

## Getting young people into work: A challenge and an opportunity

*In Latin America, 60 per cent of the population is aged below 30, and young people make up 40 per cent of the continent's 100 million poor. So developing and utilizing these youngsters' potential is a social responsibility. This opportunity won't be knocking twice in the region, at least not during the 21st century. Clearly, young people are not the problem. They are the solution.*

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Young people are an asset, invaluable partners for economic and social development, bringing creativity, enthusiasm and leadership to the table.

High-Level Panel of the Youth Employment Network<sup>1</sup>

**W**ork and employment have many different implications for young people, the most relevant factors being the shaping of their social identity, the way in which they organize their day-to-day living inside and outside the home, their independent development, self-esteem, income, present and future access to social protection, chances of finding their own accommodation, and socio-economic and political citizenship. So the integration of young people into the world of work is also key to greater social equality. A loss of employment leads to exclusion and segregation, while increasing civil and social insecurity. Unemployment causes frustration because it makes it impossible to develop an independent life plan or to be part of a culture of work and, ultimately, of dignity.

The lack of access to decent work for young men and women is a two-fold problem as, on the one hand, society deprives itself of the contribution that they could have made to growth and development and, on the other, these young people lose the opportunity of being able to count on

basic social protection. They are therefore doubly excluded.

At the same time, when it comes down to it, the development of nations depends not so much on the quantity of natural resources at their disposal as on their human and cultural heritage and on their people's ability to generate wealth and to share that wealth equitably, thus creating the conditions for well-being.<sup>2</sup>

The unfair practice of excluding young people, as well as being ethically unacceptable, is macroeconomically inefficient, as real development means ensuring the well-being of "ordinary people", by placing it at the centre of economic and political action rather than concentrating on the artificial priority of balancing the macroeconomic books.

The challenge for all societies is to generate sufficient opportunities for all young people to obtain decent and productive work in conditions of freedom, equity, security and human dignity, a working life that makes full use of their talents, abilities and aspirations. This challenge is enormous.<sup>3</sup>

Employment policies and programmes have often fallen into the conceptual trap of generalizing, of not identifying the various differences within the economically active population, as regards gender, age, socio-cultural background, discriminatory factors, etc. This abstraction has meant that such efforts have been relatively inefficient. In fact, if account is not taken at the very least of the specific traits of youth unemployment and gender equality, employment policy cannot be effective.

The perception of access to decent work and high-quality employment may be seen as a result of the conjunction of economic and social policies and as an objective which informs and guides them. Up to now, the first focus has taken precedence, and its results have contributed little to equitable development. Thus, social and labour policies have tended to be seen as compensatory or conflict-limiting and not as fundamental components of the democratic development model and of its governability.

Youth unemployment is not a short-term phenomenon governed by economic ups and downs. Rather, it is structural. So if this problem is to be overcome, brief, occasional programmes are not enough. Micro, meso and macro policies have to be integrated, and this entails making structural changes to the development model adopted.

There is something inconsistent about setting the age of majority at 18 while refusing to recognize young people's ability to participate in the definition of employment policies. The region now has the opportunity to strengthen young people's participation by recognizing them as social protagonists and as interested parties in the construction of future society, while at the same time bringing about a change in the focus of the political agenda, based on policy integration rather than fragmentation and on avoiding the subordination of social policy to economic policy.

Generating youth employment opportunities is also a strategic option, to break the vicious circle of poverty and exclusion in which millions of young people are trapped today.

## Youth employment in the region

The employment situation in the region has various characteristics. In what follows, we will highlight some of the most significant ones, in order to give an outline of the situation.

The participation rate of young men and women in the urban economically active population varies according to both gender and country. For men and women together, it ranges from 33.6 per cent in Chile to 64 per cent in Guatemala (see table 1).

