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Good practices in using partnerships for the delivery of employment services in Colombia

Zulum Avila

Employment and Labour Market Policies Branch

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Preface

The primary goal of the ILO is to work with member States towards achieving full and productive employment and decent work for all. This goal is elaborated in the ILO Declaration on Social Justice for a Fair Globalization (2008), which has been widely adopted by the international community. Comprehensive and integrated perspectives on achieving this goal are embedded in the Employment Policy Convention, 1964 (No. 122), the Global Employment Agenda (2003) and – in response to the 2008 global economic crisis – the Global Jobs Pact (2009) and the conclusions of the Recurrent Discussion Reports on Employment (2010 and 2014).

The Employment Policy Department (EMPLOYMENT) is engaged in global advocacy and in supporting member States' efforts to place more and better jobs at the centre of economic and social policies and growth and development strategies. Policy research and knowledge generation and dissemination are essential components of the Employment Policy Department's activities. The resulting publications include books, country policy reviews, policy and research briefs and working papers.

The Employment Policy Working Paper series is designed to disseminate the main findings of research on a broad range of topics undertaken by the various branches of the department. The working papers are intended to encourage the exchange of ideas and to stimulate debate. The views expressed within them are the responsibility of the authors and do not necessarily represent those of the ILO.

Azita Berar Awad
Director
Employment Policy Department

Foreword

This paper was prepared by the ILO as part of a global study looking at the emergence of partnerships between public employment services and other providers in promoting access to employment. Across the world, such partnerships are becoming instrumental in delivering employment services and active labour market programmes to help employers and jobseekers adapt to change and cope with labour market transitions in increasingly complex labour markets.

There are several factors that could explain this trend in policy bias towards partnerships. First, it is no longer efficient or practically feasible solely rely on the traditional governmental actors for the creation of more and better job opportunities. Second, while conducive policy and regulatory frameworks are necessary for inclusive growth and improved employment prospects, more downstream action is required – which can be buttressed by partnerships. Third, human and fiscal capacity constraints on public administrations necessitate collaboration with other actors.

This paper explores the mechanisms and preconditions that are contributing to successful partnerships in delivering employment services and active labour market interventions in Colombia. Such partnerships in the Colombian context are pursuing three main objectives: (1) to expand service provision and optimize service coverage; (2) to adapt service provision to local labour market needs; and (3) to improve service delivery to target groups facing barriers to employment.

The paper also presents three case studies which cast light on the key factors that prompt the formation of partnerships and the ways in which the challenges of working in cooperation have been addressed. The analysis also aims to establish whether there are transferable lessons that could be replicated by other members of Colombia's Network of Employment Services Providers in other municipalities or economic sectors within the country.

This paper is intended to help employment services to explore new approaches to service delivery to meet the increasing demand for their services. Partnerships are not a response to the poor resourcing of public employment services, nor are they a substitute for the proper funding of those services. On the contrary, collaborative partnerships offer the possibility of combining the experience, knowledge and resources of a variety of actors in implementing solutions that respond to local needs.

Sukti Dasgupta
Chief
Employment and Labour Markets Branch

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This paper was prepared by Zulum Avila, ILO Employment Services specialist, with contributions from Juana Paola Bustamante (consultant), who collected information through consultations with key informants and composed a first draft. Sincere appreciation goes to staff from the Colombian Ministry of Labour, the Public Employment Service Unit, the National Apprenticeship System, the family compensation funds of Bogotá and Meta, and the United Nations Development Programme for supplying information for this report. The paper benefited from valuable comments via peer review from Julio Gamero (ILO Lima office) and Pedro Martins (ILO Employment Policy Department). The document was edited by Gillian Somerscales, Radu Bârză (intern) helped with processing and locating information, and Mariela Dyrberg formatted the manuscript.

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Abbreviations and acronyms

ALMPs	active labour market policies
AMVA	Área Metropolitana del Valle de Aburrá (Metropolitan Area of Aburrá Valley)
ANH	Agencia Nacional de Hidrocarburos (National Hydrocarbons Agency)
APE	Agencia Pública de Empleo (Public Employment Agency)
CCFs	*cajas de compensación familiar* (family compensation funds)
CNMD	Consejo Nacional de Mitigación del Desempleo (National Council for Unemployment Alleviation)
COFREM	Family Compensation Fund of Meta
CONPES	Consejo Nacional de Política Económica y Social (National Council for Economic and Social Policy)
COP	Colombian peso(s)
DANE	Departamento Administrativo Nacional de Estadística (National Administrative Department of Statistics)
DMFT	Dirección de Movilidad y Formación para el Trabajo (Mobility and Training for Work Unit)
DNP	Departamento Nacional de Planeación (National Department of Planning)
DPS	Departamento para la Prosperidad Social (Department of Social Prosperity)
EC	employment centre
ECLAC	Economic Commission for Latin America and the Caribbean
ETH	Estrategia Territorial de Hidrocarburos (Regional Strategy for Hydrocarbons)
FOSFEC	Fondo de Solidaridad de Fomento al Empleo y Protección al Cesante (Solidarity and Employment Promotion Fund)
GDP	gross domestic product
HEIs	higher educational institutions

JACs	*juntas de acción communal* (community action groups)
MCIT	Ministerio de Comercio, Industria y Turismo (Ministry of Commerce, Industry and Tourism)
MPC	Mecanismo de Protección al Cesante (Unemployment Protection Mechanism)
MPGs	municipal and provincial government authorities
Network	Red de Prestadores del Servicio Público de Empleo (Network of Employment Services Providers)
PES	public employment service
PNUD	Programa de las Naciones Unidas para el Desarrollo (Eng.: UNDP)
Red ORMET	Red de Observatorios Regionales del Mercado de Trabajo (Network of Regional Labour Market Observatories)
RUE	Registro Único de Empleadores (Registry of Employers)
SENA	Servicio Nacional de Aprendizaje (National Apprenticeship System)
SISE	Sistema de Información del Servicio de Empleo (Information System for Employment Services)
SMEs	small and medium-sized enterprises
USPE	Unidad del Servicio Público de Empleo (Public Employment Service Unit)
UNDP	United Nations Development Programme (Sp.: PNUD)
UMAIC	Unidad de Manejo y Análisis de Información Colombia (Colombia Unit of Information Management and Analysis)

Executive summary

This paper examines good practices in using partnerships for the effective delivery of employment services and active labour market programmes (ALMPs) in Colombia. Partnerships are understood in a broad manner and include collaborative relationships with private employment agencies, non-profit-making organizations, government agencies and public bodies. Colombia offers a valuable body of experience, being the only Latin American country that has adopted on a large scale a model of employment services that brings together public, private and non-profit providers all delivering under the same brand name: the Red de Prestadores del Servicio Público de Empleo (Network of Employment Services Providers).

This hybrid model has been in operation since May 2013, following a major policy reform introducing labour market policies to protect the unemployed and help those who lose jobs to return to work. This policy shift entailed moving away from the traditional model relying mostly on public delivery to a model supported by authorized private providers operating in a competency-based system regulated by the public authority. This approach, however, does not involve government agencies contracting out delivery of specific services to private providers; rather, the aim is to bring the capacities, knowledge and resources of a variety of providers under a single umbrella. The creation of the current model was also influenced by the results of a review of the regulations on the licensing and operation of private employment agencies, which set out provisions (1) to ensure that core employment services (registration of jobseekers and vacancies, job information, advice and job placement) are accessible to all workers, and free of charge for jobseekers; and (2) to foster cooperation between the public employment service (PES) and private providers.

The study on which this paper is based was carried out during the second half of 2016 with the objective of understanding the mechanisms and preconditions conducive to the successful operation of partnerships in improving the quality of employment services and expanding access to more Colombians. The study draws strongly on a desk review and on a series of one-to-one interviews with representatives from the Ministry of Labour and with certain bodies affiliated to the Network of Employment Services Providers, who helped in forming our understanding of the factors that support cooperation and partnerships.

Part I starts with a brief overview of the economic and employment situation in Colombia and examines the new regulations introduced in 2013, alongside the reform of the PES, which allow for partnerships between public and private providers. One specific feature of the Colombian model is that the participation of both public and private providers enables complementarities in service delivery to be achieved. One strong incentive for cooperation and the pooling of resources is that different providers share an interest in extending the availability of services, particularly at local level. Some providers are investing in offering specialist services in a particular job market niche, for example, private employment agencies working with specific economic sectors and high-skilled workers; others are working in association to offer a wider range of services or to bring in specific services that they do not have the capacity to provide.

Part II explains in more detail how this specialization of providers favours partnerships, what types of collaboration are taking place, and the motivations behind these arrangements. Partnerships in the Colombian context have a proven record in bringing in expertise and resources that complement the work of the PES in pursuit of three key objectives: (1) expanding service provision and optimizing service coverage; (2) adapting service provision to local labour market needs; and (3) delivering services to target groups (e.g. young jobseekers, forcibly displaced populations and people with disabilities). Cooperation with other providers of employment services and local stakeholders is also increasing the capacity of the Ministry of Labour to analyse labour market needs at the local level, with a view to eventually linking up employability services, entrepreneurship and formalization programmes in one-stop shops.

Part III presents three case studies that illustrate the key factors prompting the formation of partnerships and the ways in which the challenges of working in cooperation have been addressed. This analysis also aims to establish whether there are transferable lessons to be drawn that could enable this model to be replicated by other members of the Network of Employment Services Providers, in other municipalities or economic sectors within Colombia.

Case 1: Increasing access to employment services in the Aburrá Valley

The metropolitan area of Aburrá Valley hosts one of the largest job markets in the country and important productivity centres, including Medellín. This example illustrates how coordination and association between municipalities can create economies of scale for planning and delivering employment services while taking advantage of the labour market activity in urban agglomerations. Shifting from a municipally based operation to one that is driven by demand within a larger job market improves fluidity and accessibility to job opportunities.

Case 2: Improving job information transparency and matching in Meta's oil-producing zones

The economy of Meta province is strongly specialized in hydrocarbons, but the sector gives few direct employment opportunities to local communities. In addition, the absence of formal mechanisms for jobseeking fostered the proliferation of unregulated "rough recruiters" in oil-producing zones. This case study shows that the introduction of employment centres through partnerships in Meta helped to remove inefficiencies related to lack of transparency and unregulated recruitment practices. Partnerships between employment centres and training providers also helped to expand job opportunities in economic sectors other than hydrocarbons, and by raising demand also gave impetus to upskilling efforts.

Case 3: Helping young people into quality first jobs

This case study explores the introduction of specific pathways to help ease the school-to-work transition for young people (aged 18–28) by building both the soft skills employers seek and work-related experience. A partnership approach with the family compensation funds (*cajas de compensación familiar*: CCFs) and other providers of employment services has enabled the Ministry of Labour to put in place the basic elements of this ALMP, including mobilizing funds, reaching out to the target population and developing service protocols.

Part IV presents the paper's conclusions. Prominent among these is the finding that partnerships act as a means of bringing in expertise and complementary resources to improve responsiveness to local needs. In the case of Colombia, the construction of a system favouring partnerships depends on four essential preconditions: (1) a policy framework promoting a stronger connection between active and passive labour market policies; (2) clear rules and regulations that facilitate the participation of providers of employment services other than the public authorities; (3) a performance monitoring system measuring progress made with respect to national targets; and (4) an adequate funding base. All these elements are present to some degree in the current delivery system, but all require further development.

PART I: SITUATION ANALYSIS AND BACKGROUND INFORMATION

1. Introduction

1.1. The economic and employment situation

1.1.1. Economic growth

Colombia is a medium-sized country that has experienced strong growth over the past decade. This positive trend enabled the country to overcome the economic downturn of 2009 relatively quickly, registering growth in gross domestic product (GDP) of around 4.0 per cent over the period 2010–14, after which it slowed somewhat in 2015 and 2016. As the economy has improved, so the number of people living in extreme poverty has fallen; however, widespread income inequality persists. Maintaining employment levels and ensuring access for more people to formal jobs and social safety nets remain important policy goals in the pursuit of the long-term benefits of economic growth and poverty reduction.

For the country to remain competitive in global markets it needs to reduce dependence on commodities and to diversify the economy through the development of quality jobs and sectors generating added value. This imperative has become all the more urgent, given the recent drop in oil prices that slowed down economic growth from 4.4 per cent in 2014 to 2.0 per cent in 2016 (table 1).

Table 1. GDP growth, 2009-15

Year	2009	2010	2011	2012	2013	2014	2015	2016*
Real GDP† growth (%)	1.7	4.0	6.6	4.0	4.9	4.4	3.1	2.0

* 2016 figure is provisional. † Constant prices, 2005.

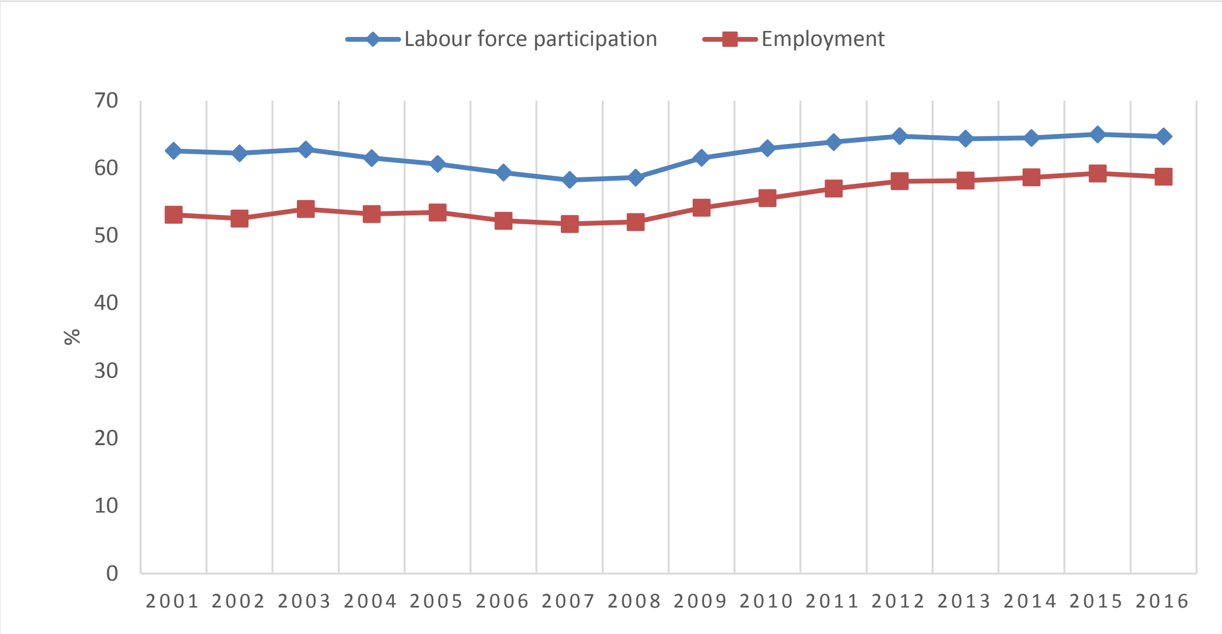
Source: National Administrative Department of Statistics (Departamento Administrativo Nacional de Estadística: DANE).

1.1.2. Trends in employment and unemployment

Over the past decade, the Colombian economy has gone through a favourable phase of the economic cycle accompanied by job creation. However, this economic growth has had a greater positive impact on informal than on formal employment. This dynamic can be observed through the evolution of the labour participation rate and the employment rates from 2010 to 2016. While the (formal) employment rate increased between 2010 and 2012 by almost 3 percentage points, the labour force participation rate had a smaller increase of only two percentage points over the same period (from 62.9 per cent up to 64.7 per cent respectively). Both indicators remained relatively stable until 2016, when the participation rate stood at 64.7 per cent and the employment rate at 58.7 per cent (figure 1).[1]

[1] Unless otherwise stated, figures for individual years are quarterly moving averages, June–August, for the year cited.

Figure 1. Employment and labour force participation rates, 2001-16

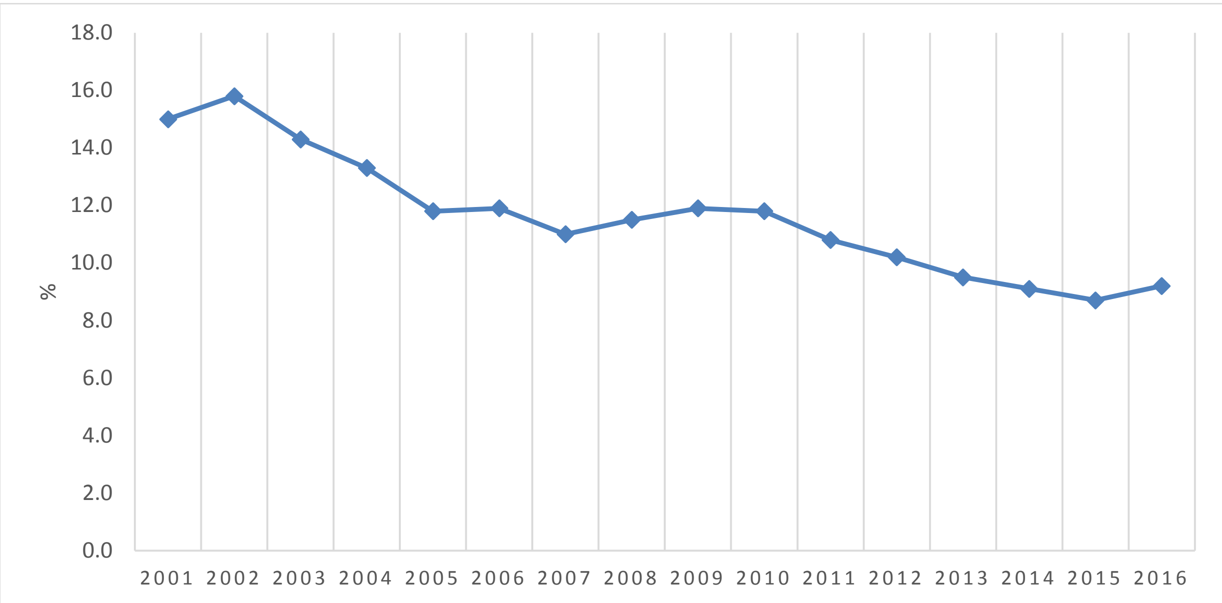


Note: Quarterly moving average (June-Aug.).

Source: DANE, 2016

The unemployment rate has fallen almost continuously over the period 2001–16, a trend that has been largely unaffected by the economic slowdown, with only a small increase between 2007 and 2009. The rate reached a record low of 8.7 per cent in 2015 and remained below 9.2 per cent in 2016 (figure 2). However, in the latter year 9.7 per cent of the employed were available to work more hours but unable to find full-time jobs. Workers in part-time employment find it harder to ensure adequate income and gain access to social protection. At the same time, while the unemployment rate, though declining, remains high, some employers find it difficult to fill vacant positions owing to skill shortages, particularly in engineers, technicians, administrative assistants, skilled trade workers and executive managers (Manpower Group, 2015).

Figure 2. Unemployment rate, 2001-16



Note: Quarterly moving average (June-Aug.).

Source: DANE, 2016

1.1.3. Gender and employment

While the unemployment rate among women has declined steadily from 14.2 per cent in 2011 to 11.9 per cent for the same period in 2016, among men unemployment stood at 7.2 per cent in 2016. This represents a wide gender gap of 4.7 percentage points (DANE, 2016).

More women than men are using formal channels in seeking employment. For instance, of the jobseekers registered with the PES in 2015, 56.2 per cent were women and 43.8 per cent were men.[2] Women are more likely to be in self-employment than in private sector formal employment: in 2016 the figures were 41 per cent and 38 per cent, respectively (DANE, 2016). This situation is much the same for men (table 2), indicating a high incidence of informality with associated challenges in making the transition formal jobs, particularly for low-skilled workers.

Table 2. Employed persons, by status in employment and sex, 2016

Status in employment	Women (%)	Men (%)
Wage and salary workers (private establishments)	37.9	39.0
Wage and salary workers (government)	4.6	3.4
Domestic workers	7.0	0.2
Own-account workers	41.2	44.7
Employers	2.4	4.9
Unpaid family workers	6.2	2.6
Daily paid workers	0.5	5.1
Other	0.2	0.1

Note: Quarterly moving average (June–Aug.).

Source: DANE, 2016.

Despite an increasing female labour force participation rate, the gender wage gap – the difference between men's and women's pay in the workplace – remains a significant aspect of inequality in Colombia, hovering around 4.5 percentage points between 2007 and 2015. In 2015, women still earned on average only 77 per cent of what men were paid (DNP, 2016).

1.1.4. Youth employment

The youth unemployment rate dropped from 18.9 per cent in 2011 to 15.9 per cent in 2016. In spite of the overall decline in the unemployment rate, 49 per cent of the total unemployed in Colombia in 2016 were under 28 years. In that year, young people aged 14-28 made up 32 per cent of the working-age population and 58 per cent of them were in the labour force. The unemployment rate is still much higher among young women (20.5 per cent) than young men (12.5 per cent), in spite of the overall improvements in job creation

[2] Information for 2015 provided by the Administrative Unit of the Public Employment Service (Unidad Administrativa del Servicio Público de Empleo: UASPE), known since 2015 as the Unidad del Servicio Público de Empleo (USPE). For simplicity's sake, the latter acronym is used throughout this paper.

for both sexes (DANE, 2016). Young jobseekers also outnumber adult jobseekers registered with the PES, making up 53 per cent of the total.[3]

In 2015, unemployment was higher, and income levels lower, among young people aged 18–24 than for any other age group. Workers between the ages of 35 and 44 reported on average the highest levels of income (DNP, 2016). This difference is consistent with the working life cycle and the increased productivity associated with age; even so, improving employability and job opportunities for young people remains a policy priority. Factors such as informality, a shortage of technicians, and mismatches between the skills possessed by workers and those sought by employers, act as barriers to the progress of young people in the formal labour market. In the Colombian labour market, employers seeking to match candidates with jobs consider the possession of soft skills just as important as that of technical skills (MT, 2015a).

1.1.5. Employment by sector

In 2016 significant differences in levels of employment by economic sector were observed between urban and rural areas. Specifically, in urban areas 32 per cent of those employed were working in wholesale and retail trade, 22 per cent in services and 13 per cent in manufacturing. In rural areas, on the other hand, 63 per cent of workers were in agriculture, livestock, forestry and fishing, and 14 per cent in wholesale and retail trade (DANE, 2016).

