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Gaps in Research on Active Labor Market Policies

Guillermo Gómez
Liliana Serrate
Solange Sardán
Manuel Urquidi

Inter-American Development Bank
Social Protection and Labor Markets Division

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Gaps in research on active labor market policies



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Abstract

In the labor market, there are issues that need to be addressed and resolved, such as the lack of skills or low productivity, barriers to accessing employment, low wages, mismatch between job vacancies and job seekers, or the lack of promotion for small businesses. As a remedy, Active Labor Market Policies (ALMPs) are often implemented, such as training programs, entrepreneurship promotion, assistance or guidance in job search, among others. In this article, we analyze the evidence in recent literature on the impact of active labor market policies to identify gaps in knowledge and studies and propose possible directions for future research. We examine documents containing the results of programs implemented worldwide, but especially in Latin America and the Caribbean. As part of our analysis, we evaluate evidence about specific groups that benefit from these interventions to highlight potential information gaps. After analyzing several meta-analyses and evaluations, it is found that there is limited implementation and evaluation of ALMPs focused on groups with additional challenges, such as people with disabilities, indigenous people, Afro-descendants, and LGBTQ+ individuals. Another gap is related to the lack of consideration of the specific characteristics of the labor market in each region, such as the presence of wage employment or the concentration of informal workers. Additionally, there is a gap in the generation of qualitative knowledge that explains why, in many cases, programs do not work or have no significant impacts



Introduction

Active labor market policies (ALMPs) are a set of instruments designed to improve employability and job quality. They are implemented primarily by governments, sometimes in partnership with the private sector and civil society organizations, to help place people in jobs, especially people in vulnerable groups like youth, women, people with disabilities, and Indigenous populations. ALMPs encompass a wide range of programs, from job training and career counseling to job creation and subsidies. While much progress has been made on these policies, challenges remain for evaluating their impact, targeting specific groups, and adapting them to local contexts. Existing studies reveal the need to further research the effects of ALMPs on different population groups and geographical regions, and strengthen monitoring and evaluation systems to make sure they are effective (Bucheli, 2005).

ALMPs are usually implemented by government agencies like ministries or secretariats of labor, productivity, or industry, or by job training institutes. However, public-private collaboration can lead to better labor market outcomes (Inter-American Development Bank, 2021). Public employment services also often work in partnership with non-governmental organizations, international organizations, unions, and companies in the private sector.

The ultimate purpose of ALMPs is to help integrate people into the labor market by creating employment opportunities and matching potential workers to available positions. They also often aim to help disadvantaged groups gain employment, encourage job creation, formalize informal work, boost job quality, and strengthen job stability to keep people from losing their jobs. These policies also help develop human capital by building people's skills and capabilities, and they can sometimes be used to regulate wages.

The most common types of ALMP are vocational and job training programs, together with job search assistance. Public employment services often arrange these activities to help match workers with employers. Other ALMPs subsidize both private-sector and public-sector jobs. As seen in the experience of several countries, ALMPs frequently take the form of programs to support entrepreneurs, provide access to credit, create government jobs, and implement labor reforms. In Latin America and the Caribbean, training programs are the most commonly implemented policy¹.

Although a broad range of types and styles of ALMP programs have been implemented in Latin America and beyond, many have targeted specific groups like youth. A variety of studies have already evaluated the results of these policies and programs, but there are still aspects of both their implementation and evaluation that have yet to be examined. We find gaps in different aspects of these policies, like the beneficiary populations they target, and the fact that many programs do not yet include groups that are vulnerable from an employment standpoint, like Indigenous people or people with disabilities. In other cases, policies' results have not been evaluated in different geographical areas, especially for national-level programs. This article therefore aims to identify gaps in knowledge about ALMPs to determine what areas still require research and which policies should be given priority in future research to improve labor market outcomes.

This document systematizes the findings of different meta-analyses of ALMPs. We reviewed studies that evaluate international and regional programs and their results to determine what has been accomplished and what remains to be achieved and evaluated. This study is complemented by a proprietary database that compiles information from various sources and analyzes it to generate statistics on how ALMPs have been studied. It describes experiences with policies, programs, and target groups to show data on gaps in implementing or evaluating different ALMP programs. This information can be used to identify the different areas where evidence for studying ALMPs is still lacking.

1: This classification of policy types is taken and condensed from the research of Bucheli (2005), Card et al. (2018), and Levy et al. (2019).



