

Active labour market policies

Active labour market policies (ALMPs) are government programmes that intervene in the labour market to help the unemployed find work. Many of these programmes grew out of earlier public works projects, particularly those implemented under the New Deal, designed to combat widespread unemployment in the developed world during the interwar period. Today, academic analysis of ALMPs is associated with economists such as Lars Calmfors and Richard Layard.^{[1][2]} Demand-side policies are policies used by the government to control the level of Aggregate demand (AD).

Active labour market policies are prominent in the economic policy of the Scandinavian countries, although over the 1990s they grew in popularity across Europe. Notable examples include the New Deal in the UK and many welfare-to-work programmes in the US.

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Program types

There are three main categories of ALMP:

- *Public employment services*, such as job centres and labour exchanges, help the unemployed improve their job search effort by disseminating information on vacancies and by providing assistance with interview skills and writing a curriculum vitae.
- *Training schemes*, such as classes and apprenticeships, help the unemployed improve their vocational skills and hence increase their employability.
- *Employment subsidies*, either in the public or private sector, directly create jobs for the unemployed. These are typically short-term measures which are designed to allow the unemployed to build up work experience and prevent skill atrophy.

The politics of ALMPs

A number of authors^[3] have argued that countries with stronger left wing political parties and trade unions have more developed ALMP. On the other hand, social democratic parties may not promote ALMP if their constituents are well protected workers and hence face little risk of being unemployed.^[4] More recently, the notion that different types of ALMP have similar political determinants has been contested.^{[5][6]} In the United States and Great Britain, fragmented and under-resourced ALMPs have been attributed as a factor in the rise of populist backlash politics in the Rust Belt and post-industrial northern England during the mid-2010s.^{[7][8][9]}

See also

- Earned income tax credit
- Job guarantee
- Mixed economy
- Social protection#Labor market Interventions
- Trade Adjustment Assistance
- Welfare capitalism
- Active Labor Market Policies in Denmark

References

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Further reading

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- Robinson, P. *Active labour-market policies: a case of evidence-based policy-making?*, Oxford Review of Economic Policy, Volume 16, No. 1, 2000

External links

- [OECD – Active Labour Market Policies: Connecting People with Jobs \(https://www.oecd.org/employment/activation.htm\)](https://www.oecd.org/employment/activation.htm)
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