This characteristic of the general population also affects levels of employment and unemployment among young people, and it is a basic factor that should be taken into account in plans and programmes aimed at the young, especially as the region has a high level of population concentration in

**Table 1. Participation rate of urban youth in economic activity, by gender, 2002 (specific rate<sup>a</sup>)**

Country	Age group: 15-24		
	Both sexes	Men	Women
Argentina	41.4	48.2	35.1
Bolivia	44.5	50.9	38.8
Brazil	61.7	70.6	53.0
Chile <sup>b</sup>	33.6	39.1	28.1
Colombia	55.5	60.8	50.9
Costa Rica	47.3	56.7	37.3
Ecuador	50.0	59.7	40.2
El Salvador <sup>c</sup>	45.3	57.3	34.6
Guatemala	64.0	74.5	54.4
Honduras	49.4	63.3	37.8
Mexico	47.9	59.3	36.5
Nicaragua <sup>c</sup>	55.1	71.7	39.9
Panama	49.0	58.3	39.4
Paraguay <sup>b</sup>	59.0	68.1	50.7
Peru <sup>c</sup>	50.6	56.4	44.9
Dominican Republic	53.3	61.7	44.8
Uruguay	55.2	63.4	47.0
Venezuela <sup>d</sup>	54.8	67.2	42.0

<sup>a</sup> The economically active population within a given age and gender group as a percentage of the total population in the same age and gender group. <sup>b</sup> In 2000. <sup>c</sup> In 2001. <sup>d</sup> Nationally.

urban areas. It is estimated that by 2005, 76.5 per cent of the population of Latin America and the Caribbean will be urban, and this figure could reach 79.1 per cent by 2015.

Generally, strategies and policies for the creation of sustainable employment do not take account of young people in the rural sector.<sup>4</sup> Moreover, the opening of Latin America's markets to external trade, the development of para-tariff barriers affecting the region's exports, technological and organizational change, and changes in consumption patterns for agricultural products have all led to lower demand for labour in the rural sector. This has perpetuated the causes of the migratory flows to the urban areas and abroad, which in turn could help to deepen these countries' dependence as far as food supplies are concerned.

In all countries, youth unemployment is higher than for the economically active population as a whole. This is an irrefutable fact which everyone is compelled to recognize.

The dynamics of youth unemployment are complex and diverse. Thus, according to ILO figures for 2002-2003 (see table 2), the youth unemployment rate increased in Argentina and Chile, whereas total unemployment went down during this period. In other cases, such as Costa Rica and Peru, youth unemployment declined more than unemployment as a whole. In countries such as Brazil, Mexico, Uruguay and Venezuela, youth unemployment showed a stronger dynamic than the overall jobless rate.

Unemployment is of a different magnitude in each country. However, in most of them, the trend is upwards. If we take as our reference point the data available for 2003, we may state that youth unemployment was between 1.53 and 3.32 times higher than total unemployment.

As ILO Director-General Juan Somavia has pointed out, "the fact that young people are the most affected by unemployment and that, in addition, the majority of those affected come from poor families, creates a vicious circle of poverty which is passed on from one generation to another, thus cancelling out the traditional mechanisms for poverty reduction".<sup>5</sup>

The greatest concentration of youth unemployment is in the unstructured sector of the economy. This is because that sector contains the most dynamic activities, but it is also due to a number of other factors, such as the vulnerability of the Latin American economies and their dependence on movements in the international economy; the reduction in the region's capacity to generate jobs in the industrial, manufacturing, rural and public sectors; a lack of competitiveness, combined with the accelerated opening up of the region's economies and the adoption of labour-saving new technologies.

### Informal economy

The informal economy has grown steadily. In 1990, it accounted for 42.8 per cent of the active population, and had risen to 46.5 per cent by 2002.<sup>6</sup> Over the same period, according to ILO figures, out of every 100 new jobs created, 66 were in the informal economy.<sup>7</sup> Such jobs do not qualify as "decent work", as they are not performed in safe conditions, nor do they meet the criteria for incomes, social protection, respect for trade union freedoms and other necessities of human development.

In the formal economy, young men and women are for the most part in insecure, tertiarized jobs. It is mainly young people who have been hired on the terms that have come to prevail in the region following the flexibility-oriented, deregulatory reforms of labour relations.<sup>8</sup> Thus, when young people do find work in the formal sector, it is generally in subcontracted, casual or temporary jobs, without registration as employees, which is why some social protagonists call these arrangements "junk contracts" or working "on the black".

