

**FOR DEBATE AND GUIDANCE**

THIRD ITEM ON THE AGENDA

ILO support for the role of public employment services in the labour market**Introduction**

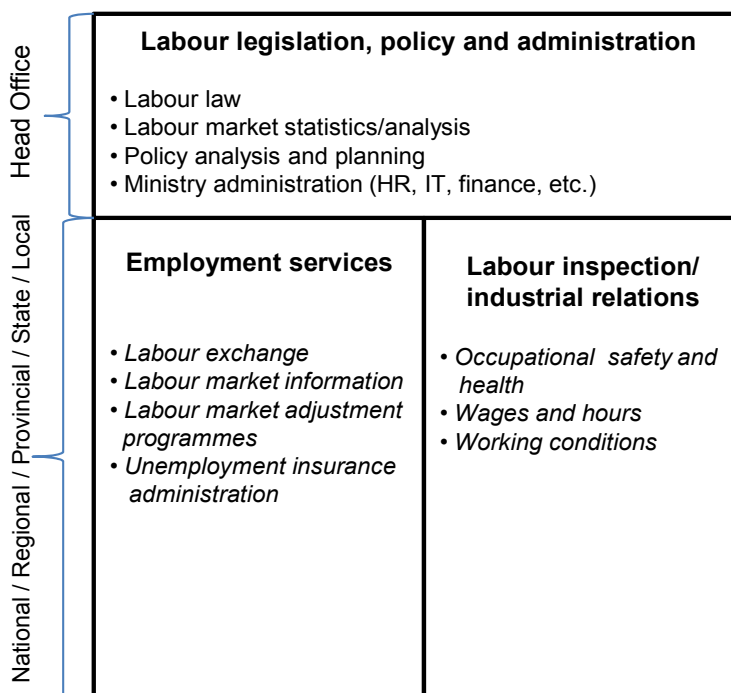
1. Public employment services help enterprises and workers adjust to changing labour markets. In times of economic crisis, demand intensifies for job-search assistance to unemployed workers and registering individuals for unemployment insurance (where it exists). At the same time public employment services implement new active labour market programmes to mitigate redundancies and to speed up re-employment of those who have lost their jobs. Meeting heightened expectations and increasing delivery capacity have become major challenges for public employment services in many countries.
2. This paper outlines how public employment services help labour markets operate more efficiently and fairly and describes the role the Office plays in support of public employment services. The paper begins by defining the core functions of public employment services, explaining their role in the smooth operation of labour markets and outlining some issues currently confronting them. It then outlines the ILO mandate in this area, describing the means used to meet a variety of needs and indicating the impact of this work. The paper also describes the role of public employment services in response to the current jobs crisis and the support provided by the Office to implement the components of the Global Jobs Pact which refer to employment services. Finally, the paper indicates future priorities.

Public employment services defined

3. Public employment services are usually part of ministries of labour or, less often, operate as separate executive agencies. They plan and execute many of the active, and sometimes passive, labour market policies used to help workers enter the labour market, to facilitate labour market adjustments, and to cushion the impact of economic transitions. To do this, public employment services typically provide labour market information; offer job-search assistance and placement services; administer unemployment insurance benefits; and manage various labour market programmes (worker displacement assistance, retraining, public service employment, etc.).

4. Public employment services must provide these services to both jobseekers and enterprises. The importance of tripartism and social dialogue in the administration of public employment services is reflected in the composition of their advisory bodies. Article 4.1 of the Employment Service Convention, 1948 (No. 88), which has been ratified by 86 countries, stipulates that “suitable arrangements shall be made through advisory committees for the cooperation of representatives of employers and workers in the organisation and operation of the employment service and in the development of employment service policy”.
5. Figure 1 summarizes the principal functions of a ministry of labour. Clearly, this model varies from one national context to another, but the major functional categories are found in some form in virtually all the ministries or departments mandated to oversee labour issues.