State of the evidence

Different meta-analyses have explored ALMP implementation and results in detail. These studies look at a range of impacts from labor market programs implemented for different groups in countries both in Latin America and the Caribbean and in other regions. The analyses also span developed and developing settings.

Card, et al. (2018) analyzes a number of programs that have been implemented, including job training programs, job search assistance, and employment subsidies, in both the public and private sectors. The analysis encompasses different groups but focuses on distinguishing effects by gender and age cohort, with an emphasis on youth. The study shows that women benefited more from training programs and subsidies for creating private-sector jobs, while youth benefited significantly from a variety of programs included in this analysis, like job search assistance and employment subsidies, whether public or private.

Similarly, Levy et al. (2019) examines the effectiveness of ALMPs across a range of interventions, such as skills training, promoting entrepreneurship, assistance for self-employed workers, job matching services, wage subsidies, and public-sector jobs. In terms of employment outcomes, this analysis finds that assistance for self-employed workers has the most significant impact, followed by vocational courses, while the effect of employment services is almost negligible. The study also concludes that ALMPs are less effective for people over age 24, with no significant difference between men and women. Another key conclusion from their study is that ALMPs work better in contexts of economic growth.

In a critical review of ALMPs and their effectiveness, McKenzie (2017) reports mixed effects for interventions such as capacity-building and vocational training, which prove effective in some cases and insignificant in others, although as a whole they can boost formal employment. Importantly, the analysis suggests that impact can vary by gender: some programs are more effective for men and others for women. It finds that wage subsidies are not a particularly effective way to create permanent jobs, but that they can be positive for temporary jobs. The study also analyzes job search assistance programs and finds that they speed up the process of finding a job.

Specifically for countries in Latin America and the Caribbean, Escudero et al. (2019) reviews the policies implemented and their impact. This study finds that training and education programs have the greatest impact in terms of creating job opportunities, a result that is not as salient in OECD countries. Empirical evidence suggests that there are successful programs in Argentina, Chile, Peru, and Mexico, while Uruguay and Colombia show no results from this type of intervention.

Bucheli (2005) provides a historical perspective on ALMPs in the region in the 1990s and 2000s. The study shows that the region originally had almost no job matching and job search assistance programs, with only one experience, in Brazil, that had negligible results. Training programs, however, had been implemented in several countries. The PROjoven program in Peru stands out as the best experience in training for young people, with positive impacts on job placement and wages.

Bucheli (2005) also analyzes measures to support entrepreneurship, highlighting experiences in Mexico and Chile. While both countries implemented this type of initiatives, the Chilean programs proved more effective at driving revenue growth at new businesses. The study also reviews policies for creating public-sector jobs in the region, where Mexico and Argentina both showed positive impacts in the form of higher earnings for workers. Lastly, this research describes ALMP initiatives that subsidize wages in the private sector, identifying several programs but few evaluations. It singles out the ProEmpleo program in Argentina, which improved the likelihood of employment more for women than for men. Importantly, Bucheli (2005) is among the first analyses to document and evaluate ALMPs in Latin America and the Caribbean up to 2005. Additionally, the evidence for Latin America and the Caribbean points to broad implementation of public-sector job creation programs, but with mixed success in terms of labor market outcomes. Cases in Argentina and Peru had positive effects, increasing earnings and helping lift people out of poverty, but a program in Bolivia had the opposite effect.



Meanwhile, several employment subsidy programs were implemented in the region. These programs took several forms, like covering part of workers' wages or reducing social security contributions. In Argentina and Chile, these programs had a positive impact on participants' employability, but the program for hiring subsidized labor in Chile had no impact on job creation.

Chile, Colombia, and Peru have implemented job matching programs—known as public employment services—on a limited basis. They achieved significant, positive, and lasting results. The experience in Colombia in particular suggests that people are more likely to find formal employment by using these services. Another ALMP category aims to foster entrepreneurship among self-employed workers. According to Levy et al. (2019), these programs increase people's likelihood of finding formal employment by 11%, on average. But not all of these programs pursue the same objective: some aim to boost job opportunities for groups that face obstacles to employment, while others improve the business practices of already established self-employed workers or function as an alternative to the social security system. Escudero et al. (2019) documents cases in which these policies were successfully implemented in Latin America and the Caribbean.

Many ALMP programs target specific population groups. Ample evidence points to gender-based disparities in the effectiveness of these programs. Training programs and policies that subsidize job creation in the private sector are more effective for women than for men (Card, Kluve, & Weber, 2018). But there is little evidence on women with specific characteristics, like the subgroup of single mothers, for example.

