coordinators and company networks. A NExTWORK team in a municipality typically involves six staff: a team leader, three youth consultants, a company coordinator and a part-time psychologist.

NExTWORK explicitly identifies three core principles that guide all work processes and activities that the team conduct with young people and companies. These are:

1. **Many-to-many:** The focus of NExTWORK is on building networks – and thus social capital - between young people and companies. In order to facilitate a productive and relevant match between the youth and companies, the programme adopts a network approach which allows young people to meet and interact with many companies offering different work experience opportunities.

2. **Shift of power:** NExTWORK aims to empower the youth and increase their confidence in themselves. A key element of this is that it gives the participating youth a genuine choice through the matching events to select an internship that is suited to their preferences.

3. **Work identity:** NExTWORK aims to give the young people an opportunity to develop their work identity as a crucial step in finding direction towards education and work. The core focus is for the young people to be exposed to different work experiences and through sharing these experiences in their peer-support group facilitated by a NExTWORK consultant, to qualify these experiences as useful knowledge and skills - thereby strengthening their sense of ”being a person capable of having a job”. Work identity is primarily developed from these interactions in their peer-support group and through feedback from the company contact-person.

Participating youth are onboarded through introductory activities where they are introduced to NExTWORK and to each other. They are also given information about the companies in the NExTWORK company network and guided in preparing for a match event with companies from the network. During the introductory period youth are also assigned to a peer-support group consisting of approximately eight people. These groups constitute a key part of the youth’s support network throughout the programme period, and provide a setting for weekly meetings.

At the matching event, participants engage in highly structured speed-dating with companies. The aim of this is to direct the focus of the interaction towards the culture of the workplace, work interest, personal preferences and concrete internship offers. The intention is to have more companies present at the match

event than youth to ensure that the youth have a genuine choice in selecting a smaller number of preferred companies for an internship placement. Following the event, participating youth indicate which three companies they would be most interested in interning with and the NExTWORK teams organize internships based on these expressions of interest. Generally, internships require the youth to be present at the companies for at least 4 hours a week for 3 months. The agreed number of hours and exact length of the internship varies across youths and over time, depending on the youths' capabilities and level of progression.

While young people are engaged in internships, they participate in their peer-support groups once a week for two hours. Here, they are given an opportunity to jointly reflect on and share their work-related experiences and challenges, in order to explore ways to overcome personal barriers and engage pro-actively in the workplace. These group meetings are facilitated by a youth counsellor. The counsellor uses a narrative approach to build work identity among the youth by asking them to share their work experiences, and, thereby, provide everyone in the group with insights into the different workplaces and work cultures. Individual conversations with the youth counsellor and a psychologist are also facilitated, though this is not intended to be the primary medium through which support is provided.

Companies must assign a contact person who supports the young person during the internship. NExTWORK supports companies that provide internships through a company coordinator. The companies can contact the coordinator or other members of the NExTWORK team at any time with queries and concerns about their intern. In addition, company network meetings are facilitated at which companies can share experiences and problems with other companies in the network.

Every six weeks, youth counsellors fill in a progress monitoring tool for each youth in the programme. Youth can stay with a company for up to three months, after which, if they are still with the programme, they are encouraged to try new internships to be exposed to different work settings.

There is no fixed limit on how long an individual can remain in NExTWORK. Participants leave the programme when they enter employment or education, or when they no longer meet the eligibility criteria. In some cases, this is because the NExTWORK team determines that a young person requires a higher level of support than the programme can provide - for example, treatment for substance abuse or mental health issues that make continued participation impractical.

Chapter 3

Evaluation design

The evaluation is implemented as a stratified randomised controlled trial (RCT) conducted across six Danish municipalities: Roskilde, Copenhagen, Sønderborg, Horsens, Vejle, and Kalundborg.[1] These six municipalities – highlighted in green in Figure 3.1 – represent a mixture of urban, rural and smaller-town settings, providing a degree of geographical and demographic diversity in the study population. The evaluation design was pre-determined and detailed in a pre-analysis plan registered with the American Economic Association RCT Registry.[2]

In this Chapter, we first describe the population who were eligible to be randomised into NExTWORK. We then outline the randomisation procedure and discuss issues of fidelity and compliance with the trial design. The Chapter concludes by presenting evidence that the treatment and control groups are well balanced in terms of observable characteristics at the point of randomisation, providing encouraging evidence that the randomisation was successful.

3.1 Eligibility

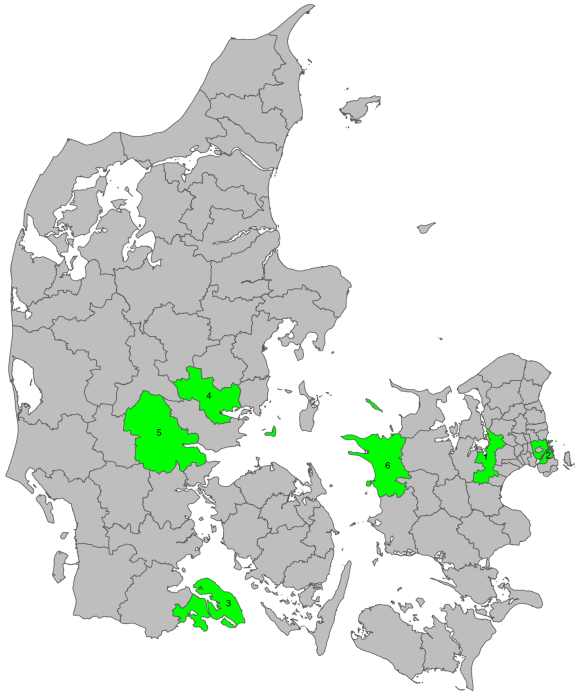
In each municipality the primary target group consists of youth aged 18 to 29 who are receiving social assistance and who do not have a qualifying education. As described in the previous Chapter, this consists of individuals in receipt of educational assistance (called Uddannelseshjælp) who are classified as "Education Ready" or "Activity Ready" .[3]

[1] The NExTWORK programme was also later rolled out as an RCT in three additional municipalities: Haderslev, Fredericia, and Favrskov. However, data on young people in these municipalities was not available for a sufficiently long period after randomisation at the time of writing, so it is not included in this evaluation report. It will, however, be included in any future evaluation(s).

[2] See AEA RCT Registry ID AEARCTR-0002752.

[3] In Roskilde and Copenhagen, a small number of youth receiving Kontanthjælp were randomised into the NExTWORK programme.

Figure 3.1: Municipalities where rollout of NExTWORK is being evaluated



Source: Map data derived from OpenStreetMap (OSM) by Geolocet LTD.
Note: 1=Roskilde; 2=Copenhagen; 3=Sønderborg; 4=Horsens; 5=Vejle; 6=Kalundborg

Across municipalities and irrespective of classification, youth are excluded from the trial if their caseworker has made a decision to exempt them from participating in active measures, usually on health grounds. In addition, youth who are about to start an education, go on maternity leave, go to prison, go into intensive treatment or will otherwise be unavailable for a long period are ineligible to participate in either NExTWORK or other active measures. Youth may also be excluded from randomisation if their caseworker determines that they do not have sufficient ability to participate in weekly group meetings or sustain regular attendance at a workplace - a basic requirement of the NExTWORK programme.

3.2 Randomisation

Within each municipality, eligible participants were randomly assigned to either the NExTWORK treatment group (T) or the service-as-usual control group (C) following a meeting with their caseworkers. Randomisation was implemented by the caseworker using a tool provided by the ROCKWOOL Foundation, accessed by logging onto a website created specifically for the purpose and using a personal password. Separate allocation sequences with permuted blocks of randomly vary-

Table 3.1: Randomisation period by municipality

Municipality	Start	End
Roskilde	Dec 2016	Aug 2019
Copenhagen	Jan 2018	Sep 2019
Sønderborg	Sep 2018	Oct 2022
Vejle	Mar 2019	Dec 2021
Horsens	Apr 2019	Sep 2022
Kalundborg	Jun 2020	Nov 2021

ing size (4 and 6) were created for each stratum of eligible youth (i.e. by LAB category for each municipality). All sequences were generated using the `ralloc` programme in Stata and concealed from the caseworkers who performed the randomisation.

The allocation ratio between treatment and control groups was 1:1 except for in Copenhagen, where an allocation ratio of 1:2 applied at times given the large number of eligible youth in the municipality. Table 3.1 shows the period that the randomisation of youth took place in each municipality. This ranged from December 2016 to October 2022, with the first youth randomised in Roskilde and the last in Sønderborg.

Youth assigned to the control group continued to receive standard services through the local job centre, as discussed in Chapter 4 below. Those allocated to the treatment group were contacted by NExTWORK staff to initiate onboarding. This process included assignment of a dedicated NExTWORK youth counsellor, an introduction to the programme and the participating companies along with preparatory activities ahead of the next match event and enrolment in the peer support network.

Although recruitment and randomisation occurred continuously throughout the study period, NExTWORK staff could contact participants immediately after assignment to the treatment group. However, there was sometimes a short gap between being allocated to the treatment group and taking part in the first match events.

The assigned treatment status of individuals remained fixed as long as the NExTWORK trial was ongoing in a municipality. This meant that individuals assigned to the treatment group who had initially ceased claiming social assistance but subsequently submitted a new claim were re-assigned to NExTWORK. Similarly, individuals assigned to the control group making a new claim for social assistance would not be re-randomised or eligible to participate in NExTWORK.

3.3 Fidelity and compliance

Municipalities received detailed training and guidance on both the implementation of the NExTWORK programme and the randomisation procedures central to this evaluation. Nonetheless, a small number of deviations from the agreed protocol occurred during implementation, including some related to the randomisation process.

3.3.1 Randomisation error

A small number of deviations from the randomisation protocol occurred during implementation. These errors arose for several reasons. In some instances, individuals were included in the study population but transitioned to a different form of social assistance around the time of randomisation and therefore should not have been eligible. In other cases, individuals were incorrectly recorded as receiving social assistance or were mistakenly randomised due to benefit misclassification.

