

Since the reviews aim to help to elaborate the research I will put more emphasis on the critical remarks and recommendations. My general assessment of the paper is however very high. The applied model introduces new elements to the theoretical framework and is not a simple application of the existing models to the different labour market conditions.

The author does a good review of the previous models (even summarizing their characteristics in the table, p. 5) and lists the new features of his framework. However I would encourage the author to state more explicitly what are the advantages of his framework with respect to the other models. This information should be also included in the concluding part of the paper. The other element missing for me is the justification of the choice of the labour market conditions used for model calibration (Poznan agglomeration). I also would like to know if and how this choice affects the ability to formulate the empirical generalizations.

The author explains why prolonged unemployment period decreases the probability of finding a job in a rather superficial way without many references to the (recent) literature 'For the unemployed, extension of job-search duration increases the probability of being rejected during the recruitment procedure because employers are not likely to choose applications with gaps in the potential employees' CVs (Winter-Ember 1991)' (p.2). In fact, the studies focusing on so called 'scarring effects' of unemployment are very numerous and inspect many mechanisms explaining why the (prolonged) period of unemployed decreases the chances to find a job (for the most recent overview, see Tumino, 2015). The references to these studies would give a clear signal that the author knows the present state of the art of the subject. It could also help him to interpret the results and would possibly give the inspiration for the further elaboration of his model.

Likewise, the literature review concerning the evaluations of active labour market policy programs is very limited. Meanwhile the existing studies on this topic are very numerous (for an overview, see e.g. Card et al., 2010) and exploit different evaluation methods including experimental (e.g. Crépon et al., 2013) and quasi-experimental techniques (Sianesi, 2002). These studies are mostly applied with modest theoretical underpinning and belong to the different strain of economic research than DMP models on which the reviewed paper is build. In my opinion DMP models are less useful as a policy evaluation tool due to the numerous simplifying assumptions (they were designed for different purposes than policy evaluation). From this reason I would not overestimate the efficiency of the model as an evaluation tool but rather emphasize the fact that the author created a unique model of the labour market which is able to map the functioning of the active labour market policy. From this perspective the literature review on the active labour market policy programs would help to comment the results and asses to what extend the model reflects the reality.

The enumeration of the key findings seems to be too technical. I would encourage the author to elaborate the conclusions through explaining what is their meaning for the employment policy. The only sentence of this kind is vague and rather obvious "It is necessary to emphasize that ALMP programs should be developed complementarily and holistically. This means that complex cross-effects and interdependencies should be taken into account when designing labor market policies" (p.29).

LITERATURE

Card, D., Kluve, J., Weber, A., 2010. Active Labor Market Policy Evaluations: A Meta-Analysis (Working Paper No. 16173). National Bureau of Economic Research.

Crépon, B., Duflo, E., Gurgand, M., Rathelot, R., Zamora, P., 2013. Do Labor Market Policies have Displacement Effects? Evidence from a Clustered Randomized Experiment. *The Quarterly Journal of Economics* 128, 531–580.

Sianesi, B., 2002. Differential Effects of Swedish Active Labour Market Programmes for Unemployed Adults During the 1990s (SSRN Scholarly Paper No. ID 318901). Social Science Research Network, Rochester, NY.

Tumino, A., 2015. The scarring effect of unemployment from the early '90s to the Great Recession (No. 2015-05). ISER.