In December 2015, a total of 468,126 formal enterprises were registered in the Colombian Registry of Employers (Registro Único de Empleadores: RUE),[4] providing formal employment for 8,090,095 salaried workers. Formal employment was concentrated mainly in the largest cities, where 73.1 per cent of all registered enterprises operated. Bogotá, Medellín, Cali, Barranquilla, Bucaramanga and Cartagena alone employed 66.8 per cent of total salaried workers (table 3). Most of the remaining third worked for enterprises based in medium-sized cities with a strong oil industry presence, or in port activities.

Table 3. Numbers of enterprises and formal salaried workers in Colombia’s main cities, December 2015

City	Enterprises (no.)	Workers (no.)
Bogotá	152 671	3 053 737
Medellín	63 987	949 205
Cali	32 092	594 332
Barranquilla	18 108	354 384
Bucaramanga	15 566	255 451
Cartagena	11 752	204 318
Pereira	8 490	115 541
Ibague	5 894	108 957
Manizales	7 323	103 534
Cucuta	6 472	91 524

[3] Information for 2015 provided by USPE.

[4] The RUE provides detailed information on the number of enterprises established in the country and the level of formal employment they generate. It provides a reasonably accurate estimate of all formal enterprises affiliated to the CCFs, which are non-profit private entities responsible for paying unemployment insurance, family allowances and other subsidies for commercial and recreational activities to workers employed by those enterprises. The RUE does not, however, take account of self-employed workers (USPE, 2016).

City	Enterprises (no.)	Workers (no.)
Santa Marta	5 115	87 260
Neiva	5 202	82 686
Villavicencio	5 460	74 745
Valledupar	3 942	68 282
Total	342 074	6 143 956

Source: RUE, 2016.

At the same time, nearly 60 per cent of all salaried employment in Colombia was generated by enterprises delivering administrative and business support services (18.3 per cent), social and personal services (15.9 per cent), trade (12.7 per cent) and manufacturing industry (10.7 per cent), as shown in table 4.

Table 4. Sectoral distribution of enterprises and formal salaried workers, December 2015

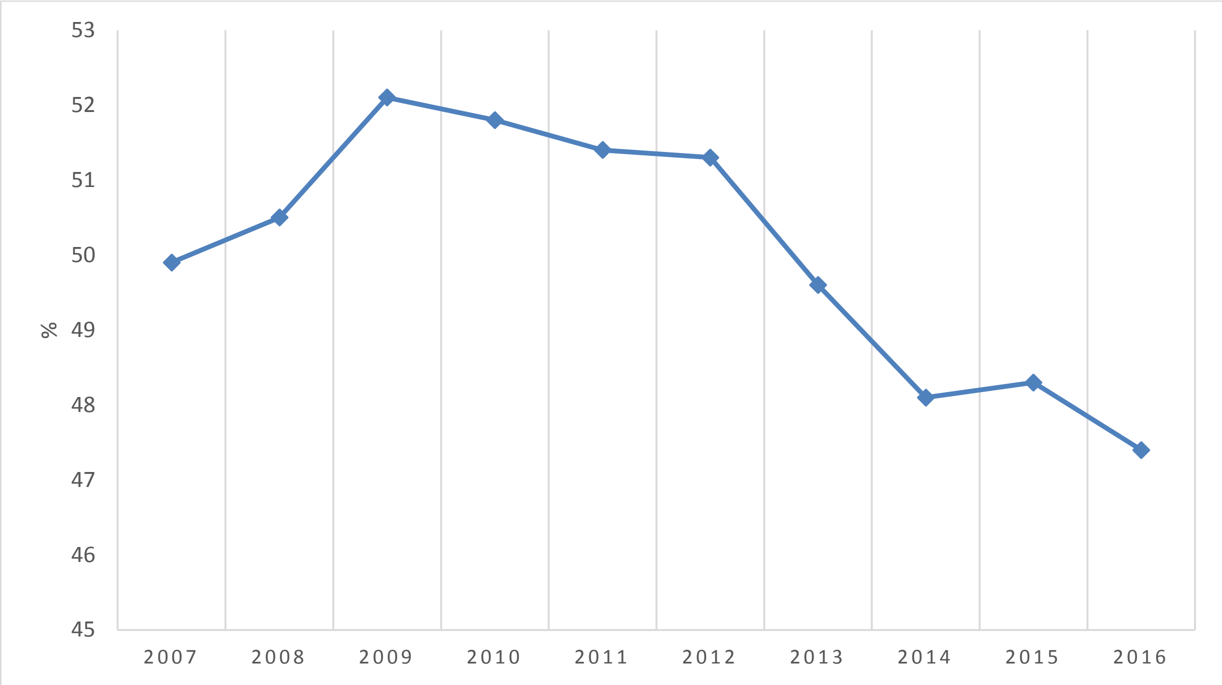
Sector	Enterprises (%)	Salaried workers (%)
Agriculture, livestock, mining and quarrying	5.1	4.8
Manufacturing industry	9.4	10.7
Electricity, gas and water supply	0.6	1.1
Construction	8.3	8.2
Wholesale and retail trade	20.5	12.7
Transport and warehousing	4.4	5.2
Hotels and restaurants	3.6	2.7
Information and communications services	2.2	2.6
Financing and insurance services	2.1	3.1
Real estate activities	2.3	0.9
Professional, scientific and technical activities	8.9	7.5
Administrative and business support services	5.6	18.3
Public administration	0.8	6.3
Social and personal services	26.2	15.9

Source: RUE, 2016; USPE, 2016a

1.1.6. Informality

Colombia measures informal labour in two ways. The first counts unincorporated enterprises with fewer than five workers, including unpaid family workers, domestic employees and self-employed workers (excepting independent professionals). The second counts those not eligible for social security payments or affiliated to a pension scheme. On both measures, informality has decreased in the country over the past decade; however, the informal sector still remains large, employing in particular high proportions of women and low-skilled workers. Figure 3 shows the decline in informality as measured by enterprise size from 49.9 per cent in 2007 to 47.4 per cent in 2016. In sectoral terms, informal labour accounted for 43.5 per cent of workers in the wholesale and retail trade and hotels and restaurants sectors, 15.9 per cent in services, 12.2 per cent in manufacturing and 11.1 per cent in the transport sector in 2016.

Figure 3. Informality rate, 2007-16



Note: 13 cities and metropolitan areas, quarterly moving average (June–Aug.). Informal employment comprises workers in small businesses with fewer than five employees, unpaid family workers, domestic employees and self-employed workers other than independent professionals.
Source: DANE, 2016.

Using the alternative criterion of affiliation to a pension scheme, the informality rate for the third quarter of 2016 was similar, standing at 49.9 per cent of the workers in 13 main cities and metropolitan areas (DANE, 2016). Since the enactment in 2010 of Law No. 1429 on the Formalization and Creation of Employment, the incentives provided to enterprises to register workers to contributory social insurance (pension) schemes have had mixed effects at the local level, producing only limited numbers of transitions from informal to formal employment. Other constraints on formalization in the Colombian labour market have to do with weak enforcement of labour law, imbalances between the skills of workers and the needs of employers, high minimum wages and low incentives for workers to affiliate to the social insurance system (OECD, 2016).

1.1.7. Employment and educational level

In Colombia, higher educational achievement seems to be positively related with formal employment. Workers with tertiary education are more likely to have formal jobs than workers with only primary education. For instance, survey data show that 40.4 per cent and 52.3 per cent of formal workers have secondary and tertiary education, respectively, whereas 54.6 per cent of informal workers in small enterprises have only secondary education and 26.3 per cent have only primary education (Dane, 2016).

Table 5 indicates a possible correlation between higher informality rates and lower educational levels in Colombia, with informality rates declining from 87 per cent for workers without education to just 22 per cent for workers with higher education (DANE, 2016).

Table 5. Informality rate by educational level, 2016

Level of education	Informality rate (%)*
None	87
Primary	78
Secondary	55
Higher	22

* 13 main cities and metropolitan areas, quarterly moving average (June–Aug.)

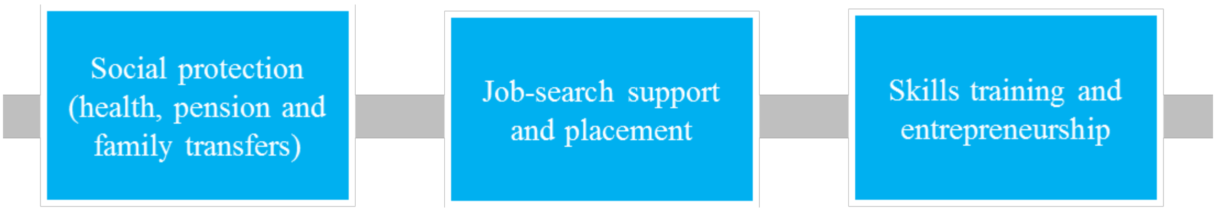
Source: Author estimates based on DANE, 2016.

1.2. The employment policy and regulatory framework

1.2.1. Employment policy: Connecting passive and active labour market polices

As part of the priorities set in the national development plan for 2010–14 (DNP, 2010) and subsequently taken forward by the 2015–18 plan (DNP, 2015), the Colombian Government proposed a more comprehensive and integrated system of protection for workers in formal employment, connecting compensation for income loss in the event of unemployment with ALMPs facilitating the return to work, including support for active job search, skills training and entrepreneurship (figure 4).

Figure 4. A comprehensive system of active and passive labour market policies



Source: Author.

The creation in 2013 of the Unemployment Protection Mechanism (*Mecanismo de Protección al Cesante*: MPC) paved the way for a more dynamic interplay between social protection – health, pension and family benefits – and active labour market measures. The MPC combines passive and active labour market measures, including: (1) compensation in the event of job loss for eligible workers; (2) payment of contributions to health insurance, pension plans and family benefits;[5] (3) job-search support and placement through a network of employment services; and (4) access to job training and entrepreneurship (box 1).

[5] To be eligible for family benefits, workers must (1) have monthly income below four times the minimum wage; (2) have worked at least 96 hours during the previous month; and (3) have family dependants (e.g. children or siblings below age 18 or parents over age 60 with insufficient income to live or who are unable to work).

Box 1. Main components of the unemployment protection mechanism

Passive labour market measures

- The Solidarity and Employment Promotion Fund (Fondo de Solidaridad de Fomento al Empleo y Protección al Cesante: FOSFEC) partially finances passive labour market measures (contributions to health insurance, pension plans and family benefits) for workers covered by the MPC and active employment promotion measures.
- A voluntary system of individual unemployment savings accounts allows workers to choose to earmark part of these savings for withdrawal in the event of unemployment.*

Active labour market measures

- The PES provides job-search support and placement.
- Vocational and job training is available to improve employability and facilitate re-employment.
- Entrepreneurship measures offer start-up credit facilities, seed funding, micro-credit training and technical support.

* As under current rules workers may withdraw these savings for other purposes (e.g. education or buying/renovating a house), the MPC introduces an incentive to encourage workers to earmark part of these savings to be used only in the event of unemployment, in the form of a payment by FOSFEC of an amount equivalent to the savings thus earmarked. The minimum amount workers are required to earmark for use only in unemployment is 10 per cent of the total saved for workers earning less than twice the minimum wage and 25 per cent for workers earning over two times the minimum wage.

Source: Author, based on Law No. 1636 of 2013 (Congreso de la República de Colombia, 2013), as amended by Law No. 1780 of 2016 on measures to promote youth employment and entrepreneurship (Congreso de la República de Colombia, 2016) and Regulatory Decree No. 1072 of 2015 on the labour sector (MT, 2015b).

The MPC applies to all workers contributing to the CCFs, which are private, non-profit-making organizations that are responsible for processing the claims of eligible workers for unemployment benefits. The voluntary system of individual unemployment savings accounts under the MPC is available to dependent workers in the public and private sectors and to self-employed workers who have made contributions to the CCFs (box 2).

Box 2. Unemployment benefit: Eligibility requirements and coverage

Eligibility requirements:

- payment of contributions to a CCF, continuously or discontinuously, for at least three years in the case of dependent workers and at least two years for self-employed workers;
- unemployment through no fault of the worker.

Requirements to file a claim for unemployment benefit financed by FOSFEC:

- a certificate of job loss;
- a completed form of application for monetary benefits;
- registration with the employment services network and availability for job search and acceptance.

Unemployment benefit covers:

- payment of health and pension contributions for six months;
- family allowance, if entitled;
- job training or entrepreneurship support;
- the incentive for making voluntary contributions to individual unemployment savings accounts, financed through FOSFEC.

Source: Author, based on MT, 2014a.

Not all workers in Colombia have effective access to the unemployment benefits provided under the MPC, given the voluntary nature of the individual saving accounts and the high incidence of unregistered work (Isgut and Weller, eds, 2016). By contrast, all jobseekers and unemployed workers enjoy the right to access employment services.

As a fundamental component of the MPC, the PES underwent a comprehensive reorganization in 2013 to expand service provision, diversify the range of services offered and reach out to clients who were not yet using the employment centres on a regular basis (e.g. socially disadvantaged groups). Reducing frictional unemployment[6] through effective job matching and ensuring the best possible organization of the employment market, remain central policy objectives of the new delivery model. An important change following the PES reform, however, was the new emphasis on collaborative partnerships with other providers of employment services (MT, 2013a).

This change involved moving away from the traditional model relying mostly on public delivery to a model supported by authorized private providers (both for-profit and non-profit) operating in a competency-based system regulated by the public authority (Avila, 2015). This approach, however, does not involve government agencies contracting out delivery of specific services to private providers; rather, the purpose of collaborating with other providers was to incorporate their various capacities, knowledge and resources under a single umbrella, within a structure known as the Network of Employment Services Providers (Red de Prestadores del Servicio Público de Empleo) or simply the Network.

Since the reform of 2013, a hybrid model for delivering employment services has been in operation, enabling the Ministry of Labour to significantly extend provision throughout the country. One specific feature of the Colombian model is that the participation of both public and private providers fosters complementarities in service delivery, with the various providers specializing in serving different niches of the job market. Collaborative partnerships demand greater coordination between the central Government and the municipal authorities to ensure policy alignment and effective cooperation. The Ministry of Labour, therefore, has remained responsible for policy control over the different providers and for the type and quality of services delivered to jobseekers and employers.

The new employment services model has also been shaped by a comprehensive review of the legal framework governing the operation of private employment agencies. New rules were introduced setting out minimum requirements to obtain a licence for different categories of providers, and basic principles to protect workers such as equal treatment, non-discrimination and a prohibition on charging placement fees. Other bureaucratic measures were also put in place, such as regular reporting of providers’ activities for statistical purposes and to inform policy-making, along with mechanisms providing for the participation of the social partners and other stakeholders: for example, the National Council for Unemployment Alleviation (Consejo Nacional de Mitigación del Desempleo: CNMD) is responsible for interinstitutional coordination. The administration of the Network was entrusted to the special Public Employment Service Unit (Unidad del Servicio Público de Empleo: USPE), which is attached to the Ministry of Labour.

In addition to extending the availability of employment services, collaborative partnerships are gradually creating opportunities to focus on modes of service delivery that are more responsive to the specific needs of local labour markets and target populations. The current system is still expanding, and the redistribution of the job market represents a strong incentive for providers to affiliate to the Network.

1.2.2. The legal and regulatory framework

The legal and regulatory framework for the provision of public employment services is underpinned by: (1) section 25 of the Constitution of Colombia, which asserts the right to work and its intrinsic connection with minimum social protection guarantees; (2) Law No. 37 of 1967 on Colombia’s ratification of the ILO’s Employment Service Convention, 1948

[6] ‘Frictional unemployment’ is a term used to describe the unemployment that exists in any economy as a result of people being in the process of moving from one job to another.

(No. 88), which requires the Government to ensure a free public employment service, in cooperation where necessary with other public and private bodies; and (3) Law No. 1636 of 2013 on the creation of the MPC.

Fundamental changes in the implementation of labour market measures took place between 2011 and 2013, starting with the division of the Ministry of Social Protection into the Ministry of Social Protection and Health and the Ministry of Labour. This reconfiguration strengthened the leading role of the latter in the formulation, implementation and coordination of labour market interventions, including employment services.

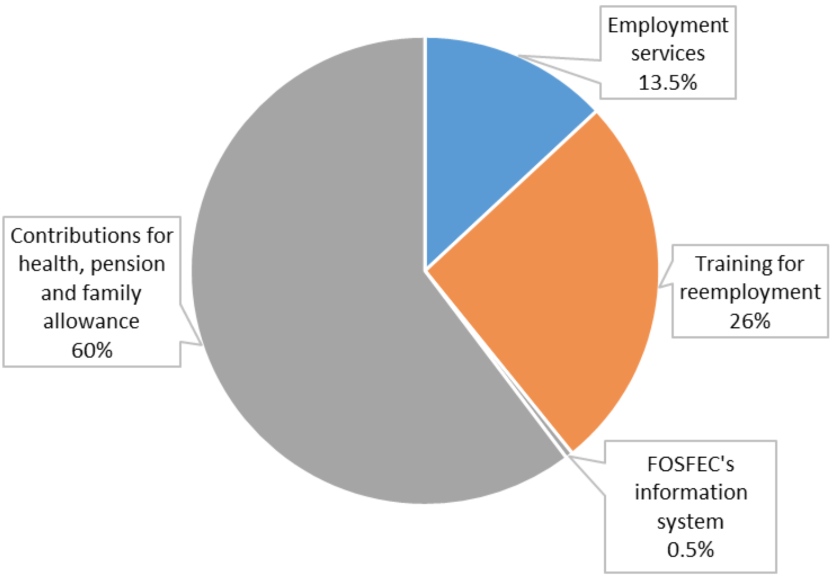
The Ministry of Labour put in place the critical foundational elements of a new system for delivering employment services and active labour market measures. These included the introduction of new providers to integrate the Network with funding mechanisms and regulatory bodies; a licensing system; a special provision requiring compulsory registration of vacancies; and a new right of freedom of choice for clients.

Providers, funding mechanisms and regulatory bodies

Law No. 1636 of 2013 on the creation of the MPC set a new framework to regulate the provision of public employment services by bringing in new providers, establishing the corresponding regulatory bodies and providing specific funding mechanisms for labour market policies.

Under this law, the CCFs are entrusted with the administration of funds from FOSFEC (drawn from the four per cent of FOSFEC's total funds earmarked for supporting the employment promotion measures delivered by the CCFs[7]) to extend provision of employment services and job training across the country to all Colombian workers – whether or not they are affiliated to the CCFs. This 4 per cent is distributed as follows: 60 per cent goes to pay health insurance, pension contributions and family allowances; 26 per cent to finance training; 13.5 per cent to ensure provision of employment services; and the remaining 0.5 per cent to maintain the CCFs' own information system (figure 5).

Figure 5. Financing of the MPC's employment promotion measures through FOSFEC



Source: Ministerial Resolution No. 531 of 2014.

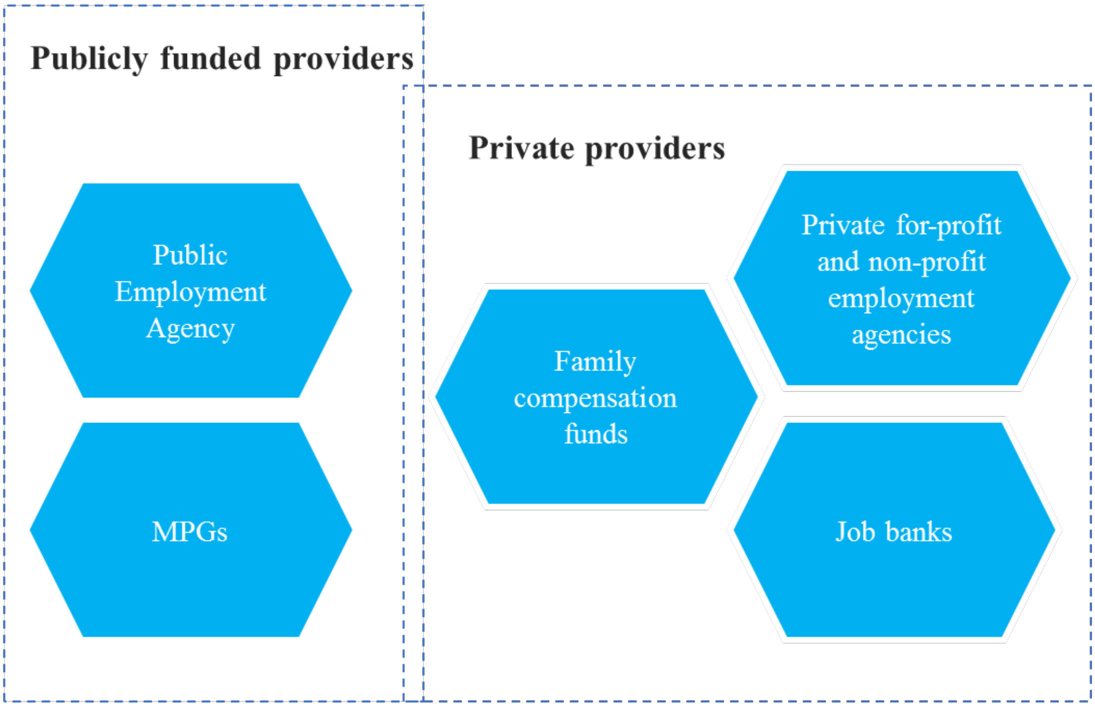
[7] This 4 per cent consists of parafiscal charges, collected from social contributions paid directly from employers into a special sub-account of the FOSFEC.

Law No. 1636 of 2013 also created the Network of Employment Services Providers, composed of the legal persons governed by public or private law, domestic or foreign, and authorized to provide employment services. These are:

- the national apprenticeship system (Servicio Nacional de Aprendizaje: SENA)
- the CCFs;
- municipal and provincial government authorities (MPGs);
- private for-profit and non-profit employment agencies; and
- job banks (bolsas de empleo).

It is worth noting that, prior to the 2013 reform, responsibility for publicly funded employment services was borne by SENA alone; these services were provided through 33 employment offices linked to the network of vocational training centres and 89 access points delivering only job information. SENA is attached to the Ministry of Labour and has an independent legal status, administrative autonomy and independent patrimony. Decree No. 722 of 2013 on the implementation of the MPC and the PES (MT, 2013a), superseded by Decree No. 2852 of 2013 (MT, 2013b), transformed the employment services offices previously run by SENA into the Public Employment Agency (Agencia Pública de Empleo: APE). Since then, SENA has no longer been the sole provider of employment services, but continues to deliver job-search support and ALMPs (figure 6).

Figure 6. The Network of Employment Services Providers



Source: Author.

