

Labour market policies to support jobs recovery

Thematic Dialogue 7

1. Strong role for labour market programmes

- Keep people in work
- Risk of social crisis: many jobseekers do not get benefits (youth, mothers who return to labour market, temporary workers)
- Reduce risk of long-term unemployment –keep workers in touch with labour market and with income support
 - Risk of demoralisation, loss of skills, etc
 - Many job seekers come from specific sectors with specific human capital, older jobseekers
- Supports job recovery, helps respond to fiscal stimulus

2. What works in labour market programmes at times of crisis –developed countries

- Extend benefits --duration and eligibility – with adapted activation approach
- Scale up resources to PES: number and qualification of counsellors
- Shift from “work-first” to “train-first” and support approaches:
 - Adapt the mutual obligation approach and sanctions to crisis times
 - avoid that people drop out of labour market or their skills become obsolete
- Tailor measures to needs of groups and avoid large-scale untargeted measures
- Measures to employers esp. SMEs, matching services, training incentives, mobile centers in enterprises in trouble
- Involvement of social partners in programme formulation, design and implementation, exploit complementarities with private agencies

- Evaluate rigorously the programmes, avoid work disincentives

3. What can be done in developing countries?

- At present: little or no benefits, limited or no PES, large informal economy, skills' mismatch
- Increase staff and resources in the PES
- **Employment guarantees**, direct job creation, emergency programmes, conditional-cash transfers, support for business creation by unemployed
- Education/training: key for crisis response & development, but also address skills mismatch
- Involve social partners and communities in these policies

In sum: need for greater role of labour market programmes as part of jobs crisis responses

- If well-designed and well-resourced, ALMPs and PES will be central to the jobs recovery
- In developing countries, employment guarantees, public works, conditional cash programmes are possible and not very expensive if well-designed
- Precise mix of measures depends on country circumstances
- This should go hand-in-hand with improved benefit coverage
- This is the time to invest in education, upskill youth at-risk
- Make room for these measures as part of stimulus packages
- Role of ILO: assess what works in this area and share experience, technical assistance on programme design