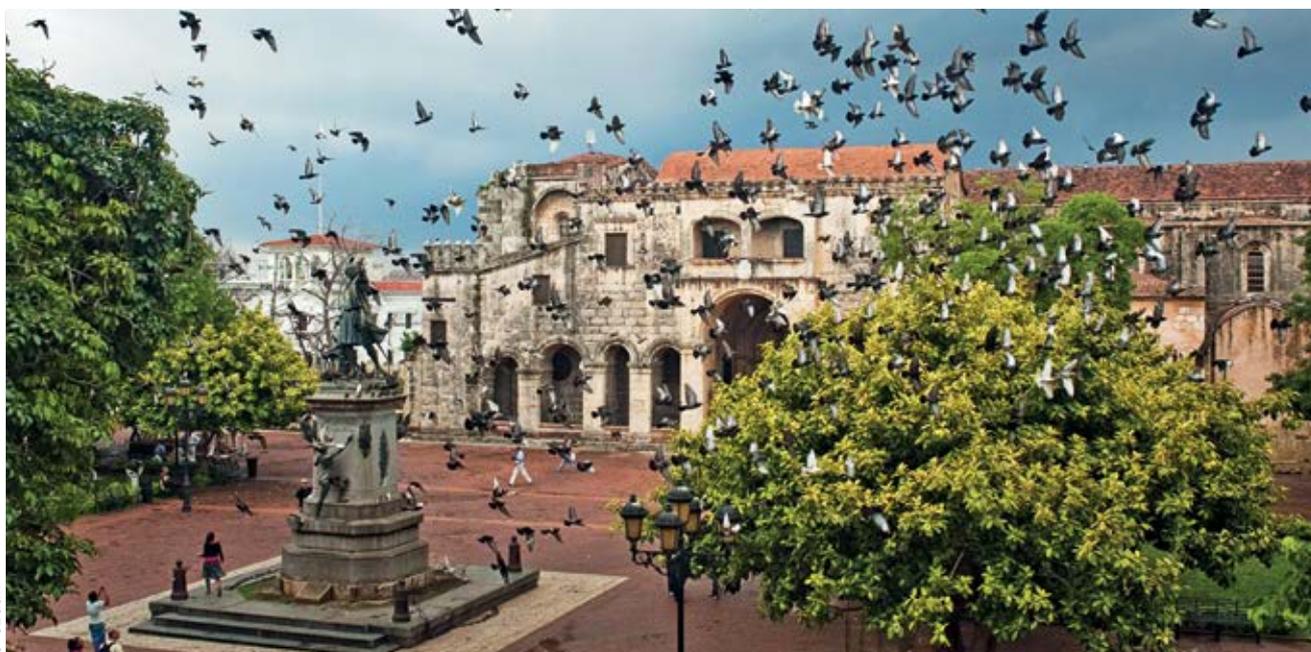


PUBLIC EMPLOYMENT SERVICES IN LATIN AMERICA AND THE CARIBBEAN



© e2dan

Contents

Main characteristics and challenges

Active labour market programmes

Job matching, placement and
activation strategies

Regulation of private employment
agencies

Annex: Milestones in the institutional
evolution of public employment
services in Dominican Republic

Bibliography

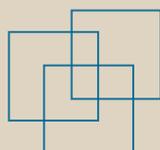
Dominican Republic

Main characteristics and challenges¹

- Labour market and employment situation

Good economic performance in the country has reflected in 20 years of strong economic growth, which was driven by a shift from labour-intensive manufacturing to capital-intensive service-sector activities (e.g. telecommunications and tourism). The same dynamism contributed to a quick economic recovery from the global financial crisis of 2008–09. That recovery, however, has not necessarily been associated with enough employment

¹ This document is one of a collection of notes about public employment services in selected Latin American and Caribbean countries jointly launched by the Employment and Labour Market Policies Branch, Employment Policy Department, and the Decent Work Team for the South Cone of Latin America. This note was prepared by Zulum Avila, Employment Service Specialist (ILO), with inputs from SENAE-Dominican Republic and Gerson Martínez (ILO). The opinions expressed herein are those of the author and do not necessarily represent the views of ILO.



creation in the formal sector. A sustained increase in informal employment has gone hand in hand with a growing wage gap in favour of informal sector workers for more than a decade. Between 2000 and 2014, for instance, informality went from 46.2 per cent to 55 per cent (BCRD, 2015).