The impact of youth participation in ALMPs has also been studied extensively, and the results vary by type of program. In a review of interventions implemented for youth, Stöterau, Kemper, and Ghisletta (2022) find that ALMPs significantly boost employability and earnings. Entrepreneurial support and training initiatives show the best results, but their effectiveness depends on the country context. For example, employment services and programs to promote entrepreneurs are the most effective in low- and middle-income countries, and they also have an outsized impact on youth and, in many cases, women.

Kluve (2016) provides evidence that job matching and technical assistance programs for youth are superior to traditional public employment services. This analysis highlights that programs for this group are more effective in Latin America and the Caribbean compared to other regions. The programs that have had a significant positive impact include Jóvenes in Argentina and Chile, ProJoven in Uruguay and Peru, Jóvenes en Acción in Colombia, and Chile Joven.

As mentioned above when citing Bucheli (2005), one successful ALMP program for placing young people in jobs in the region is ProJoven in Peru. This public program ran from 1996 to 2010 and offered three months of classroom training, followed by three-month internships at companies, with a stipend throughout the process. The program proved effective over the short term, increasing participants' likelihood of gaining formal employment and increasing their income (Novella, Díaz, and Rosas-Shady, 2024).

Although there is evidence on how effective ALMPs are for various subgroups (like women in different age groups), evidence for other population groups with major barriers to accessing quality job opportunities is still severely lacking. As the Inter-American Development Bank has found (2021), labor force participation, formal employment, and income vary by characteristics like ethnic identity, disability, or sexual orientation, which leads to varied results in labor indicators.

For instance, researchers have found that in Latin America and the Caribbean, people with disabilities and Indigenous groups have a lower labor force participation, formal employment rates, and earnings compared to their non-Indigenous peers or to people without disabilities. But there is very little evidence on ALMPs that have been implemented or evaluated for these groups. Rivas Velarde (2015) describes some training and employment policies for Indigenous people as part of ALMPs implemented worldwide, but there are no assessments of effectiveness for these groups. In terms of evaluations, a recent study in Can-



ada shows that programs targeting Indigenous people can boost their income by giving them better job opportunities (Fair, Foley, and Jones, 2021).

Additionally, information on ALMPs and evaluations for the LGBTQ+ population is almost nonexistent. The Inter-American Development Bank (2021) finds that these people face significant barriers in the job market and often can only find employment in low-productivity sectors and experience high levels of harassment and unfair treatment in the workplace. In addition, they tend to earn considerably less than other groups. Much work remains to be done to close this gap and generate evidence on ALMPs for these populations (Inter-American Development Bank, 2021).

In this same regard, many programs indicate that the interventions were not effective in some labor outcomes, or they report that the effects were not significant, either for specific groups or overall. For example, the Public Employment Agency (APE) in Colombia did not increase the labor income of its participants, or the ProEmpleo program in Argentina, where the effect was null for male beneficiaries of the project. These results show a gap in generating analysis of lessons learned and qualitative studies that explain why these programs were not effective, and thus improve the design and evolution of future ALMPs.

Our analysis: examining the knowledge gap

Criteria and selection process

For our analysis, we used data from a database on ALMP that we assembled following the selection, and stratification methodology in Stanley et al. (2013). The selection process included five stages. We first identified different ALMP meta-analyses as a starting point for choosing relevant studies (see Levy et al. (2019), Card Kluve and Weber (2018), Kluve (2016), and Grimm and Paffhausen (2015)). We then conducted a search on platforms such as Google Scholar, Refseek, Worldcat, the Felipe Herrera Library, and JSTOR, using key terms linked to active employment policies and other related concepts. As a result of these two steps, we selected 268 documents on different ALMPs.

We then narrowed down our selection to studies with impact evaluations and those that directly address employment or earnings variables for either businesses or individuals. This left us with 157 documents. We then broadened and refined our selection by reviewing the references cited in other meta-analyses. This allowed us to add back in relevant studies that we had previously omitted, bringing the total number of articles to 164. We then performed a preliminary sort to determine the viability of performing statistical analysis on each article and to group the documents by type of ALMP analyzed.












Three criteria guided the final stage of our selection process: studies' pertinence and usefulness, their academic quality, and which specific labor policies they focused on. We also took into account the publication's impact and the publisher's reputation, and we eliminated case studies and descriptive analyses of programs. Finally, we focused on studies published since 2010 that evaluate programs in either developed or developing countries, and we restricted our selection to articles published in academic journals or working papers by international organizations. This gave us a total of 132 analyses that form the universe of our study.

