

Consolidated Response Online Discussion Forum on Active Labour Market Policies for Young People 19-31 July 2010

Introduction

Throughout Asia, and indeed the world, unemployment and jobless rates amongst young people are much higher than they are for prime-age adults. According to the recent [ILO global employment trends for youth](#), at the end of 2009 there were 12.8 million unemployed young people in East Asia¹, 8.3 million in South-East Asia and the Pacific² and 15.3 million in South Asia³. Young people face a number of additional obstacles to employment compared to their older counterparts. They tend to lack work experience and have fewer employable skills. Employers may prefer tried and tested employees with a proven work record. The current global recession has clearly exacerbated these difficulties and indeed, has affected young people disproportionately.



Active labour market programmes and policies (ALMPs) if properly designed can help young people access decent work. Over the past 25 years, they have increasingly been used to facilitate the labour market integration of young people. Their function is to mediate between labour supply and demand, mitigate education and labour market failures, and promote efficiency, equity, growth and social justice. ALMPs attempt to remedy failures of educational systems in equipping young people with employable skills and improve the efficiency of labour market matching.

There are many forms of ALMPs for young people and their type and scope varies widely across countries and over time, although they frequently combine different measures, targeting both labour demand and supply. They complement rather than substitute for macroeconomic

policies and, if properly designed and implemented, can facilitate the entry of, in particular disadvantaged young people.

Moderated by Professor Niall O'Higgins from Salerno University, Italy, this forum brought members together to share ALMPs currently being implemented in their countries and examine related issues in conducting and evaluating them. A synthesis of the discussion is provided below. The original posts can also be viewed at: <http://ap-youthnet.ilobkk.or.th/discussion-lists/forums/active-labour-market-policies-for-young-people>

Discussion points

Active labour market policies for young people

As young people begin to enter the labour market, ALMPs can help to reduce the hardships and problems they may face due to the lack of experience and skills. Gianni Rosas and Sergio Iriarte Quezada started the discussion by providing a [general summary about ALMPs for young people](#). There are many different types of ALMPs which include: public work programmes and community services; subsidized employment in private firms; self-employment and entrepreneurship programmes; labour market training; and job assistance and other employment services. As they all have their benefits

¹ China, Hong Kong (China), People's Democratic Republic of Korea, Republic of Korea, Macau (China), Mongolia, Taiwan (China)

² South-East Asia: Brunei Darussalam, Cambodia, Timor-Leste, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam. Pacific Islands: American Samoa, Cook islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, Niue, North Mariana Islands, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis and Futuna Islands,

³ Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka

and limitations, it is important to implement programmes suited to the context of each country's situation.

During the course of the discussion, members shared specific programmes/projects currently being implemented in their country and the region to address this issue:

- Allan Dow shared the work of ILO's Youth Employment Promotion Programme in Timor-Leste which is funded by the Australian Government. It promotes competency-based education and training systems which seek to match local youth with the relevant skills required to meet the demands of underserved occupations.
- Abdul Fadil Akbar, a youth from Indonesia told members about how the government has used outsourcing as an effective means to fight unemployment since 2003. There are also entrepreneurship stimulation policies in place to encourage and support young people to start their own businesses. Experience has shown however that supervising the process has been a challenge.
- Srivinas Reddy talked about the ILO's Training and Rural Economic Empowerment (TREE) methodology in Indonesia which conducts community employment assessments to identify jobs in demand and potential business opportunities. The method calls for approaching employers in every location before designing any training program and emphasizes that there should be no training in any area if there is no demand for such skills.
- Shyama Salgado informed members about the ILO Office in Sri Lanka's collaboration with the Vocational Training and Education Commission to financially and technically support the development of policies for vulnerable groups. They are working to establish competency-based syllabi with lower entry level requirements with a view to promote life-long learning. The methodology also Recognises Prior Learning (RPL) which is important to this cohort of youth who have acquired skills informally at some point in their lives, even whilst in school. Other programs emphasize the need for soft-skills to support the transition from school to work.
- Shaun Kennedy from Vanuatu positively informed the community about how this issue was given a great deal of interest during the [Labour Ministers Conference hosted by Vanuatu in February 2010](#). Although not a standard ALMP, Shaun shared with members that in Vanuatu and in the Pacific, labour migration (including seafaring) is often the only option for young people to earn a decent salary. Complimentary programmes are also being developed so that returned remittances and workers' savings can be maximized for investments in rural community development.