Some youth employment programmes have promoted atypical forms of contract – in other words, with reduced labour rights or social rights. While this may enable young people to gain work experience, it does not allow them to become fully integrated.<sup>9</sup>

**Table 2. Total unemployment and youth unemployment in nine Latin American countries, 1990-2003**

Country and economically active population	1990		1995		2000		2003*	
	Rate	Times higher than total	Rate	Times higher than total	Rate	Times higher than total	Rate	Times higher than total
<b>Argentina</b>								
Total	7.3		18.8		15.4		16.4	
age 15-19	21.7	2.97	46.8	2.48	39.5	2.56	51.2	3.12
age 15-24	15.2	2.08	30.1	1.60	...		...	
<b>Brazil</b>								
Total	4.3		4.6		7.1		12.4	
age 15-17	...		11.0	2.39	17.8	2.50	37.9	3.05
age 18-24	...		9.3	2.02	14.7	2.07	23.5	1.89
<b>Chile</b>								
Total	7.4		6.6		9.2		8.9	
age 15-19	15.9	2.14	15.8	2.39	26.1	2.83	29.6	3.32
age 20-24	12.0	1.62	10.1	1.53	20.1	2.18	20.0	2.24
<b>Colombia</b>								
Total	11.0		8.7		20.5		16.3	
age 12-17	...		21.0	2.41	33.3	1.62	30.7	1.88
age 18-24	...		16.6	1.90	32.4	1.58	33.2	2.03
<b>Costa Rica</b>								
Total	5.4		5.7		5.3		6.7	
age 12-24	10.4	1.92	13.5	2.36	10.9	2.05	14.5	2.16
<b>Mexico</b>								
Total	2.7		6.3		2.2		3.2	
age 12-19	7.0	2.59	13.1	2.07	5.4	2.45	8.2	2.56
age 20-24	...		9.9	1.57	4.0	1.81	6.4	2.00
<b>Peru</b>								
Total	8.5		7.9		7.0		9.4	
age 14-24	15.4	1.81	11.2	1.41	17.1	2.44	14.4	1.53
<b>Uruguay</b>								
Total	9.2		10.8		13.9		17.4	
age 14-24	26.6	2.45	25.5	2.36	31.7	2.28	40.1	2.30
<b>Venezuela</b>								
Total	11.0		10.3		13.9		18.9	
age 15-24	18.0	1.63	19.9	1.93	25.3	1.82	31.3	1.65

\* Figures for third quarter.

Source: Compiled by the author from ILO data, *Labour Overview 2003*.

The vulnerability of young men and women, as regards access to stable employment, puts them at a disadvantage when exercising their right to organize freely in trade unions, as when they try to unionize, they are dismissed. Within the

region, anti-union discrimination is the most frequent violation of the principles and rights enshrined in ILO Conventions Nos. 87 and 98.<sup>10</sup>