Existing gaps

Following the guidelines described in the previous section, we ended up with 132 research papers that evaluate the role of ALMPs. Table 1 lists these documents by type of ALMP program or measure analyzed in each document. Some studies cover more than one type of program.



Table 1: types of programs implemented and quantity of documents on these programs²

		Quantity of documents	
Total		132 ³	%
	Training programs	60	45 %
	Employment subsidies	39	30 %
	Job search assistance programs	32	24 %
	Programs for entrepreneurs	18	14 %
	Tax incentives	17	13 %
	Incentives or services for businesses	10	8 %
	Access to credit	9	7 %
	Public-sector job creation	8	6 %
	Promoting the formal registration of businesses	6	5 %
	Labor reform	4	3 %
	Others	5	4 %

Source: meta-analysis, 2023. Database: general data

The 132 papers in our meta-analysis database each analyze between one and six ALMP programs (see table 2) and can cover more than one type of ALMP. The type of program analyzed most frequently is training programs, in 45.5% of articles. Next are employment subsidy programs, which are covered in 30% of the articles, and job search assistance programs, which are analyzed in 24% of the papers selected in our database.

Below this first tier, 14% of the studies analyze programs for entrepreneurs that aim to facilitate access to jobs or improve earnings, followed by tax incentives⁴, at 13%, and incentives for private-sector businesses⁵, at 8%. The list is rounded out by programs to provide access to credit (7%), create public-sector jobs (6%), promote formal registration of businesses (5%), and reform labor regulations (3%).

2: In this analysis, we follow the classification system used in the literature to separate out the different program types. This classification into nine different types allows us to perform a more detailed analysis of the gaps in implementing and evaluating the different programs covered by the studies in the database.

3: As mentioned above, many of the documents analyzed cover more than one type of intervention. This is why the total number of documents (132) is lower than the sum of the number of documents analyzing each type of program.

4: These measures can include tax relief or exemptions, or changes in tax rates and taxable bases.

5: According to the evidence, this type of ALMP measure encompasses interventions like cutting red tape for registering businesses, knowledge transfer, and support for research and development.



Lastly, the “other” category makes up 4% of the studies. It includes studies on unusual ALMPs implementations. For example, Abel et al. (2020) analyzes an experiment that provided letters of recommendation to prospective workers. It found that this unconventional measure within the universe of ALMP increased beneficiaries’ likelihood of gaining employment. Another example from this category is the study by Arni et al. (2013), which analyzes the measure of reducing unemployment benefits to encourage benefit recipients to actively search for a job.

As noted above, ALMP interventions often combine several different types of programs to achieve better results.

Table 2: combination of programs

	Quantity of documents	%
One program	78	59 %
Two programs	32	24 %
Three programs	15	11 %
Four programs	5	4 %
Five programs	1	1 %
Six programs	1	1 %
Total	132	

Source: meta-analysis, 2023. Database: general data

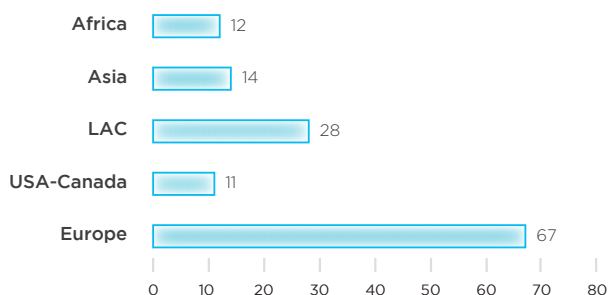
Table 2 shows the distribution of the number of programs combined and analyzed within a single research paper. We find that 59% of the documents included in our analysis evaluate one program only. Around 41% of the papers simultaneously analyze more than one ALMP intervention. That is, many policies deploy a combination of several programs to improve labor market outcomes, rather than just one. 24.2% of the documents analyze two simultaneous programs, and some interventions even combine more than four ALMP programs.

An example is the study by Rodriguez-Planas and Benus (2010), which simultaneously evaluates a training program, subsidies, programs for entrepreneurs, job search assistance, and public-sector job creation. Its results show that participating in these measures increases the likelihood of being employed by 8.5 percentage points. Meanwhile, Elezaj et al. (2019) covers six different programs in its analysis of ALMPs in Kosovo. These experiences show that programs are often combined to make them more effective.

Graph 1 shows how ALMP evaluations are distributed across regions.