Decree No. 2521 of 2013 on the creation of the USPE (MT, 2013c) establishes this special unit under the Ministry of Labour with independent legal status, administrative autonomy and independent patrimony. This unit is responsible for managing the PES system and its network of service providers; it is also entrusted with the creation of the PES information system, which should increase transparency and improve understanding of the labour market. In addition, Decree No. 2676 of 2013 establishes the basis for adequately staffing the USPE, and Resolution No. 334 of 2014 gives the USPE responsibility for granting operating licences to the providers of the Network.

Licensing system

Decree No. 2852 of 2013 establishes the mandatory requirement for employment services providers to hold licences. Once granted, a licence is valid for two years and the holder is entitled (though not obliged) to participate in service delivery as part of the Network.[8] All providers applying for authorization are required to respect the principles of universal access, efficiency, equal treatment in employment and occupation, freedom of choice, transparency and reliability. Providers affiliated to the Network must offer basic services free of charge to jobseekers, including: job matching, job-search support and services to improve employability. Private providers may charge a fee to clients, including jobseekers, for other additional or complementary services, with prior approval from USPE.[9]

Certain guarantees are required of private providers, including an insurance policy for a value equal to 100 times the monthly minimum wage, and proof of their status as legal persons. Additional conditions are required for providers intending to place Colombian workers abroad, without the provider becoming part of the working relationship: for example, they are required to give clients additional information and guidance on working conditions in the destination country, including advice on preventing possible abuses.[10]

At the end of the two-year period, the licence may be renewed provided that the provider meets the conditions for service delivery, as set out in box 3. Failure to comply with the stipulations set out in the legislation and regulations governing provision of employment services may result in an existing licence being revoked.

Box 3. Obligations of employment services providers

Licensed employment services providers must:

- comply with regulations for the protection of clients' personal data;
- provide basic services to jobseekers free of charge;
- maintain and visibly display an authorized licence (including where appropriate for job placement abroad);
- inform clients about service regulations and authorized fees;
- ensure job offers comply with statutory labour and social security provisions;
- use the Network's logo so that it can be easily identified by clients;
- have an internal software and operating system compatible with USPE protocols;
- make regular reports on their activities to USPE for statistical purposes;
- inform USPE of any changes in internal governance;
- request authorization if they wish to expand service provision to other locations.

Source: Author.

Compulsory registration of vacancies

In Colombia it is compulsory for employers to register their vacancies with an authorized employment services provider. However, Decree No. 2852 of 2013 and Ministerial Resolution No. 2605 of 2014 provide for exceptions to this requirement for certain categories of vacancies, such as strategic positions in specialized markets and industries, where the publication of such vacancies would disclose sensitive business

[8] Public providers do not require a licence. Private employment agencies offering services for the employment of workers with a view to making them available to a third party (user enterprise) are not considered part of the Network and require a special category of licence.

[9] The level of such charges may vary according to a ranges of factors, such as type, complexity, geographical location and demand in the labour market, as identified by USPE.

[10] Ministerial Resolution No. 1481 of 2014.

information or represent a risk to financial market stability or national security. Existing regulations grant employers the right to select by themselves the most appropriate human talent to fill their vacancies by clearly stating that under no circumstances do employers have an obligation to hire jobseekers referred to them by providers. Law No. 1780 of 2016 on the promotion of youth employment further requires employers to register all internship opportunities with a Network provider.

Freedom of choice

Freedom of choice is the guiding principle of the employment services system in Colombia. Law No. 1636 of 2013 grants jobseekers and employers alike the right to choose their primary employment services provider. It also allows providers affiliated to the Network to freely establish practices provided they meet the established standards.

One of the main objectives of the 2013 PES reform was to expand access to employment services while also enhancing the choice of clients (both jobseekers and employers) and improving the quality of services. Given that free-of-charge employment services were mainly government-run until recently, and that the network of private providers is still expanding, in some regions there is only one supplier in the market. This situation, however, is rapidly changing.

Nevertheless, the freedom of choice of some clients is still limited due to certain bureaucratic rules governing access to the MPC. For instance, if an employer decides to register his or her staff with a specific CCF for the payment of statutory contributions, those workers would be bound to that specific provider in the event of job loss. Under the current rules, the worker can only claim unemployment benefits through that CCF, which would also be responsible for providing job-search support and training. By contrast, workers not affiliated to a specific CCF can choose any provider without restriction.

Overview of changes resulting from the 2013 PES reform

A summary of changes to the institutional and legal framework resulting from the 2013 PES reform is presented in table 6. The shift in the service delivery model has led to improvements in access, especially for socially disadvantaged groups, and the introduction of a licence system has increased transparency in job-matching practices. One crucial aspect of the reform is the possibility of establishing partnerships among providers and the introduction of more flexibility for organizing resources and approaches to service delivery. Another is the gradual move from fragmented labour market interventions towards coordination with the aim of creating complementarity of passive and active labour market policies linked to earmarked funds. A reporting system on activities by public and private providers also improves the quality and availability of information for policy-making. In addition, mechanisms for reporting misconduct by private providers have been strengthened, and now include a toll-free number and a web-based system for filling complaints, facilitating closer cooperation with the labour inspection authority.

Table 6. The legal basis for the provision of employment services before and after the 2013 reform

Before 2013	2013 onwards
A single public provider (SENA) acting in isolation	Cooperation between public and private providers
Incomplete regulation of private providers	Clearer regulation of private providers, with a licensing system and minimum service delivery standards
Information silos and low cooperation	Delivery in partnerships between providers
Fragmented labour market interventions	Coordination and complementarity of passive and active labour market policies
Incomplete labour market information	Regular reporting of private providers' activity and monitoring of key labour market indicators
Weak control over the activity of private providers	Improved mechanisms for reporting misconduct by private providers and closer cooperation with the labour inspection authority

Source: Author.

2. Employment services: Organization and governance

2.1. Organizational model

The provision of employment services in Colombia is based on a collaborative partnership model bringing public and private providers together. This is a significantly different approach from the previous model, which relied exclusively upon government agencies. With the creation of the Network in 2013, the number of access points for jobseekers and employers rose from 33 employment offices administered by one provider, SENA, to 244 public and private employment services providers, some of which operated through more than one service point, resulting in a total of 776 access points in 2016 (table 7).

Table 7. Network of Employment Services Providers by category, source of finance and number of access points, 2016

Category	Source of finance	No. of providers	Access points
APE	Public	1	124*
MPGs	Public	25	77
CCFs	Mixed	42	216
For-profit	Private	69	147
Non-profit	Private	12	26
Job banks (HEI)	Private	89	178
Job banks (other)	Private	6	8
Total		244	776

*SENA reported 33 regional offices, 87 satellite access points and four mobile units.

Source: Author, based on MT, 2016, and information provided by USPE, Aug. 2016.

All providers affiliated to the Network deliver services with due regard to their competencies and areas of activity, which are directly linked to their legal status. However, as shown in table 7, the members of the Network can also be usefully categorized according to their source of finance. Those providers that are fully financed from the public purse are APE (administered by SENA) and the municipal and provincial governments. The CCFs administer earmarked parafiscal charges from the FOSFEC to extend the provision of employment services and job training across the country to all workers. Providers that operate without funding from the Ministry of Labour include private for-profit and non-profit employment agencies offering a range of services from job matching and placement to job information only, both in person and online. There are also the job banks, whose activity is limited to advertising job vacancies, mostly online; their services, however, are available only to certain groups, for example, current and former students members of higher educational institutions (HEI), or people affiliated to professional organizations (SE, 2014; MT, 2016).

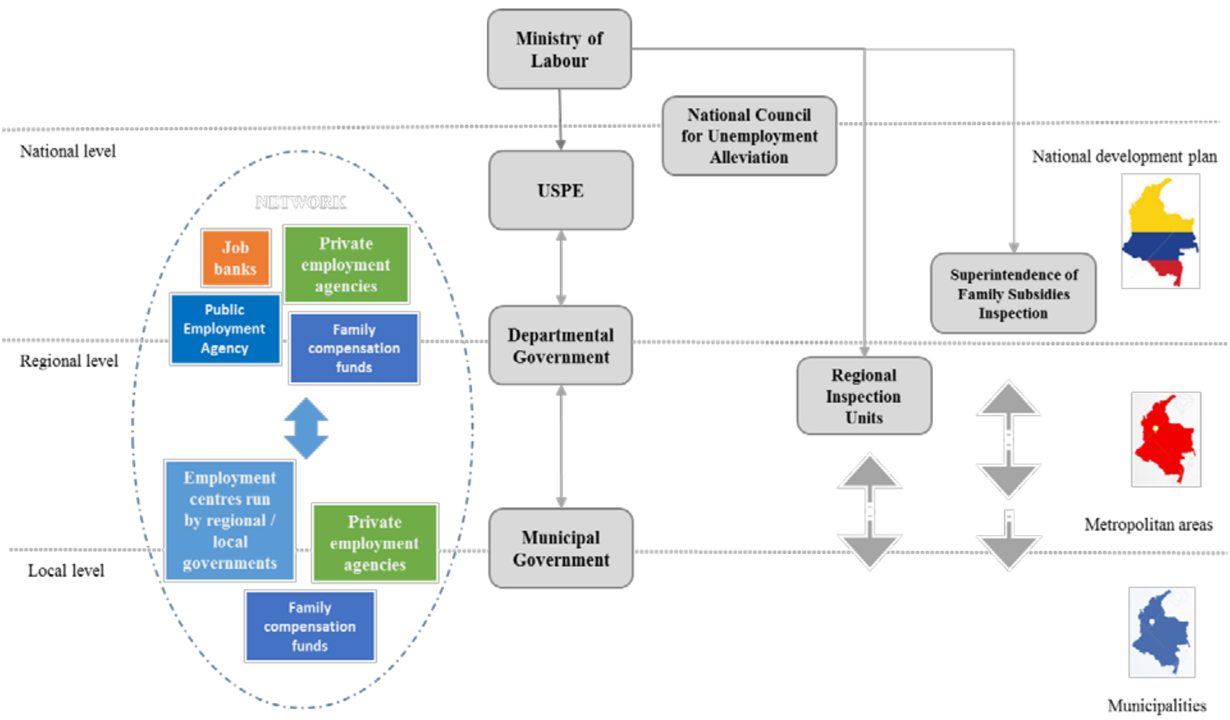
It is interesting to observe how the job market has been distributed among the members of the Network over the few years that the partnership model has been in operation. Providers delivering free-of-charge services with full public funding or mixed funding, including parafiscal funds from FOSFEC – that is, APE, the CCFs and MPGs – together managed 417 access points (54 per cent), while private providers – for-profit and non-profit employment agencies, along with the job banks – ran the remaining 359 (46 per cent).

2.2. Governance and providers' capabilities

Providers operate nationwide within a framework of rules and coordination protocols covering all levels from the central to the municipal (figure 7). First, at the central level, USPE helps the Ministry of Labour in organizing interventions in such a way as to minimize overlaps and increase responsiveness to local labour market conditions. This unit also sets out common methods, instruments and benchmarks for the Network, and furnishes providers with technical advice to ensure consistent quality standards and prevent gaps in implementation. USPE is also responsible for securing funds from the public budget and identifying potential additional sources and targets of funding, for example to promote local partnerships (Avila, 2015). The monitoring and control of providers is carried out by the regional inspection units attached to the Ministry of Labour, and by the Superintendence of the Family Subsidies System, which fulfils the inspection role for the CCFs in their provision of employment services and administration of FOSFEC funding.

An essential element in the process of setting up a system of governance for the provision of employment services and active labour market interventions has been the development of mechanisms to improve communication and cooperation between central and local governments. This is particularly important given the devolution to local authorities of powers to promote social and economic development, specifically by providing support to the unemployed and socially disadvantaged groups to help them participate in the labour market (PNUD, 2014). To this end, the CNMD is responsible for the establishment of government-led sectoral forums that seek to pool governmental efforts with those of other regional and local stakeholders in implementing employment policy at the local level. The council itself operates as an interface between the central and local levels, and meets twice a year to discuss the functioning of the Network and the MPC.

Figure 7. Operational framework of the Network of Employment Services Providers



Source: Author.

This new networked environment presents great potential for collaborative partnerships between providers, as each of them offers different types of resources, capacities and opportunities, as set out in table 8. Realizing this potential requires the Ministry of Labour and local government authorities to develop and strengthen specific capacities to ensure effective coordination of interventions and accountability of all providers. During the few years that the Network has been in operation, the approach taken has emphasized adherence to rules and compliance with operational standards set out in mechanisms such as the licensing system, in addition to observance of basic principles such as not charging jobseekers any fees other than those authorized by USPE. As the current model takes root, this central unit is discovering how to balance effective oversight with the capacity to leverage opportunities for cooperation and new arrangements for service. To this end, the central and local authorities are preparing to implement monitoring tools that will help them to understand which capabilities have the greatest positive impact on each provider's performance, so that incentives and cooperation schemes can be adjusted accordingly.

Table 8. Capabilities of the Network's providers

Provider	Capabilities
APE	The agency delivers free-of-charge services and ALMPs using SENA's infrastructure and funds raised from parafiscal charges. In coordination with the Ministry of Labour, SENA plays a key role in extending services to localities and sectors not yet served by the Network, through partnerships established with other public entities (e.g. municipal and regional governments) and not-for-profit bodies. In this way a number of satellite offices have been established and the range of services for both jobseekers and employers broadened to cover: - job training for the unemployed; - skills certification; - entrepreneurship training; - targeted training for employers recruiting jobseekers registered with APE; - sectoral studies for the forward planning of jobs and skills.
CCFs	The CCFs are non-profit private organizations that collect employers' mandatory contributions to pay the various welfare benefits to which affiliated workers are entitled, including the unemployed. The CCFs are solely responsible among providers for paying unemployment benefits. They are also licensed to provide free-of-charge employment services, and have a mandate to provide partial finance from the FOSFEC to fund: (1) job training for jobseekers and employers; (2) operating costs for employment services provision; and (3) expansion of the Network in cooperation with other authorized providers. The integration of the CCFs in the Network has been crucial in reaching out to more workers and socially marginalized groups, increasing the number of registered vacancies and creating good collaboration with employers in the private sector. In 2016, 587,306 enterprises and 9.1 million workers were affiliated to the voluntary system of individual unemployment savings accounts administered by the CCFs. Together, the CCFs represent an important number of potential clients for the Network (MT, 2016).
MPGs	The regional and local authorities are empowered to implement policies fostering economic and social development – in particular, policies that aim to promote employment (Law No. 715: Congreso de la República de Colombia, 2001). The municipalities can decide to cooperate with other public or private providers to jointly deliver employment services and other supports to enhance employability. Such cooperation happens on two different levels: (1) with the employment sector – the Ministry of Labour, USPE and other publicly funded providers of employment services – for the integration of capacities, resources and information; and (2) with other public entities supporting the implementation of local development and employment generation plans – for instance, the National Department of Planning (Departamento Nacional de Planeación: DNP), the Ministry of Commerce, Industry and Tourism (Ministerio de Comercio, Industria y Turismo: MCIT) – for the adaptation of policy interventions to local opportunities and challenges (MT, 2015b).

Provider	Capabilities
Private for-profit and non-profit agencies	Authorized private employment agencies have been instrumental in extending the geographical coverage of services, including their introduction to previously unserved areas. These agencies also bring to the Network specialized knowledge about job-market niches, in particular, on employers' needs and specific groups of jobseekers (e.g. high-skilled workers).
Job banks	The job banks affiliated to the Network help in extending services to their own affiliates: graduates from HEI, other tertiary educational institutions and various associations of professionals. These providers maintain strong relationships with local enterprises and employers in specific economic sectors which provide a constant inflow of quality vacancies. Another advantage of working with the job banks is that their target populations use their services throughout their working lives, both before and after graduation and at various stages of their careers.

Source: Author.

3. Scope and coverage of services: Access points and employment centres

3.1. Access points

The Network offers a wide range of services which providers can deliver alone or through establishing partnerships with other providers. This system is opening up multiple options for the unemployed to access job-search support and labour market programmes in places close to where they live and work, and for employers to find workers with the relevant profile to fill their vacancies faster. The services offered by the various providers affiliated to the Network are functionally linked to two factors: (1) the competencies of the different types of provider, which are strongly linked to their legal status; and (2) the capacity to integrate service delivery with other providers. Linkages between providers are often based on functional complementarities that enable such partnerships to offer a wider array of services to jobseekers and employers.

The Network classifies the offer of services as basic or complementary (see table 9).

Table 9. The Network's classification of basic and complementary employment services

Basic	Complementary
• Registration of jobseekers and vacancies • Provision of job information and advice to jobseekers • Provision of advice and guidance to employers • Prescreening of candidates and referral to employers • Administration of unemployment benefits*	• Profiling of candidates • Vocational counselling • Career guidance • Referral to upskilling programmes (e.g. vocational training, certification of competencies and skills recognition) • Entrepreneurship training • Participation in ALMPs • Interviews for specialized job vacancies • Application and interpretation of psychometric tests • Job placement abroad • Legal advice

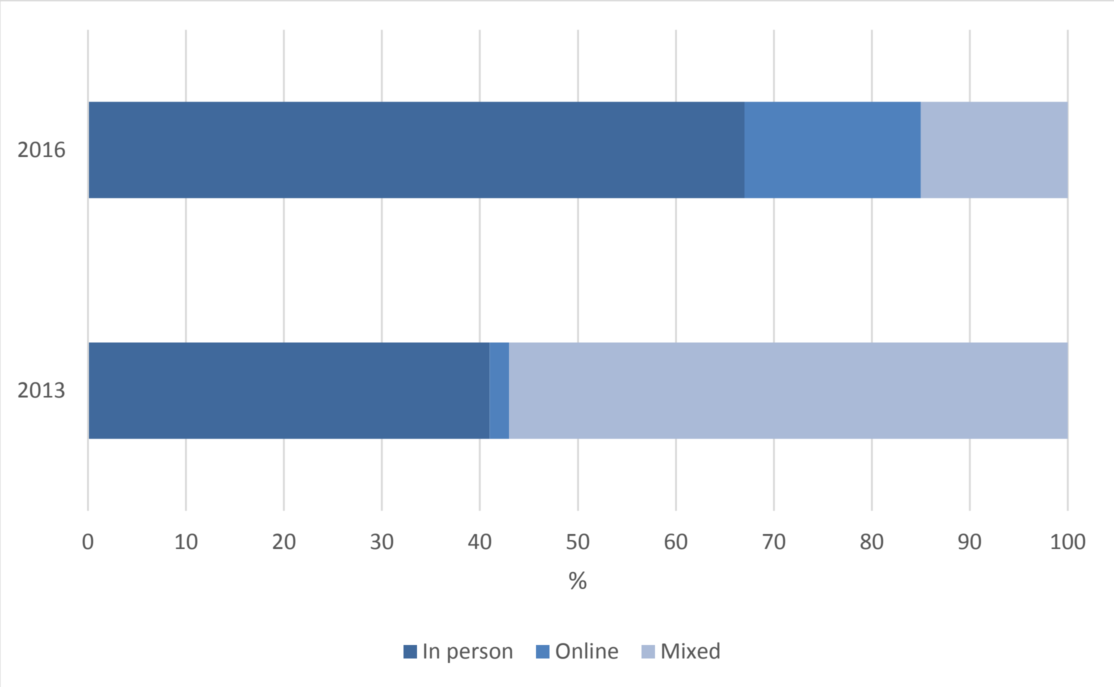
* Access to unemployment-related benefits is managed exclusively by the CFCs.

Basic services are offered free of charge to jobseekers and employers, and include the minimum support for job matching and placement: registration of jobseekers and vacancies, prescreening and referral to job vacancies. Complementary services cover all those supports that may improve employability (e.g. vocational counselling and skills training) or help employers to enhance recruitment or productivity (e.g. interviews for specialized job vacancies; application and interpretation of psychometric tests). All providers offer both basic and complementary services free of charge, except the profit-making private employment agencies, which with prior authorization from USPE may charge fees to employers for any type of service and to jobseekers for complementary services, including job counselling – a service which the public providers offer free of charge.

In Colombia, free-of-charge provision of employment services is ensured by publicly funded providers and the CCFs. Together these providers have the majority of access points, offering the full array of basic services and in-person support. Seven out of ten of the access points run by the public providers and the CCFs are employment centres. In comparison, slightly more than half of the access points administered by private providers are online job banks available only to affiliated members; and the rest of the access points run by private providers do not necessarily help clients to develop a tailored action plan with linkages to ALMPs. Private employment agencies, however, do offer a wider range of complementary services, in addition to all or some of the basic services.

A significant change in the modalities for providing employment services has taken place since the creation of the Network (figure 8). The most important element in this change is the rapid growth in online provision, which – taking into account all or some of the basic services and/or any complementary service – accounted for 18 per cent of all provision in 2016, up from 2 per cent in 2013. While it is true that the publicly funded providers have invested considerably in developing online services (e.g. an online job portal and online tutorials for jobseekers) to increase accessibility and visibility in a cost-effective way, the steep rise in the use of online services is mainly due to the many job banks that joined the Network over this period. The provision of combined in-person and online support, on the other hand, fell from 57 per cent to 15 per cent of all provision over the same period – a shift partly explained by the marked proliferation of job banks, which do not offer in-person support. At the same time, services provided in person by specialized staff recorded a steady expansion, from 41 per cent to 67 per cent.

Figure 8. Access points by delivery method, 2013 and 2016



Source: Author, based on SE, 2014; information provided by USPE, Aug. 2016.

The new approach combining public and private provision of services has increased the demand for tailored support and client-oriented service. In-person assistance to jobseekers in preparing a personalized plan and participation in job-search workshops are now among the main tools for improving employability and speeding up re-employment. According to APE, this combination is the most cost-effective method of helping jobseekers, increasing their chances of finding employment by 75 per cent. Participation in ALMPs enhances the employability of population groups furthest from the labour market in terms of education and skills (SE, 2014). Service protocols for target populations have been developed mainly by public providers and the CCFs operating with funds earmarked to facilitate transition into employment for disadvantaged groups.

The increase in the numbers of access points between 2013 and 2016 has been dominated by the APE, MPGs and CCFs. The access points administered by the CCFs, in particular, multiplied by a factor of 3.7 since 2013 to a total of 216 in 2016, and the number of those run by APE grew 2.8 times over the same period. There is still great potential for expansion of the number of access points administered by the MPGs, which has already more than doubled from 29 in 2013 to 77 in 2016. Among the private providers, the profit-making employment agencies were running nearly three times as many authorized access points in 2016 (147) as they were in 2013 (54). Over the same period, the number of job banks run by HEI rose from 23 in 2013 to 178 – almost eight times as many – in 2016 (table 10).

