

**Conclusions of the Seminar**  
**“Employment Services and Labor Market Observatories: Opportunities and Challenges in the Hemisphere”**

**Cocoyoc, Morelos, Mexico, November 7, 2006**

Presented at the end of the Seminar by Maria Claudia Camacho, Specialist of the Department of Social Development and Employment of the OAS.

This Workshop gathered technical representatives from Ministries of Labor of 10 countries of the Americas and international organizations to continue the dialogue on employment services that was started in September of 2004 in Cancun, also under the auspices of the Secretariat for Labor and Social Welfare of Mexico.

During one whole day, the participants were able to share experiences and innovative approaches to improve employability of workers through labor intermediation and labor market observatories. The presentations and discussions during the Workshop were very rich in contents and ideas, and they can be accessed through the event's website.

This document provides a summary of the main topics discussed and of the challenges that employment services and labor market observatories are currently facing.

**Summary of main topic discussed**

- Labor intermediation services and observatories are crucial in guaranteeing the well-functioning of the labor market, basically correcting information asymmetries. However, they are only some of the instruments that are part of active labor market policies and they should be understood under that framework. The results that these instruments can produce on their own are very limited; therefore, they have to be incorporated into a broader employment strategy involving economic, social, labor and education policies, among other.
- After analyzing the experiences in labor intermediation of Chile, El Salvador, Mexico and the European Union and having heard from representatives from other countries, it can be stated that these services have evolved during recent years to better address the new realities of the labor market. Particularly, in the last 5 to 10 years, employment services have:
  - Moved from a paternalistic view to having a customer-service orientation.
  - Advanced towards new schemes that use new information and communication technologies (ICTs). This has allowed them to expand coverage and reduce costs.
  - Continued strengthening their traditional means to link labor supply and demand, like job fairs.
  - Decentralized their operations, providing more services at the local level. In this regard, the expansion of coverage of the Argentina's Employment Offices, Chile's Labor Intermediation Municipal Offices (OMIL) and El Salvador's Local Offices for Employment Management (OLGE) is highlighted.
- The decentralization of employment services has allowed them to effectively reach their target populations. In this regard, it is important to highlight that employment offices at the

local level should be interconnected and that the role of regulation should remain at the central level.

- Given the heterogeneity of its target population, services linking labor supply and demand should have multiple channels: personal in-take counseling, telephone services and internet-based services.
- Labor market observatories have been recently created in some of our countries and are non-existent in most of them. During the Seminar, the experiences of the MERCOSUR Labor Market Observatory and Mexico's Labor Observatory were presented, as well as the information system of the Austrian Public Employment Service. From these presentations, it can be asserted that Observatories make a substantial contribution to the formulation of public policies and to governmental decision-making on the labor market. Additionally, the observatories are a valuable tool for youth and job-seekers, who can identify high-growth industries and sectors.

### **Challenges identified**

- The articulation of intermediation services with other sectors is crucial, particularly with social protection strategies and professional training institutions.
- Employment services should make adjustments in order to address two new realities of the labor market: the expansion of the informal sector and the increase in migration flows.
- Services linking labor supply and demand should strengthen their linkages with the private sector from two perspectives:
  - 1) Private sector as a user. In this regard, intermediation services should strive to be seen by the private sector as valuable instruments to recruit new workers.
  - 2) Private sector as provider of intermediation services (employment placement services, head hunters). Public and private employment services generally target different populations, given public services are free and focus on the most vulnerable populations. Synergies and complementarities should be sought.
- The participants stated that funding and cooperation agencies (ILO, IDB, OAS and others) should improve the channels through which they provide assistance and requested better coordination among them.