Graph 1: distribution of research on ALMPs, by region



Source: meta-analysis, 2023. Database: general data

The graph shows that most evidence on ALMP evaluations is from Europe: 67 studies in our database research ALMP programs from that region. The region with the second-most analyses is Latin America and the Caribbean, with 28 documents examining the role of ALMPs there. The database has fewer ALMP studies for Asia, (14), Africa (12), and the United States and Canada (11).

Table 3 and Graph 2 focus on knowledge generated for countries in Latin America and the Caribbean:

Table 3: types of programs evaluated in Latin America and the Caribbean

	LAC		Rest of the world	
Total	28	%	104	%
Training programs	13	46%	47	45%
Programs for entrepreneurs	5	18%	35	34%
Tax incentives	5	18%	30	29%
Employment subsidies	4	14%	13	13%
Access to credit	4	14%	12	12%
Promoting the formal registration of businesses	3	11%	8	8%
Job search assistance programs	2	7%	5	5%
Incentives or services for businesses	2	7%	7	7%
Public-sector job creation	1	4%	3	3%
Labor reform	0	0%	4	4%
Others	3	11%	12	12%

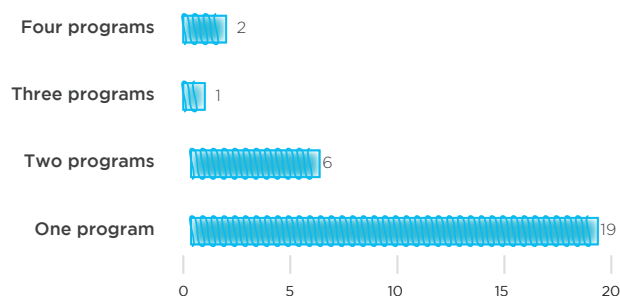
Source: meta-analysis, 2023. Database: general data



As in the rest of the world, the intervention analyzed the most in Latin America and the Caribbean was training programs: 46% of the documents focused on these interventions. There was a tie for the group of programs implemented with the second most analyses for the region: both tax incentives and support for entrepreneurs were the focus of 18% of evaluations.

Other programs implemented and studied in the region are employment subsidies, access to credit, and formally registering businesses, all featured in over 10% of the analyses in the database. These percentages align with the proportions for the rest of the world. There was less research on job search assistance programs and incentives for businesses, both of which were the subject of 7% of the analyses. Finally, 4% of the research papers specific to the region evaluated job creation programs (we found just one document evaluating this type of program), and we found no documents evaluating labor reform experiences. In contrast, there were four documents evaluating this type of measures for the rest of the world. Had any programs of this type been implemented in the region, there would be a research gap in this area.

Graph 2: quantity of programs analyzed simultaneously in studies on Latin America and the Caribbean



Source: meta-analysis, 2023. Database: general data.

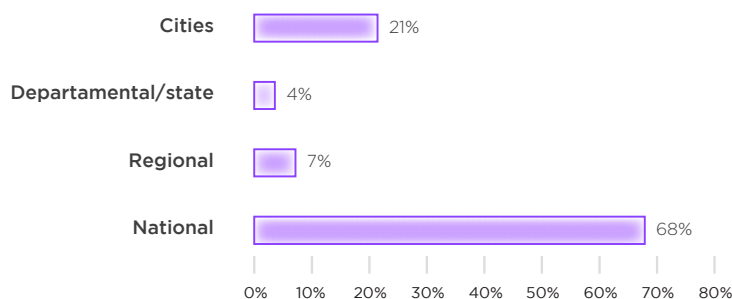
When looking at the number of programs and their combined implementation, we find an interesting pattern. Over two-thirds of the documents analyze just one program at a time, compared to less than 60% in the rest of the world, meaning that in the region it is more common to implement and evaluate ALMP measures consisting of a single program, which is often a training program. But some policy experiences do involve a combination of different programs. We found six documents that simultaneously evaluate two programs, one document that examines three programs at once, and two papers that analyze four programs at a time.

One of the papers that simultaneously evaluates four programs is López-Acevedo and Tinajero-Bravo (2013). It evaluates the implementation of a business support program in Mexico that includes subprograms like subsidies, trainings, tax incentives, and business decision support. Meanwhile, Mourello and Escudero (2017) evaluate a set of programs in Argentina that include subsidies, training, support for entrepreneurs, and job search assistance.