Table 10. Access points by type of provider, 2013 and 2016

Category	No. of access points		Growth rate, 2013–16 (%)
	2013	2016	
APE	33	124	2.8
MPGs	29	77	1.7
CCFs	46	216	3.7
For-profit	54	147	1.7
Non-profit	19	26	0.4
Job banks (HEI)	23	178	6.7
Job banks (other)	4	8	1.0
Total	208	776	2.7

Source: Author, based on SE, 2014; data provided by USPE, Aug. 2016

As the figures cited above show, not all the Network's providers play similar roles in delivering employment services: the type and extent of their participation varies according to their own mission statements and their status in law. The Network is still at the stage of enabling the consolidation and expansion of provision by encouraging partnerships between providers, for example to exchange knowledge and methodologies, introduce new tools and construct specific services to target clients that a single provider has not been able to reach.

By way of illustration, USPE injected 2.065 million Colombian pesos (COP) – approximately US$0.75 million[11] – into the MPGs in 2015 to help kick-start operations in six metropolitan areas with very dynamic labour markets, including the Aburrá Valley, Bucaramanga, Soledad, Magdalena, Barrancabermeja and Meta. In the same year, USPE also helped some of the Network providers to develop specific service protocols for access points in the Aburrá Valley and Bucaramanga in order to provide, in addition to the mainstream services, targeted services for jobseekers requiring enhanced support, such as disabled people and other disadvantaged groups (SE, 2016).

According to USPE, these improvements have been prompted by the introduction of new providers and the promotion of cooperative efforts among them. Nevertheless, there is still room for the introduction of mechanisms to improve the quality and efficiency of less specialized providers, for instance, those dedicated solely to the publication of job information. The job banks, in particular, serve a very specific segment of the market, and this might generate unequal access to information, to the disadvantage of those jobseekers who are not affiliated to the educational and other institutions that run the job banks. Other countries within Latin America, for example Mexico, have negotiated agreements providing for full integration of job vacancies advertised by HEI and the PES. Such an approach is

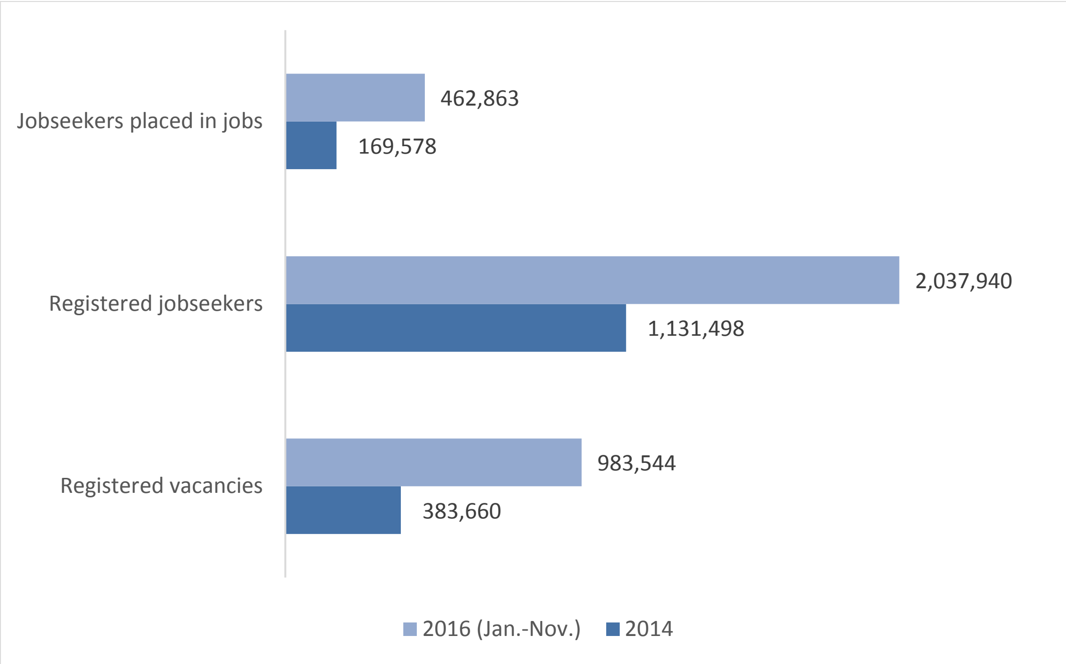
[11] According to the 2015 yearly average exchange rate published by the Colombian central bank, Banco de la República – Colombia.

based on the principle of labour market inclusiveness, according to which equal opportunities to enter formal employment are afforded to all the unemployed, including socially disadvantaged groups.

3.2. Employment centres

Bringing in new providers of employment services has nearly tripled the number of access points nationwide. Currently, the Network reaches three-quarters of the population in municipalities with more than 100,000 inhabitants. In 2014, the first year of the Network's operation, 58 municipalities had employment centres, run mostly by public providers and the CCFs. Together these providers registered 1.13 million jobseekers and advertised 383,660 vacancies, recording a placement rate of 15 per cent. By 2016, the number of jobseekers registered had practically doubled, vacancies advertised had increased by a factor of 2.5, 158 municipalities had employment centres and the placement rate had increased to 23 per cent (figure 9).

Figure 9. Key figures for employment centres in large municipalities, 2014 and 2016



Source: USPE, 2016b.

The capacity of the employment centres to provide services for the population is assessed on a yearly basis by comparing the monthly average of clients registered with that of clients who were matched with any of the services offered, including referral to other providers. The employment centres are then classified by size as follows: small centres, with a capacity to serve 1,050–1,800 clients; medium centres, with a capacity to serve 1,800-3,300 clients; and large centres, with a capacity to provide services to more than 3,300 clients.

In 2016, the effective capacity of all employment centres together was 2.5–3 million unemployed people a year; however, potential demand from jobseekers was higher, at 4.9 million (including unemployed and underemployed).[12] Most of this demand is concentrated in urban centres, which in practice extend beyond municipal boundaries. In March 2016

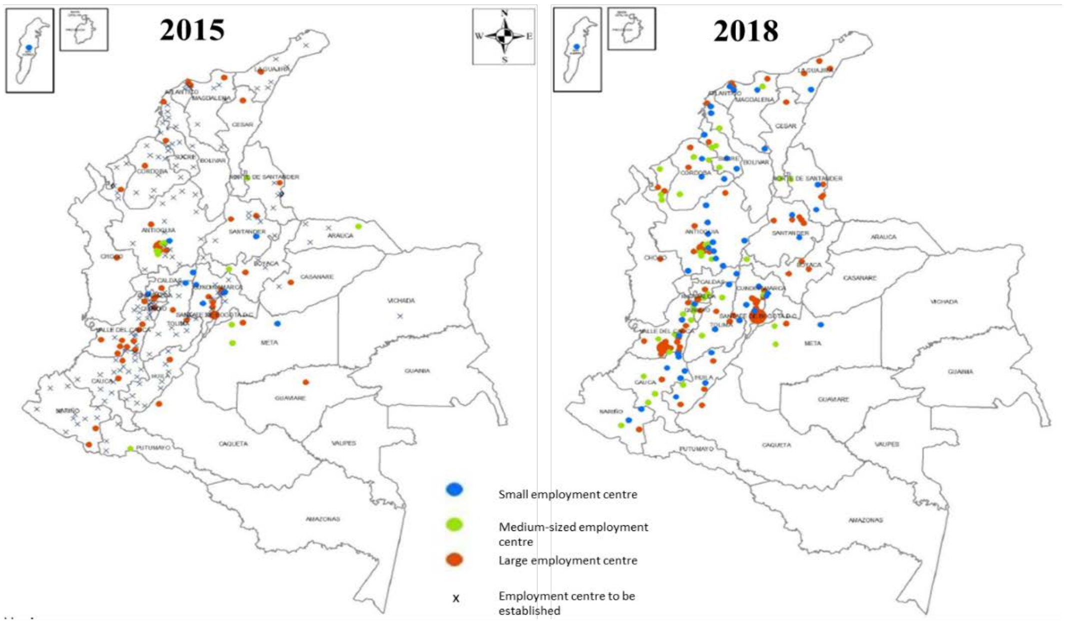
[12] Information provided by USPE, Sep. 2016.

there were 325 employment centres, and 80 per cent of them (260) were serving clients living in the Colombian System of Cities (Sistema de Ciudades), which is composed of large urban centres and agglomerations with booming economies and formal job markets.[13] The remaining employment centres covered medium-sized urban municipalities and rural municipalities. By way of comparison, only 22 municipalities not included in the System of Cities had employment centres (Bateman, 2016).

The increased number of employment centres over the past few years does not necessarily reflect optimal coverage, when the various factors influencing the level of demand for services are considered: to mention just a few, existing levels of economic activity, numbers of established enterprises, numbers of job vacancies generated by economic activity, and the unemployment and underemployment rates among both the populations working and living the these areas and workers commuting from neighbouring municipalities.

As the Network continues to expand, the Ministry of Labour and USPE have adopted a more dynamic vision for planning service provision that reflects the characteristics and assets of labour markets. This vision recognizes the interconnected character of local labour markets, and goes beyond the administrative division between municipalities to optimize service coverage and responsiveness at local level. On the basis of this vision, USPE is working on establishing a total of 500 additional employment centres to ensure coverage in 250 more municipalities by 2018 (figure 10).

Figure 10. Geographical coverage of employment centres, 2015 (actual) and 2018 (planned)



Source: Medina, 2015.

This expansion strategy is focused mainly on urban agglomerations where labour demand is concentrated. Several routes are being taken to improve the match between supply and demand (see table 11). In municipalities registering a deficit in service provision (e.g.

[13] The Colombian System of Cities is made up of 151 municipalities, grouped into: (1) largest urban agglomerations with more than 100,000 inhabitants and the highest concentrations of commuting worker flows - at least 10 per cent of the employed population - from neighbouring municipalities; (2) municipalities agglomerated to larger urban centres, including those with under 100,000 inhabitants; and (3) cities not being part of agglomerations with more than 100,000 inhabitants (Bateman, 2016).

Cali, Medellín, Bogotá and Nariño) or municipalities where demand from clients is high but employment centres are absent or insufficient, the entry of new providers is being promoted. In other cases, where the current capacity of employment centres is sufficient, USPE prioritizes improvements in service quality and the consolidation of existing providers, without fully restricting the entry of new providers. To rebalance existing capacity with existing demand, partnerships are being encouraged between providers in municipalities with surplus capacity and providers in adjoining municipalities with an insufficient number of employment centres. These types of imbalance occur more often in municipalities where there are 15,000 to 20,000 unemployed per employment centre (e.g. Santander, Caouca, Cundinamarca, Cauca Valley).

Table 11. Employment centres: Sufficiency of service provision in municipalities

No. of municipalities	Situation	USPE's strategy
37	Not served at all with high demand for services	Prioritize entry of new providers
21	Insufficient number of ECs*	Favour participation of new providers while ensuring improvements in existing centres
18	Sufficient number of ECs with a surplus service capacity	Encourage partnerships with adjoining municipalities with an insufficient number of employment centres
33	Sufficient number of ECs with future increase in demand expected	Focus on improving service provision and encourage participation of new providers
22	No ECs needed; however, ECs are operating	Encourage partnerships with adjoining municipalities with an insufficient number of employment services, while limiting entry of new providers
194	No ECs needed; however, there is demand for services	Promote the introduction of mobile services and/or other types of service points

* ECs = employment centres.

Source: Author, drawing on information from Bateman, 2016.

When it comes to labour markets in medium-sized and small municipalities in rural areas, the lower density of population and lower demand for labour (mostly associated with the primary sector[14]) are key determinants of decisions regarding the level of services needed and how to ensure their sustainability. In this regard, targeted approaches to serve specific economic sectors – for instance, in municipalities where the oil industry has a strong presence – and the introduction of mobile service points to reach dispersed populations, are proving to be more cost-effective than creating new employment centres. These mobile mechanisms have been in operation since 2015 and deliver a basic level of support, including registration of jobseekers and the provision of job information, in ten departments (Antioquia, Arauca, Atlántico, Bolívar, Cauca, Meta, Nariño, Quindío, Santander and Tolima).[15]

[14] The primary sector covers agriculture and the production of raw materials for use by other sectors.

[15] Reported data by providers applying for authorization to deliver employment services (USPE, 2016b).

4. Monitoring and performance management

The monitoring and verification of results achieved by the Network is carried out through three complementary instruments: (1) the Information System for Employment Services (Sistema de Información del Servicio de Empleo: SISE); (2) regular visits to providers' premises by an independent third party (appointed by USPE) to cross-check information on implementation; and (3) the Colombian technical standard for employment services (NTC-6175), which was jointly developed by the Colombian Technical Standards Institute (ICONTEC) and USPE and came into force in June 2016. This technical standard sets the benchmark and requirements for the provision of basic services (including reception, registry, counselling and advice, prescreening and referral to employers) by the different categories of providers affiliated to the Network.

SISE is an online system for the management of job-matching related transactions. It is administered by USPE and was introduced with the objective of improving data collection in terms of coverage, timeliness and harmonization to achieve a comparable methodological basis for the measurement of key outputs and intermediate outcomes. Providers of the Network can present their monthly reports using SISE without incurring any additional costs, or may opt to use their own information systems. USPE has made considerable efforts to ensure SISE's interconnectivity with a variety of information systems operated by 89 authorized providers (USPE, 2016c).

By these means, the current monitoring system compiles national-level data, focusing on a small number of output indicators, namely: numbers of vacancies registered; numbers of jobseekers registered, counselled – including referral to other services – and placed; process quality surveys (e.g. customer satisfaction surveys for employers and jobseekers, administered through call centres); and outcome measures (e.g. vacancy filling rates, counselling rates, placement rates and length of jobseeking time). These data are, in turn, measured against the strategic goals set for 2018 (see table 12).

Table 12. Monitoring the Network's performance: National-level indicators

Output indicators	Process quality surveys	Outcome measures*	Strategic goals, 2018
Vacancy registration	Employer satisfaction surveys	Vacancy filling rate	2.1 million vacancies registered a year
Registered jobseekers†	Customer satisfaction surveys	Counselling rate‡	10 million jobseekers served a year
Placed jobseekers§, including referrals to: • job interviews • job counselling workshops • job-training programmes • entrepreneurship training • complementary services§§		Placement rate	1.5 million jobseekers placed a year
Counselled jobseekers		Length of job seeking time	Reduce average length of job seeking time from 9 to 6 months

* Public providers and CCFs only.

† Resolution No. 1480 of 2014 issued by the Ministry of Labour defines "registered jobseekers" as people who register their CVs with one of the Network's providers.

‡ Resolution No. 3999 of 2015 issued by the Ministry of Labour defines "counselled jobseekers" as those receiving one or more of the following: profiling, information on the labour market, information on employability programmes, job-search workshop, self-employment workshop, workshop on understanding basic skills (core and soft), and support to prepare an individual "back-to-work plan".

§ Placed jobseekers includes all those who were placed in a job or referred to one or more of the following services: counselling, job training or skills training, entrepreneurship training by a Network provider or other external provider, complementary services.

§§ See table 9 above.

Source: Adapted from Nunn, 2012; USPE, 2014, 2016b.

4.1. Output indicators

Output indicators apply to all the Network's providers and cover activity relating to:

- registered jobseekers;
- registered vacancies; and
- placed jobseekers.

Between April 2014 and June 2016, 9.15 million people registered with one of the Network providers, and nearly 10 per cent of them were placed in jobs.[16] The highest proportion of jobseekers was registered by the for-profit private employment agencies (39 per cent), followed by APE (27.3 per cent) and the CCFs (16.9 per cent). However, this ranking was reversed for job placement, in which APE and the CCFs together accounted for the highest proportion (86.5 per cent), while the for-profit private agencies accounted for a much smaller share (7.7 per cent). One possible explanation for the latter results is that since private for-profit agencies have become part of the Network, more jobseekers that were not formerly typical clients of these agencies are registering with them, while these agencies continue to specialize in a niche market demanding workforce skills that do not necessarily match with the skills of these new clients. So far as vacancy registration is concerned, the Network registered 3.56 million vacancies between April 2014 and June 2016; of these, the for-profit private employment agencies accounted for a higher proportion (41.4 per cent)

[16] USPE mentioned during consultations that the total number of people placed in jobs might be under-reported since Network providers have faced difficulties in collecting this information from enterprises and/or jobseekers.

than APE (28.6 per cent) and the CCFs (16.3 per cent), while the contribution of the job banks, including HEI and others, was only 10.6 per cent of the total (table 13).

Table 13. Main output indicators, by category of service provider, April 2014 to June 2016

Network providers	Registered jobseekers		Placed jobseekers		Registered vacancies	
	Total	%	Total	%	Total	%
APE	2 498 848	27.3	590 927	70.7	1 020 774	28.6
CCF	1 547 997	16.9	132 012	15.8	581 490	16.3
MPG	291 883	3.2	27 257	3.3	104 028	2.9
Private agencies (for profit)	3 568 137	39.0	64 635	7.7	1 476 369	41.4
Private agencies (non-profit)	35 011	0.4	3 370	0.4	5 930	0.2
Job banks (HEI)	1 053 049	11.5	12 556	1.5	356 837	10.0
Job banks (other)	155 449	1.7	4 959	0.6	21 375	0.6
Total	9 150 374	100	835 716	100	3 566 803	100

Source: Information provided by USPE, Aug. 2016.

4.2. Outcome measures

In 2016, USPE developed outcome measures to assess the progress made towards achieving its goals by public providers and the CCFs. Through a process of negotiation, USPE and the providers identified multiple quantitative targets calculated on the basis of their capacity for delivering services, which were then linked to basic outcome indicators. By way of illustration, table 14 presents the targets set for the CCFs and the employment centres of MPGs for the fiscal year 2016 and an overview of the compliance rate achieved by both types of providers up to October 2016.

Table 14. Targets and compliance rates for employment services provision by CCFs and MPGs, 2016

	Jobseekers						Employers	
	Registered	Placed	Referred to job interviews	Participation in job-searching workshop	Counselled	Pre-screened	Registered vacancies	Registered enterprises
CCP								
Target	793 510	78 244	450 691	292 331	758 623	405 700	248 652	46 426
Compliance rate (%)	95	85	105	84	95	108	104	89
Municipal and departmental governments								
Target	144 903	16 893	67 302	41 685	109 042	45 898	45 898	5 258
Compliance rate (%)	81	100	83	77	80	100	101	114

*The information on targets set is for fiscal year 2016, while the compliance rates are reported to October 2016. It is worth noting that in many cases the MPGs run the employment centres in partnership with APE.

Source: Data provided by USPE during consultations.

As is clear from table 14, compliance rates are high for both providers on these targets, ranging from 77 per cent to 114 per cent for the period from January to October 2016. While this information is helpful in holding providers accountable in respect of achievement of quantitative goals, these compliance indicators do not establish a correlation between performance and effectiveness of services delivered.

USPE therefore measures the *effectiveness* of delivery and the degree of success in goal achievement through the following outcome indicators:

- placement rate (placed jobseekers as a proportion of registered jobseekers);
- filled vacancy rate (placed jobseekers as a proportion of the stock of vacancies); and
- counselling rate (counselled jobseekers as a proportion of registered jobseekers).

Table 15 shows that public providers and the CCFs recorded improvements in the job placement rate, which rose from 15 per cent in 2014 to 23 per cent in 2016. The increase in the percentage of vacancies filled over the same period was more modest (from 44 per cent to 47 per cent). As for the counselling rate, while these providers have recently made efforts to help jobseekers by providing a number of services, including drawing up individual action plans and referrals to additional support such as job training and entrepreneurship training, the success rate has changed little, with nearly 50 per cent of the total stock of vacancies remaining unfilled.[17]

Table 15. Effectiveness of delivery by public providers and CCFs, 2014-16

Year	Placement rate (%)	Filled vacancy rate (%)	Counselling rate (%)
2014	15	44	48
2015	16	42	46
2016*	23	47	47

* Data on 2016 for Jan.–Nov.

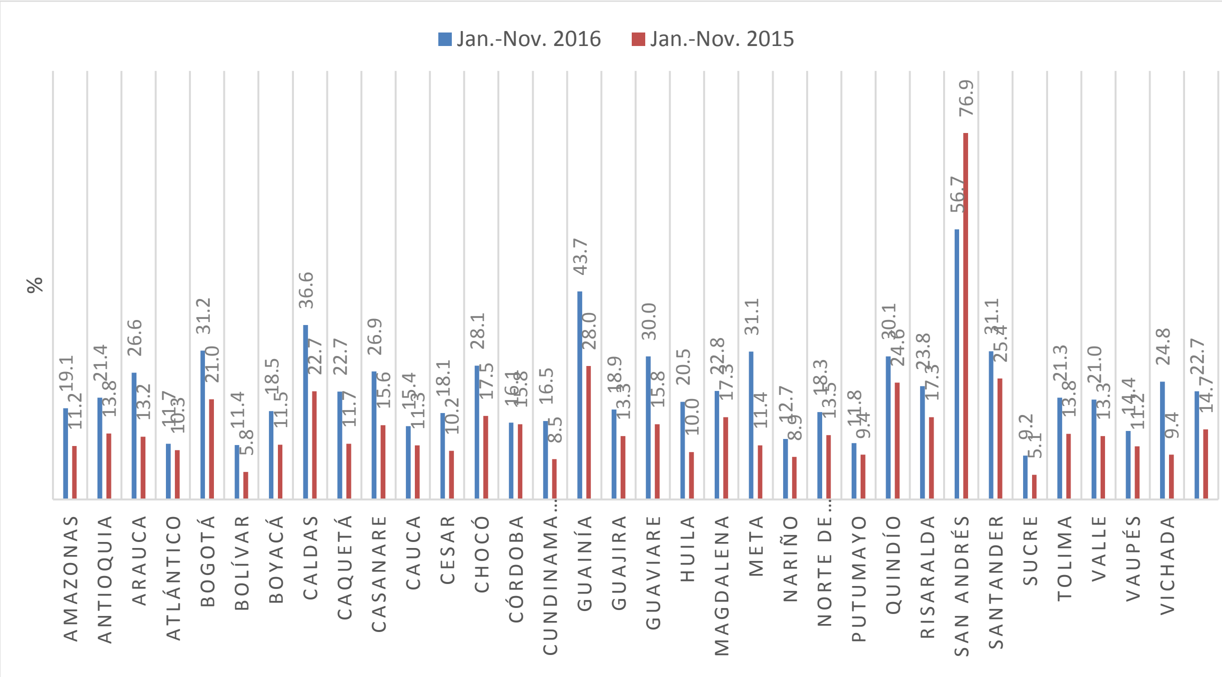
Source: USPE, 2016b.

