



# Active Labour Market Policy and Measures

## Advisory service

### The challenge

Worldwide nearly 500 million people are unemployed or underemployed. In our partner countries, accessing the labour market is particularly difficult. Many job seekers lack demand-oriented qualifications and continuing development opportunities. As a result, they lack the prerequisites for finding a decent job or for changing careers. The path to self-employment is often blocked by the lack of entrepreneurial skills and the lack of access to funding. This limits opportunities for starting up a business, in turn hampering job creation. In addition, the companies' inability to estimate the need for workers and the low demand for (formal) labour contribute to unemployment and underemployment. Minorities and vulnerable groups such as young people, women and people with disabilities are especially hard hit by this market failure.

### Our approach

To mitigate the labour market failure, we offer a combination of active labour market policy measures. In so doing, we improve the labour supply (for example, by offering training for job seekers), boost the demand for labour (for example, by offering wage subsidies) and improve the way the labour market works (for example, through job-placement services). By using this integrated approach to employment promotion, we ensure that people who have previously been shut out of the labour market can find a job, thus achieving long-term positive employment and income effects. In line with the 'leave no one behind (LNOB)' principle, GIZ works to achieve inclusion of disadvantaged groups. With the 'do no harm' principle, we ensure that our work does not have any unintended negative effects. We make sure to weigh and contain risks of market distortion from specific labour market instru-

ments.

### Our services

We adapt our services in the area of 'active labour market policy' to the relevant objectives and target groups, as well as the local context. We work in the following areas:

- » We advise our partners on developing and implementing national employment strategies and labour market policy. We support them with establishing and expanding technical and institutional capacities with the goal of improving the way they analyse, apply and evaluate active labour market instruments and with the goal of enabling decent work.
- » We advise our partners on enhancing the employability of the target groups. By offering demand-oriented training (lifelong learning, on-the-job training), target groups are given the opportunity to adapt to the dynamic requirements of the labour market.
- » We provide advice on creating and retaining jobs to boost and secure the demand for workers. We support cooperatives and measures that promote entrepreneurship, such as coaching and mentoring programmes. By subsidising employment (such as with wage subsidies), we promote the integration of disadvantaged groups and those furthest removed from the labour market into the world of work. In fragile contexts, we offer advice on short-term public employment programmes for income security, such as Cash for Work. In this way, we create the conditions for job seekers to maintain contact with the labour market and gather practical experience.
- » We support our partners with matching workers and jobs. A key starting point involves our counselling, guidance and placement services catering to specific target groups, such as (digital) job and career fairs and Girls Days. We also specifically promote collaboration between companies and education and training insti-



tutions, for instance, through internships. We support our partners with establishing labour market information and monitoring systems. We also analyse the local, regional and national labour market (using employment and labour market analyses, ELMA) and transition structures. These analyses help in making effective use of active labour market instruments.

### The benefits

At GIZ, we have a wealth of knowledge at our disposal and years of experience in our partner countries. We offer innovative and tested approaches in our advisory services and with the implementation of ‘active labour market policy’ measures. In this work, GIZ also draws on Germany’s experiences (for example, that of the German Federal Employment Agency) with reintegrating job seekers in the employment market and responding to the COVID-19 pandemic. We maintain cooperation arrangements with the International Labour Organization (ILO), national employment agencies and other relevant actors, thus guaranteeing a coherent approach on the ground. By combining different active labour market policy approaches, we contribute to long-term reduction of unemployment and underemployment in the partner countries. In so doing, we promote economic development and social cohesion.

### An example from the field

In rural Morocco, jobs for young people are hard to come by. The project Promoting Youth Employment in Rural Areas (PEJ III) supports the Moroccan Government with facilitating the access of young people to the labour market and improving employment in rural areas. The project funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) uses an integrated approach to employment promotion. It works to expand the network of career guidance centres to enable young

people to obtain suitable advice and job placement. PEJ III also supports the establishment of employment committees: state, civil society and private sector actors analyse the labour market to identify sectors with employment potential and measures for promoting employment. The analyses allow training offers to be tailored to the needs of the local labour market and give young people better prospects of employment.

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