Figure 1. Generic labour ministry functions



6. Sometimes confusion arises about the meaning of the term “public employment services”. One interpretation defines it narrowly as labour exchange, counselling and job-search activity, which are indeed the most common functions of public employment services. However, such a definition excludes or reduces the importance of other functions such as the responsibility they have in most countries to manage and administer labour market programmes. The definition consistent with Convention No. 88 is that a public employment service is a specific government entity with a variety of functions that support the promotion of employment, depending on national employment policy and its legislated remit.
7. In addition to matching job vacancies with qualified workers, public employment services play a pivotal role in the smooth functioning of labour markets as one-stop centres for information on labour market conditions, skills upgrading, entrepreneurial training and other active labour market programmes. Depending on the degree of job readiness, several stages of support may be required before the individual can be (re)absorbed into the labour market. Persons who are ill-prepared for the jobs likely to be available (i.e. whose employability is doubtful) may start with career counselling, supplemented by vocational counselling, which could lead to skills training, skills upgrading or other active labour

market measures before they ultimately benefit from employment counselling, which focuses on a variety of services aimed at preparing jobseekers for the labour market.

8. Many people consider that career counselling primarily concerns young people about to enter the labour market or immediately thereafter. However, it is equally important to offer these services to all jobseekers.¹ The current economic crisis has particularly highlighted the fact that many people face changing career paths and urgently need a range of labour market adjustment services, beginning with relevant career counselling. Providing high-quality labour market information to jobseekers is particularly important. Labour market information is partly collected by public employment services directly and partly extracted and adapted from other sources.
9. While the basic steps to full employability are the same in public employment services throughout the world, the extent and variety of active labour market programmes and services in support of these steps differ, depending on countries' capabilities and financial resources. Over the years, many middle-income countries successfully developed their basic employment services and now also include common active labour market measures, as well as career and vocational counselling among their basic client services. As articulated by participants during the discussions of the Committee of the Whole at the International Labour Conference in June 2009 many developing countries lack the technical capacity to deliver effective employment services as well as the basic infrastructure and utilities needed to operate local employment offices. High rates of illiteracy, large informal economies and rural populations represent additional challenges for the delivery of these services.
10. With the introduction of new technologies, many public employment services have developed increasingly sophisticated mechanisms for the delivery of labour exchange services. These systems have evolved from manual jobseeker registrations and the posting of job vacancy cards to today's state-of-the-art web sites which provide 24-hour access for jobseekers, who can register by uploading their curriculum vitae, and registration of job vacancies by employers. These systems also help users gain access to jobs around the world. The increased use of technology has accelerated the rate at which developing countries have been able to develop job-matching services. For example, employment centres in Viet Nam rely heavily on the widespread use of their Internet-based jobseeker and job vacancy database combined with bi-monthly job bazaars. Croatia has benefited from the expertise of several more developed European countries in successfully developing an electronic labour exchange service. Cameroon has also benefited from support from European countries, including the transfer of computers to increase their capacity to provide electronic services.
11. Although information and communication technologies can improve the efficiency of public employment services, they also bring new challenges. For example, issues have emerged such as the need to ensure the security and validity of information and increased demands from clients for more information and services. Furthermore, as more countries experience technology-based advances, there is a growing gap between services offered in middle-income and developed countries and those offered in less-developed countries.

The ILO's mandate

12. Public employment services have been recognized in the mandate of the ILO since its foundation. Changes in the structure and operation of labour markets have led to

¹ In recognition of this need, the Office published *Career guidance: A resource handbook for low- and middle-income countries* in 2006.

expanding opportunities for private employment agencies as well as growing recognition of their positive contribution. Box 1 traces the evolution of the related Conventions.²

Box 1

Conventions Nos 88 and 181

The first International Labour Conference adopted the Unemployment Convention, 1919 (No. 2) which advocated "a system of free, public employment agencies under the control of a central authority", with advisory committees drawn from employers' and workers' organizations. The Fee-Charging Employment Agencies Convention, 1933 (No. 34) provided for the abolition of all private agencies within three years, with some exceptions. However in 1949, with the adoption of the Fee-Charging Employment Agencies Convention (Revised), 1949 (No. 96), the ILO softened its stance and gave member States a choice between abolition and regulation of private employment agencies.

