



DEVELOPING EFFECTIVE EMPLOYMENT SERVICES

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TOPICS

- **POLICY FRAMEWORK**
- **CORE PROGRAMS**
- **ORGANIZATION**
- **PRIVATE SERVICES**
- **SUPPORT POLICIES AND PROGRAMS**
- **ACTIVE LABOR PROGRAMS (ALPs)**
- **LESSONS LEARNED AND SUMMARY**

POLICY FRAMEWORK

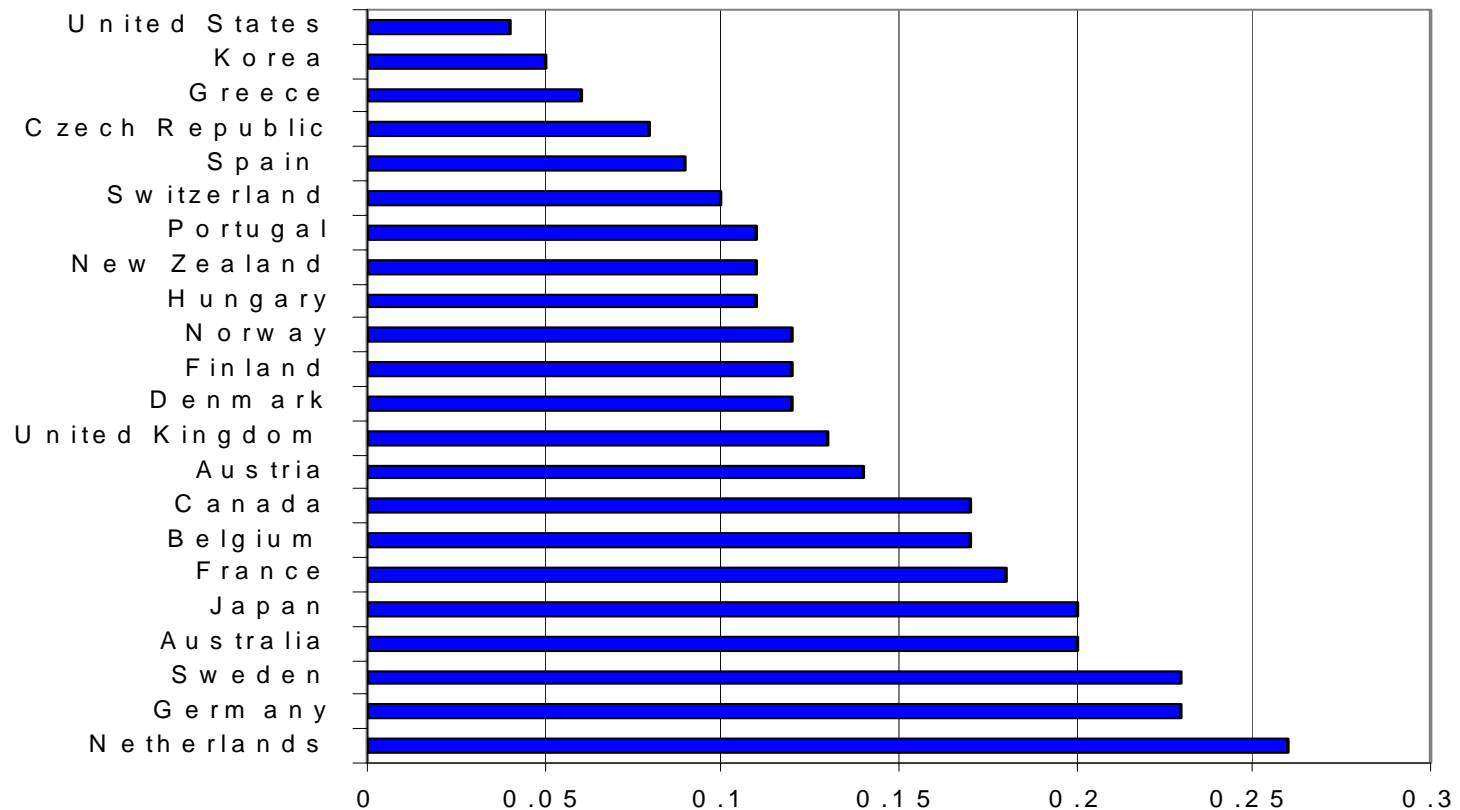
- **ELEMENT OF LABOR POLICY**
- **PROMOTE LABOR MOBILITY, PRODUCTIVITY, SOCIAL WELFARE**
- **JUSTIFICATION: POLITICAL ECONOMY, COST-BENEFICIAL, MARKET FAILURE (ACCESS AND EQUITY)**
- **WHOLE IS GREATER THAN ANY ONE PART**