The prevalence of informality reflects a number of problems in the Dominican labour market, notably a mismatch between education and occupational opportunities, low wages and the under-utilization of available labour.² Estimates for 2012 indicate that 20 per cent of the economically active population was not working to its full potential, signaling a labour market continuing to be characterized by high structural unemployment and mismatches (ILO, 2013). Nonetheless, there has been recent improvement in adult workers employment situation, including a decrease in the open unemployment rate from 7 per cent in 2012 to 5.9 per cent in 2014, and a slight rise in the employment rate from 84.9 per cent in 2012 to 85.9 per cent in 2014.³

• Improving access to formal employment

Adopting a more inclusive development model driven by higher value added activities, quality employment and skilled workers, are long-term objectives set by the National Development Strategy to 2030. Within this framework, the Ministry of Labour (*Ministerio del Trabajo, MT*) has been tasked with leading the implementation of the National Employment Plan (2012-2016). A more coordinated intervention with the ministries responsible for economy, industry and trade is intended to promote quality job creation and employment formalization in order to improve worker's income, productivity and social protection access. This four-year plan sets a target of creating 100,000 jobs a year to increase job placement rates, particularly for the 80,000 youth entering the labour market every year. Reducing mismatches and improving job placement rates also involves strengthening MT's institutional capacity to deliver effective employment services in combination with job training, specialized training workshops and other active labour market interventions.

• Revitalizing employment services and expanding availability at local level

The National Employment Service (*Servicio Nacional de Empleo, SENA*) matches people to jobs by offering job information, vocational counselling and referral to employment promotion programmes, specially job training and entrepreneurship. In September 2015, there were 16 local employment offices (*Oficinas Territoriales de Empleo*) and 42 contact points located in MT Representations in the country's 31 provinces. A gradual process of decentralization involving partnerships with provincial governments and public training bodies has helped revitalizing employment offices through equipping, staffing and establishing common quality standards for service delivery. The National Institute of Technical and Vocational Training (*Instituto Nacional de Formación Técnico Profesional, INFOTEP*) is one such key partner, financing the operation of four employment offices. Gradually, municipal governments are also becoming strong partners of SENA. Such partnerships are established through collaborative arrangements between the parties with the aim of expanding the number of employment offices at the municipal level. This has been a slow process because the SENA has prioritized quality and appropriateness of service above geographical coverage per se. Nonetheless, the process of expanding the number of local employment offices beyond those currently operating in 11 provinces is still required to ensure availability of one-to-one services all over the country.

The adoption of Employment Plan in 2012 paved the way for promoting greater inter-institutional coordination with MT's stakeholders at the local level through regular dialogue in the areas of employment policies, social protection and active labour market interventions, which are closely related to SENA's mandate. This cooperation is supported by an integrated Internet-based system merging MT's employment registration

² Under-utilization incorporates both unemployed and underemployed people.

³ Information provided by SENA from the Sistema Integrado de Registros Laborales (SIRLA).

system (*Sistema de Registro Laboral, SIRLA*) with the national job portal database (empleateya.gob.do) and the registries of the Social Security Treasury and the General Income Tax Directorate. This unified information and management system not only helps overcoming some of the existing gaps in geographical coverage but increases SENAE's responsiveness to clients by providing real time information to prescribe required services more efficiently.

