



ARGENTINA

EXPERIENCE IN PROGRAMMES FOR INCOME PROTECTION AND EMPLOYABILITY IMPROVEMENT

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Argentina has several contributive and non-contributive programmes designed to address problems associated to the labour market. The international crisis created the need to strengthen and extend such programmes to face the consequences of reduced economic dynamism and consequently the creation of jobs. Whereas some programmes focus on the employed population,² others address the situation of unemployed persons in order to provide income and, simultaneously, improve employability. The note below discusses the position of two major programmes: “Young People with More and Better Work” (*Jóvenes con Más y Mejor Trabajo*) and “Training and Employment Insurance” (*Seguro de Capacitación y Empleo*).

1. Introduction

A new generation of income protection and employability improvement programmes was implemented to succeed the Heads of Household Programme (*Programa Jefes de Hogar - PJH*), launched in 2002 in full economic crisis, to provide income and social containment. The new programmes, designed as a way out of, or an alternative to, the PJH, were used to assist in containing the effects of the crisis. The Programme titled Young People with More and Better Work contemplates helping this segment of the population to join the labour market and offers completion of schooling for youth with incomplete studies. In turn, the Training and Employment Insurance Programme has been extended in terms of benefit duration, in addition to coverage for beneficiaries of contributive unemployment insurance whose legal period of benefit duration is at an end. Major features of both programmes are discussed below.

2. Young People with More and Better Work Programme

Year after year, young people continue to join the labour market presenting a significant challenge in terms of employment. According to data from early 2007, the number of unemployed young people not having completed secondary school amounted to 224,000, while the number of unemployed young people (to 24 years of age), irrespective of schooling completed, totalled 660,000. Hence, in times of crisis, programmes for protection from unemployment, together with others that also provide income for inactive people must face the twofold challenge of containing premature entry into the labour market, together with the need to provide resources to persons who, having joined the labour market, are unprotected.

The Young People with More and Better Work Programme was started in June 2008 and is co-financed with funds from the National Budget and the IBRD loan. The programme is addressed to young people aged 18 to 24, with permanent residence in Argentina, who have not completed primary and/or secondary schooling, and are unemployed. Its aim is to create opportunities for social and labour inclusion for the young, through integrated actions enabling the latter to construct the professional profile with which they wish to work, complete their compulsory schooling, undergo training and skill-gaining experiences in work settings, start an independent productive activity, or get a job.

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² E.g., Crisis-Prevention Procedure (*Procedimiento Preventivo de Crisis - PPC*) and Productive Recovery Programme (*Programa de Recuperación Productiva - REPRO*) dealt with in the prevention of lay-offs and worker retention of the Crisis Observatory.

Inclusion in the Programme is obtained by applying for a personal interview at the appropriate Municipal Employment Office for the domicile of the applicant. At this interview, a counsellor advises the applicant about the Programme and his/her job history is completed or updated. After this registration, both parties sign an agreement of adherence to the Programme, which is sent for validation to the Job Training and Employment Management Offices of the Ministry of Labour, Employment and Social Security (MTEySS) which are distributed throughout the country.

Programme actions cover nine areas of intervention:

- Workshops on Guidance and Induction to the World of Labour, where a counsellor or tutor supplies necessary elements to identify applicants' interests, needs, and priorities; reassessment of knowledge and working skills that they may have acquired at various times of learning and experience; and appropriate strategies to plan and develop their search for, training for, and access to, employment.
- Training for the certification of primary and/or secondary studies. For this purpose there is liaison with provincial educational agencies, training, and certification services in general studies for adults, accessible in terms of vacancies, study modes, and teaching and curricular material to be utilised.
- Professional training courses. The courses offered shall fulfil the quality criteria established by the Ministry of Labour, Employment, and Social Security, in terms of appropriateness for socio-productive demands in the area and training needs of the young people.
- Certification of Labour Skills for young people with prior work experience.
- Organization of business ventures. Courses in business management and assistance by expert consultants are available for drawing up a Business Plan.
- Skill-gaining apprenticeships in work settings. The foregoing may be offered by public- or private-sector enterprises, with advisory services from the Municipal Employment Offices. There is a ceiling of 20 hours per week.
- Assistance in finding employment. The young people are called in to the Municipal Employment Office from time to time for advice, guidance, and assessment.
- Employment brokerage. Through the Municipal Employment Offices, the young people are informed by a counsellor of job vacancies available compatible with their professional skills.
- Support for hiring. The MTEySS promotes the hiring of young people by micro, small, and medium-sized firms which employ them for a maximum period of six months, in which case the worker hired receives a monthly allowance of \$400, while the employer must supply the balance to complete the wages for the position to be held, as provided under the Collective Work Agreement applicable to the activity or sector concerned.