Across the six municipalities, local authorities formally identified 56 individuals as having been randomised in error - 24 assigned to the control group and 32 to the treatment group. These cases are excluded from the analysis sample. In addition, programme monitoring data revealed 16 individuals who were assigned to the control group but nonetheless participated in NExTWORK activities. These non-compliers are retained in the analysis sample, consistent with an intention-to-treat approach. In total, the 56 exclusions account for around 2.6% of the original sample of 2,150 individuals.

In the main analysis below, we present results excluding the 56 individuals who were randomised in error from the estimation sample. However, we obtain very similar estimates of treatment effects when these cases are retained in the sample with results that are not meaningfully different either qualitatively or quantitatively. As an additional robustness check, we have also re-run the analysis excluding the additional 16 cases, and the results remain unaffected.

3.3.2 Implementation of the intervention

The ROCKWOOL Foundation Interventions Unit provided extensive implementation support to the teams tasked with delivering NExTWORK in municipalities including training, supervision and ongoing guidance. The external implementation evaluation by Rambøll Management Consulting found that this support significantly helped the implementation of the programme by NExTWORK teams.

The implementation evaluation (Rambøll, 2025) found that in general, the implementation of NExTWORK has been successful across activities, municipalities, and over time. However, there were notable differences in the level of implementation between municipalities. Specifically, the evaluation identified some variation in how the programme was carried out. For instance, in Vejle, Horsens, and Kalundborg, NExTWORK team members held administrative roles, granting them the responsibility to decide whether to sanction youth for non-compliance with social assistance conditions. In contrast, in other municipalities, this decision-making responsibility rested with officials at the local Jobcentre. To account for these differences, we control for municipality of randomisation in our empirical model, as detailed in Chapter 4.

The implementation evaluation by Rambøll also highlighted the impact of the COVID-19 pandemic on NExTWORK's rollout. Government-imposed lockdowns during the evaluation period affected some municipalities but not others. This was because municipalities where NExTWORK was implemented earlier (Roskilde and Copenhagen) had already completed their participation in the trial by the time restrictions came into effect, whereas those where the programme started later (Sønderborg, Horsens, Vejle, and Kalundborg) were directly affected.[4]

Table 3.2 provides an overview of how COVID affected the implementation of NExTWORK across these 4 municipalities based on an internal report by the ROCKWOOL Foundation Interventions Unit. While the broad responses were reasonably uniform (moving youth meetings online and largely suspending internships), interviews with NExTWORK team members emphasised the importance of local factors for the implementation of the programme during this time. This was in particular due to differences across municipalities in the implementation of COVID-19 related legislation. This provides further rationale for including controls for the municipality – as well as the year – of randomisation in our main empirical specification as detailed in Chapter 4 below.

3.4 Evaluation sample

The primary evaluation sample comprises individuals for whom at least 2.5 years (130 weeks) of follow-up data are available in the Danish administrative registers described in Chapter 4. This follow-up horizon corresponds to the pre-specified endpoint in our analysis plan (discussed below) and ensures consistent outcome measurement across individuals.

[4] In Kalundborg, the rollout of NExTWORK had only just begun in March 2020 and was delayed by the first lockdown.

Table 3.2: Overview of impact of COVID lockdowns on NExTWORK activities

	Sønderborg	Horsens	Vejle	Kalundborg*
No. 1				
Start	March	March	March	n/a
Impact on activities				
Youth networks	online	online	online	n/a
Internships	suspended	suspended	suspended	n/a
Resumption	June	June	September	n/a
No. 2				
Start	Dec.	Dec.	Dec.	Dec.
Impact on activities				
Youth networks	online	online	online	online
Internships	suspended	suspended	suspended	suspended

Note: NExTWORK had not fully started operating in Kalundborg at the outset of the first COVID lockdown.

Due to the staggered rollout of NExTWORK across municipalities, only individuals who were randomised sufficiently early to allow for a full 130-week follow-up period are included. All participants randomised in Copenhagen and Roskilde are part of the evaluation sample, as these municipalities were the first to implement the programme. In municipalities that joined the trial at a later stage, inclusion in the evaluation sample varies: 88% of participants in Horsens and Vejle, 80% in Kalundborg, and 72% in Sønderborg have sufficient follow-up data available at the time of analysis.

Table 3.3 summarises the composition of the evaluation sample across the municipalities. The overall initial randomised sample includes 2,150 individuals. Removing 56 individuals who were identified as having been randomised in error reduces the sample to 2,094. Conditioning on the availability of at least 130 weeks of register data further reduces the analysis sample to 1,847 individuals.

Table 3.3: Evaluation sample by municipality

Municipality	N without error	N in evaluation sample
Roskilde	497	497
Copenhagen	333	333
Sonderborg	507	367
Horsens	305	268
Vejle	270	238
Kalundborg	182	144
Total	2094	1847

3.5 Balance tests

Following the randomisation procedure and compliance patterns described in the preceding sections, we now examine whether the treatment and control groups are balanced on observable baseline characteristics. This is a crucial validity check in any randomised controlled trial, as it helps ensure that any subsequent differences in outcomes can plausibly be attributed to the intervention rather than to pre-existing differences between groups.

Table 3.4 presents descriptive statistics for the evaluation sample, disaggregated by treatment status and excluding individuals who were randomised in error. We report mean values for key demographic and background variables measured at the time of randomisation. The final two columns show the difference in means between the treatment and control groups, alongside the corresponding standard errors.

The treatment and control groups are well balanced across the full range of observed characteristics. Most differences are small in magnitude and statistically insignificant. The only characteristics that differ significantly at the 10% level are Danish citizenship - 2 percentage points higher in the treatment group ($p < 0.10$) - and residence in Copenhagen - 4 percentage points lower in the treatment group ($p < 0.10$), which aligns with expectations given the 1:2 treatment allocation ratio implemented in some periods. All other characteristics, including age, gender, benefit category, and highest education level, as well as characteristics at baseline and in the year prior to randomisation are statistically indistinguishable between the two groups. One point to note is that around 90% of individuals are recorded as claiming social assistance at baseline, despite this being a formal eligibility requirement for randomisation. This likely reflects minor differences in timing between when randomisation occurs and when individuals are recorded as receiving benefits in the administrative data.

Overall, the balance test results provide encouraging evidence that the randomisation was successful. The two groups appear comparable on observable characteristics at baseline, which is a necessary condition for the internal validity of the study and the credibility of subsequent treatment effect estimates.

Table A.1 reports analogous statistics for the analysis sample, defined as the 1,847 individuals with at least 130 weeks of register data that are included in the regression analysis. As in the overall evaluation sample, most differences between the treatment and control group are small and statistically insignificant. There are a few differences: individuals in the treatment group are on average 0.39 years younger at randomisation ($p < 0.05$) and 4 percentage points more likely to be Danish citizens ($p < 0.05$). They are also somewhat less likely to reside in Copen-

Table 3.4: Summary statistics by treatment status

	(1) Full Sample mean	(2) Control mean	(3) Treatment mean	(4) Diff. b	(5) Diff. se
Individual Characteristics (at randomisation)					
Age	23.38	23.51	23.24	0.27	0.14
Education Ready	0.70	0.68	0.71	-0.03	0.02
Activity Ready	0.30	0.32	0.29	0.03	0.02
Female	0.44	0.44	0.43	0.01	0.02
Danish citizen	0.92	0.90	0.93	-0.02*	0.01
Claiming social assistance	0.90	0.91	0.89	0.01	0.01
Lower secondary or below education	0.85	0.85	0.84	0.00	0.02
Municipality					
Roskilde	0.24	0.23	0.24	-0.01	0.02
Copenhagen	0.16	0.18	0.14	0.04*	0.02
Sonderborg	0.24	0.24	0.25	-0.01	0.02
Horsens	0.15	0.14	0.15	-0.01	0.02
Vejle	0.13	0.13	0.13	-0.01	0.01
Kalundborg	0.09	0.08	0.09	-0.01	0.01
Year of randomisation					
Randomised in 2016	0.01	0.01	0.01	-0.00	0.00
Randomised in 2017	0.07	0.07	0.07	-0.00	0.01
Randomised in 2018	0.26	0.28	0.25	0.02	0.02
Randomised in 2019	0.31	0.31	0.31	-0.00	0.02
Randomised in 2020	0.19	0.18	0.19	-0.01	0.02
Randomised in 2021	0.12	0.12	0.11	0.00	0.01
Randomised in 2022	0.05	0.05	0.06	-0.01	0.01
Year prior to randomisation					
Weeks claiming assistance	26.50	26.85	26.13	0.71	0.88
Weeks in paid work	8.37	8.23	8.51	-0.28	0.60
Committed any criminal offense	0.18	0.18	0.18	-0.00	0.02
Observations	2094	1076	1018	2094	

hagen, with a 4 percentage point difference that is marginally significant at the 10% level.

Taken together, these findings confirm that the analysis sample remains well balanced across a wide set of baseline characteristics. The few observable differences are limited in scope and magnitude, and we control for them directly in the regression analysis. This ensures that they do not compromise the validity of the randomisation or the credibility of the estimated treatment effects.

Chapter 4

Empirical approach and data

As outlined in earlier chapters, NExTWORK aims to improve outcomes for young adults aged 18–29 who are in receipt of social assistance. This chapter sets out the specific hypotheses tested in this evaluation, before describing the outcomes, data sources, empirical approach, and econometric specifications used. All of these were pre-registered in a pre-analysis plan with the American Economic Association RCT Registry.[1] To provide context for interpreting the results, the chapter also summarises the activities undertaken by the control group across the six municipalities in the evaluation sample, illustrating the type of Active Labour Market Policies (ALMPs) against which NExTWORK is being compared.

4.1 Hypotheses and outcomes

The aim of the evaluation is to establish whether NExTWORK has an impact on four types of outcomes: receipt of social assistance, education, employment and crime. Across these four outcomes it seeks to test seven primary hypotheses which are set out in Box 4.1. They include the hypotheses that NExTWORK will reduce the share of youth claiming social assistance, improve educational attainment and increase both employment and earnings.

These hypotheses were formulated in discussions with the programme designers and reflect both the underlying principles of NExTWORK and the political goals for this target group. The programme's emphasis on building networks and supporting the development of a stronger work identity is expected to improve labour market attachment and reduce reliance on social assistance. Although the programme is primarily work-focused, the emphasis on identity and agency may also encourage re-engagement with education, since many career paths require further qualifications. Finally, by offering constructive roles, peer support, and closer

[1] See AEA RCT Registry ID AEARCTR-0002752.

ties to employers, the programme is also expected to reduce the risk of criminal involvement. In this way, the hypotheses correspond both to the mechanisms built into NExTWORK and to the broader objectives of Danish ALMPs: reducing welfare dependency, strengthening labour market attachment, and supporting young people's social inclusion.

