LAUNCH OF RESEARCH REPORT

ILO Research Department
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CONCEPTUAL FRAMEWORK I

INCOME SUPPORT

All measures aimed at ensuring basic income security for persons of active age.

- **Contributory**: unemployment insurance;
- **Non-contributory**: unemployment assistance, cash transfers.

ACTIVE LABOUR MARKET POLICIES

Government policies providing assistance and incentives for people to look for jobs and find suitable employment.

They are: Training, public works, employment subsidies, micro-enterprise creation and labour market services.
Limits of income support alone: does not equip workers with tools to enable them to access better quality job.

Limits of ALMPs alone: participation in them can be costly and time-consuming.

Integrated approaches: provide workers with new skills and opportunities while protecting their income.
PRODUCTS

Conceptual framework
Country mapping of integrated approaches
Literature review and macroeconomic analysis
Impact evaluations
Synthesis report – What works?
Website: www.ilo.org/pathways-decent-work
COUNTRY MAPPING:
Unemployment insurance with ALMPs in low-income countries
COUNTRY MAPPING:
Unemployment insurance with ALMPs in lower-middle income countries
COUNTRY MAPPING:
Unemployment insurance with ALMPs in upper-middle income countries
COUNTRY MAPPING:
Social assistance schemes with ALMPs in low-income countries
COUNTRY MAPPING:
Social assistance schemes with ALMPs in lower-middle income countries
COUNTRY MAPPING:
Social assistance schemes with ALMPs in upper-middle income countries
Mandatory ALMPs included in unemployment insurance
ALMPs included in social assistance schemes
FINDINGS FROM THE LITERATURE

Positive effect on both individual outcomes and aggregate performance.

The success of the integrated approach depends largely on the degree of integration. → Macroeconomic analysis

Impact evaluations confirm positive effects, but so far limited in scope and reach. → Training or micro-enterprise promotion with CCTs are the most commonly studied approach.

Two aspects for further research:
- Analysis of other types of ALMP (e.g. employment incentives, public works)
- And other types of income support (e.g. unemployment insurance).
Motivation
- The unemployment benefit system (Workfare Programme) gives formal and informal workers access to income support and three ALMPs.

The Policy
- Decreasing unemployment benefits provided for a maximum of one year
- Mandatory participation in one ALMP

Evaluation approach
- Combination of rich administrative and survey data
- Quasi-experimental methods and descriptive analysis

Main findings
- Job placement has the largest short-term gains, while training has stronger benefits over time
- Only small disincentive from generous unemployment benefit
IMPACT EVALUATIONS: Uruguay

Motivation
- PANES responded to an economic crisis by providing combined income and active support to the poorest segment of the population.

The Policy
- Cash transfer for the duration of two years (10% of households).
- Possibility to enroll in a public works scheme for around 5 months with follow-up job search support.

Evaluation approach
- Administrative data combined with follow-up surveys.
- DiD estimation combined with PSM.

Main findings
- Active support increased labour market participation and reduced potentially negative effects of income support.
WHAT WORKS: Creating enabling conditions

**FUNDING**
Each of the constituent policies has to be sufficiently well funded; once effectiveness is achieved, joint policy approaches can self-finance.

**INSTITUTIONAL CAPACITY**
Policy integration requires entities capable of carrying out numerous and complex institutional and administrative tasks.

**ACTORS' INVOLVEMENT**
To ensure fair and transparent decisions and that the specific needs of workers and employers are taken into account.
WHAT WORKS: Covering all those who are in need

IDENTIFICATION
Who should benefit from the policies?

ENABLE PARTICIPATION
Are all those for whom the intervention was designed participating?

INCENTIVES
Are any additional incentives necessary to foster participation?
WHAT WORKS: Focusing on effective implementation

The integrated approaches of Mauritius and Uruguay indicate:

- Income support needs to be sufficiently generous to keep people out of poverty;
- Increase jobseekers' attachment to ALMPs;
- Increase the intensity of the activation component;
- Strengthening the linkages between the income and active support.
Data and evaluation

Impact evaluations that allow for the identification of "what works" and in which contexts

Systematic gathering of data

Design the policy with the view of evaluating later (e.g. comparison group)

Take into account that some type of policy designs and assignments are more favourable to rigorous evaluations
BARRIERS TO DECENT WORK

THAT CAN BE TACKLED USING A COMBINATION OF INCOME SUPPORT AND ALMPs

Structural barriers affecting individuals

- Lack of education and skills
- Lack of work experience
- Information constraints

Structural barriers affecting the broader labour market

- Intersectoral inequalities
- Spatial inequalities

Labour demand shocks

- Economic crises
- New technologies
- Climate-related shocks (droughts and cyclones)
- Seasonal activities

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DRIVERS OF CHANGE

Potential effects on:

- Labour supply
- Labour demand
- Labour intermediation
- Quality of employment

INTERNATIONAL TRADE
- Technological progress
- Demographic shifts
- Environmental transformations