- **Shifting towards a more customer-centred approach**

SENAE is shifting towards a more customer-centred approach to service provision on a case by case basis. This process is enabled by an automated profiling tool, which is based on pre-set standardized values measuring the employability level of jobseekers and suggesting the employment counsellors possible paths for action. The automation of jobmatching has also allowed SENAE to register and filling job vacancies in a shorter time frame. Using more effective and personalized methods for jobmatching is improving outcomes. SENAE, for instance, is now placing one in four jobseekers in employment, in spite of prevailing high unemployment rates (IADB, 2013). This represents a doubling of the placement rate achieved by the SENAE between 2012 (33 per cent) and 2014 (67 per cent).⁴ Employment offices are also registering a larger number of job vacancies now that service provision has been adapted to the specific needs of

small enterprises. In 2014, for example, there were 3,476 enterprises using the employment offices services while in 2010 the enterprises working with these offices were only 755.⁵

More job fairs and on-site visits to large enterprises by employment counsellors have been made possible by contributions from municipal governments, either in the form of professional and financial resources or through support for building partnerships with other stakeholders in the local labour market. More young graduates are benefiting from participation in jobsearch workshops and vocational counselling made available through the collaborative agreements concluded between SENAE, private training providers and universities. The partnership with INFOTEP has facilitated links between the provision of employment services and various kinds of training for jobseekers, including development of core skills for work (e.g. reading, writing, communication skills and teamwork), vocational training, on-the-job training and entrepreneurship training.

Since 2013, MT is channelling additional funds for securing sustainability of services by absorbing operational and maintenance costs from local employment offices – including the wages of 90 per cent of the personnel running them – which were largely dependent on an external loan. The challenge now is to consolidate gains made in recent years and expanding service availability at the local level as well as building a stronger relationship with employers.

Active labour market programmes

- **Focusing on improving employment prospects for youth**

Over the last few years the national government has placed a particular focus on addressing the disjunctions between the education system, skills development, and entry into the labour market. Investment in active labour market programmes (ALMPs) and employment services aims to help people with weak employability develop job-related skills and gain formal employment. In 2012, responsibility for the implementation of ALMPs targeted on young people was transferred in full from the Ministry of Labour to the SENAE. The transfer was based on the principle that employment offices should operate as an entry point into ALMPs. Accordingly, employment offices will henceforth play a role in

⁴ Op. cit. SIRLA.

⁵ Op. cit. SIRLA.

preparing beneficiaries of ALMPs for the various steps they need to take to enter the labour market, and to retain as well as gain employment. To better identify individuals targeted by ALMPs, SENAE is using pre-screening mechanisms such as the “vulnerability index”, which improves targeting and helps employment officers to assess the level of support required by potential beneficiaries.

Currently, SENAE takes part in the implementation of the Youth and Employment Programme (*Programa Juventud y Empleo*), which target socially disadvantaged youth (aged 18 to 29). This constituency is one of the most vulnerable groups in the Dominican labour market as they are twice as likely to be unemployed than adults, and frequently face multiple barriers to employment. In 2014, urban unemployment rates differed greatly between the age group 14-24 (13.3 per cent) and workers aged 25 and more (5.3 per cent).⁶ Youth at risk also compete disadvantageously for low-skilled work that may also be taken by young people with more skills than required for those jobs. MT also serves socially disadvantaged youth (aged 18-26) without a qualification through the workshop-school programme (*Escuela Taller de Santo Domingo*), which delivers short-term training in crafts and skilled trades in Santo Domingo City. SENAE operates as one of the entry doors and also helps participants to connect with complementary services, including counselling and job placement. During August 2012 to June 2015, 405 young people were trained in skilled trades (e.g. masonry, carpentry, electricity, plumbing and ironwork).

The pilot entrepreneurship training programme (*Programa para Emprendedores*) was rolled out in 2014 to offer unemployed young people (aged 20 to 35) the possibility of creating a business plan and starting their own small businesses. The training programme is delivered by INEFOP and consists of three phases, including: a 140 hour workshop which focuses on mathematics and communication skills; a 70 hour group activities for knowledge-sharing with owners of start-ups and for study visits; and a 10 hour seminar on how to access micro-credits. MT administers the programme and SENAE helps to pre-screen candidates giving priority of access to socially disadvantaged groups, including single women heading households, people with disabilities and young people not in employment, education or training. The pilot programme is small in scale and from 2014 to August 2015, 233 people have successfully completed training.