The pre-analysis plan defined the specific measures and outcomes that would be used to test each of these hypotheses. These are set out in Box 4.2.

Box 4.1: Evaluation hypotheses

1. Social Assistance
   (a) NExTWORK will on average reduce the proportion of participating youth claiming social assistance
   (b) NExTWORK will on average reduce the length of time participating youth claim social assistance
2. Education
   (a) NExTWORK will have a positive average impact on rates of completion of education among participating youth
3. Employment
   (a) NExTWORK will have a positive average impact on uptake of paid employment among participating youth
   (b) NExTWORK will have a positive average impact on the total amount of time spent in paid employment among participating youth
   (c) NExTWORK will have a positive average impact on weekly earnings of participating youth
4. Crime
   (a) NExTWORK will reduce the proportion of participating youth charged with a criminal offence

Participants in NExTWORK were expected to remain in the programme for around 6 to 9 months — typically longer than those in the control group, whose municipal programmes were generally less intensive. To allow for this longer expected duration and the possibility of short-term "lock-in" effects, the primary evaluation point was set at 130 weeks (2.5 years) after randomisation. In addi-

tion, we estimate impacts at six-month intervals (26, 52, 78, and 104 weeks) to assess both the timing and persistence of any effects, including whether any initial lock-in is followed by longer-term gains.

Box 4.2: Evaluation outcomes

1. Whether claiming social assistance
   (a) Proportion of youth no longer claiming a social assistance or social insurance payment
   (b) Cumulative length of time claiming social assistance since being assigned treatment status
2. Whether have completed the first phase of upper-secondary education
   (a) Proportion of youth who have completed the first year of general upper-secondary education or vocational education and training
3. Whether in paid employment
   (a) Proportion in paid employment, defined as having positive earnings
   (b) The cumulative length of time in paid employment since being assigned treatment status, where being in paid employment is defined as having positive earnings
   (c) Average weekly earnings (set at 0 for those without positive earnings)
4. Being charged with a criminal offense
   (a) Proportion charged with a criminal offense (excluding minor traffic infractions) following randomisation

4.2 Data

We draw on monitoring data collected by participating municipalities and administrative register data maintained by Statistics Denmark. Each participant in the trial, whether assigned to the treatment or control group, is linked to their administrative records through a secure data linkage process managed by Statistics

Denmark.[2] This allows us to follow individuals over time and observe a wide range of outcomes using high-quality register data.

We take baseline demographic characteristics - such as age, gender, and municipality of residence - from the BEF register. This register serves as the core source of background information on trial participants. Our primary outcomes are measured using the following administrative data registers:

Social assistance: Data on benefit claims are sourced from the DREAM register, which records receipt of public transfer payments at a weekly frequency. We use this register to construct both point-in-time indicators of social assistance receipt and cumulative measures of the number of weeks individuals claim various benefit types over the follow-up period.

Education: Educational enrolment and attainment are captured using the KOTRE and DREAM registers. The KOTRE register provides the list of education courses enrolled in and completed by individuals. We combine this with classification data held by Statistics Denmark to identify the level of each course (e.g. upper-secondary or higher education) and track both enrolment and completion over time. We additionally use the DREAM register to record the receipt of the state educational grant (Statens Uddannelsesstøtte or SU), which also captures enrolment in education.

Employment: Labour market outcomes are derived from the BFL register, which provides detailed records on employment spells and earnings. For each individual, we construct indicators of paid employment status at specific follow-up points, the cumulative number of weeks in paid employment, and average weekly earnings over the observation period.

Criminal charges: Information on criminal justice involvement is taken from the KRSI register, which records charges filed against individuals. We use this to measure whether individuals were charged with any offence - both inclusive and exclusive of traffic infractions - as well as with more serious criminal offences during the follow-up period.

These registers offer consistent and detailed coverage of key outcomes for all individuals in the study. The high frequency and accuracy of the data mean that we can follow participants over time without attrition and construct reliable measures for each outcome of interest. This allows for a robust analysis of the programme's effects across these different outcomes.

[2] Details of the procedures and systems used by Statistics Denmark to ensure the security and confidentiality of these data is available on the Statistics Denmark website dst.dk.

4.3 Empirical approach

In testing the main study hypotheses set out in Box 4.1, our goal is to causally identify the impact of the NExTWORK programme on the four groups of outcome. The challenge at the heart of causal impact identification is that ideally we would like to compare the outcomes of individuals who receive the treatment to the outcomes of the same individuals without receiving treatment. That is, for example, we would like to compare the employment status of individual A at time $t = 130$ weeks after being randomised into NExTWORK to the employment status of individual A at time $t = 130$ weeks had they attended the standard government programme instead. This true counterfactual is impossible to observe.

Formally, we denote treatment status as D, so that $D = 1$ for those who receive the NExTWORK treatment and $D = 0$ for those assigned to the default government programme and who remain ineligible to join NExTWORK until 130 weeks (2.5 years) after randomisation. Therefore, the outcome of interest for an individual is denoted as Y_t^D where t is the number of weeks after the time of randomisation ($t = 0$). That is, Y_t^1 denotes the outcome for an individual randomised to participate in NExTWORK at time t since randomisation, and Y_t^0 the outcome for an individual randomised to participate in the control group at time t since randomisation.

The difference in outcomes for those participating in NExTWORK compared to those participating in the usual programme at any given point in time is therefore given by:

$$\begin{aligned}\Delta_t &= E(Y_t^1 - Y_t^0 | D = 1) \\ &= E(Y_t^1 | D = 1) - E(Y_t^0 | D = 1)\end{aligned}$$

for $t = 1, 2, ..., T$ weeks since randomisation.

Since the amount of time that an individual spends in treatment is endogenous, we begin measurement of Δ_t from the time that they are randomised into the programme rather than from the time of programme completion. That is, whatever happens after the randomisation, including programme lock-in effects, is treated as part of the impact of the programme. More formally, Δ_t measures the intent to treat (ITT) effect rather than the Treatment on the Treated (ToT) effect, capturing outcomes of everyone eligible for the treatment rather than just those who end up receiving the treatment.

The causal inference problem is that while we can identify $E(Y_t^1 | D = 1)$, which is the expected value of the outcome variable in the treatment group on receiving treatment, it is not possible from the data to identify the expected value of the outcome variable in the treatment group had the programme not existed

($E(Y_t^0|D=1)$); we can only identify $E(Y_t^0|D=0)$ i.e. the expected value of the outcome variable in the control group (those who did not receive the treatment). If we can make a credible case that $E(Y_t^0|D=0) = E(Y_t^0|D=1)$ then we can use the former to estimate Δ_t. To make this case it must be that Y_t^0 is independent of the treatment status i.e. that $Y_t^0 \perp D$.

In a real-life situation we would not be able to make this assumption without at least conditioning on observable characteristics since participation in any programme is a choice and individuals who make this choice are likely to differ from those who do not along characteristics that also affect Y_t^0. This is the reason why a key feature of our study design is the random assignment of eligible individuals into the programme. As shown in Chapter 3, formal statistical tests indicate that the treatment and control groups appear well balanced across a broad range of observed characteristics suggesting that randomisation was successfully implemented. This is a necessary condition to ensure that the average of outcome variables among non-participants is a good approximation of the expected value of the outcomes among the participants had the programme not existed.

4.4 Empirical specification

Our outcomes – described above – are measured using a mix of continuous and binary variables. For our primary results, we estimate the effects of the programme on both the continuous and binary outcomes using ordinary least squares (OLS) regression.[3]

In addition to assigned treatment status, our main estimates include controls for municipality of randomisation, age at randomisation, year of randomisation, LAB category (i.e. the classification under the Danish law on active labour market policy that determines benefit entitlements and obligations), a baseline measure of the outcome variable (where applicable), and Danish citizenship. While not strictly necessary given – with the exception of Danish citizenship – the achievement of balance across treatment and control groups detailed above, the inclusion of these additional covariates can help to improve the precision of our estimates by reducing the variance of parameter estimates (Duflo et al., 2007). In our

[3]This represents a small departure from the estimation strategy set out in the pre-analysis plan where we proposed using logistic regression for any binary outcomes. The reason for this is that using logistical regression led to a small number of observations – for whom the outcome is perfectly predicted by the covariates described below – being dropped from the evaluation sample: the problem of complete separation described by Albert & Anderson (1984). Which observations are dropped differs across outcomes and could be in some way correlated to treatment, which risks biasing our estimates. As a result, we instead use OLS for the binary as well as the continuous outcomes we examine.

case, including the controls improves precision but does not materially affect the point estimates.

Our main estimating equation is therefore as follows:

$$y_{imt} = \alpha + \beta y_{im0} + \gamma T_{im} + \delta X_{im0} + \theta M_m + \epsilon_{imt} \tag{4.1}$$

where y_{imt} is one of the outcomes listed in Box 4.2 for individual i in municipality m at time t; y_{im0} is the baseline measure of the same outcome; γT_{im} is the treatment status of individual i in municipality m; X_{im0} is a vector of characteristics including age at randomisation, citizenship status and LAB status; and θM_m is a municipality indicator.

Given we analyse multiple related outcomes, adopting the standard one-at-a-time approach to hypothesis testing would risk identifying spurious treatment effects by chance: the problem of multiple hypothesis testing outlined in Duflo et al. (Section 7.2 2007). This is because the significance level used for each test is less than the probability of rejecting a true null hypothesis for at least one outcome. As a result, we explicitly account for the multiplicity of hypotheses being tested by adjusting p-values using the step-down procedure developed by Romano & Wolf (2005, 2011) for each group of related outcomes across the 4 domains listed in Box 4.2.

4.5 Control group activities

Those assigned to the control group participate in the ALMP activities normally provided by their municipality. For youths receiving educational assistance (Uddannelseshjaelp), these activities are primarily focused on preparing them to return to education, as outlined in Chapter 2. Interpreting the effect of NExTWORK requires a deeper understanding of these activities, as the treatment effects we estimate are relative to the set of activities that youth would have experienced had they not participated in NExTWORK.