Further to these examples, Vincent Jugault brought the attention of the community to the skills mismatch in supply and demand of the green economy. There are particularly strong key sectors in this area that bring the prospects of high growth such as transport, tourism, environmental sectors, energy, education, urban planning and forestry. Given this however, there is a continuous failure to materialize this interest from young people for these new jobs. There needs to be more education and advocacy so that people understand, appreciate and recognize the potential for "[green jobs](#)".



Niall stressed that all in all, it is important that programmes not only lead to "work" but to "decent work". To ensure such outcome, Srivanas Reddy suggested that central to any ALMP is the need to design a comprehensive

package which provides for a collection and dissemination of dynamic and credible labour market information, provision of core work skills and linkages to competency based vocational skills and entrepreneurship development.

Migration of young people for employment

Niall and Shaun Kennedy noted that although not generally included in the standard range of ALMPs for young people, policies aimed at facilitating migration may play a useful role in helping young people find decent work. There are an estimated 25 million migrant workers in the Asia Pacific region with around 3 million workers leaving their home countries to work abroad every year - the majority are young people.

Migration occurs because there are potential benefits to be had by migrant workers and their families in terms of higher incomes and applying skills gained abroad for local development. Max Tunon shared with members that the Vietnamese Government, for instance, has increased the target to one million overseas workers to create jobs in anticipation for the annual intake of between 1.1 and 1.5 million young people in the labour force. There is an aggressive effort by the Government to enhance the quality of the workforce and increase the ratio of trained workers to meet this goal.

Although migration can yield many benefits for both the sending and receiving country, the darker side of migration can offset these positive aspects. Some migrants have been lured by "false promises" of unethical brokers and traffickers. Once they reach their destination, they may be faced with abuse, exploitation, and poor working conditions - to name a few. As Max cited, there are also cases where potential migrants change their minds about migrating while still in their home country and end up being locked up until they can repay the costs incurred by the recruitment agency.

There needs to be more measures that help better inform and protect migrants and potential migrants. Max added that there are good practices in China, Indonesia, and the Philippines of how pre-employment orientation seminars in schools, job fairs and community centers can help young people make informed decisions. More financial education to encourage migrants to invest the money earned rather than use it for consumptive purposes would also prove to be beneficial.

The gender dimension

Francesco Pastore shared with the community that in Mongolia, young women earn more than young men and often times have higher educational attainment. Niall however highlighted the fact that since young women have much higher education, they should be earning even more than they do - young women are still subject to negative wage discrimination where they are being paid less than young men for work of equal worth.

Silvia Cormaci pointed out that direct and in particular indirect discrimination has proven to be a major factor influencing women participation in the labour market, gender pay gap (GPG) and occupational segregation. The main variables influencing the GPG are age and education; industrial sector and occupation; location, type and size of establishment; and informal and migrant status in employment. There is a growing gender wage gap by age with a far larger gap among older than younger workers. There is however some data pointing to a narrowing of the gender wage gap with the level of education since the effects of higher education are not always positive. Gender pay gaps also vary according to sector (private versus public), location (urban versus rural) and type (informal versus formal) employment.



There needs to be concerted efforts focused on removing deep-seated stereotypes about women and work. Although as Niall mentioned, this is not easy since women themselves often subscribe to prevailing value systems and may be reluctant to participate in certain occupations. One programme that serves as a good example to address this issue is [ILO's Education and Skills Training for Youth Employment \(EAST\)](#) project in Indonesia which Niall and Srivas brought to the community's attention. It actively targets and promotes skills development programmes for women in non-traditional courses and career paths (e.g. motorcycle repairers, welders and carpenters).

As Silvia concluded, it would be useful to determine wages through job evaluation methodologies - establishing the real value of the job and the correspondent pay based on objective criteria and not on

the workers' gender. Floro Ernesto Caroleo added that there should concurrently be stricter legislation to punish discriminating behaviour and set quotas to encourage and increase the number of women who take up senior level positions.