SENAE is also preparing to relaunch the Santiago Works Programme (*Santiago Trabaja*). This community work pilot programme was implemented from 2009 to 2011 in six municipalities, which were hit the hardest by economic activity decreasing and the closure of a significant number of enterprises during the global economic crisis. The programme targeted people (aged 18–65) on low incomes who had been unemployed for 12 months or longer and were not covered by any social protection mechanism. Based on prior experience in the municipality of Santiago, the local employment offices will serve as an entry point to the new programme and help establishing partnerships with not-for-profit organizations and training providers to combine the programme with provision of training in developing core skills for work and jobsearch support.

- **The Youth and Employment Programme (Programa Juventud y Empleo)**

The Youth and Employment Programme targets young people (aged 18–29) in low-income households in urban areas who have dropped out of secondary school and are unemployed. The programme connects beneficiaries with different types of training depending on their level of vulnerability. Participants first attend in-class training courses on technical subjects and then follow courses for developing core skills for work such as communication, teamwork and problem solving. This first part of the training has a total duration of 225 hours. In a second instance, the participants spend 240 hours in an internship with enterprises in the private sector. They also receive a subsidy of 6,400 Dominican pesos,⁷ which are divided in weakly payments during the four months of the programme. Additionally, didactic materials are provided as well as access to basic health care and an accident insurance.

⁶ Urban unemployment rates for Latin America and the Caribbean (15-countries), January-September 2014 (ILO, 2014).

During the first phase of the programme (2001–08), a total of 47,000 young people were trained and 20 per cent of them were employed upon completion of their training. Of those who gained employment, 60 per cent did so within six months of finalizing their internships and about 20 per cent of total trainees dropped out of the programme. Participants were not supported in jobsearching, and this was identified as an important shortcoming in the evaluation conducted in 2011. With the aim of increasing the job placement rate (to at least 80 per cent), the SENA took full responsibility for administering the programme in 2012. The employment offices were instructed to help participants from the very beginning of the programme in developing an individual plan, and through vocational counselling sessions and job placement assistance. Another important improvement is that the INFOTEP is increasing investment in demand-driven courses in expanding sectors and industries, including commercial services, hotels and restaurants, agroindustry,

manufacturing, energy and mining. During the second phase of the programme (2008–13), 41,000 young people were served, of which 30 per cent returned to the formal education system and 70 per cent entered the labour market (World Bank, 2013).

In 2014, MT linked entrepreneurship training to the Youth and Employment Programme. A national network of training facilitators was created with the objective of improving the functioning of in-class training courses and the placement of participants in internships with enterprises. These facilitators coordinate work with MT-Units responsible for promoting self-employment and entrepreneurship training. This coordination is supported by a common management system, which has helped enhance monitoring, account settlement with training providers and evaluating mechanisms. The first pilot introduced in 2014 targeted 1,240 young people who fulfilled the criteria for participation in the Youth and Employment Programme.

Job-matching, placement and activation strategies

The SENA mainly serves unemployed people actively seeking work, individuals in search of better jobs, and employers looking for qualified candidates to fill vacancies. The model of service provision is based on a multi-channel approach, but in practice, backstage services are not fully interconnected. The SENA has in place different channels for accessing employment services, including the online job portal, mobile employment units, a toll-free telephone number, job information kiosks and job fairs. Of these, the online job portal is by far the main channel through which services are delivered to clients; it also keeps all the regional employment offices interconnected and collates data on jobseekers and job vacancies. After the introduction of the online job portal, for instance, SENA assisted 6.2 per cent of the total number of unemployed during 2008–11. This figure comprises 44,713 jobseekers registered in the employment offices and 80,000 registered via the online job portal (MT, 2012). The demand for services doubled since then, and from August 2012 to April 2015, SENA assisted 263,844 people.⁸