Although young men and women now have above-average educational levels

**Table 3. Overt urban unemployment rate, by gender and years of education, 2002<sup>a</sup> (average annual rate)**

Country	Gender	Years of education				
		Total	0-5	6-9	10-12	13 or more
Argentina	Both sexes	17.9	17.9	19.7	19.7	13.3
	Men	17.8	22.2	20.1	17.4	12.4
	Women	18.0	10.6	18.8	22.8	14.0
Bolivia	Both sexes	6.4	4.2	7.3	7.5	7.0
	Men	5.2	4.0	5.9	6.0	4.6
	Women	7.9	4.4	9.2	9.8	10.0
Brazil	Both sexes	10.4	8.7	13.8	11.9	4.5
	Men	8.4	7.2	11.0	9.3	4.0
	Women	13.0	11.3	18.0	14.6	4.9
Chile <sup>b</sup>	Both sexes	10.6	12.4	13.2	11.4	6.6
	Men	9.9	12.8	13.3	9.7	6.0
	Women	11.7	11.5	13.0	14.1	7.4
Colombia	Both sexes	17.3	13.1	19.3	21.1	16.1
	Men	14.9	11.5	16.9	17.6	14.5
	Women	20.1	15.4	22.2	24.9	17.6
Costa Rica	Both sexes	6.8	9.8	8.5	6.2	3.4
	Men	6.1	11.2	7.3	4.6	2.8
	Women	7.8	7.1	10.5	8.4	4.1
Ecuador	Both sexes	9.1	7.5	9.4	11.1	7.3
	Men	5.8	6.1	5.7	6.6	5.0
	Women	13.9	9.4	15.8	17.2	10.3
El Salvador <sup>c</sup>	Both sexes	7.0	7.1	7.0	8.7	4.4
	Men	8.8	9.9	8.9	10.1	4.5
	Women	5.0	4.3	4.2	7.1	4.2
Guatemala	Both sexes	6.0	2.0	7.0	9.1	6.9
	Men	5.2	1.5	5.8	8.2	5.8
	Women	7.0	2.6	8.8	10.3	8.8
Honduras	Both sexes	6.0	4.8	6.1	7.6	5.9
	Men	6.3	5.8	6.5	7.1	5.6
	Women	5.7	3.3	5.6	8.0	6.3
Mexico	Both sexes	3.4	2.1	3.1	4.3	4.2
	Men	3.9	3.1	3.6	4.6	4.4
	Women	2.6	0.5	2.3	3.8	3.9
Nicaragua <sup>c</sup>	Both sexes	12.5	8.7	14.3	16.6	11.5
	Men	13.2	9.1	15.4	19.5	9.8
	Women	11.7	8.0	12.5	14.1	13.6
Panama	Both sexes	19.4	40.3	19.1	20.2	13.2
	Men	16.5	34.1	16.9	16.2	9.9
	Women	23.5	49.7	23.4	25.5	16.1
Paraguay <sup>b</sup>	Both sexes	10.2	8.5	10.8	12.6	7.4
	Men	9.7	8.4	10.7	12.4	4.7
	Women	10.7	8.7	11.0	12.8	9.9

**Table 3. (continued)**

Country	Gender	Years of education				
		Total	0-5	6-9	10-12	13 or more
Peru <sup>d</sup>	Both sexes	7.2	5.2	6.4	9.3	6.5
	Men	6.8	5.8	6.3	8.3	6.0
	Women	7.6	4.7	6.5	10.9	7.3
Dominican Republic	Both sexes	16.8	12.8	19.1	19.8	14.5
	Men	11.1	9.4	12.7	12.6	9.1
	Women	24.5	19.4	29.1	28.1	19.6
Uruguay	Both sexes	16.9	13.2	19.1	17.8	12.2
	Men	13.4	10.6	15.1	13.3	10.2
	Women	21.1	18.3	25.3	22.7	13.8
Venezuela <sup>d</sup>	Both sexes	16.2	13.4	16.6	18.0	15.7
	Men	14.4	12.7	15.1	14.9	14.1
	Women	18.8	14.9	19.4	21.9	17.1

<sup>a</sup> For those aged 15 or over. <sup>b</sup> Refers to 2000. <sup>c</sup> Refers to 2001. <sup>d</sup> Nationally.

compared to the economically active population as a whole, the high unemployment levels and the use of new technology tend to mean that employers are looking for higher qualifications and greater work experience in job candidates.<sup>11</sup> Young people do face less gender-based discrimination in access to employment than do older age groups,<sup>12</sup> a sign of a trend towards greater equality of opportunity in employment. Nevertheless, women – including young women – do on average have higher unemployment rates, whatever their educational level, except in cases like El Salvador, Honduras, Mexico and Nicaragua, where they are in a more favourable position. Other trends are less clear.

As may be seen from table 4, a large proportion of young people, even those with educational levels above the national average, have had to seek refuge in the informal economy in order to find a job and reach a certain income level, albeit precarious. We may therefore conclude that employment levels do not depend solely on educational levels, as has sometimes been claimed in connection with the concept of “employability”, although we do of course

recognize the importance of education to decent work and human development.

### Opportunities

Turning to other matters, we should note that the region is experiencing a demographic transition which opens up new historic opportunities. While the fertility rate is going down, the proportion of people of working age is rising. In this respect, women are in a special position. This advantage is temporary, as it will later mean an increase in the proportion of retirees, with all that that entails in terms of social responsibilities.

Nonetheless, the rate of growth of the young population has been greater than the capacity to create jobs in general and, more particularly, decent jobs. Thus, youth unemployment has increased and has become a major obstacle to development. This political, social and economic impasse demands a new focus, a redefinition of public policies and the building of a new social consensus which gives priority to decent work and high-quality employment.