Another factor to consider when evaluating gaps in knowledge about implementing and evaluating ALMPs is the geographical scope of programs. The graph below breaks down the programs in Latin America and the Caribbean by geographical setting:



Graph 3: geographical distribution of programs in Latin America and the Caribbean



Source: meta-analysis, 2023. Database: general data

Of the evaluations conducted in Latin America and the Caribbean, 68% analyze national-level interventions. But while a policy may be nationwide, its analysis may not be. For example, Novella and Valencia evaluate Bolivia's national-level Program to Support Employment, (2022), but their analysis only covers the capital cities of Bolivia's departments. Likewise, Barria and Klassen (2016) evaluate the industrial training program SENAI, which was implemented throughout Brazil, but their analysis focuses only on urban areas.

Other studies evaluate regional programs that generally target specific areas within a country. This was the case in 7% of the documents analyzed. Meanwhile, evaluations that focused on specific states or departments made up an even smaller percentage (less than 4%). In other words, few programs targeting specific regions of the country are implemented and evaluated.

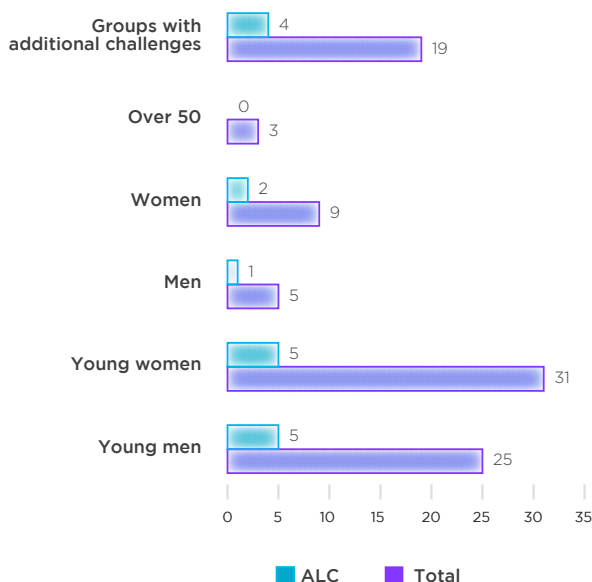
The percentage of studies evaluating city-level programs is more significant, at 21% of the studies on Latin America and the Caribbean. Two examples are Attanasio et al. (2011), which evaluates the Jóvenes en Acción program in seven major cities in Colombia, and Valdivia (2011), which focuses exclusively on a training program for women entrepreneurs in the city of Lima, Peru's capital.

This geographic breakdown reveals a clear gap in evaluations of employment and job training programs, which often just target capital or main cities and pass over smaller cities and regions with greater labor market difficulties. One of the largest voids is the almost complete lack of evaluations of projects in rural areas. Although there are cases of programs implemented at the national level, that include rural areas, the evaluations often do not examine their effectiveness for rural workers.

It is also relevant to know which groups were targeted by these ALMP programs. We record the intended beneficiaries of these measures in our database. The policies often target a variety of beneficiary groups, as summed up in Graph 4:



Graph 4: different groups targeted by ALMPs



Source: meta-analysis, 2023. Database: general data

As the blue bars in the graph above show, youth and women were the most frequent beneficiaries of ALMP programs. A total of 31 studies have examined measures designed to improve young women's job opportunities. Next in the overall sample are analyses focusing on programs for young men, at 25 papers. Another significant share of research is focused on programs to remove labor market barriers for marginalized groups,⁶ with 19 studies.

A larger number of studies focus on analyzing the situation of women over age 30 than those focusing on that of men over 30 (9 versus 5 documents). This situation, together with the greater share of studies focusing on young women rather than young men, suggests that one line of ALMPs focuses on achieving equal labor conditions for women. We only found three research papers that document ALMP experiences that target people over age 50.

For Latin America and the Caribbean, we find a similar pattern: youth—both men and women—received the most attention when implementing ALMPs. Marginalized groups were the second-most researched. We found no research into policies for people over age 50 in the region.

The table below presents a more specific analysis of the type of program and target population of each measure:

6: Subgroups classified as vulnerable or marginalized include people living in poverty, people living in remote areas, and migrants.



Table 4: type of program by target group, for the entire database

	Young men	Young women	Men	Women	People over age 50	Groups with additional challenges
Training programs	16	19	3	5	1	13
Employment subsidies	6	9	1	3	2	3
Job search assistance programs	7	8	1	2	1	6
Programs for entrepreneurs	1	3	0	2	1	3
Tax incentives	4	4	1	1	1	0
Incentives or services for businesses	0	0	0	0	0	0
Access to credit	0	0	0	1	0	1
Public-sector job creation	0	0	0	0	0	0
Promoting the formal registration of businesses	0	0	0	0	0	0
Labor reform	0	0	1	0	0	0
Others	2	3	0	1	0	4

Source: meta-analysis, 2023. Database: general data

Table 4 shows which types of programs are most frequently implemented for specific population groups. Our analysis encompasses documents that may focus on different subgroups or on the general population, without any specific group. The subgroups in our database are young men and women, men, women, unemployed people, people over age 50, people enrolled in a social employment program, and marginalized groups. Below, we focus on the groups shown in Table 4.