CORE PROGRAMS

- **LABOR EXCHANGE SERVICES (BROKERAGE)**
- **JOB SEARCH AND JOB CLUBS**
- **CLIENT ASSESSMENT AND COUNSELLING**
- **LABOR MARKET INFORMATION**
- **RELOCATION ASSISTANCE**
- **USE BY UNEMPLOYED (25%)**

FINANCE OF PES

Public expenditure in Public Employment Services and Administration
(as a percentage of GDP)



LABOR MARKET PENETRATION

<i>COUNTRY</i>	PUBLIC EMPLOYMENT SERVICES SHARE OF VACANCIES (%)	VACANCY FILL RATE (%)
<i>AUSTRALIA</i>	25	79
<i>CANADA</i>	13	79
<i>FINLAND</i>	30-40	50
<i>GERMANY</i>	32	68
<i>IRELAND</i>	NA	65
<i>TURKEY</i>	NA	95
<i>UK</i>	33	75
<i>US</i>	NA	49

EMPLOYER RECRUITMENT (UK)

<i>SOURCE OF RECRUITMENT</i>	MANUAL JOB %)	NON-MANUAL JOB (%)
<i>PUBLIC SERVICE</i>	30	15
<i>LOCAL NEWSPAPER</i>	12	26
<i>PRIVATE SERVICE</i>	1	7
<i>INFORMAL CONTACTS</i>	47	31
<i>OTHERS</i>	10	21

ORGANIZATION

- **THREE MODELS**
 - **MINISTRY OF LABOR**
 - **DECENTRALIZED**
 - **AUTONOMOUS TRIPARTE AGENCY**
- **FINANCE (STATE/TAX/MIX)**
- **AUTOMATION**
- **STAFFING (quality and number)**

STAFF / CLIENT RAITO

<i>COUNTRY</i>	<i>STAFF/CLIENTS</i>
<i>AUSTRIA</i>	1/33
<i>GERMANY</i>	1/37
<i>ITALY</i>	1/88
<i>UK</i>	1/98
<i>PORTUGAL</i>	1/120
<i>POLAND</i>	1/225
<i>TURKEY</i>	1/375
<i>MEXICO</i>	1/400