Following the Second World War, Governments committed themselves to the achievement of full employment. In this context, the ILO adopted the Employment Service Convention, 1948 (No. 88) and Recommendation, 1948 (No. 83), which were designed to help ensure the best possible organization of the employment market for the achievement of full employment and the development and use of productive resources. Within an overall context of encouraging occupational and geographical mobility, Convention No. 88 proposed a network of conveniently located local offices that provided assistance to workers and employers, placement, and labour market information.

Just as the role and functions of public employment services evolved, there has been significant growth in the number and functions of private employment agencies in various countries. Growing international trade and other aspects of globalization, the accelerated development of information and communication technologies and the increase in temporary and part-time work, have changed labour markets giving rise to the emergence of private employment agencies in countries where they did not exist previously. Growing recognition of their positive contribution has led to a reconsideration of their role and the subsequent adoption by the ILO of the Private Employment Agencies Convention, 1997 (No. 181). This Convention has been ratified by 21 countries, while Convention No. 88 has been ratified by 86 countries.

13. The role of public employment services has featured in several International Labour Conference discussions in recent years. These include discussions preceding the adoption of the Human Resources Development Recommendation, 2004 (No. 195); the 2005 general discussion on youth employment; the 2006 general discussion on migration, which highlighted the role of private employment agencies in international migration; the 2008 general discussion on skills for improved productivity, employment growth and development, which highlighted the role of employment services in linking training more effectively to the labour market; and this year's discussion of the Global Jobs Pact. In addition the Office regularly reviews the sections of national draft legislation dealing with employment services.