Using data provided by the six municipalities where NExTWORK was in operation, Tables 4.1 and 4.2 show the activities that the control group participate in. These are categorised as education (either provided by an educational institution or in-house by the municipality or a contracted partner), health and social, employment (internship or other focused) and support.[4]

Table 4.1 presents the number and share of control group youth who participated in each type of activity overall and by municipality. This shows that almost

[4]Particular thanks to Mikkel Stahlschmidt for his assistance with these data and categorising the activities undertaken by the control group across these municipalities in a consistent way.

three-quarters (73%) of control group youth participated in an educational activity run by the municipality or a partner at some stage, just over half (52%) in an internship, and over two-fifths in education (at an educational institution) or a support programme (44% and 40% respectively).

Table 4.1 also highlights that there is substantial variation across municipalities in the types of activities control group youth participated in. For example, while 83% of control group youth participated in an internship in Horsens, just 32% did so in Kalundborg. Similarly, while 95% of youth participated in an educational activity run by the municipality or a partner at some stage in Copenhagen, just 48% did so in Horsens.

Youth can participate in more than one activity over the duration of a spell claiming social assistance, and participate in these activities for different lengths of time. Table 4.2 therefore shows the share of time (weeks) spent by the control group youth on each activity in aggregate. This shows that differences in the activities undertaken across municipalities persist, with – for example – Copenhagen and Roskilde most focused on educational activities (making up 83% and 60% of weeks recorded in activities respectively), and Horsens most focused on internships (41% of weeks).

The greater emphasis on internships in municipalities like Horsens, Sønderborg and Vejle holds both for youth randomised before and youth randomised during the COVID-19 pandemic. Although, as with the treatment group, such internships may have been suspended for times during the pandemic, they were not halted completely.

In addition to varying across municipalities, there is also substantial variation in the activities participated in across those youth classified as ”Education Ready” and ”Activity Ready”. For example, Appendix Tables A.2–A.5 show that while over half of ”Education Ready” youth participated in programmes at an educational institution, less than a third of ”Activity Ready” youth did so. Instead, ”Activity Ready” youth were more likely to participate in educational programmes run by the municipality itself or with a partner. This illustrates the importance of controlling both for municipality fixed effects and LAB status in our main empirical specification.

Table 4.1: Control group activities: number (and share) participating in each activity

	Municipality						
	Copenhagen n=177 N (%)	Roskilde N=232 N (%)	Sønderborg N=233 N (%)	Horsens N=140 N (%)	Vejle N=111 N (%)	Kalundborg N=84 N (%)	Total N=977 N (%)
Education (in-house/partner)	168 (94.9)	198 (85.3)	160 (68.7)	67 (47.9)	69 (62.2)	51 (60.7)	713 (73.0)
Education (institution)	47 (26.6)	89 (38.4)	161 (69.1)	37 (26.4)	52 (46.8)	46 (54.8)	432 (44.2)
Health & Social	21 (11.9)	53 (22.8)	38 (16.3)	-	27 (24.3)	-	160 (16.4)
Employment (internship)	65 (36.7)	109 (47.0)	131 (56.2)	116 (82.9)	58 (52.3)	27 (32.1)	506 (51.8)
Employment (other)	-	42 (18.1)	42 (18.0)	67 (47.9)	29 (26.1)	-	185 (18.9)
Support	38 (21.5)	77 (33.2)	143 (61.4)	55 (39.3)	20 (18.0)	61 (72.6)	394 (40.3)

Source: authors' calculations using data provided by municipalities.

Table 4.2: Control group activities: share of time

	Municipality						
	Copenhagen n=177 %	Roskilde N=232 %	Sønderborg N=233 %	Horsens N=140 %	Vejle N=111 %	Kalundborg N=84 %	Total N=977 %
Education (in-house/partner)	73.8	52.5	26.1	17.7	34.3	35.3	41.5
Education (institution)	8.9	7.0	16.0	-	9.3	13.7	9.9
Health & Social	-	7.8	3.7	-	9.8	-	4.9
Employment (internship)	10.8	11.1	13.7	40.7	26.6	8.8	17.5
Employment (other)	-	7.0	5.5	17.2	14.5	-	7.2
Support	5.1	12.2	33.9	13.7	5.5	41.5	18.1

Source: authors' calculations using data provided by municipalities.

Chapter 5

Results

We present the estimated impacts of NExTWORK on four pre-specified domains: social assistance, education, employment, and criminality. All outcomes are derived from Danish administrative registers. Following the pre-analysis plan, we include covariates to enhance estimation precision and apply corrections for multiple hypothesis testing within each of the four domains as described in Chapter 4. For each outcome, we report both the raw p-value and the p-value adjusted for multiple hypothesis testing. The raw p-values indicate whether an effect is statistically significant when considered in isolation. However, because we test many outcomes, relying only on raw p-values risks overstating significance due to chance findings. The adjusted p-values account for this by controlling the overall risk of false positives within each domain, and should therefore be regarded as the more reliable measure of significance.

5.1 Programme impacts at 2.5 years

We begin by presenting estimates of the treatment effects over a 2.5-year time horizon. This is chosen to allow sufficient time for potential lock-in effects, particularly in education and labour market participation, to dissipate.

5.1.1 Social assistance

Table 5.1 presents the estimated impact of NExTWORK on social assistance receipt, both at the 2.5-year (130-week) mark and cumulatively over the full observation horizon. In this context, social assistance refers to all publicly-provided income support programmes for working-age individuals in Denmark, excluding pensions, study grants, and apprenticeship subsidies. While we find no significant difference in the probability of receiving social assistance at the 130-week

Table 5.1: Social assistance claims

Outcome (N=1,847 unless stated)	NW effect	SE	CM	p-value	Adj. p-value
Claiming social assistance	0.027	0.023	0.476	0.235	0.199
No. weeks claiming social assistance	3.945*	1.898	76.191	0.038	0.062

The outcome variables are claiming social assistance at 130 weeks post-randomisation and the cumulative number of weeks claiming social assistance within 130 weeks of randomisation. Social assistance covers all benefit codes listed in the DREAM register with the exception of benefits for the elderly (i.e. pensions), study grants and adult apprenticeships. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at 130 weeks. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and claiming social assistance at baseline. Significance stars are based on adjusted p-values: p $<$ 0.01 (***), p $<$ 0.05 (**), p $<$ 0.1 (*).

endpoint, NExTWORK participants exhibit a modest increase in the total duration of benefit receipt. Specifically, treated individuals claim social assistance for an average of 4 additional weeks compared to the control group, who average 76 weeks of claims over the period. This difference is statistically significant, with an unadjusted p-value of 0.038 and an adjusted p-value of 0.062.

The absence of any lasting difference in the probability of benefit receipt at the end of the follow-up period suggests that the observed increase in cumulative weeks is driven by a temporary lock-in effect. This pattern is consistent with short-run programme engagement delaying transition out of benefit receipt, rather than inducing a persistent reliance on social assistance.

To better understand the composition of the observed increase in social assistance receipt, we disaggregate overall social assistance into the main types of benefits relevant to our study population. Specifically, Table 5.2 presents the impact on two core categories: educational assistance (Uddannelseshjælp) and cash assistance (Kontanthjælp). The former is further split by the type of activity that recipients undertake while claiming educational assistance - internships and all other forms of activation.

The overall increase in benefit duration seen in Table 5.1 is almost entirely driven by additional weeks on Uddannelseshjælp with internships as the activation measure. On average, NExTWORK participants spend 5.5 more weeks in this activation - a difference that is highly statistically significant ($p < 0.001$; adjusted $p = 0.001$). In contrast, there are no statistically significant differences in weeks claimed for Kontanthjælp or for Uddannelseshjælp with non-internship activation. The estimated 5.5-week increase for internship-based activation is therefore fully consistent with, and indeed explains, the overall 4-week rise in total benefit duration. Given that the control mean for this type of activation is 9 weeks, the estimate represents an increase of around 60% in the time spent in internships.

Figure 5.1 shows the share of youth in internships while receiving educational assistance each week after randomisation. In all six municipalities, there is a marked increase in internship participation among NExTWORK participants shortly after randomisation, particularly within the first six months. The share declines thereafter, but generally remains slightly higher than in the control group. This pattern indicates that, across municipalities, NExTWORK participants tended to enter internships soon after joining the programme.

Table 5.2: Impact on cash assistance and educational assistance

Outcome	NW effect	SE	CM	p-value	Adj. p-value	N
Claiming educational assistance (uddannelseshjaelp)	0.024	0.021	0.333	0.255	0.711	1847
Claiming uddannelseshjaelp with non-internship activation	0.025	0.020	0.290	0.212	0.653	1847
Claiming uddannelseshjaelp with internship activation	-0.002	0.010	0.043	0.858	0.964	1847
Claiming cash assistance (kontanthjaelp)	0.002	0.010	0.087	0.811	0.964	1847
No. weeks claiming uddannelseshjaelp	3.547	1.871	66.327	0.058	0.240	1847
No. weeks claiming uddannelseshjaelp with non-internship activation	-1.984	1.732	57.346	0.252	0.711	1847
No. weeks claiming uddannelseshjaelp with internship activation	5.531***	0.767	8.981	0.000	0.001	1847
No. weeks claiming cash assistance (kontanthjaelp)	0.217	0.544	6.091	0.689	0.954	1847

The outcome variables are claiming uddannelseshjaelp, uddannelseshjaelp linked with non-internship activation, uddannelseshjaelp linked with internship activation and kontanthjaelp at 130 weeks, as well as the cumulative number of weeks claiming each of these benefits categories within 130 weeks post-randomisation. Uddannelseshjaelp covers the following codes in the DREAM register: 140, 143, 144, 145, 146, 147, 148, 149, 720, 723, 724, 725, 726, 727, 728 and 729. Uddannelseshjaelp linked with non-internship activation is codes: 140, 143, 144, 145, 146, 149, 720, 723, 724, 725, 726 and 729. Uddannelseshjaelp linked with internship activation is codes: 147, 148, 727 and 728. Kontanthjaelp covers the following codes in the DREAM register: 130, 133, 134, 135, 136, 137, 138, 139, 730, 733, 734, 735, 736, 737, 738 and 739. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at 130 weeks. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and claiming Uddannelseshjaelp or Kontanthjaelp at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Lastly, we examine whether NExTWORK affected claims for other types of benefits beyond educational assistance (Uddannelseshjælp) and cash assistance (Kontanthjælp). Specifically, these additional benefits are included in the overall measure of social assistance shown in Table 5.1, but are not separately highlighted in Table 5.2, as they are received by only a small share of participants (just under 6% of individuals in both the control and treatment groups at 130 weeks after randomisation). In general, they fall into three broad categories: integration benefits (primarily for newly arrived immigrants and refugees), unemployment insurance (earnings-related support for insured individuals) and benefits for individuals with reduced work capacity (related to temporary or long-term health conditions).