Active labour market policies introduced in response to the global crisis

A number of ALMPs have been introduced as a response to the global financial crisis. Richard Curtain told members about the Malaysian Government's training employment initiative and stimulus package implemented in early 2009. This scheme focuses on enhancement of skills to meet industry requirements through on-the-job training/financial assistance and also provides incentives for employers to train and recruit local workers. The Government has also set up 'Jobs Malaysia Centres' to provide information on job placements, career counselling and information on opportunities.

The Government of Pakistan, as shared by Zafar Mueen Nasir, adopted a new scheme called the [Benazir Income Support Program \(BISP\)](#) funded through a public sector development programme. It aims to reach out to almost 40 per cent of the population below the poverty line and provide Rs1000 cash assistance to each enrolled family along with employment for one family member in the project. The programme also guarantees 100 days of employment for unemployed rural youth.



Stephen Ulrich suggested that it may be worthwhile adopting sectoral approaches in order to concentrate support in sectors and industries that employ more young people (e.g. information technology). In this vein, Stephen mentioned the ILO's programme Sustaining Competitive and Responsible Enterprises (SCORE) which promotes sustainable enterprises and responsible workplace practices in specific sectors. It uses a list of criteria which includes employment potential, decent work deficits, employment of women, to name a few. Governments should encourage young people to pursue higher degrees of studies by providing scholarships/financial assistance so that they can be more marketable.

As the financial crisis continues to loom, it is critical to modify programmes to suit the specific economic climate and context. There is no one-size fits all solution as demonstrated by the [chart summarizing other global interventions and response measures](#) that Valentina Barcucci shared with members. Although not publicly released yet, Richard Curtain also informed the community about his recent paper which describes the policy response of governments in the region to the crisis with specific reference to the needs of young people. It also touches on the youth-oriented initiatives that governments are funding through their stimulus packages. (Members who are interested in this paper can contact Richard@curtain-consulting.net.au).

Impact evaluation

As Niall rightly stated, impact evaluation is central to the development of good ALMPs for young people, but as Guy Thijs underlined, very few programs carry out in-depth evaluations. Evaluations aim to accurately measure the:

- a) Effects of the programme in terms of its effects on some indicator(s) - such as the chances of finding employment; and
- b) Indicator(s) need(s) to reflect something meaningful and (presumably) the programme's goals.

Citing the [Review of Interventions to Support Young Workers: Findings of the Youth Employment Inventory](#) prepared by Gordon Betcherman (et al), "a strong conclusion is the need for major improvements in the quality of evidence available for youth employment interventions. For almost 40 per cent of programs included in the inventory, no evaluation information at all on outcomes or impact could be found. Overall, only one in ten programs included in the inventory has an evaluation which measures both net impact and cost."

Niall suggested that one of the simplest and most effective ways to undertake impact evaluation is to use an experimental design and several outcome indicators; although this requires a lot of forethought. The purpose is to simulate what would have happened by using a comparison or control group who could have, but didn't participate in the programme. Niall advised that the key is to find a group of people who can and wish to participate in a programme and then randomly select about half of them to do so and the other half then becomes the control group.

Ideal evaluations however often take a few years to conduct, which is beyond the timeframe and financial resources that most programmes can commit. Gordon Betcherman and Paul Ryan thus suggested the use of 'evaluation lite' approaches to complement (but by no means substitute) full scale evaluations. This can serve as a vehicle to get decision-makers and programmers to start focusing more on how evidence can be used as an instrument of learning. Such approaches can and should also use existing data as much as possible (e.g. [Labour Force Survey](#) data).

Kee Beom Kim discussed experimental techniques, which include randomized trials, as another tool that could be used to evaluate programmes. He gave an example from Colombia where the Government's "[Jovenes en Accion](#)" programme randomly offered vocational training for 6 months (3 months in classroom and 3 months on-the-job) to disadvantaged, unemployed youth.

