

Sector analysis

(Summary)

Job and Business Centres



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1. Definition of the sector

The ILO defines an 'Organisation of Employment Services' as an organisation with 3 main tasks:

- Job placement
- Vocational information and guidance
- Labour market information.

Woord en Daad defines the 'Job & Business Centres' as an entity that is able to deliver (several of) the following services:

1. Job mediation/placement
2. Tracking of ex-VTC-student in order to evaluate the VTC
3. Support in setting up micro-enterprises (micro credit)
4. Promotion of VET-networks
5. Create a link between VTC and companies

Since some aspects of VET-networking are already included in the VET-analysis, and regarding microcredit in the SMED & microcredit-analysis, this paper is mainly focused on job mediation, and cooperation between public, private and non public actors in this regard.

JBC and poverty

Many youngsters and adults with a poor background are behind if they have to find a new job, or have to start a new business. Usually they don't have a good network (to find a job or customers indirectly), they have a lack of finances and no access to banks, they don't have a high self-esteem, and are not used to take risks- aspects that are of high importance entering the job market.

A Job & Business Centre (or an Organisation of Employment Services) can coach these youngsters and adults to enable them to catch up, to give them better chances on the job market (with in the end an improved situation of the personal –and most probably the family-situation).

2. Developments in the sector

For years, employment was seen as a primary task of the government. The exploitation of employees by employers caused that in many countries the government took its responsibility regarding employment. This picture changed from the seventies. New communication tools, growing unemployment, globalization caused the need of co-operation between public and private actors. Nowadays, employment is seen as a shared public-private responsibility.

In general, it can be said that the strength of PES is that it can have a national overview of the trends concerning employment. The strength of PREA's in general is that it is better locally rooted, and that it is more flexible.

To what extent the cooperation between public employment services (PES) and private employment agencies (PREA) is organized, depends from country to country (and possibly from place to place). We can distinguish the following models:

- Cooperation: PES facilitates cooperation

The first form of partnership is cooperation in the exchange of information to facilitate job broking or labour exchange activities. It may also include the exchange of broader information on general labour market conditions. This form of partnership appears to be the one that commercial, for-profit employment agencies are most likely to participate in. Although this cooperation is largely nonfinancial, both partners gain: private agencies boost revenues for private placements, and the result supports overall public sector employment goals at a minimal public cost.

- Complementary: PES funds partners to provide employment services

The second form of partnership, based upon complementarity and operations in the different sectors or involving different categories of jobseekers, involves the contracting out or outsourcing of government employment services, most often labour market programme activities, to private contractors - both commercial for-profit and non-profit private agencies. Public sector funds are expended to accomplish public policy goals, but the service delivery agency is outside the public sector. .

- Competition: PES and PREA are in direct competition for public resources

In the competitive form of partnership, government employment services are outsourced on a "level playing field" of competition to private commercial employment agencies, private non – profit agencies, public employment services and perhaps other public institutions (for training programmes, for example). Because of the necessity for objective analysis of rival bids for service from the public service and from non-public providers, this competitive approach demands management from a public institution somewhat separated from the public entities competing for services.

In developing countries it is increasingly likely that a true form of privatization exists because private employment agencies, without public resources, are emerging to fill a vacuum that exists due to the absence or scarcity of public resources dedicated to employment services. One variation of this trend, which has begun to emerge, is the development of labour market services, including internet job banks, which are totally funded by private resources in countries where there is an underdeveloped PES and sparsely distributed private employment agencies. This development is now possible in part as a result of powerful new information processing and distribution capabilities made possible through ICT.

But in general it can be said that the cooperation between public and private initiatives regarding (youth) employment are poor in the South. For some countries there is not any cooperation between the government and the private/non public sector. In some countries there is a cooperation 'on paper', but it is not working in practice (due to bad governance). If there is a complementary cooperation, the government often delegates tasks to NGO's (due to a lack of good PREA's). This can be seen as a threat, as far as these NGO's are financed by external donors without a long-term commitment. A competition model will hardly be found in developing countries.

3. SWOT of the sector

<p>Strengths</p> <ul style="list-style-type: none"> • JBC helps school leavers from a poor back ground to improve their chances on the job market • JBC enables educational institutes, especially VET, to make an effective link between education and the job market 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Very limited number of activities regarding job mediation, apprenticeships, VET-networking; • Tracking systems not always available, or not always of a good quality.
<p>Opportunities</p> <ul style="list-style-type: none"> • In case of high unemployment: to create employment • Introduction of JBC-concept in countries without other good practices regarding job mediation, etc. • Mutual cooperation between at least companies and NGO's, and if possible public-private and NGO's (attractive for 	<p>Threats</p> <ul style="list-style-type: none"> • High unemployment • Weak economical environment (large informal sector) • Weak public environment (government is not able/willing to negotiate with the business and educational sector on job mediation, youth employment, etc)

all partners)	
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The SWOT will be further explored per country.

4. Strategies

The following items are important in developing a strategy on VET:

- *Integration*: strong link with VET, strong link with job market
- *Evaluation*: evaluation of the performance of VET, through its experiences with apprenticeships, job mediation, contacts with companies, Chambers of Commerce, etc.
- *Follow up*: tracking system of ex-students that found a job or set up a business;
- *Client oriented*: Interest of employee
- *Networking*: a good network of companies and other interesting institutes is the first precondition for a good functioning JBC
- *Attractive*: JBC has to make its services attractive for companies (why should companies make use of the services of a JBC?)

5. Actors

See 2, will be specified per country