Appendix Table A.6 presents the estimated impact on claiming any of these other benefits. We find no statistically significant differences between the treatment and control groups, either in the likelihood of receipt at the 2.5-year point or in the cumulative number of weeks claiming these benefits. These results suggest that the observed increase in overall social assistance is not driven by greater reliance on these additional types of support.

5.1.2 Education

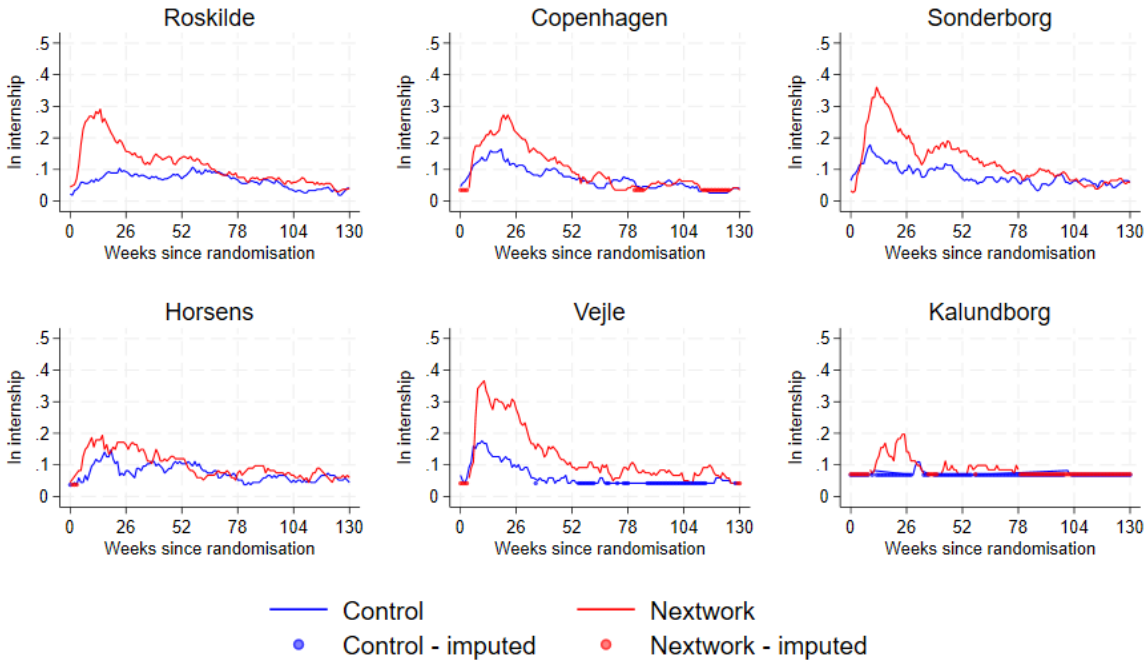
Table 5.3 reports the estimated impact of NExTWORK on a range of education-related outcomes. A key measure is receipt of the state education grant (Statens Uddannelsesstøtte, or SU), which provides financial support to students over the age of 18 enrolled in approved upper secondary or higher education programmes. SU is typically available to Danish citizens and long-term residents, with eligibility tied to active enrolment and progression in education.

We find no difference in the likelihood of claiming SU at the 2.5-year follow-up point. However, over the full follow-up period, NExTWORK participants claim SU for 4 fewer weeks on average than individuals in the control group. This difference is statistically significant ($p < 0.001$; adjusted $p = 0.003$) and corresponds to around a 25% reduction relative to the control group mean of 17.5 weeks.

Despite this reduction in time receiving SU, there are no statistically significant differences in enrolment in upper secondary courses or higher education. The estimated effects on completion of upper secondary or higher-level qualifications are consistently negative, but none are statistically significant after correcting for multiple hypothesis testing. For instance, the estimated effect on completing the first phase of upper secondary education is -0.032 ($p = 0.098$; adjusted $p = 0.271$).

Taken together, these findings suggest that while NExTWORK participants spend less time in formal education, there is no strong evidence that the programme affects overall educational attainment over the 2.5-year time horizon.

Figure 5.1: Share of individuals in internships



Source: The figure shows the weekly share of individuals claiming Uddannelseshjælp linked to internship activation, identified in the DREAM register by codes 147, 148, 727, and 728. Where the number of claimants falls below the statistical disclosure threshold, we impute the minimum permissible share.

5.1.3 Employment

Table 5.4 presents the estimated impact of NExTWORK on a range of employment-related outcomes measured 2.5 years after randomisation. Paid employment is defined as having positive earnings recorded in the BFL register at 130 weeks. In addition to employment status at that point, we examine the cumulative number of weeks in paid employment over the follow-up period, and average weekly earnings at 130 weeks.

The point estimates suggest a 3.7 percentage point reduction in the likelihood of being employed at 130 weeks for individuals in the treatment group, relative to the control group. However, this difference is not statistically significant once adjusted for multiple hypothesis testing (adjusted $p = 0.169$). Similarly, we find no statistically significant difference in the total number of weeks worked over the follow-up period. These results suggest that NExTWORK had no measurable impact on overall employment duration within the 2.5-year horizon.

We also find no statistically significant difference in average weekly earnings when including individuals with zero earnings. However, the standard error is relatively large (109 DKK), compared to the control group mean of 1,336 DKK per week, indicating the estimate is imprecise.

Table 5.3: Impact on education outcomes

Outcome (N=1,774 unless stated)	NW effect	SE	CM	p-value	Adj. p-value
Claiming study grant (SU)	-0.016	0.017	0.151	0.351	0.586
No. weeks claiming study grant (SU)	-4.390***	1.248	17.458	0.000	0.003
Started upper secondary course	-0.010	0.021	0.300	0.643	0.629
Started upper secondary or above course	-0.033	0.022	0.381	0.131	0.289
Completed upper secondary course	-0.032	0.019	0.214	0.098	0.271
Completed upper secondary or above course	-0.032	0.020	0.229	0.099	0.271

The outcome variables are claiming the study grant (SU) at 130 weeks post-randomisation, the cumulative number of weeks claiming the study grant (SU) within 130 weeks of randomisation, enrolling in an upper-secondary course within 130 weeks of randomisation, enrolling in an upper-secondary or higher course within 130 weeks of randomisation, completing an upper-secondary course within 130 weeks of randomisation and completing an upper-secondary or higher course within 130 weeks of randomisation. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at 130 weeks. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and education level at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

As the majority of individuals in both the treatment and control groups are not in paid work, the evaluation is only powered to capture large effects on earnings including zeros. This is reflected in the minimum detectable effect (MDE) of 30.1% or 306 DKK at 130 weeks contained in the pre-analysis plan, with updated calculations given the actual sample sizes and control group moments suggesting a MDE of 24.8% (291 DKK) at 80% power. Similar calculations suggest that the evaluation is better powered to detect effects on earnings excluding individuals not in paid work (i.e. with zero earnings), with a substantially smaller MDE of 14.5% (574 DKK).

While not pre-specified in the analysis plan, we examine the effect of the programme on earnings among those in paid work, excluding individuals with zero earnings. As shown in Table 5.4, the point estimates suggest some evidence of a positive impact: treated individuals who were employed earned, on average, 464 DKK more per week than employed individuals in the control group. This corresponds to a 12% increase relative to the control group mean of 3,922 DKK, with an adjusted p-value of 0.064.

As a robustness check, we re-estimate the employment outcomes excluding individuals that are enrolled in vocational education programmes at 130 weeks after randomisation. These individuals may appear as employed in administrative records meaning they are simultaneously classified under both education and employment outcomes. To ensure that the main results are not driven by this overlap, we remove individuals who were in vocational education at the 130-week measurement point. The results, reported in Appendix Table A.7, are very simi-

Table 5.4: Impact on employment outcomes

Outcome (N=1,847 unless stated)	NW effect	SE	CM	p-value	Adj. p-value
Paid employment	-0.037	0.021	0.336	0.082	0.169
Cumulative weeks in paid employment	-0.152	1.641	30.160	0.926	0.995
Average weekly earnings (inc 0)	0.091	108.779	1335.961	0.999	1.000
Average weekly earnings	463.515*	195.963	3921.558	0.018	0.064

The outcome variables are being in paid employment (i.e. positive earnings recorded in the BFL register) at 130 weeks post-randomisation, the cumulative number of weeks in paid employment within 130 weeks of randomisation, average weekly wage income at 130 weeks post-randomisation (including 0s for those who are unemployed) and average weekly wage income at 130 weeks post-randomisation for those who are employed. The sample size for this last category is 602 individuals. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at 130 weeks. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and employment status at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

lar to those in Table 5.4. The estimated treatment effects on employment status and weeks in paid work remain virtually unchanged. The positive earnings effect among those in paid work is still present in magnitude but is no longer statistically significant, reflecting the smaller analysis sample once vocational education participants are excluded. Overall, this robustness check confirms that the main conclusions regarding employment effects are not sensitive to the inclusion of vocational education participants.

The positive treatment effect on earnings among the employed is consistent with several possible explanations. One is that the programme improved job quality at the intensive margin. For instance, if NExTWORK enhanced participants' skills or helped facilitate better matches between individuals and employers, this could lead to higher wages among those who move into employment - in line with the effects observed here. Another possible explanation is selection. As shown in Table 5.4, individuals in the treatment group are slightly less likely to be employed at 130 weeks post-randomisation, although this difference is not statistically significant. If employment among treated individuals is more selective — for example, if only those with higher motivation or productivity enter work — then average earnings among this subgroup may be mechanically higher, even in the absence of a true programme effect on wages.