Part of the problem lies in the difficulties facing providers in verifying that prescreened candidates referred to employers are actually appointed to fill vacancies. Also, while the regulation on vacancy registration requires all employers to report their open vacancies to the Network, this regulation is not completely clear about those cases where vacancies should *not* be registered. As a result, some employers might register vacancies that in fact are reserved for internal staff movements, so that they cannot be filled through referrals from the Network's providers (MT and BM, 2015). Given the importance of evidence on effective placements and job tenure after placement in measuring performance, further work is needed in improving client follow-up and post-placement services.

At the regional level, performance on effectiveness indicators has varied. These differences may be related to the diverse economic conditions prevailing at regional level, or to the introduction of good practices that have a direct impact on the effectiveness of services delivered. Performance seems to be better in those regions with a strong presence of providers working in partnerships, and this may be attributable in part to their capacity to offer a wider range of services and supports to clients. For example, public providers and the CCFs in Meta and Antioquia registered improvements in the placement rate between 2015 and 2016 after adopting a partnership modality for service delivery (figure 11).

[17] Unfilled vacancies include those still available to jobseekers (live) and those no longer available to jobseekers but not yet closed (suspended).

Figure 11. Public providers and the CCFs: Placement rate by region, 2015 and 2016*



*Data on 2016 for Jan.-Nov.

Source: Author, based on USPE, 2016b

In 2016, USPE proposed the introduction of an index to measure the financial efficiency of public providers and the CCFs in allocating funds to different categories of services. The formula, which is still to be tested, entails calculating the percentage of funds spent on service delivery for each type of service offered; the results will then be compared against an index showing the ideal level of funding needed to ensure efficient provision of each specific service. With the introduction of this indicator, USPE expects to determine the level of spending needed to run specific active labour market interventions, and thereby to increase flexibility and responsiveness at the local level. This indicator is being tested and fine-tuned, because in some cases the level of funding is not the only factor influencing the capacity of a provider to deliver active labour market interventions. Implementing capacity also depends on adequate and competent staff, possessing sufficient technical knowledge to implement, target and monitor interventions.

Quality and cost goals alike cannot be achieved by tracking outcome measures alone. USPE is accordingly making important efforts to incorporate evidence-based measures into its improvement efforts by standardizing indicators of effectiveness and quality of services offered by all Network providers, and implementing and tracking process metrics (MT and BM, 2015). Promoting a learning environment among members of the Network will help to improve service delivery; however, it will be important also to develop the right incentives in parallel, in order to avoid some providers being (or becoming) reluctant to share knowledge that confers on them a competitive advantage.

PART II. PARTNERSHIPS IN EMPLOYMENT SERVICES AND ALMPS

5. Provider partnerships: Towards greater specialization

Colombia's new employment services delivery environment, characterized by a Network incorporating both public and private providers, has resulted in the redistribution of the job market and the creation of more favourable conditions for partnering. This in turn has driven providers towards greater specialization (MT and BM, 2015).

The providers affiliated to the Network have different capacities, resources and means of action, and tend to develop certain competitive advantages which are reflected in their own mission statements. Specialization is often driven by the need to adapt service provision to regional economic activities, including the specific characteristics of the job market at the metropolitan level, and to increase responsiveness to specialized populations (box 4).

Box 4. The turn to specialization among Network providers

Over the few years that the Network has been in operation, it has been observed that servicing points run by public providers such as the MPGs experience higher demand from low-skilled jobseekers living on low incomes and disadvantaged groups (e.g. youth, disabled people). The CCFs and the municipalities enter into partnerships to extend service provision, both to reach specific population groups (e.g. people displaced by the internal armed conflict that came to an end in 2016) and to respond to the specific needs of certain economic sectors (e.g. hydrocarbons production).

More recently, SENA, the municipalities and the CCFs have cooperated to support the implementation of infrastructure projects such as the 4G (Fourth Generation) initiative to renovate transport infrastructure in the country. Employers in small and medium-sized enterprises (SMEs) using the Network find the profiling and prescreening services — offered free of charge by public providers — an effective response to their specific needs for staff with basic work skills. Similarly, the possibility of disseminating their vacancies nationwide seems to be an advantage for SMEs.

By contrast, private providers focus on delivering to employers looking for candidates with technical and tertiary levels of education and professionals with specialized skills.

Source: Consultations with USPE; MT and BM, 2015.

While specialization helps providers to adapt their practice to a number of factors influencing labour supply and labour demand at local level, partnering represents an incentive to improve effectiveness with regard to individual and shared goals. Partnerships within the Network can ease providers' path when starting operations in a new market and help them to stay up to date on new trends in service provision, introduce more effective delivery protocols and best practices, or diversify the type of services they offer.

Nevertheless, the current system gives rise to significant differences between providers in their capacity to penetrate the job market and ensure sustainability. Variations in the level of funding individual providers can secure, for example, might put one provider at either an advantage or a disadvantage in respect of another. The CCFs, for example, administer parafiscal funds from the FOSFEC, while the municipalities rely on their own independent budgets, which in the case of small municipalities can be both low and unpredictable (MT and BM, 2015).

To counterbalance these effects, the Ministry of Labour through USPE offers technical support on several levels and makes special provisions within the operating budget of the

Network, with the aim of reducing operational difficulties that can undermine service delivery and cooperation through partnerships (table 16).

Table 16. Support provided by the Ministry of Labour (USPE) to Network providers

Area of support	Network providers				
	APE	MPGs	CCFs	Private agencies (for-profit and non-profit)	Job banks (HEI and others)
Improving physical accommodation	✓	✓	✓		
Registration and general care of jobseekers				✓	✓
New basic services				✓	✓
New complementary services				✓	✓
Employability services	✓	✓	✓		
Services to employers	✓	✓	✓		
Profiling	✓	✓	✓		
ALMPs	✓	✓	✓		
Reporting outputs/outcomes	✓	✓	✓	✓	✓

Source: Author, based on Medina, 2015.

USPE has a particular interest in fostering horizontal and vertical cooperation to avoid fragmentation of service provision and foster complementarity among providers. This central unit maintains a level playing field, which helps providers to adapt services to the specific needs of clients and to the particularities of the local labour markets in various parts of the country. In a network environment, the role of USPE is to ensure a continuum of efforts and activities while paying particular attention to mission alignment, investment in complementarities and measurable outcomes to enable monitoring of progress towards achievement of goals set at national and local levels.

6. Types and objectives of partnerships

This tendency towards greater specialization, combined with the drive to establish complementarities, has created conditions for the articulation of services to enhance employability with job-search support and placement, through collaborative action. Such collaboration takes place, in most cases, through employment centres run by public providers in the Network and the CCFs.

The possibilities for partnering are strongly influenced by prevailing conditions in local labour markets. The most relevant of these can be gathered in two groups: first, those pertaining to the prevailing labour market situation (e.g. demographics, specific features of the labour force – target groups – and territorial and economic characteristics); and second, those pertaining to national and local employment policy priorities (economic and social development plans, coordination mechanisms, allocation of public funds, availability of programmes relevant to labour market participation or related to income generation) and the stakeholder network). Figure 12 offers a broad overview of the factors that might be examined when providers are considering entering into a partnership; how many are relevant in a particular case will of course vary, depending on the institutional capacity of partners and the local environment.

Figure 12. Entering into a partnership: Overview of potentially relevant factors

Prevailing labour market situation	Policy priorities and stakeholders
Demographics, economic characteristics • population • poverty and extreme poverty lines • education level • illiteracy • GDP growth • Leading economic sectors and declining industries	*National policy* • institutional networks • employment plan and policy priorities • ALMPs and other programmes relevant to labour market participation • budgetary allocations • coordination and monitoring mechanisms • consultation bodies
Labour market • economically active population • participation rate • employment rate • unemployment rate • underemployment rate • skills demand, gaps and shortages • average wages, working conditions • labour market segmentation • length of jobseeking time	*Local Policy* • institutional networks • local development and employment plans • ALMPs and other programmes relevant to labour market participation • social inclusion or poverty reduction programmes • budgetary allocations • coordination and monitoring mechanisms • technical working groups and sectoral councils
Target populations • socio-economic indicators (e.g. proportions of youth, forcibly displaced populations, disabled people, women) • labour market indicators • geographical situation	*Other stakeholders* • NGOs • employers and chambers of commerce • private providers of training and upskilling • micro-credit financing institutions

Source: Author, based on UNDP, 2014.

Partnerships for delivering employment services and ALMPs can take different forms with the involvement of different partners. Most are established to achieve one or more of the following three objectives:

1) *Establishing new employment centres and optimizing service coverage* by creating connections with outreach mechanisms such as information points and mobile offices.
2) *Introducing new complementary employment services and ALMPs* through associations between providers of the Network, by establishing inter-agency partnerships, or by partnering with other stakeholders involved in the implementation of programmes relevant to labour market participation at regional or local level.
3) *Offering joined-up services for vulnerable groups and specialized populations* to support social inclusion and facilitate participation in employment or self-employment by removing barriers related to physical or health conditions, family and emotional challenges, or cultural and cognitive barriers.

Generally speaking, within these broad objectives, the involvement of each member of a partnership can vary from service provision, with or without the allocation of earmarked funds, through the referral of clients to a partner delivering complementary supports, up to the integration of services with delegation of responsibilities or specific tasks to an implementing partner (see table 17). The degree of cooperation involved often depends on issues such as whether the partnership is established through a formal agreement or on a voluntary basis, how it accommodates the responsibilities for delivering, coordinating and reporting, and how delivery is organized, through one-stop shops or joined-up services independent of those accessed through the employment centres run by the Network or through servicing points run by other government agencies providing services relevant to employment and entrepreneurship for specialized populations.

Table 17. Objectives of partnerships and degrees of cooperation

Partnership objective		
(1) Establishing new employment centres and optimizing service coverage	(2) Introducing basic or complementary employment services and ALMPs	(3) Offering joined-up services for socially disadvantaged groups and specialized populations
Degree of cooperation		
• Cooperation agreement • Allocation of funds to co-finance operation • Transference of methodologies, tools, protocols for service delivery • Clients referred to the partner • No delegation of tasks	• Cooperation agreement or voluntary cooperation • Allocation of funds to co-finance operation or independent execution • Shared methodologies, tools, protocols for service delivery • Coordination mechanisms • Reporting and monitoring protocols might be shared • Clients referred to the partner in another location or at the same venue • No delegation of tasks	• Cooperation agreement or voluntary cooperation • Allocation of funds to co-finance operation or independent execution • Coordination mechanisms and monitoring • Shared protocols for service delivery • Clients referred to the partner providing the service in a different location • Integration: tasks delegated to other partners
Direct delivery by partner(s) ⟷	Referral and sharing of some tasks ⟷	Integration Delegation of tasks

Source: Author, based on consultations with USPE and UNDP, 2014.

Whatever form partnerships may take, they share the aim of using the available resources and making best use of each partner's expertise to deliver ALMPs and other services more effectively. Working in partnerships involves the administration of resources and responsibilities, and while there are challenges associated with this, a positive aspect is that shared oversight promotes a culture of transparency and accountability over the use of funds and resources, since there are different actors involved.

Partnerships can be established between members of the Network and/or with the involvement of central and local authorities, government agencies or other stakeholders, e.g. chambers of commerce, NGOs and local development banks (see table 18). Partnerships need not be permanent arrangements, nor need they be fixed in form: on the contrary, they can be reconfigured in terms of services delivered and resources applied, as circumstances change over time and in response to the political cycle.

Table 18. Objectives of partnerships and typical partners involved

Partner	Objective		
	Establishing new employment centres and optimizing service coverage	Introducing new complementary employment services and ALMP	Offering joined-up services for socially disadvantaged groups and specialized populations
Network provider	CCFs APE MPGs	CCFs APE MPGs	Ministry of Labour CCFs APE MPGs
Government agencies at central, regional and local level	Ministry of Labour, USPE MPGs	Ministry of Labour, USPE SENA Department of Social Prosperity Ministry of Commerce, Industry and Tourism MPGs	DPS (Network of Employment and Entrepreneurship Centres: Cemprende) MPGs
Specialized advisory bodies	National Council for Unemployment Alleviation (CNMD)	Government-led sectoral forums	Government-led sectoral forums
Other stakeholders	HEIs Associations of professionals Chambers of commerce	Chambers of commerce	NGOs

Source: Author, based on consultations with USPE and UNDP, 2014.

Involving the social partners is important to improve the complementarity of services: for instance, in some regions workers' and employers' associations are part of national or local advisory bodies such as the CNMD, which discusses employment policies and ALMPs implemented by employment centres. Such forums can potentially generate new opportunities for collaboration by breaking down information silos and providing a more formal structure within which coordination and monitoring mechanisms can be situated. In Colombia, however, the use of advisory committees to link local development projects and employment services is still in the early stages.

Partnering to find complementarities in service provision offers an opportunity to overcome technical barriers for some providers, and to break down information silos for others. Table 19 sets out specific examples of the three most common types of partnerships, classified by objective, as identified above.

Table 19. Partnerships for delivering employment services and ALMPs: Some examples

Partnership objective		
(1) Establishing new employment centres and optimizing service coverage	(2) Introducing new complementary employment services and ALMPs	(3) Offering joined-up services for socially disadvantaged groups and specialized populations
Examples		
The Department of Meta partnered with a CCF provider (COFREM) to establish an employment centre in the municipality of Villavicencio in 2013. Combining the contributions of each partner, it was possible to develop common referral protocols for target groups, including the intake and orientation of jobseekers, job-searching workshops and upskilling courses. Partnering at the provincial level helped COFREM to establish an umbrella agreement that could subsequently be extended to other municipalities. The Ministry of Labour–USPE facilitated the formation of partnerships through, for example, allocating finance to fund the physical accommodation of the employment centres.	Since 2015, USPE has supported municipal providers and the CCFs in encourage enterprises and subcontractors executing public investment projects to register their job vacancies with the Network and recruit candidates from its pool of jobseekers. As part of the 4G infrastructure initiative set up by the Government of Colombia for the period 2014–18, a new Autopista del Pacífico is to be developed, running through the provinces of Antioquia and Calda y Risaralda. This project alone, will create 7,118 new jobs over the five-year period. The public providers of the Network and the CCFs will be facilitating job matching, placement and short-term training through referral of jobseekers to SENA.	In 2013, the Ministry of Labour connected provision of employment services with the Cemprendes network. The centres run by Cemprendes are led by DPS through a technical working group operating public–private partnerships at local level. Cemprendes integrates services and programmes for employability (e.g. confidence-building, improving numeracy and literacy) with those on entrepreneurship and access to seed capital or micro-credits to help poor and vulnerable Colombians gain entry into the labour market. In 2016, three out of ten clients served were in extreme poverty, and five out of ten were forcibly displaced. In the same year, there were 18 Cemprendes, some of which were hosted by employment centres.
Partners		
Ministry of Labour (USPE)	Ministry of Labour (USPE)	DPS (Cemprende Network)*
CCFs	CCFs	Ministry of Labour (USPE)
MPGs	MPGs	CCFs
	SENA–DNP–MCIT–CNMD	MPGs
	Chambers of commerce	APE
		NGOs

* The Cemprende Network is composed of DNP, MCIT, SENA, the Ministry of Education, the Colombian Institute for Rural Development (Instituto Colombiano de Desarrollo Rural), and national and local development banks (Banco Colombiano de Desarrollo Empresarial y Comercio Exterior, Banca de la Oportunidades, Banco Agrario).

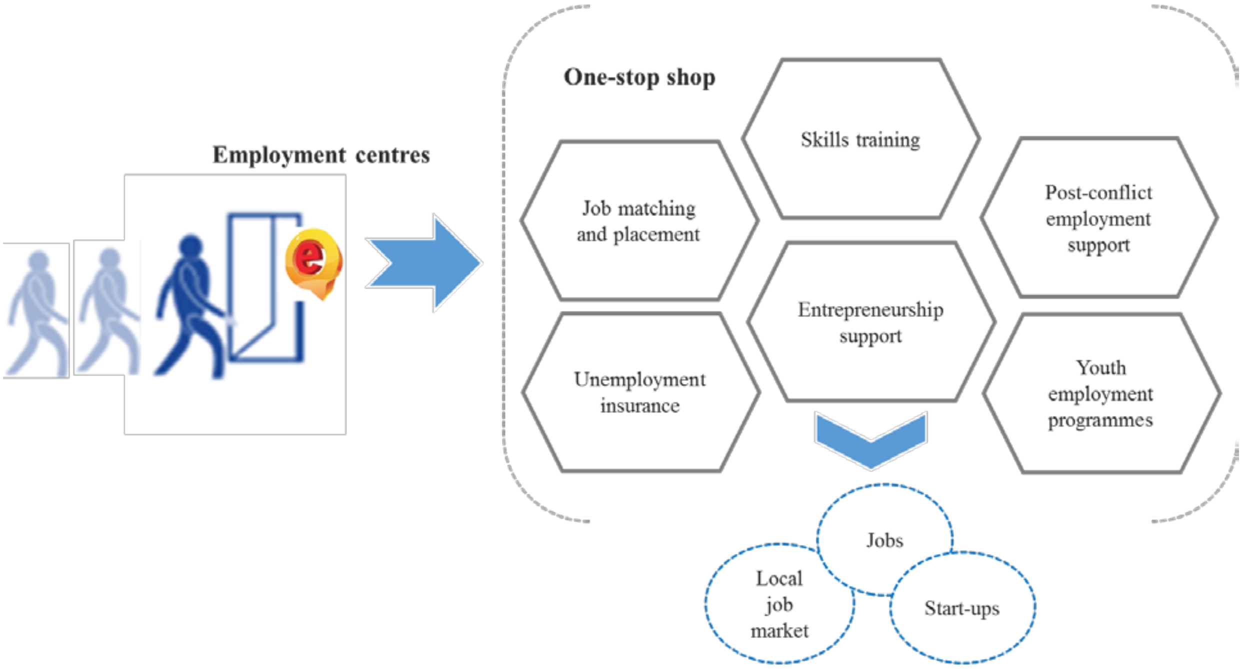
Source: Consultations with USPE and Ministry of Labour; Medina, 2015; UNDP and DPS, 2014.

7. Making ALMPs accessible through employment centres

Colombia is working towards achieving coordination between passive and active labour market programmes to promote the labour market integration of target populations. In contrast to practice before 2013, today the Network serves a wider range of clients, including long-term unemployed in rural and urban areas, youth, people with disabilities, minority groups and families affected by forced displacement (Avila, 2015).

Organizing service provision in one-stop shops (ventanilla única de soluciones para el trabajo) is one of the strategic goals set by USPE for 2018. This consists in making available all the services and programmes relevant to labour market participation for all unemployed people looking for work in the same location (USPE, 2014). Several cities, including Bogotá, Cali, Medellín and Barranquilla, are already providing employment services and linking clients to ALMPs financed through FOSFEC, such as the services provided by SENA (e.g. upskilling and skills certification), entrepreneurship support, and referral to targeted programmes for clients facing barriers to employment, including youth and people affected by the recent armed conflict in Colombia. Unemployment benefits can also be claimed through CCFs by eligible workers. In this way, the employment centres are slowly becoming the entry points for specialized services (figure 13).

Figure 13. Employment centres organizing provision in one stop shops for 2018



Source: Author, based on USPE, 2016b.

PART III. GOOD PRACTICES IN PARTNERSHIPS FOR THE DELIVERY OF EMPLOYMENT SERVICES

8. Introduction

This section presents three case studies showing how partnerships helped the Network of employment services providers to expand service provision and optimize service coverage; adapt service provision to local labour market needs; and deliver to target groups. These case studies seek to identify, in each case, what the key relationship factors were that influenced the partnership's development, how they contributed to the achievement of the desired results, and how the challenges of working in partnerships were addressed. The analysis also aims to find out whether there are transferable lessons from these cases that could usefully inform partnership work by other members of the Network, in other municipalities or economic sectors within Colombia.

The first case study concerns the metropolitan area of the Aburrá Valley, which hosts one of the largest job markets in the country and several high-productivity centres of economic activity, including Medellín. This example illustrates how coordination and association between municipalities can create economies of scale for planning and delivering employment services while also taking advantage of the labour market activity in urban agglomerations. Shifting from a municipal-based operation to one driven by demand within a larger job market improves fluidity and access to job opportunities.

The second case study concerns the province of Meta, where the hydrocarbons sector has a strong presence but offers few direct employment opportunities to local communities. Also, the absence of formal jobseeking mechanisms has fostered the proliferation of unregulated "rough recruiters" in oil-producing zones. This case study shows that the introduction of employment centres through partnerships in Meta helped to remove inefficiencies related to lack of transparency and unregulated recruitment practices. Partnerships between employment centres and training providers had a positive effect on expanding job opportunities in economic sectors other than hydrocarbons and favoured demand for labour, driving upskilling efforts.

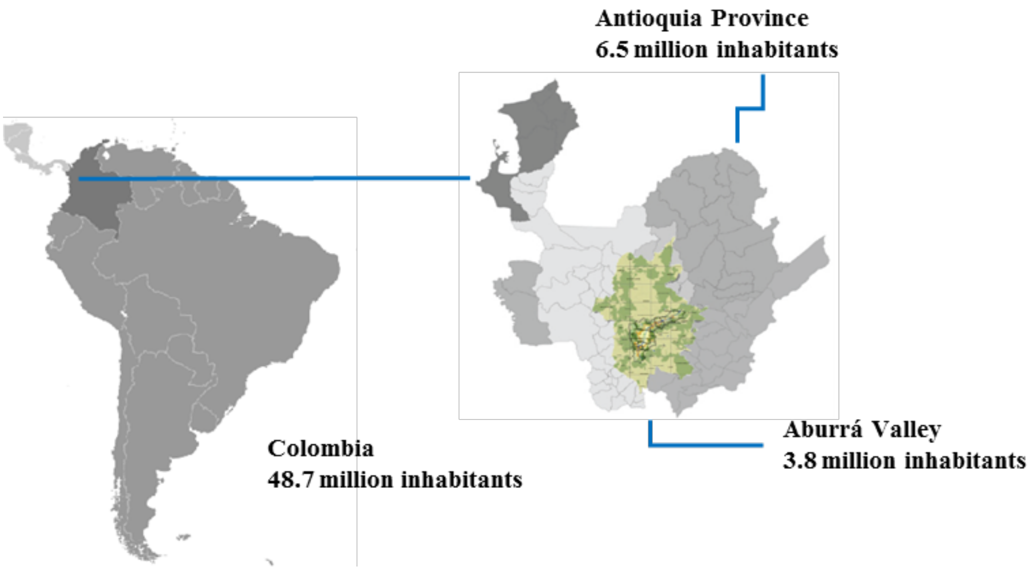
The third case study concerns the introduction of specific pathways to help young people (aged 18–28) through the school-to-work transition by building not only work experience but also the soft skills employers seek. A partnership approach with the CCFs and other providers of employment services made it possible for the Ministry of Labour to put in place the basic building blocks for this ALMP, including mobilizing funds, reaching out to the target population and developing service protocols.