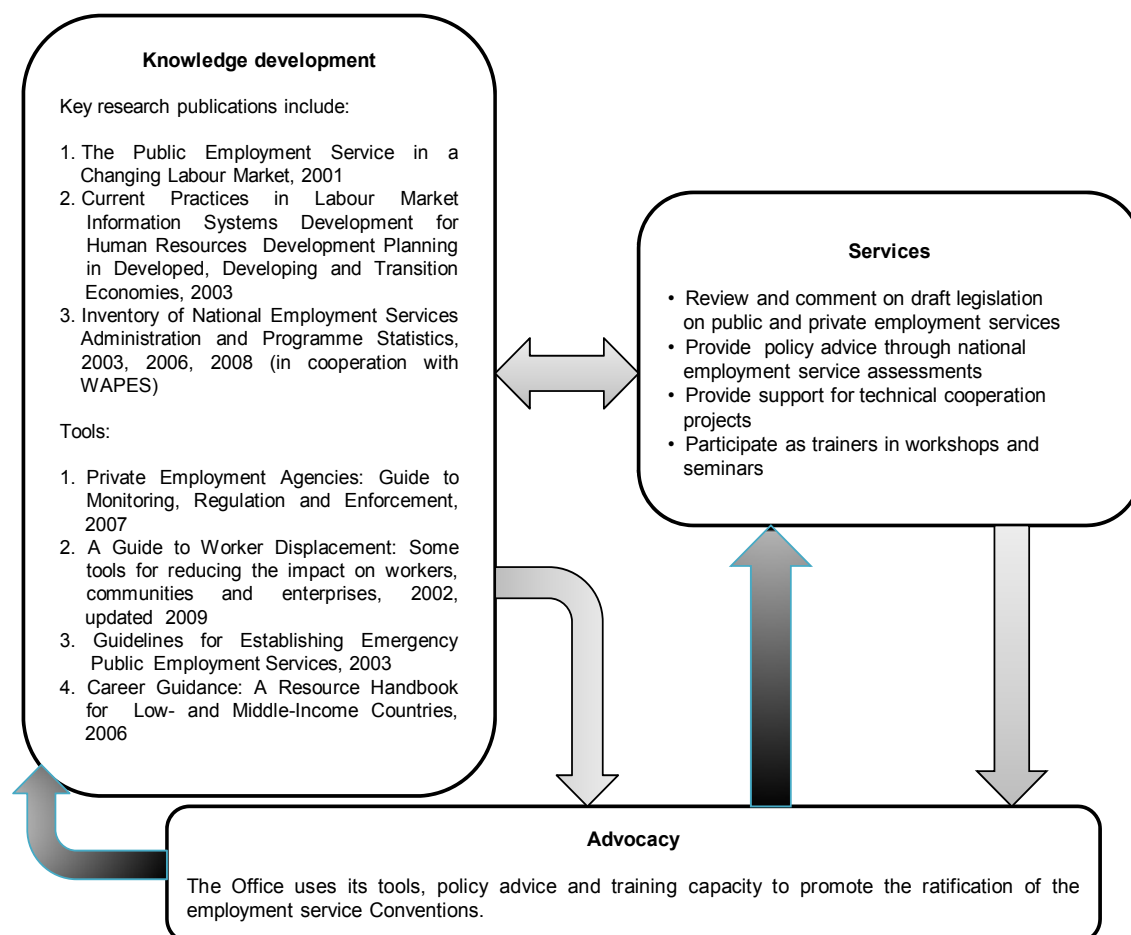
Support from the Office

Means of action

14. Figure 2 illustrates how the work on employment services connects the ILO's means of action – knowledge development (research and tools development), advocacy, and services – in meeting the needs of constituents. The ratification of Conventions Nos 88 and 181 is promoted through the distribution of tools and through their use in training courses conducted jointly with the International Training Centre in Turin (Turin Centre).

² These Conventions are among the employment-related standards included in the 2009 General Survey. A review of ratifications and of member States' implementation experience will be included in the report of the Committee of Experts on the Application of Conventions and Recommendations.

Figure 2. Means of action to meet constituents' needs



15. In the past few years work has concentrated on developing knowledge and producing tools that can be applied around the world. Guides in the areas of career counselling, emergency employment services, regulation of private employment services, and other areas are used regularly in ILO training courses and technical cooperation projects. Many have been translated into a number of different languages.³
16. Tools and research publications may serve as stand-alone, self-help measures for countries reviewing their current provision and making decisions on ways to enhance their services. Key reference documents are also often provided when measures are to be implemented either without external assistance or by third party technicians, as is often the case when emergency employment services are established as part of broader interventions. Tools are often also used as reference documents in training courses. These activities can both generate requests for additional services from employment services specialists and contribute to advocacy. Conversely, providing services to constituents and advocacy can lead to the development of additional resource documents and new lessons learnt.
17. Although the Office's support is focused on public employment services, technical support on Convention No. 181 is also provided. For several years, most efforts in this area consisted of reviewing draft national legislation on the regulation of private employment

³ The up to date list of ILO tools on employment services is available at www.ilo.org/skills.

agencies. Interest in this topic has grown over the past few years as a result of the role played by private agencies in overseas employment. In response to these developments, the Office produced and published the *Guide to Private Employment Agencies* in 2007. It aims at helping countries mobilize private employment agencies in their efforts to combat human trafficking. The Guide is the basis for a new training course organized with the Turin Centre and has been a useful resource for technical cooperation projects dealing with migration and human trafficking.

Strategy review

18. The Office's work to support public employment services comprises two technical specialist positions and is located in the Skills and Employability Department. In 2007, an internal review was undertaken of the needs and requests for support from constituents and the relevance of the ILO's knowledge base and tools.
19. The review identified the following strengths and opportunities:
 - specific international labour standards (Conventions Nos 88 and 181);
 - articulation of employment services as a component of the Global Employment Agenda;
 - recognition of the ILO's mandate on public employment services within the United Nations system;
 - appreciation of the ILO's broad conception of employment services, issues and programmes throughout the world;
 - broad use of ILO tools;
 - partnership with the World Association of Public Employment Services (WAPES) to expand outreach of ILO work with national employment services;
 - relevance of employment service tools to ILO efforts that promote youth employment and the inclusion of persons with disabilities in training and employment programmes.
20. Renewed recognition of their importance for a smoothly functioning labour market during the current economic crisis is also creating opportunities for strengthening public employment services.
21. The review led to a revision of the strategy to meet constituents' needs, taking into account the realistic options of the Office to strengthen this area of work. In addition to maintaining knowledge-development work, efforts in the following three areas will improve the ability of the Office to help member States strengthen employment services:
 - exploit strategic external partnerships to promote the ILO's principles and tools;
 - leverage work through cooperation with other departments and units in the Office; and
 - improve effectiveness of technical advisory services.

External partnerships

22. Impact of the ILO's work on employment services is greatly enhanced through strategic partnerships with WAPES. Co-founded by the ILO and six national public employment services in 1988, WAPES currently has about 80 members (see table 1). The ILO works actively with WAPES to help national employment services meet labour market challenges through knowledge-sharing, training activities and technical expertise.

Table 1. WAPES membership by region, 2009

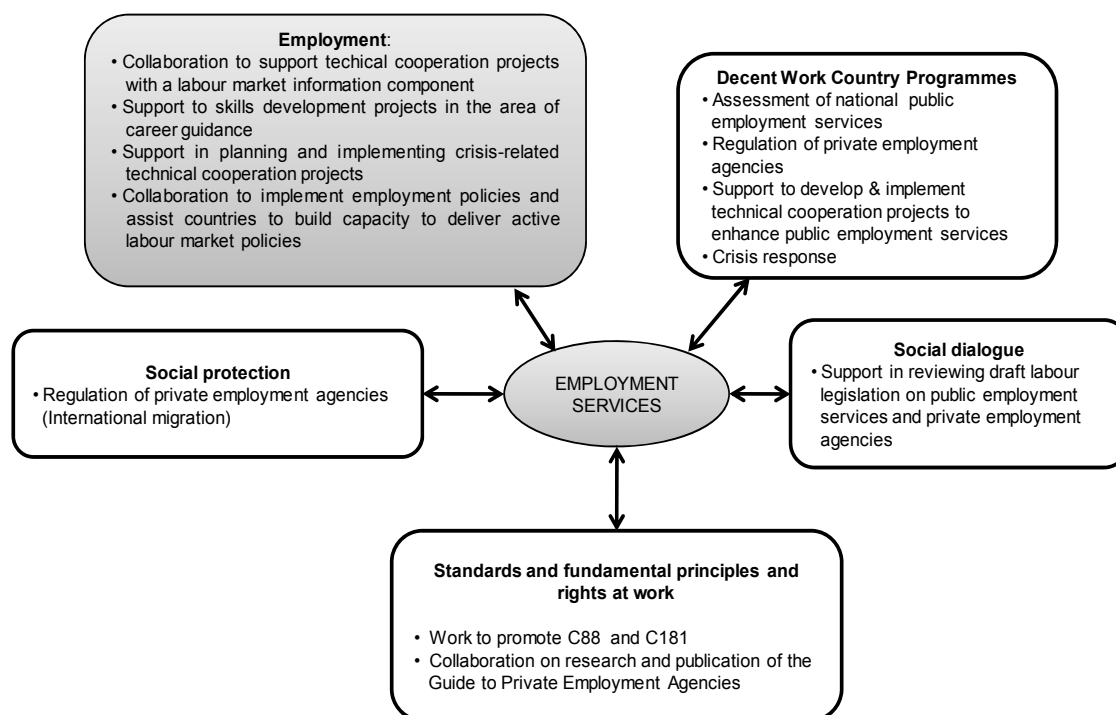
Middle East and Arab States	4
Europe	39
Americas	13
Africa	15
Asia and the Pacific	8
Total	79

23. Training workshops for public employment services' staff organized by WAPES provide excellent opportunities for the promotion and distribution of ILO research and tools. WAPES activities are also a major source of information on current national practices. One example of this collaboration is an inventory of national employment services' administrative and programme statistics, derived from a joint survey of WAPES members. This inventory provides the most comprehensive data of this type on public employment services worldwide.
24. The ILO also cooperates with the International Confederation of Private Employment Agencies (CIETT), representing the interests of private employment agencies. CIETT is a useful source of information on the international scope of private employment agencies. CIETT advocates for ratification of Convention No. 181 and has participated in ILO training courses on the regulation of private employment agencies.