There are many challenges faced with conducting impact evaluations. First and foremost though, decision makers need to understand and appreciate the importance of evaluations. Paul Ryan advocated for institutional development in preference for labour market programmes - particularly when it comes to long-term social and economic development rather than short-term crisis management. The bottom line however is the need to emphasize evidence-based decision making and also use results borne from impact evaluations to improve current and future programmes.

Concluding analysis

If carefully planned and implemented, ALMPs can serve as a vehicle towards attaining decent work for young people. As demonstrated from the number of ALMPs shared by contributors however, there is definitely no 'ideal' solution that would suit every situation. The context of each country must be taken into account and policies amended accordingly. The gender dimension of ALMPs also deserves attention whereby more disaggregated data can point to where more efforts need to be focused. "Non-standard" ALMPs such as migration should also be explored as an avenue to curb unemployment of young people - all the while, ensuring safe and decent work at destination.

It is clear that there is still a lack of information on ALMPs for young people in the region. As Niall recommended, there should be a serious attempt to create an inventory of labour market programmes for young people in the region. Most importantly, evaluations need to be conducted in order to gauge the impact of existing and new programmes to serve as evidence-based knowledge of good practices. This can only be obtained through detailed planning and design. Niall reminded the community that ALMPs are remedial in nature and more serious discussions of ALMPs for young people should be embedded in the more general issues concerning the school-to-work transition and what the institutional structure in specific countries should look like.

For further reading, several posts made reference to other resources which include:

- Attanasio, O.; Kuglar, A.; Meghir, C. 2008. [Training disadvantaged youth in Latin America: evidence from a randomized trial](#), NBER Working Paper 13931 (Cambridge, MA, NBER).
- Betcherman, G.; Godfrey, M.; Puerto, S.; Rother, F.; Stavreska, A. 2007. [A review of interventions to support young workers: findings of the youth employment inventory](#), SP Discussion Paper No. 0715.
- Betchermann, G. et al. 2007. [Global inventory of interventions to support young workers](#) (Washington D.C., World Bank).
- Caroleo, F.; Pastore, F. 2007. [The youth experience gap: explaining differences across EU countries](#) (Naples, Italy).

- Grubb, W.N.; Ryan, P. 1999. [*The roles of evaluation for vocational education and training: plain talk on the field of dreams*](#) (Geneva, ILO).
- International Labour Organization. 2010. [*ILO global employment trends for youth report*](#) (Geneva).
- International Labour Organization. 2008. [*Work, income and gender equality in East Asia: action guide*](#) (Bangkok).
- O'Higgins, N. 2001. [*Youth unemployment and employment policy: a global perspective*](#), (Geneva, ILO).

Discussion statistics

Total number of subscribed members: 30

- ILO: 18
- Non-ILO: 12
- Male: 21
- Female: 9

Total number of contributions:

- Week #1: 17
- Week #2: 25

Acknowledgments

The APYouthNet Community would like to extend its sincere gratitude to the following individuals who made this discussion forum possible:

Moderator: Niall O'Higgins

Forum participants:

<ul style="list-style-type: none">• Abdul Fadil Akbar*• Allan Dow*• Anna Lee Fos• Floro Ernesto Caroleo*• Francesco Pastore*• Gianni Rosas*• Gordon Betcherman*• Goy Phumtim• Guy Thijs*• Johan Arvling• Kee Beom Kim*• Khairil Yusof• Lody Peng• Marcello Signorelli• Max Tunon*	<ul style="list-style-type: none">• Md. Kabir Mia• Nihal Devagiri• Paul Ryan*• Richard Amoah Kyereh• Richard Curtain*• Sergio Iriarte Quezada*• Shaun Kennedy*• Shyama Salgado*• Silvia Cormaci*• Srinivas Reddy*• Stephan Ulrich*• Valentina Barcucci*• Vincent Jugault*• Zafar Mueen Nasir*
---	--

* participants contributing to the forum

Credits:

- All photos displayed in this knowledge product were contributed by members of the APYouthNet Community of Practice and can be found on the portal.
- For further information and raw data from this discussion forum, please visit: <http://ap-youthnet.ilobkk.or.th/discussion-lists/forums/active-labour-market-policies-for-young-people>