9. Increasing access to employment in the Aburrá Valley

9.1. Background

The Aburrá Valley is located in the Andean region of Colombia and interconnects ten municipalities in the province of Antioquia: Barbosa, Bello, Caldas, Copacabana, Envigado, Girardota, Itagüí, La Estrella, Medellín and Sabaneta.[18] This valley contains 58.5 per cent of the total population of Antioquia, with 3.8 million inhabitants in 2016, of whom 59 per cent were aged 20–60 (figure 14). The Metropolitan Area of Aburrá Valley (Área Metropolitana del Valle de Aburrá: AMVA) constitutes Colombia's second largest economy after the capital district of Bogotá and the most populous metropolitan agglomeration in the country.

Figure 14. Relative populations of Colombia, Antioquia province and Aburrá Valley, 2016



Source: Author, with images and information from AMVA, 2016.

Medellín, the major city within AMVA, itself hosts one of the largest job markets in the country and attracts workers from neighbouring municipalities. Over the period January–July 2016, 1.76 million people were employed and 218,000 were unemployed in the Aburrá Valley.[19] This urban agglomeration is characterized by a highly dynamic flow of labour market transitions; hence the importance of promoting a fluid metropolitan labour market and addressing inequalities in accessing employment across municipalities with different economic conditions.

The adoption of the metropolitan plan for the regional integration and sustainable development of the Aburrá Valley (2008–20) reflects a more organic vision of local development that is taking root in Colombia. This plan introduced the idea of reshaping metropolitan economic space by taking advantage of urban agglomeration to create economies of scale when planning and delivering infrastructure projects and social services

[18] Nine of these municipalities established the regional administrative authority known as AMVA by Departmental Ordinance No. 34 of 1980; it is regulated by Law No. 1625 of 2013 (Régimen de Áreas Metropolitanas). Envigado joined AMVA in 2016 (AMVA, 2016).

[19] Information for Jan.–July 2016 based on the Gran Encuesta Integrada de Hogares (Great Integrated Household Survey; DANE, 2016). Quarterly moving average, includes Medellín City.

(Samad, Lozano-Gracia and Panman, 2012). More recently, this idea has also been applied to the provision of labour market services across the boundaries between municipalities.

9.2. Strategy for expanding employment centres in AMVA

Since the introduction of alternative and flexible forms of organization at the local level, the need for employability services, job-search support and placement has grown in the metropolitan economic space of Aburrá Valley. In the process of preparing for the expansion of the Network's coverage at the provincial level, it became clear that existing interventions for employability improvement and labour market intermediation were scattered and fragmented among the different government agencies and operators present in Antioquia. Achieving greater integration at the metropolitan level necessitated long-term investment in employment centres (USPE, AMVA and Red Ormet, 2016).

This shift towards the economic and labour market integration of metropolitan areas ran parallel to the creation of the Network in 2013 and the promotion of partnerships for expanding service provision throughout the country. The Ministry of Labour, through USPE, entered into cooperation agreements – brought about through ministerial resolutions or other forms of ministerial approval – with the MPGs of Aburrá Valley and SENA, and thereafter granted the CCFs authorization to operate as new implementing partners. Between 2013 and 2016, this partnership approach made it possible to implement a total of 62 servicing points, of which 15 were employment centres (table 20).

Table 20. Cooperation agreements for implementing employment centres and other servicing points in AMVA, 2013-16

AMVA municipalities	Total no. of access points*	No. of employment centres	Implementing partners
Barbosa	1	1	Municipality and SENA
Bello	4	1	Municipality and SENA
Caldas	3	1	Municipality and SENA
Copacabana	1	1	Municipality and SENA
Envigado	3	1	Municipality and SENA
Girardota	1	1	Municipality and SENA
Itagüí	4	1	Local development agency and SENA
		1	CCF
La Estrella	1	1	Municipality
Medellín	42	1	Municipality and SENA
		3	CCFs
		1	SENA and APE
Sabaneta	2	1	Municipality and SENA
Total	62	15	-

* Includes employment centres and other servicing points run by private providers and job banks (HEI and others).

Source: Author with information from USPE, 2016b.

A precondition to partnering for expanding service coverage was the clear political will to address labour market bottlenecks that could constrain economic expansion in the metropolitan area in the coming years. The expansion of the employment services was undertaken as part of a comprehensive process of cooperation between provincial and central government authorities. At the national level, the Ministry of Labour through USPE made a strong practical commitment to establishing employment centres by facilitating the creation of partnerships, providing technical support and investing 2.3 million COP[20] in physical facilities and other resources, including equipment, staff training and technology, over the period 2013–16. The municipalities in Aburrá Valley, in turn, made a commitment to maintain the employment centres in operation by allocating regular disbursements of funds from the public purse.

The adoption of the first ever Employment Strategic Plan for Aburrá Valley (2016–28) not only gave concrete form to political will at the AMVA level, but made it possible for the municipalities to articulate their own development plans for the period 2016–19 with metropolitan priorities. The AMVA employment plan also gave the municipalities a high-level document on the basis of which they could link new or existing budget lines with implementing activity and channel resources in an effort to improve the functioning of an interconnected job market.

Another important factor that facilitated a planning effort on the metropolitan scale was the availability of relevant statistics on levels of labour demand and supply, data on commuting flows of workers from municipalities of residence to the workplace, and foresight studies on specific sectors (e.g. construction, textiles, fabric and fashion design). USPE and the network of regional labour market observatories (Red de Observatorios Regionales del Mercado de Trabajo: Red Ormet) made a substantial contribution to integrating available data about the valley's employment and labour market, marshalling evidence that helped local authorities to make informed decisions. Launched in 2012, the Red Ormet Antioquia is made up of a number of stakeholders including the Ministry of Labour and government agencies at the provincial level (e.g. those responsible for planning and economic development), SENA, Comfenalco (the local CCF), Manpower Group, workers' and employers' organizations and local HEIs.

The alignment and coordination of policy interventions at the municipal and metropolitan levels became feasible with the adoption of the metropolitan plan because of the shared focus on policy action to encourage labour mobility tackle common barriers to opportunity for both jobseekers and employers with regard to access to education and training, social protection and jobs (box 5).

Box 5. Key objectives of the Employment Strategic Plan for Aburrá Valley (2016-28)

The overarching objective of the employment plan is to develop a fluid labour market and increase productivity and competitiveness, with a particular focus on raising living standards, through four common lines of action: (1) providing access to labour market services and social protection; (2) addressing immediate and future skills needs through targeted training; (3) making entrepreneurship a driver for growth and employment; and (4) incentivizing the formalization of enterprises and workers.

Source: AMVA, 2016.

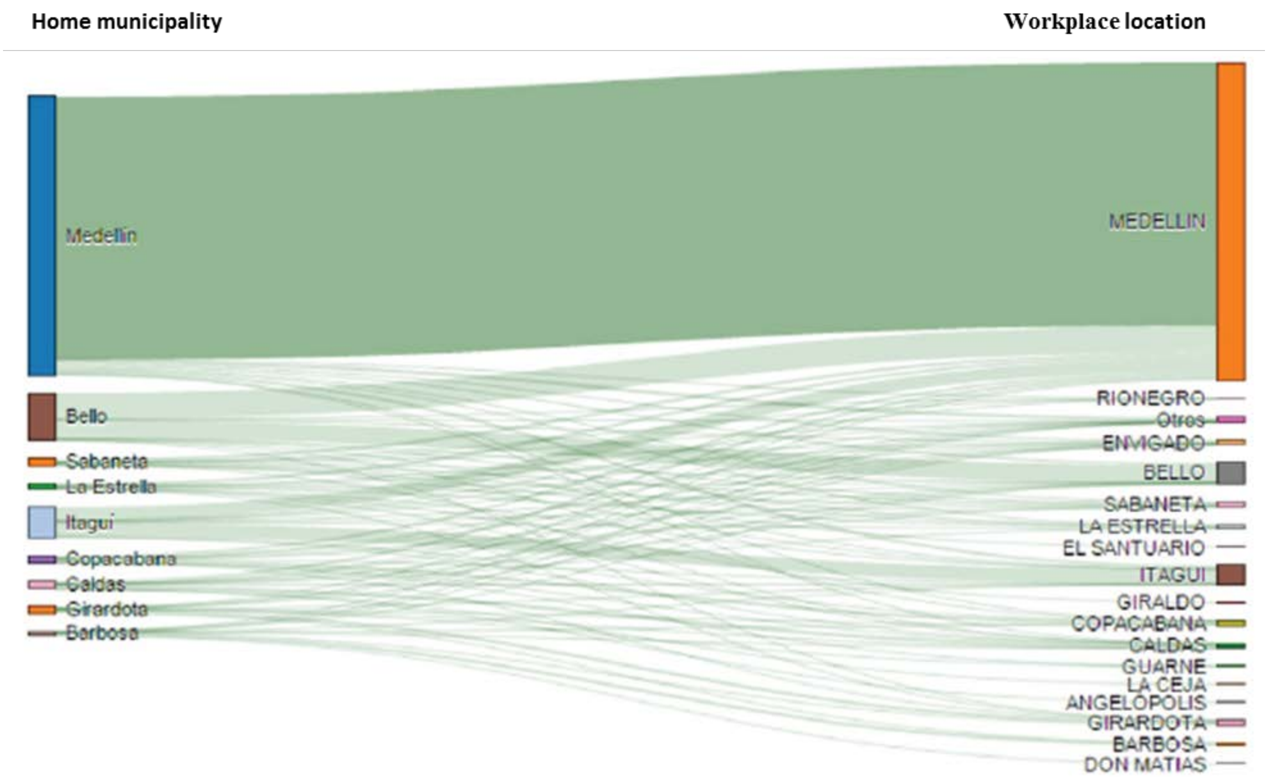
Within the framework of the metropolitan employment plan, the most immediate task for AMVA is to intensify cooperation between the providers of employment services that support its implementation, particularly with regard to matching jobseekers with available

[20] Equivalent to US$775,978, according to the exchange rate published by Colombia's central bank, Banco de la República, in December 2016.

jobs at the metropolitan level. In this regard, USPE is also aware of the need to shift from a municipality-based delivery to one that is driven by demand and the dynamic of the metropolitan job market.

Tracking the valley's commuting flows of workers from their home municipalities to their workplaces has been extremely helpful in understanding demand for employment services and other labour market interventions. Through commuting, workers can access important productivity centres, for example, Medellín, without necessarily living there. In 2015, only Medellín, Bello and Itagüi registered more than 50 per cent of the employed population living and working in the same municipality, while in the remaining municipalities at least 40 per cent of the workers were employed in a neighbouring municipality (figure 15).

Figure 15. Commuting flows from home municipality to workplace, AMVA, 2015



Source: AMVA, 2016.

To meet the needs of clients commuting constantly from their home municipalities to neighbouring job markets, the Network's providers have already started work on ensuring more consistent, coordinated and comprehensive access to employability services. This has included sharing job vacancies, and adopting common delivery methodologies for serving target populations and common referral protocols to other employment centres or other local partner agencies; in this way, clients' options are widened, opening up access to job training, advice and information on labour market trends, and other employability measures. An example of efforts to this end was the cooperative effort between employment centres and AMVA to provide jobseekers with 11,289 public transport passes to improve accessibility to job opportunities in Medellín throughout 2015 (USPE, 2017a).

Table 21 provides an overview of progress made by October 2016 towards the goals set for December 2016 at the metropolitan level. The results achieved had already exceeded the goals set for the year in several areas of service. It is worth noting that output indicators for AMVA also monitor the level of harmonization of processes and protocols for service delivery across the employment centres, for example the adoption of USPE's methodology for integrating a gender equity perspective by CCFs in Antioquia. Another example of efforts to widen the range of services available at local level is the introduction to some of Antioquia's employment centres in 2016 of the programme for the labour market integration of victims affected by the armed conflict in Colombia.

Table 21. Output indicators reported by employment services in AMVA, October 2016

Output indicator	Oct. 2016	Goal 2016
Registered jobseekers	15 246	10 583
Vacancy registration	6 336	4 240
Placed jobseekers	1 036	1 972
Participants in job-search workshops	2 374	4 247
Counselled jobseekers	6 430	9 663
Prescreened jobseekers referred to job interviews	14 820	7 037
Registered employers	1 223	798

Source: Author, with information provided by USPE.

USPE is also supporting employment centres in the Aburrá Valley to work in cooperation with training providers, educational institutions and employers to determine how skills demand will change with the development of six regional industry clusters – electricity generation, fabric and fashion design, medical and dental services, information and communications technologies, construction, and tourism.

Across Colombia, opening up the job market through the introduction of employment services in metropolitan areas is gradually emerging as a top priority for economic growth and prosperity. Aburrá Valley is one of the first metropolitan areas in the country to adopt this approach, which combines political will at different levels of government with action led by the municipalities to address employment and labour market challenges of a metropolitan nature in a long-term perspective. USPE expects to replicate this approach in Barranquilla and Bucaramanga (the second and third largest metropolitan areas after Aburrá), and in central/western Colombia, starting in 2017. The core aspects of the shift in approach that USPE can use to broaden access to employment services and favour a move towards metropolitan-level interventions are summarized in table 22.

Table 22. Moving towards labour market interventions with a metropolitan perspective

Prior to 2013	From 2013 onwards
Absence of specific employment policies and labour market interventions applied at the metropolitan level	Adoption of the first Employment Strategic Plan for Aburrá Valley (2016–28) guiding metropolitan-level interventions
Scattered labour market information at local and metropolitan levels	Consolidation of Red Ormet and USPE's system for collecting data, and of capacities for analysing data on metropolitan-level labour market dynamics, including skills demand
Fragmented interventions for employability improvement and labour market intermediation	Partnering approach for expanding employment services backed by strong political will at different levels of government, technical support and allocation of specific budget lines

Source: Author.

9.3. Lessons learned

Metropolitan areas concentrate employment and production, representing a common economic area where networked cooperation for facilitating job-search support and placement is becoming more intense. The experience of the Aburrá Valley shows that three factors are necessary to promote fluid metropolitan labour markets and address inequalities in accessing employment across municipalities with different economic dynamics:

- First, partnering approaches for expanding employment service coverage cannot be reduced to implementing local employment centres. Strong political will, long-term investment at both national and municipal levels, and mechanisms for coordination are all necessary if sustainability is to be ensured.
- Second, partnerships among providers of employability services operating in metropolitan areas represent a means of expanding coverage without placing additional stress on municipal budgets alone. This approach enables the local and national governments to exploit economies of scale; however, the intervention of a supra-municipal authority (e.g. AMVA) is often necessary to guide metropolitan-level interventions.
- Third, the availability of reliable labour market information for the Aburrá Valley (e.g. levels of labour demand and supply, data on commuting flows of workers from the home municipality to the workplace) made possible data-driven decision-making and facilitated the understanding of labour market dynamics, including the extent and direction of commuting flows, and trends in employment and skills demand in the most dynamic sectors or economic clusters (MT, 2014b). Regional observatories are therefore a key partner for employment centres.
- The adoption of the first Aburrá Valley Employment Strategic Plan (2016–18) guides common action; however, continuous investment in capacity-building at municipal level is crucial to the continued provision of quality services to jobseekers and employers alike.

10. Improving job information transparency and matching in Meta's oil producing zones

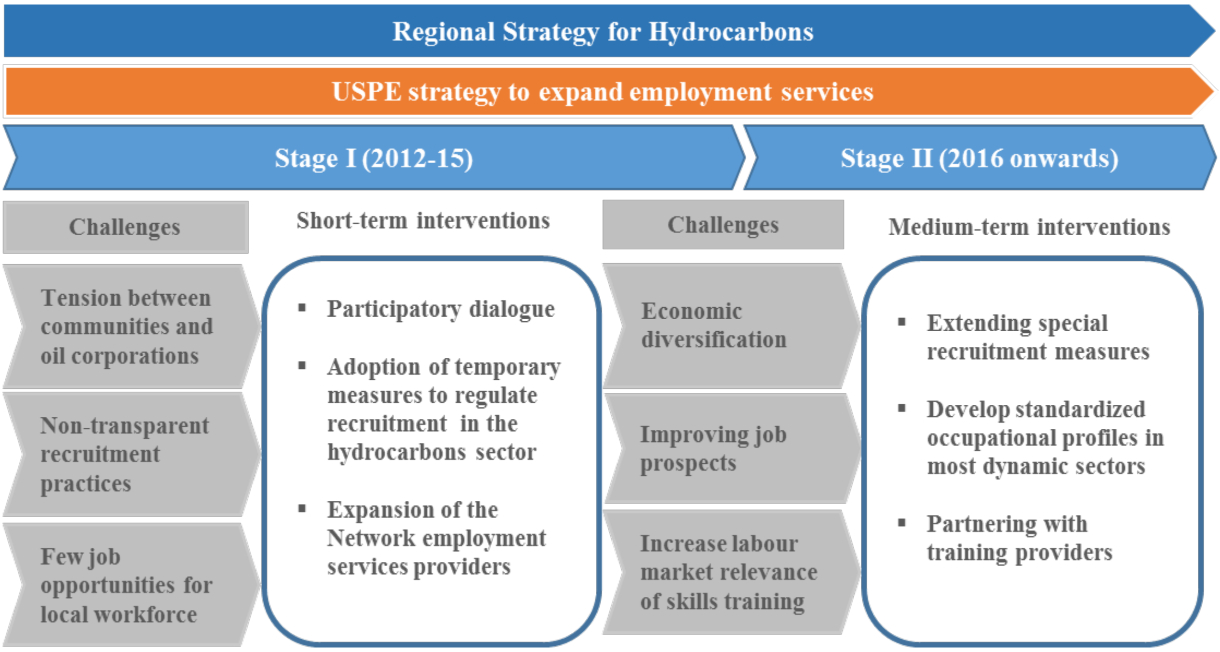
10.1. Background

Colombia is an important oil producer, and since 2010 more than 40 per cent of total exports have mainly come from the hydrocarbons sector. The sector makes a significant, albeit indirect, contribution to job creation in oil-producing zones. Estimates indicate that 3.3 indirect jobs are created for each worker hired directly in oil-production activity (UPME, 2014). This is the case for Meta, a province located in the central region of Colombia which in 2016 ranked first in terms of hydrocarbons production. Two-thirds of Meta's GDP came from the mining and hydrocarbons industry; and yet only 0.9 per cent of the employed population in the province work directly in mining and oil-production activity (UMAIC, 2016).

The unemployment rate in Meta remained relatively stable between 2010 and 2016 at around 10 per cent, in spite of the rapid rise (2008–11) and fall (2012 onwards) in oil prices during this period. In absolute numbers, 6,500 more people more were looking for work in 2016 than in 2010, but the hydrocarbons sector employed very few of them directly (UMAIC, 2016). The discrepancy between the wealth generated by hydrocarbons activity and the paucity of the direct employment opportunities the sector offers to local communities has given rise to conflict and protests, including temporary blockage of transnational corporations' activities. Fraudulent recruitment practices, such as inviting workers to pay fees to become eligible to apply for jobs and non-transparent access to information on available job vacancies, have further compounded the labour market problems associated with Meta's strong specialization in the hydrocarbons sector.

In this context the Ministry of Labour, through the Network, is taking part in the ongoing effort to open up the labour market in hydrocarbons-producing zones by removing inefficiencies related to: (1) the lack of transparency and public information on existing vacancies and recruitment practices in the hydrocarbons industry; (2) unequal opportunities for accessing formal and quality jobs in other growing sectors; and (3) skills and job mismatches that might constrain the economy's capacity to develop other economic activities with potential for employment generation (MT, 2013a). USPE's intervention took place in two main stages. The first consisted in addressing tension between communities and oil corporations, and making recruitment practices more transparent by introducing partnerships. The second part focused on partnering with other employment services and training providers to support economic diversification and put into practice the local employment and skills agenda (figure 16).

Figure 16. Improving transparency in the labour market and job matching in Meta



Source: Author.

10.2. Delivering more transparent job matching mechanisms (2012-15)

As the gap between community expectations and actual job creation by the hydrocarbons sector widened, tensions increased, with the erection of roadblocks and temporary shutdowns in oil-production zones intensifying. Meta recorded a sharp increase of such incidents from 11 in 2010 to a peak of 144 in 2015 (ANH et al., 2016). The lack of employment opportunities for local workers and the use of non-transparent recruitment practices in the hydrocarbons sector were among the main causes of communities' discontent and mobilization over this period (box 6).

Box 6. Unregulated recruitment and social unrest in oil production zones of Meta

Protests and social unrests were particularly acute in some municipalities in Meta, such as Puerto Gaytan, where complaints of fraudulent practices by "rough recruiters" were reported. In other municipalities, including Acacias, the community action groups (*juntas de acción comunal*: JAC*) and other local organizations were acting as intermediaries for registering and selecting potential candidates for jobs with oil-producing companies. However, some of these organizations were themselves the targets of complaints of alleged discriminatory or inappropriate conduct. Abusive recruitment practices, such as charging people unauthorized fees to obtain or become eligible to apply for jobs, were common, as was the use of oil corporations' names in hiring scams.

* JACs are the most basic form of social organization at the community level in Colombia. Their main objective is to promote the development and collective well-being of the communities they represent.

Source: Author, based on ANH et al., 2016; Gutierrez, 2016.

A new contractual model for exploration and oil production that promotes the fair and sustainable management of the extractive sectors (oil, gas and minerals) was developed by the national Government in 2012 and was rolled out at a time when protests had soared and were beginning to have a marked effect on production.[21] This Regional Strategy for Hydrocarbons (Estrategia Territorial de Hidrocarburos: ETH) aims to link activities related to the exploration for and exploitation of hydrocarbons with local development in 11 heavily oil-dependent zones, including Meta. ETH has multiple dimensions, among them employment and the functioning of local labour markets.