**Table 4. Youth unemployment and informal employment, by educational level (age 15-24), 1990-1999**

Year	Informal youth employment as percentage of non-agricultural employment				Breakdown of informal youth employment (does not add up to 100, due to non-declaration)			
	Total	Years of education			Total	Years of education		
		0-5	6-9	10 or more		0-5	6-9	10 or more
1990	42	52	38	30	100	47	41	10
1999	47	63	48	33	100	26	53	19

Note: Figures calculated on the basis of 11 countries representing 78 per cent of Latin American economically active population.

Source: Compiled by CEPAL on the basis of ILO statistics from 2000.

### Policies and initiatives to date

The challenge of youth unemployment has called for various alternative responses. These take different forms, as regards, for example, the extent of young people’s participation in drawing up the programmes; the type of authority that controls them; the degree of linkage between institutions; and the major focuses (for instance, reinsertion into the education system, occupational training, employability, intermediation with the labour market, etc.). Account should also be taken of the programmes’ geographical scope (usually urban), their duration and their coverage or outreach.<sup>13</sup>

The youth employment programmes undertaken in the region, despite all the efforts made, have not been sufficient to contain or reverse the regional trends towards unemployment and the casualization, tertiarization and informalization of employment, as the data referenced in the previous section show. In general, the opportunities provided through the programmes reduce or restrict income, the work is temporary and sometimes the young men and women are excluded from social protection, hence constraining their right to unionize and to collectively negotiate their employment conditions. All in all, this helps to promote greater flexibilization of the labour market. The

arguments advanced for this are a lack of training, a lack of work experience and the cost of labour, although the validity of these points may be questioned.

In the approaches tried to date, deficits may be observed as regards policy integration and linkages between institutions. To tackle the challenge of providing jobs for young men and women, it is necessary to redraw employment policies, as regards their quantitative content but also in terms of the quality of the jobs to be generated and of improving what already exists. Dealing with the problem of youth unemployment requires social solidarity and a clear commitment to an alternative model of social development based on the principle of decent work for all, regardless of age, gender, social origin, etc.

Below are some points that could be discussed with a view to drawing up an agenda for the integration and reassessment of youth employment policies.

### Participative governmental management

To overcome the fragmentation of policies and programmes at the various levels of government, inter-institutional spaces need to be created within government structures and, through social dialogue, the participation of the socio-economic

and political actors should be sought in building consensus on a plan for the kind of nation they want.

The return to democracy has, basically, taken place in electoral terms, but not very much in the social and economic spheres. This is why we face the apparent contradiction that many people prefer strong-arm governments, as long as they provide an effective solution to problems concerning employment, public safety and access to other social goods that are necessary for human development.

Young people generally do not have access to national bodies for consultation and dialogue. The reasons for this are their low organizing rate and the fact that they are not put in touch with, nor do they put themselves in touch with, the actors of national society and production. This is why governments should make an effort to facilitate organizing among young people and to include them in the processes of consultation and dialogue.

The integration of policies is achieved through the building of consensus and through a politico-institutional re-articulation which is part of a project for the nation to which the social and economic actors are committed, so as to act in coordination and solidarity.

### **The State as market regulator**

The free interplay of market forces does not lead to full employment, neither to higher-quality employment, nor to a more equitable distribution of the benefits generated both by production and by the international marketing of products. To achieve that requires that the State serve as a regulator of the market, as a guarantor of the fulfilment of the consensual social and economic objectives, so that in this way it may contribute to the development that society demands.

Market distortions include the segregation of whole regions within countries, producing dynamic poles in some places but paralysis in others, where conditions of poverty and destitution remain and even

increase. This breeds the conditions for social conflict and ungovernability.

### **Savings and productive investment**

To generate and promote new employment opportunities, private and public productive investments are needed. But various countries in the region are carrying heavy financial commitments, due to the rise in their foreign debt and the costs of servicing it. Thus, Latin America today is a net exporter of capital, which is precisely one of the resources most needed by the countries of the region in order to make productive investments within their territories. The situation would be even more serious were it not for the remittances sent back by migrant workers, who are getting younger and younger and have educational levels above the average in their countries of origin.