To explore this further, Table A.8 shows a balance table comparing the observable characteristics of those in employment at 130 weeks broken down by treatment status. Among those in paid work at 130 weeks post randomisation, the treatment and control groups are well balanced across most observed characteristics. Differences are generally small in magnitude and statistically insignificant.

The only characteristics that differ significantly are Danish citizenship — 5 percentage points higher in the treatment group ($p < 0.10$) — and gender, with the treatment group being 5 percentage points less likely to be female. All other characteristics, including age, education, baseline benefit receipt, and prior employment and offence histories, are statistically indistinguishable between the two groups. The high degree of similarity across other baseline characteristics suggests that composition alone is unlikely to explain the positive earnings effect. In other words, while selection into employment cannot be ruled out — especially if unobserved factors such as motivation or productivity differ — the balance in observable characteristics indicates that the earnings gains among the employed are not simply the result of systematic differences in background characteristics between treated and control workers.

We also examine wage trajectories among individuals who remain in paid employment across different intervals. Among these subgroups, we observe that the earnings gap between the treatment and control groups either remains stable or widens over time, with NExTWORK participants consistently earning more. While these comparisons are based on raw earnings and should be interpreted with caution, they provide tentative evidence that the programme has a sustained effect on wage growth among those who stay in work. This pattern is consistent with the possibility that NExTWORK improves job quality or progression opportunities for those who are able to secure and maintain employment.

While this is consistent with the explanation of the intervention improving job quality at the intensive margin, our evaluation is even less well powered to detect effects with such a small sub-sample. As we discuss in Chapter 6, this highlights the importance of further research to examine the effect of the programme on earnings as more data from additional municipalities and post-treatment periods becomes available.

5.1.4 Participation in crime

Table 5.5 presents the estimated impact of NExTWORK on criminal justice involvement within 2.5 years of randomisation, using charge data recorded in the KRSI register. We examine three distinct outcomes: (i) being charged with any offense regardless of type; (ii) being charged with a non-traffic offense which excludes minor infractions such as speeding or parking violations; and (iii) being charged under the criminal code, which typically involves more serious offenses such as theft and assault.

Across all three measures, we find no statistically significant differences between the treatment and control groups. Estimated differences are modest in

Table 5.5: Impact on participation in crime

Outcome (N=1,847 unless stated)	NW effect	SE	CM	p-value	Adj. p-value
Any offense	0.022	0.020	0.263	0.270	0.432
Any offense (excluding traffic offenses)	0.020	0.019	0.215	0.289	0.432
Any criminal offense	0.018	0.016	0.128	0.250	0.432

The outcome variables are being charged with any offense, being charged with an offense excluding traffic infractions and being charged with an offense under criminal law within 130 weeks of randomisation, as recorded in the KRSI register. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at 130 weeks. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation and year of randomisation. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

magnitude but are statistically indistinguishable from zero, both for overall charges and for more serious criminal offenses. These results suggest that participation in NExTWORK did not have a measurable effect on rates of criminal charges during the follow-up period.

5.2 Dynamic effects

The preceding analysis focused on programme impacts at a single point in time - 2.5 years after randomisation - as specified in the original analysis plan. In some municipalities, this corresponds to the period before the COVID-19 pandemic whereas in others it corresponds to the period during or after. To assess whether programme impacts differ by location, we also estimated models that allow the effect of NExTWORK to vary across municipalities. These analyses reveal no statistically significant differences across municipalities, suggesting limited evidence of geographic heterogeneity in programme effects. However, given the relatively small sample size within each site, these results should be interpreted with caution, as the analysis is likely underpowered to detect anything but large differences.

In what follows, we extend the analysis to examine treatment effects at multiple points in time, measured at six-month intervals from randomisation. While this was not part of the pre-specified outcomes, it allows us to trace the evolution of programme impacts over time.

5.2.1 Social assistance

Table A.9 reports the estimated impact of NExTWORK on the probability of claiming social assistance at six-month intervals over the 2.5 years following randomi-

sation. Across all periods, the estimated treatment effects are positive, ranging from roughly 2 to 5 percentage points. Increases at weeks 26, 52, and 78 are statistically significant at conventional levels, but none remain significant after adjusting for multiple hypothesis testing. No statistically significant impacts are observed at weeks 104 or 130. As shown in Table A.10, these point-in-time differences accumulate into a larger duration of time claiming benefits. By week 130, NExTWORK participants had claimed social assistance for nearly four weeks longer, on average, than those in the control group.

Table A.11 shows that NExTWORK participants are more likely to be receiving educational assistance (Uddannelseshjælp) at each follow-up point, although these differences are not statistically significant. Table A.12 indicates that this pattern corresponds to longer periods of educational assistance receipt, with the gap between groups widening over time. By week 130, NExTWORK participants had received Uddannelseshjælp for an average of 3.4 more weeks than the control group, accounting for most of the cumulative increase in total weeks claiming social assistance.

5.2.2 Education

Tables A.13 and A.14 show that NExTWORK reduced participation in education supported by the state education grant (Statens Uddannelsesstøtte, or SU). Treated participants were significantly less likely to be claiming SU at 52, 78, and 104 weeks after randomisation, with differences of around 4–5 percentage points that remain statistically significant after adjusting for multiple hypothesis testing. No significant effects are observed at 130 weeks but the cumulative impact over the follow-up period is notable: by week 130, NExTWORK participants had claimed an average of 4.2 fewer weeks of SU than the control group. This gap emerges from week 52 onward and widens steadily thereafter, suggesting a sustained reduction in education participation.

These patterns in study grant claims raise the question of whether NExTWORK participants were less likely to complete formal education. Tables A.15 and A.16 explore this by examining course completion at the upper secondary level and also at upper secondary and above level. In both cases, the estimated treatment effects are consistently negative and grow in magnitude over time, reaching a difference of 3.2 percentage points by week 130. However, these differences are not statistically significant at conventional levels, either before or after adjusting for multiple hypothesis testing. While the direction of the effects aligns with the observed reduction in study grant receipt, the evidence is too weak to draw firm conclusions about the programme's impact on educational attainment.

5.2.3 Employment

Table A.17 presents the estimated impact of NExTWORK on the probability of being in paid employment at different points after randomisation, while Table A.18 reports effects on the cumulative number of weeks in work. Up to 104 weeks, the estimated treatment effects on both outcomes are small, generally positive, and not statistically significant. At 130 weeks, the estimated effect on the probability of being employed turns negative, though it remains statistically insignificant. The corresponding effect on cumulative weeks worked at 130 weeks is also negative, very small in magnitude, and not statistically different from zero. Adjusted p-values for all of these differences are well above the 10% level, with the exception of the average weekly earnings estimate at 130 weeks discussed above.[1]

Table A.19 reports the estimated effects on average weekly earnings when including individuals with zero income. Across all follow-up points, these differences are small and not statistically significant. By contrast, Table A.20 presents results conditional on being in paid employment, where a consistent positive pattern emerges. From 52 weeks onwards, NExTWORK participants earn more than the control group in every period, with estimated effects of 414 DKK at 104 weeks and 470 DKK at 130 weeks. These differences are statistically significant at the 5% level using unadjusted p-values, but do not remain significant after correcting for multiple hypothesis testing.

The joint pattern of results presents a mixed picture. Cumulative and point-in-time employment outcomes show small, mostly positive effects through to 104 weeks, followed by a decline in employment at 130 weeks. At the same time, average earnings among those in work continue to rise. One possible explanation is that the composition of those in employment changes over time, with lower earners more likely to exit the labour market in the treatment group, mechanically raising average earnings. Alternatively, the programme may have improved job quality without sustaining employment levels. These explanations are not mutually exclusive, and may both contribute to the observed divergence between extensive and intensive margin outcomes.

5.2.4 Participation in crime

We conclude by examining the impact of NExTWORK on criminal charges over time. Tables A.21, A.22, and A.23 present cumulative effects at various points in the follow-up period for three outcomes: being charged with any offense; being

[1] The adjusted p-value in Table A.18 is slightly higher than in Table 5.4 because it accounts for a larger set of hypotheses.

charged with a non-traffic offense (excluding vehicle-related infractions such as speeding); and being charged with an offense under criminal law, which typically involves more serious offenses such as theft and assault.

Across all time points and outcome definitions, the estimated treatment effects are positive but not statistically significant. Overall, the results provide no evidence that NExTWORK affected the likelihood of participants being charged with a criminal offense during the follow-up period.

Chapter 6

Conclusions

This report has presented evidence on the effects of the NExTWORK programme, based on a randomised control trial conducted across six Danish municipalities. Using high-quality administrative data, we track outcomes for nearly 1,850 participants over a 2.5-year follow-up period. The results paint a mixed picture. Across the four outcome areas studied - social assistance, education, employment, and crime - most estimated effects are modest and not statistically significant, though there are indications that the programme may be influencing participants' trajectories in important ways.

We find no evidence that NExTWORK increases educational attainment or employment rates in the short term. Treated individuals are less likely to claim the state education grant (SU), but there is no significant difference in the completion rate of upper-secondary courses once adjusting for multiple hypothesis testing. Employment rates are also not statistically different between the treatment and control groups.

However, NExTWORK appears to influence the type of support received. Participants spend more time on educational assistance (Uddannelseshjælp) linked to internship activation - consistent with the programme's emphasis on engagement through internships. We find no change in passive benefits or alternative forms of support, suggesting that individuals claim the same type of assistance but with a different activation programme.

While the programme does not increase overall employment rates at 2.5 years, NExTWORK participants who enter employment earn more, on average, than their control group counterparts. This difference is statistically significant at conventional levels and remains weakly significant after adjusting for multiple hypothesis testing. Although this may reflect improvements in job quality, hours, or stability, it could also be driven by positive selection into work. Both explanations are plausible and merit further investigation.

We find no evidence that the programme affects rates of criminal charges.

Across all crime-related measures - overall charges, charges excluding traffic violations, and criminal code offences - outcomes for treatment and control groups are similar.

Taken together, the evidence suggests that while NExTWORK does not increase educational attainment or employment participation in the short term, it may influence the nature of employment for those who find work, as reflected in higher earnings. These effects could signal improvements in job quality or productivity, but may also stem from differences in who moves into work.