Papers that evaluate training programs for young men and young women are the most numerous, at 16 and 19 studies, respectively. There is also a significant number of documents (13) on this type of program for marginalized groups. Various types of ALMPs have been implemented for young men and women, including employment subsidies, job search assistance, support for entrepreneurs, and tax incentives.

For men specifically, training programs were implemented three times, employment subsidies once, and job search assistance and tax incentives once each as well. Women were targeted by a greater number of programs in the same categories as those implemented for men, in addition to programs for entrepreneurs and access to credit. For people over age 50, a fewer but significant number of programs were implemented, in the categories of employment subsidies, training programs, support for entrepreneurs, job search assistance, and tax incentives.

Table 5 shows the evidence exclusively for Latin America and the Caribbean.



Table 5: type of program by target group, Latin America and the Caribbean

	Young men	Young women	Men	Women	Groups with additional challenges
Training programs	5	5	1	2	4
Programs for entrepreneurs	0	0	0	1	1

Source: meta-analysis, 2023. Database: general data

Fewer programs targeting the groups listed in Table 5 were implemented in Latin America and the Caribbean, and only two types of programs were implemented for specific target populations. As the table shows, training programs were implemented specifically for each of the different groups, and entrepreneur support programs targeted women and marginal groups. The other types of programs implemented in Latin America and the Caribbean were not specifically designed for any of the five groups we include in this analysis. This table confirms that training programs are the type of program implemented most frequently in Latin America and the Caribbean, which matches the findings of other meta-analyses. It also reveals progress on implementing ALMPs, since Mazza (2002) describes how in past decades there was very little information about implementing and evaluating this type of program in the region.

A final point worth highlighting is that in the category of marginalized groups, there is evidence for population groups that are not usually evaluated. This category includes evaluations of people living in poverty, but our database includes research on immigrants, single mothers, and people with disabilities.

The research on immigrants includes Jahn and Roseholm (2013), which finds that job matching (job search assistance) benefits immigrants in Denmark. Meanwhile, Knoef and Van Ours (2016) shows that a job search assistance policy for single mothers can improve their labor market outcomes. This is the only document that addresses this issue for single mothers. People with disabilities are another group for which there is evidence on the effectiveness of ALMPs, although our database only includes a single paper for this subgroup (Jiménez-Martín et. al, 2019).

Despite these evaluations for groups not often evaluated as part of ALMPs, it is important to stress that there are still knowledge gaps. There is little to no research that effectively evaluates the results of programs targeting Indigenous people; LGTQB+ people; and, for Latin America and the Caribbean, people over age 50. Although we found programs mentioned previously in other meta-analysis studies, the gap centers on which groups have been targeted for program implementation and evaluation.

Conclusions

In our review of the different studies that analyze and evaluate the effectiveness of ALMPs around the world and in the region, we find a pattern of programs commonly targeting certain specific groups: women, men, and youth. But our review and data show very little research on other groups such as people with disabilities, single mothers, and migrants. There is also no evidence of evaluations of the effectiveness of ALMPs on labor outcomes specifically for Indigenous or LGTQB+ people, who also face labor-related discrimination and barriers, as noted in the literature (see, for example, Badget et. al, 2021 and IDB, 2021). One reason for the lack of ALMP evaluations and studies for these groups could be that few or no programs that are focused on these populations have been implemented.



There are also other gaps that need to be closed in the region. As Escudero et al. (2019) notes, training programs, especially for young people, have predominated in Latin America and the Caribbean and have often achieved good results. But there is still space in the region to try other types of programs for different groups. An example is the Indigenous population, which makes up an estimated 10% of this region's population and has seriously limited employment opportunities (Duryea and Robles, 2016).

Is important to consider the historical and political context of each country and region when assessing ALMP gaps. The unique characteristics of each nation influence how these programs are implemented, analyzed, and evaluated, which in turn helps determine which type of program to apply, what groups to target, and what results to expect. For example, in Latin American and Caribbean countries with a significant Indigenous population and high poverty levels, very few programs center specifically and exclusively on these groups to enhance their employability, income, employment quality, and other labor market outcomes. Our analysis shows that these programs often focus on vulnerable youth (those living in poverty) rather than on everyone living in impoverished households. This tendency can add to the persistent gap in knowledge about ALMP evaluations because it leaves out of programs other groups with additional challenges.

