
INTRODUCTION

The aim of this study is to illustrate the relations between training, workers' skills, productivity and the growth of quality employment in Latin America societies through an analysis of the existing information and an examination of case studies of selected countries. We will focus on the evolution of these aspects in recent decades, especially in the period since the end of the 1980s.

The basic indicator for classifying countries in terms of labour force training levels and skills is the proportion of workers who have reached secondary or higher education,¹ and in this study we take skills to be the stock of the knowledge, abilities and attitudes needed for the world of work. The other basic indicator in our analysis of countries is productivity, which here is taken to be product divided by the amount of work involved in generating that product, that is to say annual product (GDP) per employed person. In both of these areas we will use data provided by the ILO (Table I.1).

THE COUNTRY CASES

We will present an overview of the region as a whole so it can be compared to other regions in the world, and to illustrate these relations we will focus in particular on the evolution and outcomes in some selected countries. These countries were chosen to reflect different educational and productivity levels, and we decided to centre our analysis on four, namely Argentina, Brazil, Chile, and Peru. Indicators for Argentina and Chile show relatively high rates of education, their education systems are mature and have been expanding for a long time, and they also have relatively high levels worker productivity. However, in recent years the economies of these

1 The indicator here is the percentage of people in a country with a certain educational level out of the total work force, and in this case secondary and higher education are the criteria.

two countries have evolved differently: Chile has enjoyed continuous steady growth while in Argentina periods of high growth have alternated with serious crises. Education has evolved differently in the two countries: in Chile there have been reform policies that transcended political changes, but in Argentina there have been considerable variations and a certain degree of geographical dispersion in education policies. In Brazil formal education indicators had always been low but in the 1990s there was an unprecedented move to expand enrolments, and the country now has a vocational training system that gives wide coverage and is of good quality. Brazil is an emerging country, and it cannot be ignored on the world level because of the sheer size and growth rate of its economy. A serious effort is being made to reduce poverty indicators and improve the quality of employment. The fourth case study is Peru: here the coverage provided by the educational system has been extended so much that today the country has high indicators for secondary and higher education. However, its productivity indicators remain low (see Tables A and B, and Annex 1).

The four countries we have selected vary in population size and volume of production, and Brazil and Chile are the two extreme cases. The populations of the selected countries are predominantly urban, which is the norm in Latin America, but the rates vary from 90% in Argentina to a little over 75% in Peru. In recent years, net secondary education rates have tended to converge but there is still considerable variation, between 81% in Chile at one end of the scale and 68.6% in Peru at the other. Lastly, according to CEPAL data for 2005, gross per capita product was USD 8,130 in Argentina and USD 2,340 in Peru, with the other two countries falling between these extremes. These differences, and the trends for the region as a whole, enable us to make an interesting analysis of the evolution and outcomes of the relations between training, productivity and decent work.

THE KEY VARIABLES

The first key variable is **training**. Formal schooling gives workers the reading, writing and mathematics skills that form the basis of thought and communication skills and the basic content of specific knowledge. What is developed above all are problem-solving skills and the capacity for abstraction, which are constructed in application to and reflection on day-to-day

activities, and technological skills such as normal computer operating and being able to handle information and communication technologies.² It is obvious that a competent worker must have mastery of manual skills and must be able to operate equipment and develop the vocational projects needed for the performance of a job. This pyramid of abilities become skills when they are applied in activities in daily life and in particular in the world of work through choosing options, that is in decision-making in concrete circumstances in real time and in situations with a certain degree of uncertainty (Zarifian, 1999). Vocational training, specific training and on the job training give each worker the skills he or she needs for labour market entry and decent employment. Lack of skills is a serious disadvantage for a worker seeking employment. What is more, to be able to utilise the new information and communication technologies (ICTs) advantageously and to be productive in the new forms of labour organization, a worker needs an extended period of formal education plus flexible specific training.

From the worker's point of view, the link between skills and decent work is **employability**. A person has this when he or she can obtain employment, retain it, progress in it, handle the changes that take place, obtain another job if necessary, and move in and out of the work force in different periods of working life. This last point is particularly important for women.³

The second key variable is **productivity**. Normally this concept is bound up with efficiency in the use of resources, and for our purposes it is utilised as the value added by the worker. Therefore it differs from the total productivity of factors, which also includes other sources of productivity besides labour such as quality of management, technology, health and safety, and governance.⁴ In this study we shall confine ourselves mainly to aspects that have to do with education and training.

Lastly, there is **the quality of employment**. This is defined not only by the number of jobs created but by the conditions of work in those jobs,

2 SCANS. *What work requires of schools*. Report by the SCANS Commission for America 2000. Washington: United States Department of Labour, 1992.

3 See ILO Recommendation 195 concerning human resources development: education, training and lifelong learning.

4 ILO. