Overview of Labor Market Programs and Policy
Introductory Session, October 28th 2019

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Jobs, Labor & Migration Course
The basic Labor Market model...

It is difficult to have truly competitive markets...

Model tells us little about how jobs are actually created (and destroyed) and how workers find them...
A more accurate framework...

Productivity enhancing Transitions are occurring through:
- Change of Occupations/Sectors
- Formalization – to higher quality jobs
- Urbanization/Migration

**Working Age Population**
- Labor Force Participation
- Type of occupation
- Human Capital

**JOB SEEKERS**
- Search efforts

**VACANCIES**
- Expansion/contraction of current or creation of new establishments

**EMPLOYMENT AND EARNINGS**
- BARGAINING WAGES AND TYPE OF CONTRACT

**ENTREPRENEURS**
- New firms

**Firms**
- Source: Jobs Group
A more accurate framework... ...including its constraints

Productivity enhancing Transitions are occurring through:

- Change of Occupations/Sectors
- Formalization to higher quality jobs
- Urbanization

Labor Force Participation
Type of occupation
Human Capital

Social Norms

Job Seekers

VACANCIES

Employment and Earnings

Entrepreneurs

Firms

Expansion/contraction of current or creation of new establishments

Lack of Aggregate Demand

Lack of Information

Skills Mismatch

Insufficient Bargaining Power

Uninsured

Lack of Social Norms

Business Environment

Lack of Aggregate Demand

Search efforts

New Firms

Source: Jobs Group
Core LM policy interventions

- Providing Financial Support:
  - Insurance benefits
  - Credit
  - Transfers

- Setting Incentives:
  - Information
  - Earnings and working conditions
  - Conditionalities on transfers

- Adressing Constraints:
  - Skills Training
  - Employment services
  - Wage subsidies
  - Support to self-employment

Additional services:
- Taxes
- Labor regulations
- Minimum wage
- Job search assistance and counseling
- Intermediation
- Skills certification
- Advisory services
- Networking
- Value chain integration
- Micro-franchising
The focus of the course is on...

How to?

Design
Implement
Measure
Evaluate

Labor Market
Programs & Policies
for different Types of Workers