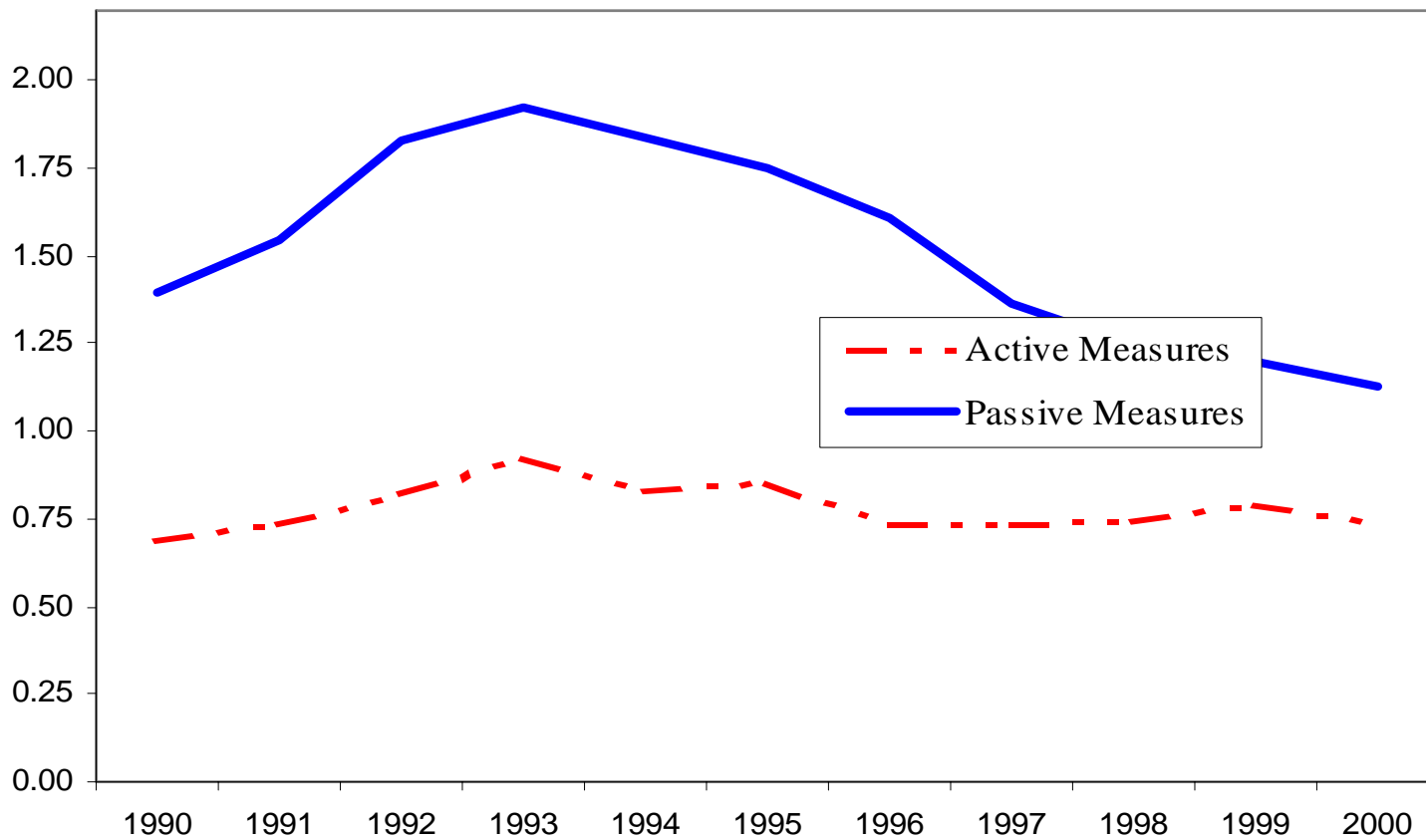
PRIVATE SERVICES

- EXPLOITATION CONCERNS
- PUBLIC MONOPOLY COSTS AND CONCERNS
- TYPES
 - PRIVATE PLACEMENT AGENCIES
 - TEMPORARY LABOR AGENCIES
- HOW TO LICENSE AND MONITOR
- REDUCING PUBLIC EXPENDITURES
- ILO CONVENTIONS

SUPPORT PROGRAMS

- ADMINISTER INCOME SUPPORT (UI)
- ADMINISTER ACTIVE LABOR PROGRAMS
- ADMINISTER LABOR ADJUSTMENT PROGRAMS (PRIVATIZATION)
- LABOR REGULATION
- OCCUPATIONAL SAFETY/HEALTH
- LABOR MIGRATION/PERMITS

EXPENDITURE ON ACTIVE AND PASSIVE PROGRAMS (%GDP - OECD)



EXPENDITURE ON ACTIVE AND PASSIVE PROGRAMS (%GDP - OECD)

	Active spending as % of GDP	Passive spending as % of GDP	Total spending as % of GDP
Bulgaria	0.12	0.46	0.8
Croatia	0.03	0.48	0.6
Czech	0.05	0.26	0.4
Estonia	0.07	0.10	0.2
Hungary	0.28	0.91	1.3
Poland	0.30	0.59	1.0
Russia	0.02	0.13	0.2
Slovakia	0.32	0.56	1.1
Ukraine	0.03	0.19	0.3
Unweighted average	0.25	0.41	0.66

ACTIVE LABOR PROGRAMS

(ALPs)