- **In-person services**

In-person services are delivered according to a protocol of customer-oriented and standardized processes. The recent introduction of assessment techniques to treat jobseekers according to their needs and their level of disadvantage in the labour market has

helped to improve the referral of clients to appropriate support measures.⁹ Since the introduction of more client-oriented service model, not only has the number of clients assisted increased, but with the introduction of improvements in management and service provision, the cost-effectiveness of labour intermediation has improved and SENA achieved

7 Equivalent to US\$8.88 (according to exchange rate published by Banco Central de la República Dominicana, 21 August 2015, RD 45.01).

8 Op. cit. SIRLA.

9 Assessment methodologies are based on the Australian Job Seekers Classification Instrument (JSCI).

a 25 per cent job placement rate (IADB, 2013). The number of jobseekers placed in jobs is steadily increasing. For instance, from June 2013 to May 2014 there were 21,895 people placed as compared to 18,512 people placed in the prior year. Employment fairs (*Jornadas de Empleo*) are also contributing to place jobseekers in jobs, although to a lesser extent. During the same period, SENAE organized 43 job fairs registering 8,031 participants and 5,674 job vacancies. SENA also implemented 35 entrepreneurial fairs in which 660 entrepreneurs presented their products and exchanged experiences.¹⁰

• Developing specialized services

SENAE is gradually developing areas of specialized services for people with disabilities in partnership with not-for profit organizations. Employment counsellors are trained to serve hearing-impaired clients by using sign language and to sensitise local employers to make their workplace more inclusive. From June 2013 to May 2014, 644 people with disabilities were placed in a job and 1,382 heads of the human resources units in private enterprises participated in 63 awareness-raising events animated by employment counsellors.

Services have been also introduced for individuals interested in working abroad and Dominican workers returning from abroad. Dominican Republic has concluded bilateral collaboration agreements with Canada and Spain and SENAE organizes recruitment calls based on employers' demand. The global economic and financial crisis of 2008-09 had a negative impact on labour demand from partner countries. Nonetheless, MT is strengthening the mechanisms to ensure workers moving to work abroad are protected and their rights respected. A specific module was introduced within the SIRLA system to register job vacancies and administrate jobmatching. In 2014, 355 job vacancies were registered with SIRLA but only 55 met required working conditions standards.

• The push to register more vacancies

The SENAE's strategy for registering more vacancies is based on extending its services to reach more small enterprises, which make a large contribution to job creation in the Dominican Republic.¹¹ The employment offices have found from experience that small enterprises tend to have immediate recruitment needs and not to require specialized job profiles; most of the positions they offer are temporary and fluctuate over their business cycle. The services that enable the employment offices to respond better to these types of requirements often include a combination of registration and dissemination of job vacancies, pre-screening of job candidates and referral of the best candidates for job interviews. Medium-sized and large enterprises are usually looking for more specialized personnel for positions that are hard to fill. In this case, appropriate provision consists of the registration of vacancies and advertisements in mass media (e.g. national newspapers), pre-screening of candidates and the organization of thematic job fairs.

The overall satisfaction level of employers using the public employment service is rated as good. Recommendations from employers include preparing generic job profiles to facilitate recruitment of non-specialized workers and improving labour market analysis on future labour market needs to reduce mismatches.

In response to recommendations from employers, the Ministry of Labour is developing a national occupational classification system to codify the occupational terminology used in the domestic labour market. Disaggregating information to a five-digit level allows for a detailed description of jobs by subsectors, industry groups and industries. A more systematic use of the administrative registries produced by the SENAE will also enhance the quality and analysis of labour market information. Systematizing data in this way is undertaken with a view not only to informing the policy-making process but also to laying down the basis for the gradual introduction of performance indicators based on the ISO standard for a quality management system.

¹⁰ Op. cit. SIRLA.

¹¹ Micro, small and medium-sized enterprises employ 36% of the labour force (World Bank, 2012).