The first stage in the overall strategy (2012–15) focused on the promotion of dialogue as a way to neutralize tension between communities and oil corporations and to create opportunities for collaborative action between the hydrocarbons industry, communities and decision-makers at the local level. This approach brought together for dialogue relevant government agencies, led by the National Hydrocarbons Agency (Agencia Nacional de Hidrocarburos: ANH) and the Ministry of Mines and Energy, along with the Ministry of the Interior, Meta's municipal authorities, more than 30 oil corporations (including the state-owned oil company, Ecopetrol),[22] the JACs and other organized community groups.

Within the first intervention phase, another key line of action to facilitate participation of the local workforce was the introduction of temporary special measures for staff selection and hiring processes in the hydrocarbons industry. These were prepared under Decree No. 2089 of 2014 with the involvement of the Ministry of Labour, USPE, SENA and Meta's family compensation fund (COFREM), all of which were strongly committed to the ongoing effort to ensure that oil production has a positive effect on local development. The key aspects of these measures and the problems related to their implementation are described in box 7. Some of the difficulties faced by Meta – along with other oil-producing zones – were related to specific provisions of the decree; others were associated with strong opposition from unregulated recruiters who feared the loss of lucrative business (Gutierrez, 2016).

[21] Conflict has had a substantial negative impact on the hydrocarbons sector in Colombia, causing economic losses for municipalities and oil companies equivalent to 217 million COP between 2010 and 2014 (Sáenz, 2016).

[22] Other oil corporations operating in Meta include (among others) Emerald Energy, Hocol, New Granada Energy, Mansarovar, Pacific Rubiales, Parex, y Producción, Petrobras, Petrominerales, Perenco and Vetra Exploración (ANH et al., 2016).

Box 7. Temporary special measures to regulate recruitment in the hydrocarbons sector

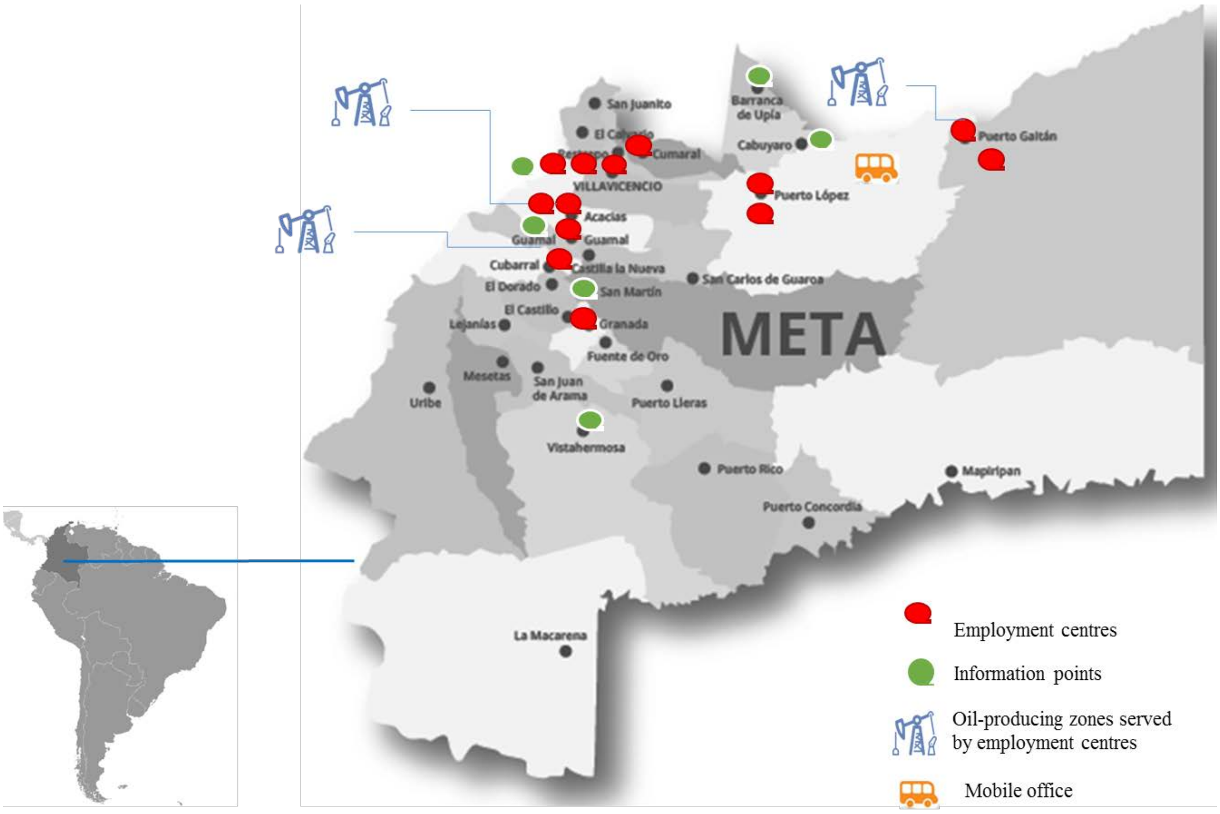
Decree No. 2089 of 2014 established that oil corporations holding licences for oil extraction and exploration projects must fill job vacancies by recruiting residents of the municipality in which the activity takes place. However, the implementation of these special provisions turned out to be problematic:

Special Provisions	Obstacles to implementation
30 per cent of skilled workers (e.g. technicians and professionals) and 100 per cent of unskilled staff should be residents of the municipality in which oil production takes place	Oil companies expressed difficulties in finding suitable local workers, in particular, technicians and professionals. In turn, workers lacked information on available vacancies in time to provide proof of their residence.
To access employment opportunities, local residents must obtain a certificate of residency from the local authority.	The issue of residency certificates had to be prompt to enable workers to apply for available vacancies.
Recruiting workers from neighbouring municipalities or elsewhere in the country was permissible if suitable workers were not found among residents or if the number of candidates was insufficient.	Weak labour inspection capacity and lack of means for verification or enforcement.
Oil companies must register all vacancies with a provider belonging to the Network.	Insufficient number of employment centres in hydrocarbon-producing regions. Prior to 2013, SENA was the only public provider of employment services in Meta.

Source: Based on FUPAD and MT, 2013; Norton Rose Fulbright, 2014.

In spite of the criticisms levelled at the special provisions introduced under this decree, there were positive developments, such as concrete action to eliminate labour intermediation by unregulated agents and other third parties. USPE prioritized the expansion of the Network in Meta by entering into partnerships with the local governments, COFREM and APE. This partnering activity resulted in 12 municipalities offering access to free-of-charge employment services through 13 employment centres and six information points run by public providers operating fully or partially with public funds. Three of these employment centres specifically serve oil-producing zones – Acacias, Guamal and Puerto Gaitán. The partnerships established between the municipalities and COFREM, in particular, made it possible to ensure the operation of more centres in the long run by gaining access to funds from FOSFEC. One mobile office also came into operation to reach rural communities adjacent to oil-producing zones. This mobile office has been instrumental in organizing information days and job fairs in cooperation with some of the oil companies affiliated to Ecopetrol (figure 17).

Figure 17. Public providers of employment services in Meta, 2016



Source: Author, with information from USPE, 2016b; map from ANH et al., 2016, p. 49.

The introduction of transparent and regulated job-matching mechanisms in Meta took place in municipalities with different political, social and economic climates. One of the challenges to establishing a regular and productive dialogue with organized groups was the fact that Meta had been a significant location in the armed conflict that came to an end in late 2016. In this context, the public providers of the Network and COFREM were often confronted by local communities' distrust of both government agents and oil corporations, as well as derogatory statements by unregulated recruiters aimed at discrediting the Network.

Local dialogue processes have proved to be a long-term and transformative exercise, slowly establishing a basic level of understanding among stakeholders. One important achievement resulting from participatory dialogue was the agreement reached with the JAC Isidro de Chichim in the municipality of Acacias, which brings together 12 community leaders who have traditionally controlled the selection and recruitment of workers in the oil-production zone under their influence. With technical support and advice from USPE, this JAC became an authorized private provider (ANH et al., 2016). Other private providers have been gradually entering Meta's labour market: for example, Adecco, Manpower and two job banks operated by HEI are currently operating in the provincial capital, Villavicencio.

In 2016, 64 per cent of the enterprises in the hydrocarbons sector established in zones prioritized by ETH (including Meta) were advertising job vacancies with the Network's providers (MT and USPE, 2016). Developing a successful engagement strategy to link the hydrocarbons sector with the local job market fairly is a complex process. Despite ANH's decision to request oil companies holding exploration or exploitation contracts – including all those in association contracts with Ecopetrol and their subcontractors – to register all job vacancies with the Network, 2016 saw a further wave of protests. This was part of the reason for the decision to extend the implementation period of the special measures relating to recruitment in the hydrocarbons sector.[23] A further element in that decision was the downward trend in oil prices on global markets, which was reflected locally in fewer people being employed and even in some cases the non-renewal of current contracts, including those for the acquisition of goods and services that have a substantial impact on indirect job creation (MT and USPE, 2016).

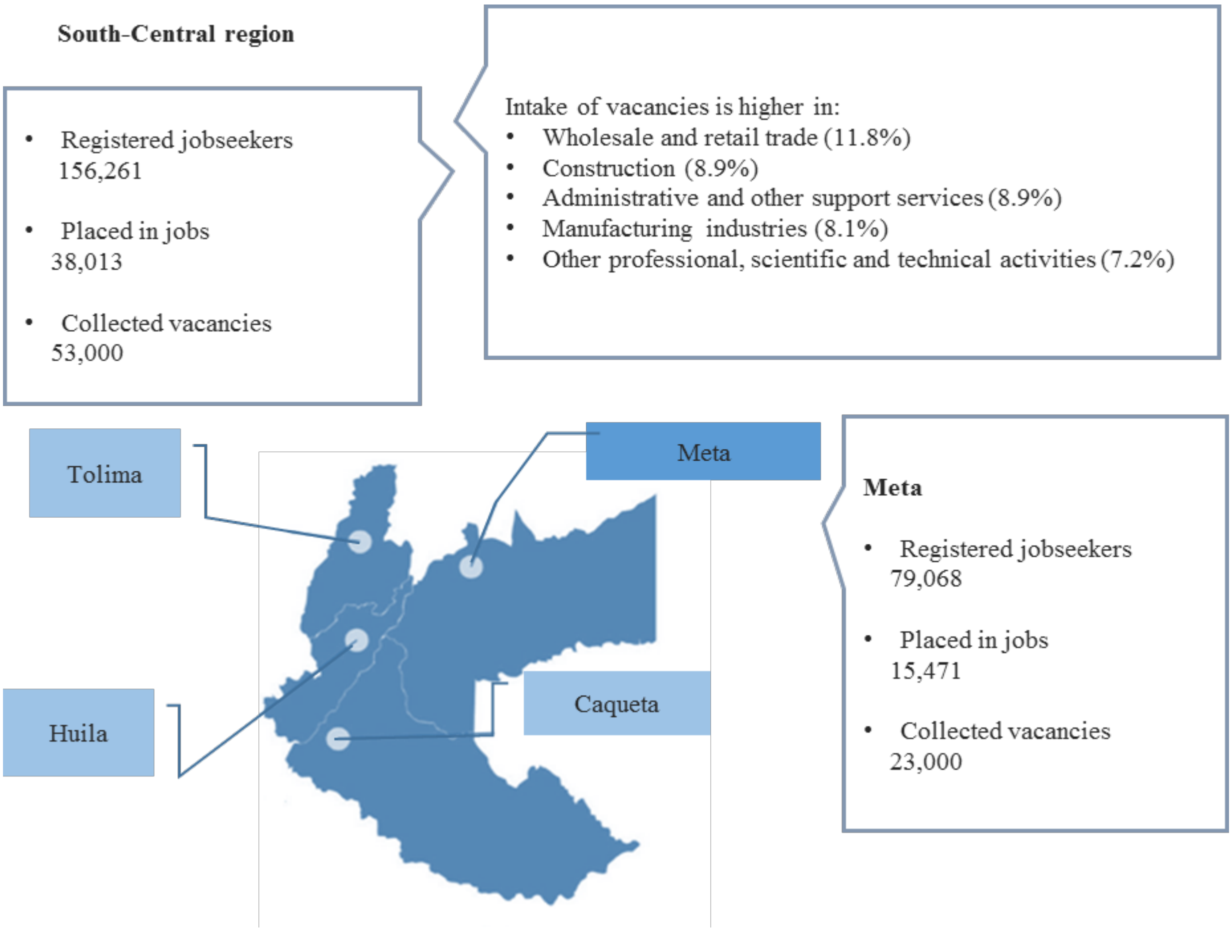
10.3. Moving towards economic diversification and improving job prospects (2016 onwards)

Increasing economic activity in sectors other than hydrocarbons to diversify and expand sources of employment for local workforces has become a priority in regions implementing the ETH. In 2016, the focus of intervention shifted from reducing conflict and introducing free-of-charge employment services to addressing mismatches between labour supply and demand by the labour market relevance of education and skills training.

In addition to information on vacancies and job-search support, a stronger presence of the Network in Meta gives jobseekers and employers in the province the opportunity to access employability services such as skills training. Meta is the department with the highest activity in the south-central region of the country in terms of the number of clients registered and vacancies collected in sectors other than hydrocarbons. From January to November 2016, the municipal employment centres, APE and COFREM registered 156,261 jobseekers, collected details of 53,433 vacancies, and placed 38,031 workers in jobs. Out of all the vacancies registered in the entire south-central region, 44.3 per cent were located in Meta. The vacancies collected in Meta mirror the composition of employment by economic sector in the south-central region, which relies largely on wholesale and retail trade (including hotels and restaurants); construction; administrative and other support services; manufacturing industries; and other professional, scientific and technical activities. The employment contribution of these three sectors together strongly contrasts with that of mining and quarrying activities, which employed less than 1 per cent of Meta's workforce (figure 18).

[23] To this end, Decree No. 2089 of 2014 was superseded by Decree No. 1668 of October 2016.

Figure 18. Activity of Network public providers and COFREM in Meta, January-November 2016



Note: The south-central region groups the provinces of Caqueta, Huila, Meta and Tolima.
Source: Author, with data from MT; USPE, 2017b.

Unlike other parts of the region, Meta's economy is relatively diversified in spite of strong dependence on hydrocarbons. Since the early 2000s other economic sectors have been gaining in importance, and forecasts indicate a potential competitive advantage in the production of specialized types of sugar-cane, and the growing of fruit, nuts, and beverage and spice crops; wholesale trade in agricultural raw materials and food products (except coffee); manufacture of grain mill products; and transport services by rail and road (DNP, 2016). Nevertheless, the current production structure is limited, and the ability of the labour market to absorb the local workforce is low, compared with other regions in Colombia (box 8).

Box 8. Meta's labour market situation

Meta suffers from a severe deficit in quality jobs. In 2013, only 28 per cent of the total employed population were affiliated to a pension fund, and own-account and contributing family workers made up 41 per cent of all employment. The informality rate in enterprises with under five employees was 59.1 per cent, well above the national rate of 50.3 per cent, and the average length of job-search was also longer (22.4 weeks) than in the rest of the country (19.3 weeks). The combination of these factors with low wages has a negative effect on workforce productivity, limiting formal job opportunities for unskilled workers, young people with occupational profiles not matching existing demand, and members of rural communities. The smaller share of formal employment opportunities for low-skilled workers is also visible in the requirements of employers using the Network, most of whom were mainly looking for technicians (26.2 per cent), people with upper secondary education (24.3 per cent) and university graduates (14.9 per cent). Registered demand for skilled workers represented 65.4 per cent of total demand between January and November 2016.

Source: Figures on the informality rate, December 2012 to February 2013: FUPAD and MT, 2013; average length of job search, November 2015 to October 2016: MT and USPE, 2017.

A strong preference of workers in urban labour markets such as Meta's capital city, Villavicencio, for an overcrowded hydrocarbons sector offering higher wages has a negative impact on other sectors with growth potential, such as the agrifood industry, tourism, and hotel and restaurant management. These sectors are finding it difficult to attract enough workers, in particular, young people with initial vocational training (PNUD, OEI and Ecopetrol, 2016). In current labour market conditions, the employment centres can be effective only if their work is interlinked with the contributions of other stakeholders also working on improving the functioning of the labour market. In regions with a high dependence on the hydrocarbons sector, strong career guidance services and demand-led training are of fundamental importance in delivering the skills and employment agenda that will support economic diversification and thereby help to create more job opportunities for the local workforce.

As a means of guiding upskilling efforts and improving job matching, SENA and USPE entered into a partnership for the creation of a standardized catalogue of occupational profiles agreed with the hydrocarbons industry and other key sectors (e.g. construction and services). The catalogue identifies and arranges professional profiles according to competency and skills requirements appropriate for occupational performance, as well as setting benchmarks for the certification phase. As of June 2016, 109 occupational profiles had been developed for the hydrocarbons sector (MT, 2016). Red ORMET and the municipalities have also used the administrative registries of the Network – for example, the number of vacancies in given occupations – as a basis for understanding current labour demand and supply and identifying where the bottlenecks are occurring (PNUD, OEI and Ecopetrol, 2016).

Policy efforts to address the labour market relevance of training and education in order to maximize job opportunities in oil-producing activities and other emerging sectors resulted in a partnership between the municipality of Puerto Gaitán, SENA and the private sector to create a specialized training centre to deliver demand-led training in the hydrocarbons sector. This centre was launched in April 2016 and will service clients from the provinces of Meta and Vichada (Presidencia de la República, 2016). There are two other specialized training centres that supplement skills development in agriculture, industry and services. A stronger presence of the Network in oil-producing zones can support economic diversification by promoting a shift of the workforce from an overcrowded oil-production industry into emerging economic sectors with potential for job creation.

10.4. Lessons learned

- The introduction of transparent and regulated job-matching mechanisms in the province of Meta took place in a context of a high level of conflict between local communities and oil corporations. A process of dialogue created an avenue for cooperative efforts between communities, oil corporations and decision-makers at the local level to eliminate unregulated recruitment practices and maximize job opportunities in the hydrocarbons sector for the local workforce.
- Informing communities about exploration and production operations by oil corporations helped to clarify expectations about local development and job creation. More importantly, the Network favours the creation of a transparent job-matching system and fair recruitment practices. Enabling a JAC to become a registered private employment agency helped to gain local approval of new regulations and the Network's activity through, for example, COFREM and private employment agencies.
- The introduction of employment centres through partnerships represented a first stage in the effort to open up Meta's job market. USPE also addressed medium-term

labour market challenges by introducing other important measures conducive to implementing the local skills and employment agenda. The standardized catalogue of occupational profiles agreed with the hydrocarbons industry and other important economic sectors is one of these elements, making it possible to align job matching, skills training and certification of competencies.

- Partnerships with training providers at local level also helped to improve responsiveness to employers' needs for a more highly skilled local workforce. Administrative registries and data on the capacities of employment services are extremely valuable resources in seeking to understand current labour demand and supply at the micro level, where people live and work.

11. Helping young people into quality first jobs

11.1. Background

With half of the country's unemployed aged under 29, improving employability and job opportunities for young people is a policy priority for the Colombian Government. At age 18, young people in the country acquire the constitutional right to work;[24] paradoxically, it is between reaching that age and the age of 29 that they experience higher unemployment rates than any other group (table 23).

Table 23. Unemployment rate by age group, 2013-16

Age group	2013	2014	2015	2016
61 +	4.6	4.5	4.4	4.7
41–60	6.2	5.8	5.7	5.7
29–40	8.1	7.4	7.6	8.1
18–28	16.6	15.8	15.3	16.1
10–17	12.7	13.3	12.4	11.8

Source: MT and USPE, 2017; DANE, 2016.

For young people aged between 18 and 28, making the transition from school to formal and stable work is increasingly challenging. The types of difficulties young Colombians face in securing decent work are correlated with level of educational attainment, lack of experience needed to fill a vacancy, mismatches between the skills candidates possesses and employers' requirements, and timely access to information on the job market. For one-fifth of unemployed youth,[25] the search for a job takes longer than one year and is often done via informal channels. In the formal job market, nine out of ten vacancies registered with the Network in 2015 required prior work experience, and half of them called for at least one year of experience (MT, 2015a).

Young people looking for jobs often find themselves at high risk of being trapped in a vicious circle because they lack the experience requested by most employers. Early unemployment often results in a series of temporary and informal jobs. The school-to-work transition is particularly hard for young Colombians with tertiary education and those who either did not have access to, or did not complete, initial or advanced vocational training. The highest unemployment rate among youth in 2013 was registered for people with tertiary education, followed by those with general secondary education and primary education (ILO and MasterCard Foundation, 2016).

In 2014, the National Council for Social and Economic Policy (Consejo Nacional de Política Económica y Social: CONPES) provided policy guidance urging improvements in young people's employability and access to quality jobs. Among other objectives, the policy document *Guidelines for broadening opportunities for youth* stressed that public employment services should take part in efforts to facilitate smooth school-to-work transitions for young jobseekers (DNP, 2014a).

[24] Law No. 27 of 1977, Section 1). Policies for young people aged 14–17 who are not yet old enough to work legally in Colombia focus on education and vocational orientation (DNP, 2014a).

[25] Data for 2013, youth aged 15–28 in 13 urban areas (ILO and MasterCard Foundation, 2016).

In response, the Ministry of Labour, through USPE, developed one of the first active labour market interventions linked to FOSFEC and run by the CCFs' employment centres, aimed at helping 40,000 young people into decent first jobs over the period 2015–18.[26] This intervention is grounded on the idea that building the skills employers seek and providing work-related experience increases the chances of young people to participate actively in the labour force. Within the programme, service delivery is arranged as a package combining job-search support, information on the job market, skills development, and placement in step-in job opportunities[27] complying with statutory working conditions, including access to social protection and training.

11.2. The 40,000 First Jobs Programme

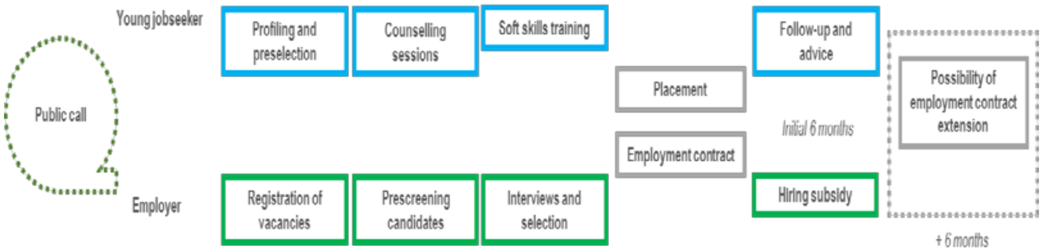
The 40,000 First Jobs Programme (Programa 40 mil Primeros Empleos) targets young Colombians aged 18–28 in initial or advanced vocational training and graduates from tertiary education, who have less than six months previous work experience and are looking for their first job. This programme seeks to go beyond a quick job-matching service and offers a package of services aiming to boost employability by helping young people and employers alike to ensure that the transition from education into the labour market takes place via formal jobs (box 9).

