
ACTIVE LABOR PROGRAMS FOR “BALMI”

Case Study



Rationale

- **Economic**
- **Social**
- **Political**



Pull and Push Factors

- **Pull: Income support**
- **Push: Active labor programs**



Active Labor Program Objectives

- To help unemployed get back into the labor market, become productive, and reduce use of public income support
- Programs can address
 - Frictional unemployment
 - Structural unemployment
 - Lack of Demand for labor



ALMP Contexts

- Assist displaced workers (I.e. from privatization)
- Assist general unemployed
- Target special groups (I.e. poverty, ethnic, long term unemployed)



BALMI Context

- **10 Million, medium sized**
- **Economic reform, privatization occurred**
- **High unemployment, but tapering off**
- **High Poverty, linked to unemployment, 62% long term, evenly split male/female, high in 20-54 age bracket, high for secondary voc. graduates and lower secondary completers**
- **Regional and local pockets of poverty**



Current Active Labor Programs (ALPs)

- ALPs include job search, training, financial support to micro business, but 80% mostly in temporary community employment (public works)
- Administered by 100 local labor offices, service contracted to local public and private service providers
- Inet Impact evaluatoin of ALPs completed
- 39 regions and 264 small municipalities



Questions

- **Would you finance ALPs, or finance other things like community infrastructure and social activities – what should the balance be?**
- **How could you monitor local economic trends?**
- **Would you allocate funds by Region and/or Municipality?**
- **How would you determine eligibility of participants?**
- **What types of ALPs would you finance?**
- **Would you allocate funds by type of ALP or have a general fund?**
- **How would you go about contracting for labor services?**
- **How would you evaluate and monitor impact of ALPs?**
- **How could you encourage and support labor mobility with ALPs?**
- **What agency would you use to administer the ALP program?**
- **What types of costs would you finance in delivery of ALPs?**



What has Transpired

- Major interest in ALPs.
- Funds allocated by Region (39) – Unemployment and Poverty index.
- Short/medium term regional qualitative surveys of economic trends planned
- All unemployed eligible, with 50% of participants to be below poverty line.
- Full range of ALPs, but no temporary community employment.
- No allocation by ALP, demand driven.
- Performance based contracts with NGOs, public, and private agencies.
- Gross impact part of contracts, net impact done mid term.
- Mobility and job search are financed, participants can join programs in any community.
- National Labor office with local offices will administer.
- Varies by ALP, is full cost of programs (i.e. staff, administrative, materials, etc).