Cooperation within the Office

25. Public employment services are central to the implementation of a variety of labour and employment policies. This leads to important opportunities to carry out work in an "inseparable, interrelated and mutually supportive" manner, as illustrated in figure 3.
26. Technical cooperation projects coordinated by different units in the Office and dealing with issues such as: youth employment; crisis response and reconstruction; international migration; skills development, including disability; gender equality; and elimination of forced labour have included employment service components. Examples include a labour market information project in Viet Nam, which aims to incorporate labour market information into the services offered by employment centres and training programmes, and a project in Liberia and Sierra Leone, which combines development of an effective employment service with activities assisting young ex-combatants.

Figure 3. Mutually supportive work in employment services



Technical assistance

27. While the development of tools and resource materials and the provision of services are important, the true measure of success is evidence that these outputs are having the desired impact locally. It is therefore important to track the results of these interventions.
28. National public employment services' management and programme assessments are conducted in response to requests by ILO member States. These assessments summarize the current situation of employment services, provide recommendations for actions to improve programme management and services, and provide a focus for debate.
29. The assessments can be quite labour-intensive, involving desk research and on-site missions for consultations with key stakeholders. The end result is usually a report outlining major findings and making recommendations for future action. It may take several years before countries begin to implement these recommendations; however in most cases this occurs eventually. Box 2 provides examples of actions taken by public employment services following ILO assessments.

Box 2

Examples of public employment services' reform efforts made after ILO assessments

South Africa (2003): The employment services' training programmes and the learnership programmes were coordinated to improve results.

Ethiopia (2003): Improvements were made in the labour exchange information technology systems, including information on occupational requirements.

Mongolia (2008): Improvements were made in career guidance services and entrepreneurship services through the public employment service (supported by resources from other ILO sources).

Egypt (2009): A three-year technical cooperation project to improve career guidance and youth employment services was launched.

Liberia (2009): Support is being provided to assist in restructuring the employment services bureau along the lines of the assessment.

30. As part of the Office's work with member States on labour legislation, advice is often provided on legislation concerning both public and private employment services. One recent example involved helping the United Arab Emirates redraft legislation on private employment agencies that may provide a model for similar legislation in other countries dealing with labour migration issues.
31. In addition to long-term capacity building, the Office is often called on to help member States mobilize emergency employment services through technical cooperation projects. Recent examples include rebuilding efforts after natural disasters in Indonesia and China and post-conflict resolution in Lebanon and Sri Lanka. For example, as part of the response to a request from the Government of Lebanon in 2006–07, the ILO implemented technical cooperation projects to provide emergency employment services in that country, using an existing reference tool.⁴ This placed the ILO at the centre of reconstruction activities in Lebanon, and made it possible to rapidly assess immediate and longer-term needs within the country. As a result, the ILO now has three active technical cooperation projects to enhance employment services for various areas within Lebanon. Similar responses have resulted in successful interventions for long-term employment services in Afghanistan and Liberia.

Responding to the employment impact of the current crisis

32. The need to ensure that public employment services are able to mobilize rapidly to meet increased demand has been particularly evident during the current economic crisis. On the basis of lessons learnt from previous crises, many countries have acted quickly to expand the capacity of their employment services. In most cases, this involved enhancing existing programmes rather than developing entirely new programmes and services. Many public employment services have however had to identify and implement innovative measures to provide all jobseekers with basic employment services. Box 3 lists some examples of how countries have increased the capacity of their employment services.

Box 3

Australia invested some US\$42 million in employment services, covering a wide range of services, including the reshaping of the public employment services and directing job services towards various population segments.

Canada increased staff and extended public employment service opening hours.

Dominican Republic opened seven new public employment service regional offices.

Germany injected 2 billion euros to increase the staff of federal employment agencies by 5,000 persons.

Mexico allocated US\$138 million to the national unemployment service to extend hours and improve services.

Cambodia strengthened public employment services through opening nine new regional job centres.

Spain's public employment services hired 2,415 staff in employment offices and 1,500 members to assist with job search.