Box 9. The 40,000 First Jobs Programme: The package of services

Young jobseekers responding to a yearly public call are registered and go through a preselection process to verify compliance with participation requirements. Those who are retained participate in job counselling sessions and soft-skills training courses before placement. All private enterprises formally registered are invited to participate, on condition that they offer quality job vacancies that provide suitable opportunities for young candidates to gain meaningful experience at the workplace and advance in their careers.

The programme provides a subsidy to enterprises offering a step-in contract that covers the monthly wages of the person recruited for a maximum of six, on condition that the contract is extended up to 12 months for at least 60 per cent of those hired through the programme for the first six months. The subsidy ranges from a minimum of 70,000 COP for a young person in initial vocational training to 900,000 COP for a university graduate.* Temporary work agency contracts and contracts under which the employee is hired out to a user enterprise are excluded from the programme. The figure below gives an overview of the sequencing of services provided to eligible young jobseekers and employers

Sequencing of services provided by the 40,000 First Jobs Programme



* Equivalent to US$35 and US$450 respectively, according to the 2014 yearly average exchange rate published by the Banco de la República (central bank of Colombia).

Source: Author based on MT, 2015a.

[26] Ministerial Resolution No. 347 of 2014 on the creation of the 40,000 First Jobs Programme establishes that this is an ALMP linked to the MPC.

[27] A 'step-in job' refers to a first job that is not necessarily permanent, but provides a young person with the opportunity to accumulate experience and eventually move into better jobs.

Since its launch in 2015, the programme has been in operation, mainly in urban areas, on the basis of an agreement between the Ministry of Labour and the CCFs affiliated to the Network.[28] It soon became clear that partnerships with other providers in the Network and stakeholders were necessary to respond to the specific challenges and opportunities of local contexts, and to ensure that services offered through the programme were provided at the same level across all CCFs' employment centres.

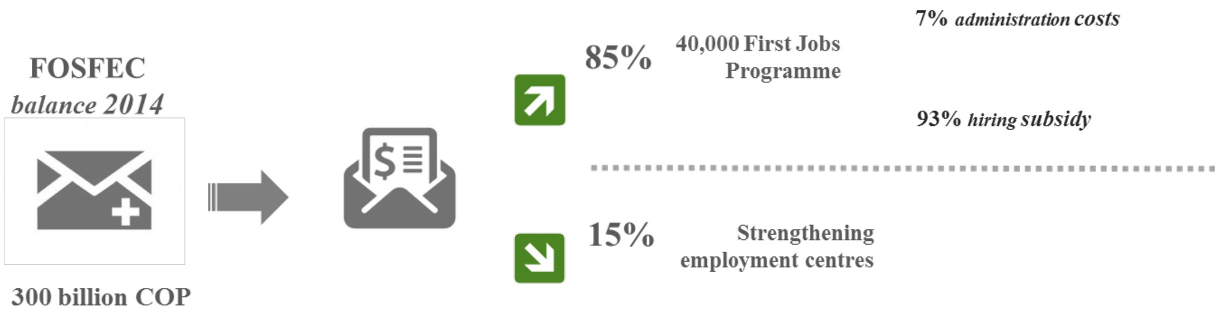
The basic elements that had to be put in place before the programme could be launched were, first, mobilizing funds and finding the right provider to run the scheme; second, reaching out to the target population; and third, developing service protocols covering targeting, delivering soft-skills training, prescreening candidates and matching them with vacancies, job placement, follow-up, and disbursement of funds for paying subsidies and closing the labour contracts.

11.2.1. Mobilizing funds and finding the right provider

The main drivers behind the decision to entrust the implementation of the new programme to the CCFs had to do with their level of funding and capacity to ensure provision of basic and complementary employment services in urban areas. At the time when the programme started, the employment centres run by the CCFs had expanded nationwide and were well positioned to help with decentralizing delivery of basic and complementary services. Also, being the budget holder of FOSFEC funds – including money earmarked for employment services – the CCFs were instrumental in mobilizing needed resources quickly.

At the end of the fiscal year 2014, FOSFEC's accounts closed with a credit balance of 300 billion COP.[29] These funds were transferred to the employment services budget line and earmarked for the implementation of the 40,000 First Jobs Programme for the period 2015-18 period. Of this total, 15 per cent was set aside for strengthening the overall functioning of the employment centres and expanding geographical coverage, while the remaining 85 per cent was allocated as follows: 93 per cent for paying hiring subsidies to employers and seven per cent for covering the administration costs of the programme, such as staff, communication and outreach efforts, legal advice, client follow-up and monitoring (figure 19).

Figure 19. Source and distribution of funding for the 40,000 First Jobs Programme



Source: Author, with information from MT, 2015a.

The budget share for implementation of the programme for each of the 42 CCFs is equivalent to the amount it contributed to FOSFEC's credit balance at the end of the 2014

[28] The agreement is based on Ministerial Resolution No. 347 of 2014.

[29] Approximately US$150 million, according to the average 2014 exchange rate published by the Banco de la República (the central bank of Colombia).

fiscal year. The cost of soft-skills training is covered through another budgetary line of FOSFEC (26 per cent of the total FOSFEC funds earmarked for training the unemployed). The Office of the Superintendence of the Family Subsidies System monitors the use of funds by CCFs, while USPE monitors goal achievement and oversees alignment with services delivered by other providers within the Network. Five different actors contribute to making the programme work, with the CCFs' employment centres acting as the main operator (table 24).

Table 24. Main partners in implementation of the 40,000 First Jobs Programme

Partners	Responsibilities
Ministry of Labour	Programme design and evaluation
USPE	Alignment with national priorities and monitoring of goal achievement
Superintendence of the Family Subsidies System	Financial inspection and audit
CCFs	Administration and delivery of the programme
Other Network providers	Cooperation and support, including dissemination of information and referral of candidates

Source: Author, with information from MT, 2015a.

11.2.2. The CCFs' key partners in reaching out to the target population

One of the difficulties the CCFs confronted immediately after the launching of the programme was how to reach out more effectively to potential participants, both employers and young jobseekers. Dissemination and communication campaigns typically have only a limited direct and immediate effect on target populations; it takes a certain time to make a programme widely known. Target populations already served by or known to other employment centres of the Network could be reached by partnering with specific providers, including APE, MPGs, HEI and other vocational training institutions present at local level (see table 25). This approach reinforced the linkages between providers and the move towards specialization while offering the target population access to a wider range of services. For example, SENA graduates represent 20 per cent of all the young people participating in the programme – and almost all of them (19 per cent of the total) were placed in jobs.[30]

[30] Information provided by USPE.

Table 25. The CCFs' key partners in reaching out to the target population

Network providers	Target population	
	Young jobseekers	Employers
APE	SENA graduates and trainees	Enterprises using the services of SENA and APE
MPGs	Youth served through other interventions: poverty reduction programmes, vocational training and school drop-out prevention	Employers linked to municipal and provincial job creation projects (infrastructure construction) and support for SMEs
HEIs	Graduates and regular students looking for jobs	Enterprises that had entered into agreements with HEIs for internships and graduate recruitment

Source: Author, based on consultations with CCFs.

Also, in February 2015 the CCFs and the Ministry of Labour issued a public invitation through social media with the double objective of raising nationwide awareness about the programme and encouraging young people to participate in the creation of a slogan and logo for it. The slogan chosen – "Talento, no palanca")[31] – lays emphasis on the importance of talent in any hiring decision.

Gradually, the CCFs have also established a more collaborative relationship with employers, gaining a better understanding of their needs and the opportunities available in local job markets. For instance, experience shows that despite high demand for technical skills, employers also place a high value on soft skills when it comes to hiring for entry-level jobs. Soft skills are seen by employers as the foundation enabling new employees to learn workplace-specific methods more quickly as they gain experience.[32]

11.2.3. Developing service protocols

Programme-specific protocols and eligibility controls are the main mechanisms connecting the programme with the intended group of beneficiaries. The CCFs used a combination of individual and geographical targeting to select jobseekers and vacancies matching specific requirements within urban areas. Table 26 presents detailed information on the programme's protocols, covering targeting; delivering soft-skills training; matching candidates with vacancies and placing them in jobs; follow-up of participants; and disbursement of funds for paying subsidies and closing the labour contracts.

[31] Literally, "Talent, not leverage": that is, employment decisions should be made on the basis of ability, not connections.

[32] Information provided by CCFs during consultations in September 2016.

Table 26. The 40,000 First Jobs Programme: Core service protocols

Aspects of programme covered	Key features of service protocols
Targeting and eligibility conditions	The service protocols already in place for serving clients were adapted to be programme-specific. In-person registration is one of the requirements for participation, and the CCFs accordingly strengthened dedicated one-to-one services for registration of candidates and vacancies. For example, COMPENSAR (one of the CCF providers, mainly present in Bogotá) obtained accreditation under the quality assurance standard ISO-9001 for service provision protocols. The CCFs have learned that two eligibility conditions are key to ensure good targeting of population: (1) *Checks to verify that young people registering for the programme are first jobseekers without more than six months of formal prior work experience*. To this purpose, the Ministry of Labour gave remote access to the CCFs to cross-check the name of candidates against the registries on social security contributions held by the General Health and Social Security System (Sistema General de Seguridad Social en Salud). Since the timeliness of eligibility is important for admission to the programme, work experience is only counted from the point at which the applicant has obtained an official school-leaving certificate. Also, prior work experience not directly related to the young person's field of study is not counted. (2) *Checks to ensure vacancies registered meet decent work standards*. To this end, the Ministry of Labour developed an index to be used as a proxy to determine if the vacancy responds to the characteristics of decent work, such as the minimum wage (as established by the programme), working time, statutory social security benefits, access to training and explicit opportunities for job advancement. In a scale from 0 to 1, only those vacancies with an index rating equal to or greater than 0.6 are accepted. For those that do not reach the required level, job counsellors can work with the employer to make suitable adjustments.
Soft-skills training	Young people admitted to the programme are required to complete 40 hours of soft-skills training consisting of 40 hours of training delivered by third-party authorized training institutions.[*] The training courses cover the most important skills young people need to meet the expectations of an employer, including communication, interpersonal and professional skills. Some training can also be delivered online, but at least 20 hours should be classroom training to allow participants to learn basic concepts and receive feedback. Once classroom training is completed, participants can do the remaining training hours at the workplace. In addition to soft skills, in February 2015 the Ministry of Labour entered into a partnership with an online training provider, Doulingo, to offer participants in the first jobs programme an application for learning and improving English free of cost. English-language skills are becoming essential for some employers and are proving to be an asset in some occupations in the Colombian job market.
Matching and job placement	The matching of jobseekers' profiles and vacancies registered with the programme is done by employment counsellors in a qualitative prescreening. A group of three prescreened candidates is then presented to the employer in a selection interview, which may be repeated up to three times. Jobseekers may apply for no more than four vacancies at once. Successful job placements lead to the establishment of an agreement between the CCF and the employer; this takes the form of an umbrella instrument, allowing the monitoring of the working relationship and running in parallel to the individual employment contract, which is concluded for six months between the employer and the young person.
Follow-up of participants	One distinctive feature of the programme is that employment counsellors follow the employer and the jobseeker throughout the first six months of the employment contract. Ongoing communication is established between the counsellor and a monitor appointed by the enterprise to oversee new employees. This approach facilitates prevention of drop-outs or early terminations of the relationship in the event that differences or challenges arise – for example, lack of compliance with the terms and conditions of the contract, or misconduct on the part of the young employee. The average drop-out rate from the programme stands at 22 per cent.[†33] If a wrongful dismissal occurs, the employer must pay appropriate compensation as stipulated by law. In the event of dismissal for just cause and due delivery of a statutory law notice, the employer has the right to be paid the proportion of the subsidy equivalent to the effective duration of the work contract. When early termination is due to voluntary resignation, the position may be filled by a new candidate selected through the programme.

[33] Information provided by USPE.

Closing agreements	Regular reviews and debriefings are carried throughout participation in the programme. A first review is made three months after signature of the contract, at which point the first part of the subsidy is paid, equivalent to 50 per cent of the total amount. The second review takes place at the sixth month, on condition that at least 60 per cent of all those hired by the enterprise under the programme are offered a contract for an additional six months. A new review for those receiving an extension takes place in the ninth month of the 12-month contract. The closure of the agreement between the CCF and the employer takes place at the moment the second subsidy payment is authorized, whether this happens after the sixth or the 12th month. The employer has the option to continue the working relationship once participation in the programme has concluded.

* In most cases, these institutions are run by the CCFs, which are mandated to deliver job training and upskilling using funds from FOSFEC.

† Information provided by USPE.

Source: Author, with information from MT, 2015a.

11.3. Results of the programme

Between February 2015 and June 2017, the programme received applications from 250,521 young people and 90,929 vacancies were registered; 40,366 young people were placed in first formal jobs, of whom 52 per cent were women (table 27).[34] Thus the programme achieved its original target of helping 40,000 young people into formal work within the established timeframe; however, a decision has been made to extend the number of total beneficiaries to 50,000 people. The additional resources required to continue running the programme will be covered with remaining funds from FOSFEC, through the budget line for employment centres.

Table 27. The 40,000 First Jobs Programme: Results, February 2015 to June 2017

Main indicators	Total
No. of applicants	250,521
No. of vacancies registered	90,929
No. of jobseekers placed	40,366

Source: Information provided by USPE.

Over the period from February 2015 to June 2017, 8,138 employers took part in the programme, including large, medium and small enterprises (MT, 2017). Participating enterprises were particularly concentrated within three sectors other service activities; wholesale and retail, including repair of motor vehicles and motorcycles; and manufacturing industries – which together made up 53.7 per cent of the total. Others were in administrative and support services; professional, scientific and technical activities; and construction: these represented 17.5 per cent of the total. The remaining 28.8 per cent of enterprises belonged to several different sectors, as shown in table 28.

[34] The closing of the first batch of agreements with employers participating in the programme in 2015 and 2016 is still under way, and disaggregated information regarding the numbers of young people with, respectively, six-month and 12-month contracts is not yet available.

Table 28. The 40,000 First Jobs Programme: Participating enterprises, by sector, February 2015 to June 2017 (%)

Sector	%
Other service activities	23.0
Wholesale and retail; repair of motor vehicles and motorcycles	15.8
Manufacturing industries	14.9
Administrative and support service activities	6.8
Professional, scientific and technical activities	5.4
Construction	5.3
Information and communications	4.7
Accommodation and food service activities	4.4
Human health-care and social work activities	4.2
Transportation and storage	3.2
Financial and insurance activities	2.5
Agriculture, livestock, hunting, forestry and fishing	2.2
Education	2.2
Not classifiable	1.5
Public administration and defence; compulsory social security	1.0
Real estate	0.9
Arts, entertainment and recreation	0.8
Water supply; sewerage, waste management and remediation activities	0.6
Mining and quarrying	0.4
Activities of households as employers; undifferentiated goods- and services-producing activities for own use	0.1
Activities of extraterritorial organizations and entities	0.1

Source: Information provided by USPE.

Over the same period, 48 per cent of all the young people applying to the programme were in three departments: Cundinamarca, Antioquia and Valle del Cauca. Together, these three departments found first jobs for 20,120 young people, representing 50 per cent of the original target of 40,000 placements.[35]

[35] Information provided by USPE for all departments except Guaviare, Vaupés and Vichada. Bogotá is included in Cundinamarca.

11.4. Lessons learned

- The 40,000 First Jobs Programme is based on the idea that building the soft skills employers seek and providing work-related experience increases the opportunities of young people to participate actively in the labour force. To this end, an effective transition into formal employment is prioritized over a speedy job placement. Service delivery is arranged as a package combining formal job-search methods with soft-skills training that improves the quality of the match between young people and employers' expectations.
- Partnering enabled the CCFs to put in place the basic building blocks of the programme: specifically, mobilizing funds, reaching out to the target population and developing service protocols. This approach reinforced the linkages between providers and the move towards specialization, while offering the target population access to a wider range of services.
- From the start, it was evident that to make the programme work the participating employers needed to be treated simultaneously as clients – that is, beneficiaries of the programme – and as partners who help in keeping it going through the registration of vacancies.
- The programme works with pre-established quotas linked to the total amount of resources available to pay hiring subsidies and finance the administrative costs of operation. While this has proved helpful to achieve the target set, in the future the distribution of resources might be altered to channel them to the areas where youth unemployment is most acute.
- Although the programme has not yet been evaluated, it is clear that certain specific aspects have been effective, such as the notion of providing a package of service, and the continuous follow-up of individual participants that helps to preventing drop-outs and early terminations. An evaluation in due course will help to identify evidence of "what works" and trace longer-term effects on participants' job prospects.

PART IV. CONCLUSIONS

The labour market policy reform which has been taking place in Colombia since 2013 has brought about important changes with the aim of integrating active and passive labour market policies to facilitate the return to work in the event of job loss. This approach was intended to make the search for work easier and facilitate access to skills training, in particular, for those who are more likely to be unemployed or have weak attachment to the labour market: young people, women, low-skilled workers, populations affected by the armed conflict of the recent past, and people with disabilities.

As a result, Colombia has moved away from the traditional model of public-service delivery and towards a system bringing together the capacities of public and private providers offering job-search support and access to ALMPs. In contrast to the model most commonly seen in other countries, this new approach does not involve government agencies contracting out specific services to private partners, but rather aims to establish cooperation within a network of partnerships. This partnership model is seen as a way of bringing in expertise and complementary resources to improve the responsiveness and quality of services for jobseekers and employers alike.

In developing a system based on partnerships, Colombia is working on balancing four essential elements:

- a policy framework that promotes a stronger connection between active and passive labour market policies;
- clear rules and regulations that facilitate the participation of providers of employment services other than the public authorities;
- a solid performance monitoring system that ensures progress is made with respect to national targets; and
- an adequate funding base.

All these elements are present in the current delivery system, though as yet they require further consolidation. Nonetheless, already valuable insights and lessons can be drawn from the Colombian experience and its approach to expanding employment services provision through partnering with public and private providers:

- *A greater interplay between active and passive labour market* policies favours policy alignment between employment services providers and other partners, for example in providing social protection benefits such as health, pensions and family allowances, thereby avoiding duplication of effort.
- *Coordination is an important enabling function for partnering among employment services providers.* While voluntary cooperation between the different providers of the Network has resulted in expanding the availability of employment services, the intervention of a coordinating unit (USPE) has been instrumental in facilitating cooperation and securing sustainable and effective partnerships. The role of the Ministry of Labour, through USPE, also has a positive impact on policy alignment with other partners to deliver social protection services, employment services and ALMPs.
- *Public investment in employment and labour market interventions is necessary to make partnerships work.* Partnership is not the solution to ill-resourced employment services; rather, it facilitates the mobilization of additional resources and the breaking down of information silos. Partnerships are not necessarily easy to establish or sustain, and USPE's involvement has proved to be vital in securing

medium- to long-term investment from providers to ensure services can continue to be delivered over time.

- *Appropriate regulation of private employment services providers*, and their cooperation with policy-makers and government agencies, has enabled provision to be expanded for a variety of job market niches. Colombia adapted the rules governing the operation of private employment agencies by introducing a licensing system, minimum service delivery standards and monitoring mechanisms.
- *Favouring complementarity* between providers at local level has resulted in provider specialization rather than competition. Providers are also encouraged to diversify the services they offer through links with other partners. In this way, specialization is seen as a potential source of increasing efficiency; however, a note of caution is in order here as the Colombian delivery model has to date been running for only about three years, so that results are as yet very preliminary.
- *Partnerships work better if they have a strong demand dimension*. The case studies presented here show how partnerships have made employment services and ALMPs available in a way that has helped local actors to advance their own agendas and connect local initiatives with national interventions. A demand-led approach has also had positive effects on making employability services such as skills training and entrepreneurship promotion available to target populations, including young graduates, workers in oil-production zones and groups affected by the past armed conflict.

Annex: Interviews carried out with relevant actors in 2016

Institution	Interviewee	Position	Interview date
Ministry of Labour	Francisco Javier MEJÍA	Viceministro de Empleo (Deputy Minister of Employment)	6 Sep.
Ministry of Labour	Miguel CARDOZO	Director de Generación de Empleo (Director of Employment Promotion)	6 Sep.
Ministry of Labour	Camilo ROZO	Coordinador Grupo de Políticas Activas de Empleo (Coordinator of the Active Employment Policy Group)	6 Sep.
Ministry of Labour	Diana HERNÁNDEZ	Subdirectora de Análisis, Monitoreo y Prospectiva Laboral (Deputy Director of Labour Analysis, Monitoring and Prospects)	1 Dec.
USPE	Eduard Augusto ARIAS	Subdirección de Administración y Seguimiento (Administration and Monitoring Subdirectorate)	6 Sep.
USPE	José Ma. ROLDÁN	Coordinador Observatorio del Servicio Público de Empleo (Coordinator of the Observatory of the Public Employment Service)	13 Oct.
SENA	Jaime VENCE	Coordinador Nacional de programas de empleabilidad del SENA (National Coordinator of SENA's employability programmes)	5 Sep., 4 Oct.
SENA	Maria Paula MUNEVAR	Contratista, Coordinación Nacional Agencia Pública de Empleo (Contractor, National Coordination, Public Employment Agency)	4 Oct.
CCF, Meta	Jenny Lorena GUASCA	Jefe Área Gestión de Empleo (Manager)	20 Sep.
CCF, Bogotá	María Isabel CARRASCAL	Gerente Agencia de Empleo y Emprendimiento (Manager of the Employment and Entrepreneurship Agency)	12 Sep.
UNDP	Diana GUTIERREZ	Coordinadora Nacional, Proyecto Desarrollo Incluyente (National Coordinator, Inclusive Development Project)	7 Sep.
UNDP	Carol BARRAGÁN	Profesional Especializado (Analyst)	7 Sep.
UNDP	Miller GONZÁLEZ	Proyecto de Desarrollo Económico Incluyente (Team member, Inclusive Development Project)	20 Sep.

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