Looking ahead, several factors underscore the value of the long-term evaluation of NExTWORK. First, the current analysis excludes some trial participants due to the staggered rollout of the programme and does not include youth from three additional municipalities where the programme was introduced later. As more data become available, the sample will expand, increasing statistical power and enabling more precise estimates. Second, many intended impacts - such as sustained employment or reduced reliance on public support - may take longer to materialise, making longer-term follow-up essential. Third, with richer data, future analysis can explore mechanisms in more detail, including the types of jobs secured, their duration and stability, and patterns of benefit use. Larger samples will also allow for more robust subgroup analysis. Finally, future evaluations with more precise estimates will be better positioned to assess cost-effectiveness. This will require not only data on NExTWORK costs but also comparable information on the costs of existing municipal programmes.

In summary, this evaluation provides a robust early assessment of the impacts of NExTWORK. Although most short-term effects are modest and not statistically significant, the findings show a shift towards internship-based activation within educational assistance (Uddannelseshjælp) and offer suggestive evidence of higher earnings among employed participants. As additional cohorts mature and longer-term data become available, future analyses will be well placed to assess whether these early patterns translate into lasting changes.

Appendix A

Additional tables

Table A.1: Summary statistics by treatment status

	(1) Full Sample mean	(2) Control mean	(3) Treatment mean	(4) Diff. b	(5) Diff. se
Individual Characteristics (at randomisation)					
Age	23.52	23.71	23.32	0.39**	0.15
Education Ready	0.66	0.65	0.68	-0.04	0.02
Activity Ready	0.34	0.35	0.32	0.04	0.02
Female	0.44	0.44	0.43	0.01	0.02
Danish citizen	0.92	0.90	0.94	-0.04**	0.01
Claiming social assistance	0.91	0.92	0.90	0.02	0.01
Lower secondary or below education	0.85	0.84	0.85	-0.00	0.02
Municipality					
Roskilde	0.27	0.26	0.28	-0.01	0.02
Copenhagen	0.18	0.20	0.16	0.04*	0.02
Sonderborg	0.20	0.19	0.20	-0.01	0.02
Horsens	0.15	0.14	0.15	-0.01	0.02
Vejle	0.13	0.12	0.13	-0.01	0.02
Kalundborg	0.08	0.08	0.08	-0.00	0.01
Year of randomisation					
Randomised in 2016	0.01	0.01	0.01	-0.00	0.00
Randomised in 2017	0.08	0.08	0.08	-0.00	0.01
Randomised in 2018	0.30	0.31	0.29	0.02	0.02
Randomised in 2019	0.35	0.35	0.35	-0.01	0.02
Randomised in 2020	0.21	0.20	0.22	-0.02	0.02
Randomised in 2021	0.06	0.06	0.05	0.00	0.01
Year prior to randomisation					
Weeks claiming assistance	27.86	28.47	27.21	1.26	0.93
Weeks in paid work	7.95	7.67	8.25	-0.58	0.62
Committed any criminal offense	0.19	0.18	0.19	-0.01	0.02
Observations	1847	954	893	1847	

Table A.2: Control group activities (activity ready): number (and share) participating in each activity

	Municipality						
	Copenhagen n=177 N (%)	Roskilde n=67 N (%)	Sønderborg n=22 N (%)	Horsens n=15 N (%)	Vejle n=21 N (%)	Kalunborg n=20 N (%)	Total n=322 N (%)
Education (in-house/partner)	168 (94.9%)	54 (80.6%)	18 (81.8%)	7 (46.7%)	15 (71.4%)	7 (35.0%)	269 (83.5%)
Education (institution)	47 (26.6%)	19 (28.4%)	13 (59.1%)	-	-	9 (45.0%)	99 (30.7%)
Health & Social	21 (11.9%)	18 (26.9%)	6 (27.3%)	-	-	-	53 (16.5%)
Employment (internship)	65 (36.7%)	40 (59.7%)	16 (72.7%)	13 (86.7%)	13 (61.9%)	7 (35.0%)	154 (47.8%)
Employment (other)	-	-	-	5 (33.3%)	-	-	16 (5.0%)
Support	38 (21.5%)	32 (47.8%)	17 (77.3%)	14 (93.3%)	8 (38.1%)	17 (85.0%)	126 (39.1%)

Source: authors' calculations using data provided by municipalities.

Table A.3: Control group activities (education ready): number (and share) participating in each activity

	Municipality					
	Roskilde n=153 N (%)	Sønderborg n=211 N (%)	Horsens n=125 N (%)	Vejle n=90 N (%)	Kalundborg n=64 N (%)	Total n=643 N (%)
Education (in-house/partner)	135 (88.2%)	142 (67.3%)	60 (48.0%)	54 (60.0%)	44 (68.8%)	435 (67.7%)
Education (institution)	70 (45.8%)	148 (70.1%)	34 (27.2%)	44 (48.9%)	37 (57.8%)	333 (51.8%)
Health & Social	34 (22.2%)	32 (15.2%)	-	22 (24.4%)	-	106 (16.5%)
Employment (internship)	61 (39.9%)	115 (54.5%)	103 (82.4%)	45 (50.0%)	20 (31.2%)	344 (53.5%)
Employment (other)	30 (19.6%)	41 (19.4%)	62 (49.6%)	-	-	161 (25.0%)
Support	41 (26.8%)	126 (59.7%)	41 (32.8%)	12 (13.3%)	44 (68.8%)	264 (41.1%)

Source: authors' calculations using data provided by municipalities.

Table A.4: Control group activities (activity ready): share of time

	Municipality						
	Copenhagen n=177 %	Roskilde n=67 %	Sønderborg n=22 %	Horsens n=15 %	Vejle n=21 %	Kalundborg n=20 %	Total n=322 %
Education (in-house/partner)	73.8	49.2	20.8	3.0	42.2	19.2	56.3
Education (institution)	8.9	-	11.9	-	-	13.1	8.5
Health & Social	-	11.0	-	-	-	-	3.8
Employment (internship)	10.8	13.4	19.5	31.4	20.1	11.7	13.6
Employment (other)	-	-	-	12.3	-	-	1.8
Support	5.1	17.8	35.7	46.3	13.3	56.0	15.5

Source: authors' calculations using data provided by municipalities.

Table A.5: Control group activities (education ready): share of time

	Municipality					
	Roskilde n=153 %	Sønderborg n=211 %	Horsens n=125 %	Vejle n=90 %	Kalundborg n=64 %	Total n=643 %
Education (in-house/partner)	56.2	26.7	19.4	32.5	40.3	34.5
Education (institution)	8.5	16.4	4.4	8.5	13.8	10.8
Health & Social	6.5	-	6.8	10.7	-	5.5
Employment (internship)	8.8	13.1	41.8	28.1	7.9	19.2
Employment (other)	7.2	-	17.8	-	-	9.5
Support	9.7	33.7	9.8	-	37.0	19.5

Source: authors' calculations using data provided by municipalities.

Table A.6: Impact on other benefit claims

Outcome	NW effect	SE	CM	p-value	Adj. p-value	N
Claiming other social assistance (non udda and kontanthjaelp)	0.002	0.011	0.056	0.857	0.885	1847
No. weeks claiming other social assistance (non udda and kontanthjaelp)	0.249	0.593	3.773	0.675	0.885	1847

The outcome variables are claiming other benefits, which covers integration benefits, unemployment insurance and benefits for people with reduced work capacity at 130 weeks, as well as the cumulative number of weeks claiming any of these benefits categories within 130 weeks post-randomisation. Integration benefits covers the following codes in the DREAM register: 160, 163, 164, 165, 166, 167, 168, 169, 700, 703, 704, 705, 706, 707, 708, 709, 710, 713, 714, 715, 716, 717, 718 and 719. Unemployment insurance covers the following codes in the DREAM register: 111, 115, 121, 151, 152, 153, 213, 214, 215, 216, 217, 218, 219, 231 and 299. Benefits for reduced work capacity covers the following codes in the DREAM register: 740, 743, 744, 745, 746, 747, 748, 750, 753, 754, 755, 756, 757, 758, 760, 763, 764, 765, 766, 767, 768, 771, 774, 781, 782, 783, 784, 810, 813, 814, 815, 816, 817, 818, 870, 873, 874, 875, 876, 877, 878, 890, 893, 894, 895, 896, 897, 898 and 899. Any other benefits which cover the following codes in the DREAM register: 412, 413, 511 and 522. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at 130 weeks. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and claiming these benefits at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.7: Impact on employment outcomes (excluding individuals enrolled in vocational education at 130 weeks post randomisation)

Outcome (N=1,628 unless stated)	NW effect	SE	CM	p-value	Adj. p-value
Paid employment	-0.038	0.022	0.307	0.088	0.172
Cumulative weeks in paid employment	-0.182	1.716	27.912	0.915	0.997
Average weekly earnings (inc 0)	-12.362	114.896	1228.747	0.914	0.997
Average weekly earnings	474.568	233.275	3954.589	0.042	0.121

The outcome variables are being in paid employment (i.e. positive earnings recorded in the BFL register) at 130 weeks post-randomisation, the cumulative number of weeks in paid employment within 130 weeks of randomisation, average weekly wage income at 130 weeks post-randomisation (including 0s for those who are unemployed) and average weekly wage income at 130 weeks post-randomisation excluding those who are unemployed. The sample size for this last category is 479 individuals. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at 130 weeks. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and employment status at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.8: Summary statistics by treatment status for individuals employed at 130 weeks

