



ESSENTIAL SERVICES FOR EMPLOYMENT DURING RECOVERY

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Essential services for employment seek to strengthen capacities for stable inclusion in the labour market by guaranteeing access to programmes to acquire basic skills, strengthen human capital, and foster greater employability. The right of individuals to access these services does not stem from previous labour contracts; it is a universal guarantee for the entire working-age population.

In a context of economic recovery with job creation, like the one that has already started in Latin America, development of these services is a priority strategy for providing permanent solutions to individuals in great need. Their purpose is to provide a support platform for inclusion in productive labour and create autonomous income. They also serve as a mechanism for moving away from programmes that provisionally relieve poverty by strengthening the capacities of beneficiaries so that they can take advantage of the new opportunities created by recovery.

1. Introduction

Two years into the international financial crisis, Latin American countries show sound economic recovery, which in some cases is leading to job creation. In this context, developing policies and programmes to support individuals in the labour inclusion process, as part of essential employment services, returns to the forefront. This process involves the development of mechanisms and programmes designed to create basic skills for labour inclusion among the working-age population, strengthen the formation of human capital, and improve their employability. These basic services are considered essential because they help individuals face risks and vulnerabilities deriving from the loss of employment, undesired unemployment, or low-wage jobs and precarious labour conditions.

The right of individuals to access these services does not stem from a previous work contract, but is a right for the entire working-age population, and can thus be considered part of the framework of the Social Protection Floor Initiative. The SPF Initiative seeks to extend guarantees for access to social protection to all individuals and improve mechanisms linking these transfers to essential employment services. Thus, while transfers provide economic security, essential services aim to strengthen human capital formation and create opportunities for labour inclusion.

As a result, essential employment services grant all working-age individuals access to a basic support network that allows them to develop and strengthen their capacity for stable inclusion in the labour market. They are therefore universal guarantees for employment access services and are thus distinct from guarantees that stem from an existing labour relationship.

2. Transfers and essential employment services

In recent years, several countries developed income transfer programmes as part of their social protection systems. Cash transfers are designed to provide a minimum income level by providing economic security while provisionally alleviating poverty, since a permanent solution may only be achieved by creating income derived from productive employment. In fact, lack of employment, as well as certain precarious or informal occupations,

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generate insufficient household income and causes poverty. This situation can hardly be overcome if the capacity of individuals to create income is restricted due to lack of physical, social, and human capital assets.

There is, thus, a need to develop an array of essential services for employment in order to create a platform to support inclusion in productive employment. This is the central objective of essential employment services, which involve the implementation of specific interventions designed to facilitate the transition towards the activation of the working-age population and employment, while developing and strengthening the capacities of individuals to achieve stable inclusion in the labour market. In order to develop this fully, an effort must be made to ensure that incentives do not quench efforts to create such mobility, which supposes an optimum combination of the level of transfers and the provision of employment services.

Although the Social Protection Floor Initiative is designed to ensure universal access to these guarantees -an approach that is no doubt applicable to essential employment services-, there is a need to consider priority access for low income individuals and those with incomplete schooling, work experience that consists mainly of precarious employment, and so on. Therefore, although the guarantee for access to these services is defined as universal, priority is given to most vulnerable individuals, who require strong support in order to achieve social inclusion through stable work. Essential employment services aim to improve equity in the labour market by strengthening opportunities for the most vulnerable workers.

There is a critical need to ensure mechanisms for implementing the type of assistance and service network described above. The targets of such efforts are unskilled workers with unstable employment histories and high incidence of long-lasting unemployment; individuals who benefit from transfer programmes designed to relieve situations of extreme poverty; and individuals joining the labour market for the first time (generally low-skilled young people or women).

3. A network of essential employment services

In order to develop labour skills and qualifications and facilitate programme beneficiaries' inclusion in the labour market, essential employment services must include the following:

- Job search assistance and guidance: defining an employment profile and working skills and counselling beneficiaries about the labour market.
- Labour intermediation with public and private sectors: facilitating apprenticeships and opportunities to gain experience in the working field.
- Technical and financial assistance for individuals looking to start new business ventures and independent activities: provision of inputs and management tools for developing microenterprises, including activities for own consumption and learning a trade.
- Development of skills: development of basic and specific technical qualifications and skills that are recognized by the labour market but not provided by formal education.
- Assistance for completing and furthering formal education: complete formal education for young people and adults.
- Subsidies providing labour inclusion incentives: encouraging wage earning opportunities in the private sector and creating opportunities for beneficiaries to demonstrate their skills.