The capital flows resulting from the growing number of incentives (legal, political, institutional and others) granted in order to attract foreign investment have been insufficient, and part of them has gone into buying firms rather than generating new jobs. In the game of attracting productive investors, there are now some big competitors, with China leading the field. Many export-processing firms have moved there, putting mainly young people and women out of work.

National savings capacities are being reduced, chiefly because the higher income groups are placing a large part of their wealth outside their countries of residence and the profits from the most dynamic enterprises are being transferred to the developed countries. Risk financing of productive ventures is not being undertaken by the banking system, partly due to the interest rates.

### **National economic integration**

The region has an irregular heartbeat and is unable to achieve growth rates<sup>14</sup> sufficient to absorb the arrival of new contingents of young workers on the labour

market and to reduce the present deficits. Growth in international trade is said to be an indispensable precondition for creating the employment needed in the region. That argument is basically sound for the sector linked to external trade, but not for the rest of the economy in these countries.

The international trade of most Latin American countries is strongly concentrated and dependent on the United States, and this situation is tending to intensify, due to the bilateral or multilateral free trade agreements that have been signed without establishing cooperation mechanisms to compensate for asymmetries or to drive forward the productive conversion needed. The lack of business diversification is an economic vulnerability factor which impacts on the ability to generate work and employment opportunities.

On the other hand, the biggest global and regional commercial exchanges are between units of the same multinational corporations. This limits their impact on national economies and on the creation of new opportunities for decent employment.

The case of the maquiladoras and the export processing zones, which showed great dynamism over the past decade and which mainly provide work for young people, is a typical example of the lack of joined-up production. One of the declared aims of promoting them was to galvanize the national productive apparatus through the subcontracting of goods and services, but such supply contracts have been few and far between. If we exclude electricity, water, sanitation and telecommunications, national suppliers have provided less than five per cent of the product content. And within that percentage, the biggest item is packaging.

Economic policy ought to achieve a happy balance between the home market and the external market, as well as better integration of the national productive apparatus, but in most of these countries it is fragmented and dislocated. So, properly oriented national economic integration is required in order to increase competitiveness.

## Reactivating agriculture

Agriculture is not a thing of the past. Countries like Chile have managed to reactivate and modernize this sector which provides the country with important resources and employs more than 457,000 people. A big proportion of them are women and young people. The countryside is potentially a generator of jobs, goods and provisions, as well as a pole of development and of the combat against poverty. In the recent negotiations at the WTO, an historic agreement was reached. In the view of the organization's Director-General, Dr. Supachai: "For the first time, member governments have agreed to abolish all forms of agricultural export subsidies by a certain date. They have agreed to substantial reductions in trade-distorting domestic support in agriculture."<sup>15</sup> It may therefore be hoped that agricultural production will be reactivated in the countries of the region.

The creation of rural infrastructure (dams, irrigation networks, roads, silos, etc.) is another opportunity to generate jobs in the rural areas and to promote development and economic integration, and young people could participate on favourable terms in this field.

## Technological development

The advent of new technologies has further deepened the existing dependence, since these technologies were developed and patented in developed countries and are mainly owned by the multinationals. Over the past decades, demand for new technologies has taken off and has contributed to the creation of new jobs. However, most of these jobs are in the developed countries, although they are now tending to be distributed more and more widely, given the growing internationalization of the production processes controlled by the corporations.

New technologies are generally labour-saving, but this does not mean that they should be rejected. Rather, the aim should be an active policy of appropriating and

developing their applications, thus exploiting nationally the advances that they often bring.

## Opening and competitiveness

There is no doubting the importance of integrating countries into the globalization process, thus redefining their position in the concert of nations and giving them access to new, socially necessary goods and services. However, opening up without being competitive, or without clearly formulated programmes to become so, has resulted in significant job losses in various sectors, reducing opportunities to obtain or retain work, whether decent or otherwise.

To increase competitiveness, the option generally taken has been to reduce costs, particularly labour costs, by reforming standards or imposing on labour relations elements of deregulation and flexibility in relation to hiring and firing but also to working conditions. To a great extent, this has lowered the quality of jobs while at the same time reducing access to employment. Aiming for competitiveness in this particular way has had negative consequences for young people.

So any policy on market opening and on trade areas should include, as a factor of feasibility and assessment, a balance sheet of its impact on the creation of decent employment and work.

## Linking education policy and vocational training

### *Education policy*

As regards education policy per se, various elements need to be reconsidered as a matter of priority: although there have been significant advances in educational coverage in recent decades, illiteracy rates are still high; drop-outs and poor attendance are still widespread; the quality of education and the relevance of training – with respect to the labour requirements of the

production process and developments in that regard – should be the subject of a process of dialogue and strategic social consensus.

It is worth noting that, as long as they are in the education system, people generally do not join the economically active population,<sup>16</sup> so this is not only an indispensable phase of training but also an effective way of containing premature entry into the labour market.

### *Vocational training*

For the moment, we will consider only training for work and not training at work. On the one hand, few countries have an integral and integrated system to which people of working age have access. On the other hand, some countries have been taking concrete steps to link up the (technical and technological) education system with vocational training, as part of the standardization and certification of labour skills, and this is one of the options.

One thing that youth employment promotion programmes have in common is that they weigh the options for giving young people access to vocational training, which is a wise move. Also seen as a good thing is the promotion of young entrepreneurs, although this is quantitatively much more limited. The most successful schemes have been those that link training with job placement.<sup>17</sup> As V. Tokman points out, the most relevant indicator of success, in this context, is placement after the programme.<sup>18</sup>

In some countries, such as Argentina, Chile and Uruguay, education policies and vocational training have targeted young people from poor backgrounds, primarily through bursaries. This is a significant move, even though it remains inadequate, given the extent of the problem.

In some countries, it is legally possible to opt for apprenticeship contracts as a mechanism for placing and training young workers. Such contracts have caused controversy, as they have been subject to abuse and falsification, to the detriment of

those working under them. So experience has shown that it is useful to keep a register of such contracts and follow up with strict checks.

The call for a knowledge-based society and the demands on training for employment mean that the population must have access to permanent high-quality education and training.

### **Full intermediation in the labour market**

Intermediation in the labour market is evolving into a fully-fledged service which helps to ensure the transparency of labour supply and demand, provides vocational guidance, evaluates job search strategies and encourages targeting and focus within the vocational training on offer, be it private, public or mixed. Achieving such integration would help to overcome a deficit in labour policy.

Intermediation in the labour market is asymmetric in terms of its nature, integration, geographical coverage, segments of the population reached, provision without charge to the user, etc. The majority of employment services are active within the urban areas. Exceptionally, they respond to the demand for certain types of rural employment, usually when major infrastructural work is being carried out or export-oriented cultivation is being expanded.

So truly national coverage of all sectors is an aim that should be pursued with greater urgency, not least because of the growing sectoral and social impact that the integration processes may have on labour dynamics and labour markets.

### **Social distribution of working time**

This is really a political decision which has a bearing on people's access, and particularly young people's access, to work. Today, we are going through the third scientific and technological revolution, which has considerably reduced the

time socially needed for the production of goods and services in all fields. Nevertheless, the length of the working day has remained the same as that achieved in the first half of the last century in the Latin American countries. In fact, many people are putting in extra hours in order to boost their meagre incomes. Obviously, this only aggravates the situation as far as job opportunities are concerned.

In some countries, such as Brazil, the trade union movement is launching a campaign to reduce the maximum legal working hours per day; other countries, such as Peru, have adopted a policy setting the daily maximum at eight hours. This may seem contradictory, but it has nothing to do with the reality experienced by the workers.

This political decision is also related to the question of unemployment insurance, of which there is little in the region. Where it does exist, coverage is minimal, as it is designed to protect those who lose formal employment.

So increasing employment opportunities in a country goes hand in hand with decision-making on how to distribute social working time and how to protect those who do not obtain it.

### **Conclusions**

It is our belief that these ten agenda items for the integration and reassessment of youth employment policies are compatible with the Recommendations of the High-Level Panel of the Youth Employment Network, approved by the UN General Assembly on 28 September 2001 and constituting a commitment, on the part of countries, which must be fulfilled. These points are also compatible with the draft Ibero-American Charter of the Rights of Youth,<sup>19</sup> which is in the process of adoption.

We are going through a demographic transition which gives the region a historic opportunity to integrate 100 million young people into productive life. If we do not seize that opportunity, there will

be negative repercussions when today's young people reach retirement age.

The policies and programmes undertaken in Latin America have mitigated the youth employment problem but have not halted the trend or reduced the extent of the exclusion to which young men and women are subject. The lack of employment also excludes them from social protection.

Social dialogue and participation by young men and women are the strategic route towards the consensus and cohesion needed in order to articulate policies and programmes fully targeted at young people and, in particular, to create the necessary opportunities for full, decent employment.

The governments that have been most successful in the fight against youth unemployment are those that have achieved greater integration of their policies and better coordination between institutions. These factors have promoted a cross-cutting approach to youth issues, with the participation of young people themselves.

Solidarity and social responsibility on the part of everyone concerned are a precondition for tackling the challenge of decent work for all.

## Notes

<sup>1</sup> Recommendations of the High-Level Panel of the Youth Employment Network, presented by the United Nations Secretary-General to the 56th session of the General Assembly. Document A/56/422, presented on 28 September 2001.

<sup>2</sup> In most countries of the region, the wealthiest 10 per cent receive between 40 and 47 per cent of total income, while the poorest 20 per cent receive a mere 2 to 4 per cent. This is undoubtedly one of the greatest obstacles to regional development.

<sup>3</sup> High-Level Panel of the Youth Employment Network, op. cit.

<sup>4</sup> Interamerican Development Bank. Report 1998-1999.

<sup>5</sup> ILO. 1999. *Trabajo decente y protección para todos: Prioridad de las Américas*, presentation by the Director-General to the 14th Regional Meeting of ILO Member States in the Americas (Lima), p. 34.

<sup>6</sup> ILO. 2003. *Labour Overview 2003* (Lima). It is important to note that, over this period, the participation rate for women was constantly higher than that for men, and was thus above the average.

<sup>7</sup> *ibid.*

<sup>8</sup> For a regional perspective on changes in standards, see Ciudad, Adolfo. 2002. *Reformas laborales y procesos de integración en los países de la OEA: 1980-2000* (Lima, Proyecto OIT-CIMT).

<sup>9</sup> cf. Tokman, Victor. 2003. *Desempleo juvenil en el Cono Sur: causas, consecuencias y políticas* (Santiago, FES), pp. 18 ff.

<sup>10</sup> In the period from June 1990 to 2004, the incidence of breaches related to anti-union discrimination was more than 32.73 per cent of the total. See the ILO/ACTRAV database QVILIS at [www.ilo.org.pe/qvilis](http://www.ilo.org.pe/qvilis)

<sup>11</sup> This destroys the expectation that education will guarantee social betterment, and it therefore does away with one of the preferred means of distributing well-being and social stability.

<sup>12</sup> ILO. *Labour Overview 2003*, op. cit. As regards experiences and results from programmes to promote employment with gender equality, youth job placement programmes in Argentina, Chile, Peru and Paraguay are cited.

<sup>13</sup> The Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR) has developed a major web feature on youth, training and employment. As well as descriptive sections, there are links to numerous practical examples. In Spanish: <http://www.cinterfor.org.uy/public/spanish/region/ampro/cinterfor/temas/youth/exp/index.htm> There is also an English version, but with different content: <http://www.cinterfor.org.uy/public/english/region/ampro/cinterfor/temas/youth/exp/index.htm>

<sup>14</sup> According to the figures in *Labour Overview 2003*, the average regional growth rate between 1994 and 2004 was only 2.3 per cent, and in three of the years concerned, it was less than 1 per cent.

<sup>15</sup> See the news item dated 31 July 2004 at: [http://www.wto.org/english/news\\_e/news04\\_e/dda\\_package\\_sum\\_31july04\\_e.htm](http://www.wto.org/english/news_e/news04_e/dda_package_sum_31july04_e.htm)

<sup>16</sup> ILO, op. cit. The economically active population is defined to include all persons who, having reached the minimum age specified, meet the requirements for inclusion in the category of persons who are in employment or who are unemployed. So it is the total number of the employed and unemployed.

<sup>17</sup> Examples are the Chilean programmes, as well as *Joven*, *Capacitar* in Argentina and *Pro Joven* in Uruguay.

<sup>18</sup> Tokman, op. cit., p. 31.

<sup>19</sup> See <http://www.oij.org/oij03.htm>