Another aspect of ALMP that is relevant in the region is the possibility of combining programs. According to the database use for this analysis, policies with a single intervention are the most common in Latin America and the Caribbean. But the region could benefit from implementing interventions composed of different types of policies, which have proven effective in other regions. This could expand access for people with different characteristics or from different groups who face serious difficulties in the labor market, whether in gaining employment, achieving formal employment, or increasing their income. More diverse programs could also benefit groups like LGTQB+ people, for whom so far there is little evidence on the effectiveness of ALMPs.

A gap related to the generation of qualitative knowledge that explains why some programs were not fully effective, was identified. For example, the ineffective results could be a design issue, a problem with the targeting of the program, or perhaps related to the size of the labor market in the region where it was planned to be implemented. Having qualitative studies on the lessons learned from the programs would allow for improved implementation of future programs to avoid repeating the mistakes that lead to null results in some ALMPs.

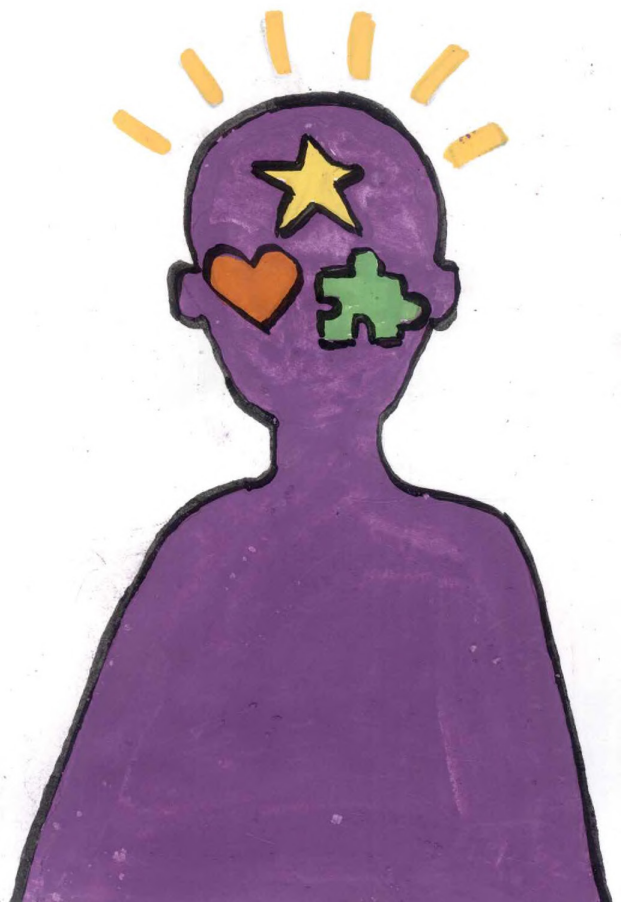
In short, while ALMPs are effective tools for improving the labor market outcomes of groups that face these limitations, there are still aspects that require work. Designing policies that target a large number of marginalized populations—like Indigenous people living in rural areas, people with disabilities, single mothers, and LGTQB+ people—could open the door to creating programs that combine different measures, like training, subsidies, and job matching. This will allow more people to benefit from these measures and enjoy better labor conditions, enhancing the development of individuals and the region as a whole.



Summary

Empirical studies on evaluations of Active Labor Market Policies (ALMPs), such as training programs, job search assistance or guidance, employment subsidies, and entrepreneurship promotion, show that these are effective in improving labor market integration, increasing income, enhancing productivity and skills, and facilitating the formalization of small businesses. Additionally, on several occasions, these programs have also proven effective in increasing the likelihood of employment and income, particularly for youth and women. However, knowledge gaps regarding the effectiveness of ALMPs still persist, which have not been fully addressed and are explored in this document.

Among these gaps, the lack of evidence on the outcomes of these programs for groups with additional challenges stands out, such as people with disabilities, indigenous and Afro-descendant communities, migrants, and LGBTQ+ individuals. Furthermore, many studies do not consider that the effectiveness of ALMPs may be influenced by the specific characteristics of labor markets in different regions. Finally, in cases where programs are not effective, more qualitative knowledge is needed to provide lessons learned, which can be considered when implementing future programs to improve the effectiveness of ALMPs.





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