Therefore, essential employment services should consider the wide range of needs stemming from shortcomings for inclusion in the labour market (resources, basic knowledge, working experience, etc.) and the employment histories that such inclusion may produce.

Essential employment services are organized at the local level through public employment agencies. Some of the services are provided directly, though beneficiaries may be referred to specific programmes offered by specialized institutions. Public employment agencies play an essential role in assessing the support needs of individuals and providing guidance for and follow-up on inclusion in the labour market. In order to operate effectively, the various services and agencies must be closely coordinated as services are diverse and there are many types of beneficiaries seeking inclusion in wage employment or self-employment. The service network model is based on the idea that each beneficiary will be able to build a personal path to ensure effectiveness.

There are two vital aspects to be considered in the design of a network of essential employment services. Naturally, their degree of development will depend on (i) existing opportunities for expanding the supply of services and (ii) their effective coordination with other social protection subsystems such as health, education, and job training.

These services are essential and represent a minimum standard, and their development is a public responsibility. However, the public system may use private agencies, non-government organizations, or others, especially organizations with appropriate infrastructure and experience in the provision of specific services for this purpose.

a) Territorial coverage

The universal coverage approach requires that such services be provided throughout the country and be made available to all individuals of working age regardless of their work experience, skills, or other characteristics. Given this, the intensity of support and coaching provided will vary, becoming more intense when greater inclusion difficulties are identified.

Although the levels of decentralization of services vary by country, it is clear that the impact of administrative and political structures is greatest when the service is close to the beneficiary. Decentralization should allow certain general policies to be adapted to specific territorial features. This is especially important for training in basic competences and professional capacity-building programmes.

It is also necessary to guarantee that information about vacancies and the characteristics of the supply of available jobs is transparent and based on close contact with enterprises that are active in each specific area.

b) Pathway design and development

One of the main features of an effective service of this nature is the development of a methodology that allows routes or pathways for assistance and training of beneficiaries. As such, a network of essential services should be able to guide each beneficiary along a pathway of assistance in order to help them overcome specific shortcomings or vulnerabilities.

In fact, assistance must vary according to beneficiary characteristics. For some individuals, job search assistance and guidance services will be sufficient to link them to whatever job offers are compatible with their professional training and experience. For others, the journey towards productive employment will require multiple interventions of varying degrees of complexity.

A network of essential employment services should be designed to allow for the provision of basic support, which will include information about job offers and all type of services based on the needs of the beneficiaries, which will in turn define the pathway of each individual in the network. In view of the basic components described above, a second level of complexity is job intermediation, which involves providing beneficiaries with information about vacancies and specific assistance in the development of a minimum amount of experience in that area.

A third dimension to be considered is the recognition of the beneficiaries' preferences in terms of the level of inclusion in the labour market. If the beneficiary's goal is to obtain a wage, it may be necessary to provide technical training in order to develop skills not provided by the formal education system. If the goal is to empower beneficiaries to create small businesses or become self-employed, the services will be different. Each programme must have a supply of specialized services that will be provided in response to each one of these cases.

Finally, developing a pathway in the network of essential employment services should also include cases in which beneficiaries do not have full schooling or certification of their work experience. In these situations, the beneficiary's pathway should initially consider a module designed to overcome these shortcomings. Such modules can operate within the education system or through a special system designed to certify job skills. In such cases, beneficiaries will be required to complete these initial steps or system components before progressing.

4. Conclusion

The development of essential employment services may play a key role in economic recovery with job creation as such services may connect the supply and demand for work of vulnerable groups that face obstacles to inclusion or re-inclusion in the labour market. For employment services and social protection programmes to be effective, there must be a high level of coordination among them. In many cases, such services should be accompanied by

cash transfers designed to ensure that they are more effective in long term inclusion in the labour market while providing a basic level of financial security. The Social Protection Floor Initiative provides a context for seeking more and better interactions between the social protection system and labour market policies and programmes.