Activation Policies for the Poor in the OIC Member States

The Analytical study titled "Activation Policies for the Poor in the OIC Member States" was prepared by the COMCEC Coordination Office specifically for the 5th Meeting of the COMCEC Poverty Alleviation Working Group with a view to enriching the discussions during the Meeting. This study presents research findings on best practice in the use of activation (support for individuals to move into the labour market) as a tool for poverty alleviation in OIC Member States. The three activation measures considered in the study are:

1 Job search support
2 Training
3 Job creation

Activation measures are needed in OIC Member States because many OIC Member States do not have developed social safety net systems. Employment is therefore a pre-requisite for many people to move out of poverty. In Member States that do have comprehensive social safety net systems, the use of activation can be used to counteract possible negative incentives jobseekers have to find work if they are in receipt of social assistance. In this respect, activation also improves the affordability of social assistance. Broadly, the current view amongst global economists is that activation strategies have an important role in both mitigating the worse effects of economic shocks and providing a policy tool for promoting a more equitable labour market and increased employability in the workforce. However, these gains are dependent on activation strategies which are well-designed and responsive to changing labour market conditions.

Activation measures are used throughout OIC Member States. The design of these measures varies by country as they respond to each Member State's labour market trends and socio-economic contexts. Key trends experienced by Member States include jobless growth, the need to provide quality jobs, youth unemployment, skills mismatch, and the need to promote employment in the private sector. Although the different types of job search support, training and job creation measures vary in each Member State, certain types of measures are more likely to be used depending on a Member State's income grouping.

Case Studies
As part of the study, five case study visits were made to a Member State (Cameroon, Iran, Malaysia, Saudi Arabia and Uganda) in each income grouping and across regions. The objective of the case studies was to determine in detail the activation measures used in these Member States with the aim of informing best practice.

Despite the differences in the use of activation between Member States, notably according to income grouping, the study has identified best practice and trends which allow for cross cutting recommendations to be made. Best practice and cross cutting recommendations have been identified according to the three key areas requiring consideration in the use of activation:

a) National policy objectives and delivery
b) Individual programme design and performance
c) Supporting infrastructure

National policy objectives and delivery
A policy focus on, and investment in, activation measures have been recognised as a requirement by several OIC Member States. In high income Member States that are more likely to have developed social safety net programmes, such as Saudi Arabia, activation counteracts the disincentive to work often caused by the provision of social assistance. Activation also supports the financial sustainability of social safety net programmes. In lower income Member States, activation supports employment growth and, intrinsically linked to that, economic growth. To ensure efficient use of resources and knowledge sharing, it is best practice for the design and delivery of activation measures to be overseen and coordinated by a lead organisation. In this Framework, the following policy measures recommended;

- A clear, integrated activation strategy with clear and measurable objectives is valuable in the context of poverty alleviation.
- Ministries and agencies across government should be encouraged to contribute to an activation strategy under clear leadership and governance arrangements.

Individual programme design and performance
A country's public employment service (PES) is often best placed to lead the delivery of activation because of the relationship it can broker between jobseekers and employers, and due to having training and job creation tools at its disposal. In Cameroon, for example, the PES provides jobseekers with job search support and engages with employers. Employment advisors work with both jobseekers and employers so that they can quickly match their customers to the job vacancies they identify. The PES also refers jobseekers to funded skills training courses and supports entrepreneurs.

The engagement with employers by the PES should also be carried out in the design and delivery of activation programmes. Although Member States do aim to address poverty through activation, the poor can be difficult to identify and therefore target. In this instance, other characteristics which are related to the likelihood of an individual being poor or vulnerable can be used to identify target groups for activation programmes. Lack of funding for projects in lower-middle income and low income countries can affect the sustainability of projects and therefore the extent of their impact. In this regard;

- The capacity of the PES could be increased, supporting both activation and the dissemination of labour market information.
- Employer involvement can improve the design of activation programmes.
- The status of vocational skills training could be raised, whilst ensuring the delivery of training matches employers' needs.
- Improved targeting of activation measures can increase their effectiveness for alleviating poverty.
- Programme sustainability can affect impact.
- Programmes should contain an element of continuous improvement.

Supporting infrastructure

Improvement in the use of activation measures can also be generated by using an overarching monitoring of national activation strategies.

This can support impact assessments of measures on employment and poverty levels at a national level.

Monitoring of labour market information, underpinned by reliable data sources, can also identify where there is a need for activation. In Cameroon, a National Observatory for Employment and Vocational Training has been created to provide more in depth analysis of labour market statistics.

Although continued training is required to build the observatory's capacity, this is being delivered with support from external organisations.

The support that external organisations can provide also highlights the value of platforms to facilitate information exchange between policy makers and practitioners, including internationally. Malaysia and Saudi Arabia, for example, have used best practice in vocational skills training and job search support from Germany and the United Kingdom respectively, to inform the development of activation programmes. Therefore,

- A monitoring and performance strategy, underpinned by processes for gathering data and other evidence, could improve the effectiveness of activation.
- Platforms for best practice sharing between Member States could support the design and delivery of activation measures.

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