Regulation of private employment agencies

The Labour Code (Law No. 16-92) in its section 7 defines the activities of private employment agencies, specifically, those agencies that deliver job placement services and those providing services for employing workers with a view to making them available to a user enterprise. In the absence of specific rules governing private employment agencies placing workers with user enterprises, the Labour Code protects the rights of these workers. It establishes that temporary agency work is permitted only in non-core business activities and imposes joint liability on user enterprises with respect to workers' wages and statutory social security benefits (Hernandez, 2010).

The Resolution No. 41-2004 of the Ministry of Labour sets forth provisions for the operation of private employment agencies providing services for matching jobs with jobseekers without the agency becoming a party to the employment relationship. This type of private employment agency needs to be registered with the Ministry of Labour, which is also responsible for maintaining a public registry of authorized agencies (MT, 2004).

Given the increasing needs of employers for workforce flexibility, the national Government is working on bringing the national legal framework governing the operation of private employment agencies in line with international practice. A draft bill has been prepared to also regulate the activities of private employment agencies placing workers with a user enterprise. The

main purpose is to ensure that agency workers enjoy decent working conditions with regard to health and safety at work, privacy and data protection, non-discrimination and, most importantly, the right to provision of services free of charge.

Pending approval of the draft bill by the Parliament, the Ministry of Labour is exploring the feasibility of joint public-private delivery in certain areas of service. A process of productive social dialogue between government, workers and employers on the advantages of delivering certain employment services in partnership with private providers may create the necessary conditions for the country to contemplate ratifying the Private Employment Agencies Convention, 1997 (No. 181). The Dominican Republic ratified the Employment Service Convention, 1948 (No. 88), in 1953.

ANNEX

MILESTONES IN THE INSTITUTIONAL EVOLUTION OF PUBLIC EMPLOYMENT SERVICES IN DOMINICAN REPUBLIC

1953	Employment Service Convention, 1948 (No. 88) ratified
1998	Electronic job database implemented Decentralization of employment offices started
2001	The Youth and Employment Programme implemented
2007	National Employment Service (SENAE) created Job Portal "Empleateya" launched
2012	Responsibility for implementing ALMP transferred to SENAE Local employment offices revitalized Client-oriented model service delivery introduced
2014	Pilot entrepreneurship training programme (<i>Programa para Emprendedores</i>) launched

Bibliography

- Banco Central de la República Dominicana (BCRD). 2015. Algunas consideraciones sobre la Informalidad y los Ingresos en el Mercado Laboral de la República Dominicana (Santo Domingo).
- Hernández, C. 2010. Modalidades de contratos de trabajo. Implicaciones de las mismas, paper presented at COPARDOM workshop “Herramientas básicas de derecho laboral para empresarios y administradores de recursos humanos”, 17 June, Santo Domingo.
- Inter-American Development Bank (IADB). 2013. “A door to employment in the Dominican Republic”, Webstories. Available at: <http://www.iadb.org/en/news/webstories/2013-06-20/labor-intermediation-in-dominican-republic,10491.html> [July 2015].
- International Labour Organization (ILO). 2014. Notas sobre formalización. Evolución del empleo informal en la República Dominicana (Lima, Regional Office for Latin America and the Caribbean).
- —. 2013. Growth, employment and social cohesion in the Dominican Republic, ILO background paper for the ILO–IMF tripartite consultation on “Job-rich and inclusive growth in the Dominican Republic”, Santo Domingo.
- Ministerio de Trabajo (MT). 2004. Resolución de la Secretaría de Estado de Trabajo No. 41-2004, Agencias Privada de Colocación (Santo Domingo).
- —. 2012. Anuario de Estadísticas Laborales 2011, República Dominicana (Santo Domingo).
- World Bank. 2013. “Informe del Banco Mundial destaca al Programa Juventud y Empleo de República Dominicana”, press release, Dec. Available at: <http://www.bancomundial.org/es/news/press-release/2013/12/12/informe-banco-mundial-destaca-programa-juventud-empleo-republica-dominicana> [July 2015].