33. Public employment services throughout the world have found that by using innovative technologies such as instant messaging they can reach jobseekers more rapidly to advise them of new job openings. Such assistance also helps reduce the influx of jobseekers into often overcrowded employment offices. By more easily reaching those who only need information on job vacancies, public employment services are able to focus more of their

⁴ ILO: *Guidelines for establishing emergency public employment services*, Geneva, 2003.

attention on more vulnerable and harder-to-place jobseekers. This has resulted in a shift in focus for many public employment services, with enhanced levels of service increasingly viewed as the new core services. Public employment services now offer training and other assistance to jobseekers and human resource planning and recruitment assistance to employers as part of their basic services.

34. Recently, WAPES and the ILO cooperated in the distribution of a questionnaire to members seeking information on how public employment services throughout the world were responding to the increased demands generated by the crisis. The survey sought information on the effectiveness of various labour market programmes and services and on the roles played by public employment services in implementing components of national economic recovery plans worldwide. Analysis of the findings will be made available and some programmes will merit further review as part of ongoing efforts to identify and disseminate good practices.
35. There has been a growing tendency for closer partnership between public and private employment services in many countries. Successful approaches include the introduction of Mobility Centres in the Netherlands, which encourage the lateral transfer of workers between businesses. In some countries, such as France, the public employment services seconded or temporarily hired private employment agency workers to bolster their trained staffing levels. Other countries, such as Croatia, have arranged for private employment agencies to provide some public services in order to meet burgeoning demand. In October 2009, the ILO organized a tripartite meeting on private employment agencies.⁵
36. The Office has responded to the need to support public employment services both in the immediate jobs crisis and in building longer-term capacity. The *Guide to worker displacement*,⁶ which outlines a successful approach to tripartite rapid response teams, was reissued in March 2009, and has since been translated into Russian and Spanish. As a means of sharing good practices, the Guide will be supplemented with the publication of a set of analytical case studies from countries throughout the world. A tripartite workshop on work-sharing is planned for late 2009 to examine ways in which middle-income and developing countries might conduct social dialogue in considering how to adapt work-sharing arrangements to their circumstances.⁷

Ways forward

37. The Office's work to help member States strengthen employment services to deliver on employment policy objectives, as set out in the Strategic Policy Framework 2010–15, will focus on more effective ways to deploy available resources and leverage additional resources in order to meet the growing demands from constituents. In the coming biennium, the Office will explore the use of extra-budgetary resources to develop regional support programmes to implement technical cooperation projects at country level. This will provide greater opportunities to use existing tools and expertise more effectively.

⁵ ILO: *Private employment agencies, temporary agency workers and their contribution to the labour market*, Issues Paper for the Tripartite Workshop to Promote Ratification of the Private Employment Agencies Convention, 1997 (No. 181), Geneva, October 2009.

⁶ *A guide to worker displacement: Some tools for reducing the impact on workers, communities and enterprises*. Update 2009, available at www.ilo.org/skills/lang--en/index.htm.

⁷ This workshop will build on the policy brief entitled *Work sharing: A strategy to preserve jobs during the global jobs crisis*, June 2009.

38. The Office will also pursue offers to second experts from more advanced national public employment services to work directly with counterparts in developing countries, building on interest from both sides in knowledge-sharing and exchange of good practices. Furthermore, efforts will continue to make the ILO employment specialists in field and headquarters departments working on labour market policies and skills development more aware of the array of available employment services tools and standards and experience in their application. This will require clear articulation of the important role of public employment services in the implementation of labour market policies and programmes.
39. Knowledge development will continue to be a priority. One indication of the impact of the usefulness of the tools developed earlier is the number of external requests for translation of these tools. Future knowledge building and tool development priorities include ways in which public employment services could extend core employment services to workers and enterprises in the informal economy as a means of facilitating their transition to the formal economy; drawing lessons from information collected on public employment services' implementation of labour market programmes in response to the global economic crisis; and the role of public employment services in member States' efforts to improve the collection and dissemination of labour market information.

Geneva, 9 October 2009.

Submitted for debate and guidance