	(1) Full Sample mean	(2) Control mean	(3) Treatment mean	(4) Diff. (2)-(3)	(5) Diff. se
Individual Characteristics (at randomisation)					
Age	23.34	23.36	23.32	0.03	0.26
Education ready	0.79	0.78	0.80	-0.02	0.03
Activity ready	0.21	0.22	0.20	0.02	0.03
Female	0.41	0.43	0.38	0.05	0.04
Danish citizen	0.91	0.88	0.94	-0.05*	0.02
Claiming social assistance	0.89	0.90	0.87	0.03	0.03
Lower secondary or below education	0.84	0.85	0.83	0.02	0.03
Municipality					
Roskilde	0.24	0.24	0.25	-0.02	0.04
Copenhagen	0.11	0.13	0.08	0.05	0.03
Sonderborg	0.24	0.21	0.27	-0.07	0.03
Horsens	0.17	0.17	0.17	-0.01	0.03
Vejle	0.16	0.17	0.14	0.03	0.03
Kalundborg	0.08	0.08	0.07	0.01	0.02
Year of randomisation					
Randomised in 2017	0.07	0.07	0.07	-0.00	0.02
Randomised in 2018	0.23	0.24	0.22	0.02	0.03
Randomised in 2019	0.41	0.40	0.42	-0.02	0.04
Randomised in 2020	0.24	0.23	0.25	-0.01	0.03
Randomised in 2021	0.05	0.06	0.04	0.02	0.02
Year prior to randomisation					
Weeks claiming social assistance	23.08	23.72	22.33	1.39	1.59
Weeks in paid employment	12.18	12.04	12.35	-0.30	1.28
Committed any criminal offense	0.17	0.17	0.18	-0.00	0.03
Observations	602	325	277	602	

Table A.9: Claiming social assistance at different weeks

	26	52	78	104	130
NW effect	0.035	0.047	0.041	0.020	0.027
SE	0.021	0.022	0.022	0.023	0.023
CM	0.659	0.557	0.514	0.509	0.476
p-value	0.097	0.036	0.067	0.389	0.235
Adj. p-value	0.223	0.132	0.189	0.389	0.342
N	1847	1847	1847	1847	1847

The outcome variables are claiming social assistance at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. Social assistance covers all benefit codes listed in the DREAM register with the exception of benefits for the elderly (i.e. pensions), study grants and adult apprenticeships. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and claiming social assistance at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.10: Number of weeks claiming social assistance

	26	52	78	104	130
NW effect	0.283	1.247	2.528*	3.446*	3.945*
SE	0.337	0.740	1.133	1.516	1.898
CM	20.572	36.119	50.070	63.386	76.191
p-value	0.401	0.092	0.026	0.023	0.038
Adj. p-value	0.390	0.122	0.061	0.058	0.079
N	1847	1847	1847	1847	1847

The outcome variables are the cumulative number of weeks claiming social assistance at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. Social assistance covers all benefit codes listed in the DREAM register with the exception of benefits for the elderly (i.e. pensions), study grants and adult apprenticeships. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and claiming social assistance at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.11: Claiming educational assistance (Uddannelseshjaelp) at different weeks

	26	52	78	104	130
NW effect	0.025	0.042	0.035	0.024	0.024
SE	0.021	0.022	0.022	0.022	0.021
CM	0.629	0.499	0.426	0.391	0.333
p-value	0.231	0.055	0.110	0.267	0.252
Adj. p-value	0.501	0.212	0.319	0.501	0.501
N	1847	1847	1847	1847	1847

The outcome variables are claiming educational assistance at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and claiming udda at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.12: Number of weeks claiming educational assistance (Uddannelseshjaelp)

	26	52	78	104	130
NW effect	0.172	1.057	2.187	2.932	3.394
SE	0.363	0.773	1.162	1.539	1.900
CM	19.826	34.261	46.209	56.970	66.327
p-value	0.636	0.172	0.060	0.057	0.074
Adj. p-value	0.639	0.228	0.116	0.115	0.132
N	1847	1847	1847	1847	1847

The outcome variables are the cumulative number of weeks claiming educational assistance at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and claiming social assistance at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.13: Claiming study grant (SU) at different weeks

	26	52	78	104	130
NW effect	-0.005	-0.047**	-0.043**	-0.042**	-0.011
SE	0.013	0.016	0.016	0.016	0.016
CM	0.094	0.161	0.159	0.154	0.150
p-value	0.720	0.003	0.007	0.009	0.511
Adj. p-value	0.737	0.014	0.035	0.035	0.737
N	1816	1816	1816	1816	1816

The outcome variables are claiming the study grant at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and education level at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.14: Number of weeks claiming study grant (SU)

	26	52	78	104	130
NW effect	-0.300*	-1.085**	-2.348***	-3.615***	-4.180***
SE	0.176	0.452	0.717	0.973	1.232
CM	1.306	4.914	9.177	13.437	17.361
p-value	0.088	0.017	0.001	0.000	0.001
Adj. p-value	0.077	0.025	0.005	0.003	0.005
N	1816	1816	1816	1816	1816

The outcome variables are the cumulative number of weeks claiming the study grant at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and education level at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.15: Completed upper-secondary course

	26	52	78	104	130
NW effect	-0.002	-0.010	-0.021	-0.029	-0.032
SE	0.010	0.015	0.017	0.018	0.019
CM	0.043	0.111	0.157	0.187	0.214
p-value	0.874	0.501	0.214	0.115	0.098
Adj. p-value	0.874	0.693	0.380	0.244	0.228
N	1774	1774	1774	1774	1774

The outcome variables are completing an upper-secondary course at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and education level at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.16: Completed upper-secondary or above course

	26	52	78	104	130
NW effect	-0.005	-0.012	-0.023	-0.029	-0.032
SE	0.010	0.015	0.017	0.019	0.020
CM	0.049	0.122	0.170	0.200	0.229
p-value	0.661	0.435	0.190	0.117	0.099
Adj. p-value	0.648	0.609	0.342	0.249	0.245
N	1774	1774	1774	1774	1774

The outcome variables are completing an upper-secondary course or above at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and education level at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.17: Paid employment

	26	52	78	104	130
NW effect	0.018	0.006	0.011	-0.003	-0.037
SE	0.017	0.019	0.020	0.021	0.021
CM	0.162	0.222	0.255	0.294	0.336
p-value	0.274	0.768	0.592	0.883	0.082
Adj. p-value	0.668	0.934	0.917	0.934	0.271
N	1847	1847	1847	1847	1847

The outcome variables are being in paid employment (i.e. positive earnings recorded in the BFL register) at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and employment status at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.18: Cumulative weeks in paid employment

	26	52	78	104	130
NW effect	0.066	0.312	0.240	0.372	-0.152
SE	0.283	0.612	0.946	1.293	1.641
CM	3.320	8.602	14.829	21.866	30.160
p-value	0.817	0.610	0.800	0.774	0.926
Adj. p-value	0.982	0.907	0.982	0.974	0.982
N	1847	1847	1847	1847	1847

The outcome variables are the cumulative number of weeks in paid employment (i.e. positive earnings recorded in the BFL register) at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and employment status at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.19: Average weekly earnings (including 0s)

	26	52	78	104	130
NW effect	51.191	112.925	108.091	117.718	0.977
SE	70.317	87.971	91.927	107.267	108.888
CM	537.443	785.444	911.256	1175.374	1334.223
p-value	0.467	0.199	0.240	0.273	0.993
Adj. p-value	0.711	0.573	0.574	0.574	0.998
N	1847	1847	1847	1847	1847

The outcome variables are average weekly wage income at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and employment status at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.20: Average weekly earnings (conditional on employment)

	26	52	78	104	130
NW effect	-125.830	420.202	232.119	413.674	469.503
SE	242.828	227.935	207.000	209.624	196.797
CM	3265.738	3390.558	3519.586	3948.263	3916.459
p-value	0.605	0.066	0.263	0.049	0.017
Adj. p-value	0.601	0.196	0.478	0.195	0.102
N	330	438	499	553	602

The outcome variables are average weekly wage income at different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation, year of randomisation and employment status at baseline. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.21: Charged with any offense

	26	52	78	104	130
NW effect	0.020	0.021	0.034	0.037	0.022
SE	0.015	0.017	0.018	0.019	0.020
CM	0.112	0.167	0.198	0.225	0.263
p-value	0.181	0.217	0.066	0.059	0.270
Adj. p-value	0.337	0.337	0.147	0.137	0.337
N	1847	1847	1847	1847	1847

The outcome variables are being charged with any offense within different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation and year of randomisation. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.22: Charged with any offense (excluding traffic infractions)

	26	52	78	104	130
NW effect	0.003	0.010	0.025	0.031	0.020
SE	0.014	0.016	0.017	0.018	0.019
CM	0.097	0.146	0.169	0.189	0.215
p-value	0.841	0.532	0.151	0.084	0.289
Adj. p-value	0.862	0.684	0.298	0.186	0.503
N	1847	1847	1847	1847	1847

The outcome variables are being charged with any non-traffic offense within different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation and year of randomisation. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Table A.23: Charged with criminal offense

	26	52	78	104	130
NW effect	0.005	0.002	0.014	0.018	0.018
SE	0.011	0.013	0.014	0.015	0.016
CM	0.056	0.088	0.102	0.114	0.128
p-value	0.614	0.905	0.322	0.241	0.250
Adj. p-value	0.757	0.917	0.500	0.480	0.480
N	1847	1847	1847	1847	1847

The outcome variables are being charged with a criminal offense within different points post-randomisation - 26, 52, 78, 104 and 130 weeks. NW effect refers to the estimated treatment effect of being randomised into NExTWORK; SE denotes the standard error; CM is the control group mean at each interval. We control for LAB category, gender, Danish citizenship, municipality of randomisation, age at randomisation and year of randomisation. Significance stars are based on adjusted p-values: $p < 0.01$ (***), $p < 0.05$ (**), $p < 0.1$ (*).

Appendix B

Trial monitoring and ethics

B.1 Ethics

The project has been approved by the Danish Data Protection Agency (file number 2017-41-5108) as was the standard procedure for randomised controlled trials conducted in Denmark within the social sciences at the time.

B.2 Consent

To program participation: The Danish legislation on employment efforts requires all unemployed who receive some form of income replacement or welfare benefits to participate in employment programs during their unemployment. This is a requirement to uphold the right to receive benefits. While program participation is in this sense mandatory, the unemployed have some say in what program they wish to participate in – in a case where an unemployed person refuses to participate in a specific program, they will be placed under another program. Along these lines, it is not possible to force the youth to participate in NExTWORK. Their consent to the participation has been obtained.

B.3 Confidentiality

We secure the anonymity of the participants by blinding all information that can be used for identifying them. This means that once municipal and monitoring data have been merged into the register data at Statistics Denmark, the data no longer contain names or the personal identifiers used for linking the different data sets. All identifier variables are encrypted according to the standards used by Statistics Denmark and data cannot be exported.

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