- ***OBJECTIVE: TO HELP UNEMPLOYED RE-ENTER THE LABOR MARKET:***
 - **REDUCE NEED FOR INCOME SUPPORT,**
 - **REDUCE SOCIAL TENSION & POVERTY,**
 - **SUPPORT ECONOMIC DEVELOPMENT**
 - **INCREASE PRODUCTIVITY OF ENTERPRISES AND WORKERS**

TYPES OF ALPS

- **FRictional Unemployment: WORKERS HAVE SKILLS NEEDED IN LABOR MARKET, BUT NEED JOB PLACEMENT**
REGULAR JOB PLACEMENT SERVICES
INTENSIVE JOB CLUB PROGRAMS
RELOCATION ASSISTANCE
- **STRUCTURAL Unemployment: WORKER SKILLS ARE NOT IN DEMAND AND PROBABLY WILL NOT BE IN FUTURE**
INSTITUTIONAL JOB TRAINING
ON-JOB TRAINING
- **LACK OF DEMAND FOR LABOUR: DEMAND FOR LABOR, DIMINISHING, SUPPLY EXCEEDS DEMAND**
SMALL BUSINESS INCUBATORS
MICRO-CREDIT
LOCAL ECONOMIC DEVELOPMENT PLANNING
TEMPORARY COMMUNITY (PUBLIC) EMPLOYMENT)
SMALL BUSINESS TECHNICAL ASSISTANCE

COSTS OF ALPS

Programs by country - Approximate unit costs per participant served/ 1 US\$

Type of Program	Czech Republic	Hungary	Poland	Turkey
Employment Services	12	25	30	17
Training	265	500	300	200
Public Service Employment	625	1,200	800	N/A
Wage Subsidy	885	950	560	N/A
Self Employment	885	1,000	2,830 /3	N/A

EVALUATION

- **GROSS IMPACT**
- **NET IMPACT**
- **USE RESULTS TO IMPROVE PROGRAMS AND TARGET CLIENTS**
- **COST IS LOW CONSIDERING BENEFIT**
 - **\$200,000 FOR NET IMPACT EVALUATION OF ALPS**

TYPICAL GROSS IMPACT

**TYPE OF ACTIVE LABOR
PROGRAM**

**MINIMUM JOB
PLACEMENT OR
BUSINESS START**

EMPLOYMENT SERVICES

10-25%

INSTITUTIONAL TRAINING

50%

ON-JOB TRAINING

75%

COMMUNITY EMPLOYMENT

10%

SMALL BUSINESS ASSISTANCE

5-10%

MICRO-CREDIT

80-85%

SMALL BUSINESS INCUBATORS

90%

ACTIVE LABOR PROGRAM NET IMPACT ON EMPLOYMENT (1998)

COUNTRY	PROGRAM			
	TRAINING	WAGE SUBSIDY	SELF EMPLOYMENT	TEMPORARY EMPLOYMENT
HUNGARY	+	-	0	-
TURKEY	-	-	NA	NA
CZECH	0	0	0	-
POLAND	+	+	+	-

LESSONS LEARNED

- ENSURE STEADY FINANCING (STATE VS. TAX)
- EVALUATE GROSS AND NET IMPACTS OF EMPLOYMENT SERVICES & ACTIVE LABOR PROGRAMS
- PROFILE EMPLOYMENT SERVICE CLIENTS
- ASSESS CLIENTS BEFORE ENROLLING IN ACTIVE LABOR PROGRAMS
- TARGET USE OF ACTIVE LABOR PROGRAMS BASED ON EVALUATIONS
- USE PERFORMANCE BASED CONTRACTS WITH SERVICE PROVIDERS ON ACTIVE LABOR PROGRAMS

SUMMARY

- WELL DESIGNED AND TARGETED PROGRAMS MAY HAVE AN NET IMPACT
- POORLY DESIGNED AND TARGETED PROGRAMS WILL PROBABLY NOT HAVE A NET IMPACT
- BE CAREFUL WITH THE USE OF TEMPORARY EMPLOYMENT PROGRAMS
- AUTOMATION TAKES LONGER THAN ESTIMATES
- IT IS NOT EASY TO CHANGE THE WAY LOCAL STAFF USE PROGRAMS
- BE CAREFUL ABOUT GENERALIZING