

Employment Services in Developing Countries: Policy Perspectives from Sri Lanka and Bhutan



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Putting Kuwaitis to work



Will PES do
the job?

Main messages

- Policymakers in developing countries have little guidance in the provision of employment services
- Scant and not directly applicable evidence from developed countries creates mandate for original research (including experimental studies).

Road map

1. Key unemployment challenges in Sri Lanka and Bhutan
2. Public employment services (PES) and electronic job intermediation (EJI) in SL and BU
3. Emerging policy questions
4. Concluding remarks

1. Key unemployment challenges in Sri Lanka and Bhutan

- Youth unemployment relatively large (for 15-24 olds, 21% SL and 7% in BU), 2-3 times higher than the average
- The phenomenon of the “educated unemployed”
- Problems with drugs, violence (SL), “GNH” (BU)
- Migration important – international (SL), internal

2. Public employment services (PES) and electronic job intermediation (EJI) in SL and BU

Sri Lanka: PES

- Job clubs: at community level, 600 HR assistants
- Job fairs
- Career guidance – in schools
- JobsNet centers
- (VET – many public, but also private providers)

Bhutan: PES

- Just one PES center: the Ministry of Labor
- Job fairs
- Career guidance – in schools
- (VET – public, a few private providers)

Electronic job intermediation in SL and BU

Sri Lanka:

- JobsNet, introduced in 2003 – a PPP, “baby” of a donor project
- 19 regional centers: computer access, counseling
- Charges fees to employers
- Output: in one center, 20 job matches per month

Bhutan:

- Web-based Job Portal introduced in 2004
- No regional offices
- As of Sept. 2008, 377 employers posted vacancies and 2,624 job seekers registered (1,401 online).
- 2008 inflow: 210 vacancies and 749 job-seekers

Public electronic job intermediation – international comparison

	Sri Lanka (PPP, 2003)	Bhutan (2005)	India (1991)	China	Singapor e	South Korea	Malaysia (2004)
Centers	19	1	938	4,038+, 13,972 + 8,148	21	157	38
Compulsory for UI benefic./employers	na	Na	Employer	Yes	UI ben.	UI ben.	..
Fees for employers	Yes	No	No	Yes
Bundle of services	Yes	(Yes)	..	Yes		Yes	Yes
Competition with private online networks.	Yes	No	Yes	Yes	Yes	..	Yes
Experiences:	Placed 8,306 (26,000 – estimate) 721 per month	377 employer s and 2,624 job seekers registered ,	Declining impact	Successful	1,000 new jobs within month	Successful	Profiles of 100,000 jobseekers

Source: Michael Weber, A survey paper of EJI (forthcoming)..

3. Policy questions

(a) What should be a PES business model?

- Which services to include:
 - JSA, counseling, job clubs, training, support to self-employment, pre-departure training to international migrants, electronic job intermediation?
- Public or private provision (Australia, UK)?
 - For public: avoiding manipulation (creaming, misinforming, exploitation. manipulation)
 - Against public: lack of incentives, monitoring of PES offices ineffective
- Should PES focus on most difficult to employ workers? (But Kuwaitis – are they not difficult to employ?)

What should be PES business model?

- Applying the above dilemmas to Sri Lanka: whether to:
 - Build 300 new buildings – public “one-stop shops” for employment services, or
 - Skip the step of creating PES and rely on private providers (and supervise them)?
- Youth employment programs (WB sponsored): relying on private sector

Policy questions:

(b) What should be a business model of public EJI agencies?

- Public or private – or PPP (Sri Lanka)?
- Should services be charged for?
- Providing auxiliary services (pre-screening, pretesting)?
- How to avoid adverse selection?
 - Mandatory posting of job vacancies?
 - Mandatory checking of vacancies on a public job portal?

Proposed project to improve JobsNet in Sri Lanka

Activities include:

- Formulating business model
- Improving contacts with employers and job-seekers
- Improving technology of job matching
- Improving the JobsNet website (occupational information, self-learning tools, vacancies)
- Marketing campaign: re-imaging JobsNet
- Use of JobsNet data for LMI
- Piloting to evaluate new policy interventions.

...But – is this a waste of money???

4. Concluding remarks

- Developing countries are facing important dilemmas regarding employment services – with no hard evidence to guide them
- Linking EJI with mobile phones may also be exploited
- Experience of developed countries not directly applicable
- More research – particularly of experimental design – is needed (some times of services, such as job search assistance, counseling, job clubs very good candidates)