Table 1
Young People with More and Better Work Programme

Financial benefits and benefit duration by intervention area		
Intervention area	Monetary benefit	Maximum duration
Guidance workshops	150 \$ per month	2 months
Training for certification of studies	150 \$ per month	18 months
Professional training courses	150 \$ per month	6 months
Skill-gaining apprenticeships	550 \$ per month	6 months
Assistance for job-finding	150 \$ per month	4 months
Support for hiring	400 \$ per month	6 months

Source: Prepared by ILO based on official information.

Note: In addition to monetary benefits there is certification of skills, training for business ventures, and job brokerage.

As of July 2009, the number of beneficiaries linked to the Programme was 62,753 (persons enrolled); direct beneficiaries were 46,099; and the number of benefits granted totalled 80,897, mostly concentrated in guidance and induction (48.2%), and activities to complete schooling (32.7%). Accordingly, on average, each person received 1.75 benefits, since each beneficiary may enrol in more than one component. In practice, the most usual activities were the workshops for guidance and induction to work, while simultaneously completing schooling.

It is estimated that by year-end in 2009 coverage will extend to 100,000 young people. The Programme targets for 2013, when the current source of external funding will end, are 145,000 beneficiaries and 600,000 young people contacted and informed.

Table 2
Youth Programme beneficiaries by type of action

	Accumulated from the beginning of the Programme in July 2009			
	Number	Percentage	Number	Percentage
Support for job finding	6,898	8.5	208	0.6
Support for employability and social integration	3,649	4.5	-	0.0
Course on business management	481	0.6	481	1.3
Training	309	0.4	86	0.2
Professional training	2,393	3.0	1,249	3.4
Guidance and induction	39,028	48.2	14,528	39.5
Educational guidance and citizenship building	1,592	2.0	-	0.0
Employment brokerage	63	0.1	24	0.1
Complete schooling	26,484	32.7	20,205	54.9
Total benefits awarded	80,897	100	36,781	100
Total persons benefited	46,099			
Total persons enrolled	62,753			

Source: MTEySS

3. Training and Employment Insurance

The Training and Employment Insurance (*Seguro de Capacitación y Empleo - SCyE*) was started in 2004 to set in motion a scheme of active employment policies designed to support unemployed workers of the PJH in finding employment, update work skills, and hiring. The first benefits were granted in May 2006.

It should be recalled that the PJH extended to approximately two million beneficiaries, who found employment as the economy recovered, while other beneficiaries were transferred to the Families for Social Inclusion Plan, in the purview of the Ministry of Social Development. The latter are considered the most vulnerable population, especially women and men with children in their charge, and with the most serious employability problems. Estimates by the Ministry of Labour considered that close to 300,000 beneficiaries could choose transfer to the Training and Employment Insurance. As of July 2009, 127,266 persons had in fact transferred to this programme.

The SCyE provides benefits and tools for workers choosing to take part. In turn, the monthly periods when a worker receives a monetary benefit will be calculated as actual time in service for purposes of accrediting the right to social security benefits. In addition, to strengthen the institutional capabilities of the SCyE, the Ministry implemented the network of public employment offices which provide guidance and job brokerage.³

Training and Employment Insurance provides a monthly allowance of \$225 (\$ 75 more than the aid given under the Heads of Household Programme). In addition to the allowance, insurance beneficiaries have access to job guidance and support in finding employment, job brokerage matching employer requirements and unemployed worker skills, education, capacity building, and training, completion of primary and secondary schooling, and support for individual and joint business ventures, and referral to social services as necessary.

Transfer from the Heads of Household Programme to Training and Employment Insurance is applied for at the Municipal Employment Offices, where the interested parties sign a Personal Enrolment Agreement engaging to visit the Office at regular intervals and follow a plan for seeking employment, participate in guidance, training, and practice activities, and identify job vacancies appropriate to their experience and qualifications.

Joining the Training and Employment Insurance is voluntary; that is, persons failing to state their explicit wish to transfer continue to receive the PJH allowance. In addition, maximum duration was set at two years. However, given the reduction in job opportunities owing to the international crisis, a temporary extension to 31 December 2009 is contemplated for current beneficiaries who have still not joined the labour market and whose 24 months of benefit are over. In addition, coverage was extended for unemployed persons whose benefits under contributive Unemployment Insurance were exhausted. The latter are beneficiaries of a scheme benefiting workers who held jobs registered with Social Security before their last employment.

³ See specific note on Municipal Employment Offices by the Crisis Observatory.

Regarding the socio-demographic traits of participants, the rate of female participation among beneficiaries is high (76.3%). Furthermore, the population is not particularly young, being distributed as follows: 37.1% are over 45 years of age, 30.8% are aged 26-35, 29.3% are aged 36-45, and barely 2.9% are under 26. The level of schooling among beneficiaries is in general low, though they have more years of schooling than PJH beneficiaries; only 23% completed secondary or higher studies.

As for work experience of beneficiaries, over 60% stated they had some. Among men, experience was mostly in the construction sector (27.2%), industrial, and artisanal production (14.5%). Among women, experience is more scattered, though a significant proportion concentrates in domestic service (22.3%). Among beneficiaries with experience, 38.9% had been self-employed. Among applicants, most men showed a preference for jobs associated to their work experience. The same pattern holds for women, though domestic service comes third among job expectations. For both men and women, almost one-third expect to perform tasks requiring higher qualifications than they previously had.

It is too early yet to assess programme effectiveness in achieving actual rehiring; since the start of the programme slightly over 10% of beneficiaries were discontinued because they took up a registered job. It should be noted that approximately 40% of benefits are directly addressed to joining the labour market, whether under hiring programmes in various fields, micro business ventures, or public works. All other benefits are not necessarily addressed to rehiring. In fact, a major portion of benefits is related to completion of schooling and to professional training.

Table 3
SCyE – Benefits granted from April 2006 to June 2009

Type of benefit	Persons
Completion of schooling	18,100
Professional training	17,201
Hiring programmes	21,891
Local Public Works (training)	2,013
Job training (private sector)	6,692
Special regime for domestic service	2,550
Productive micro business ventures	484
Total benefits	68,931
Total persons receiving benefits	61,420

Source: MTEySS

4. Conclusions

Both the Young People with More and Better Work Programme and the Training and Employment Insurance Programme have proved to be innovative experiences to address the difficult employment situation of young people, in addition to that of beneficiaries of the Heads of Household Plan, implemented to face the economic crisis which affected Argentina in 2002. The new programmes were conceptually structured to support a job-creation process, where beneficiaries gradually join the labour market. In the face of the crisis, the programmes are being extended and adapted to accommodate the new labour situation.

One of the most serious challenges facing the programmes is development and organization of the supply of services for the various components covered. For example, in the case of the Youth Programme, at the start, the highest demand was for educational components for such were actually available and utilization was more accessible and expeditious. The other components require further processing and coordination with other institutions, thus enhancing support to seeking jobs and hiring. Similar circumstances affect the Training and Employment Insurance, expansion of which involves challenges similar to those faced by other social protection programmes and requires linking and activating the use of a supply of education, health-care, capacity-building, and training services.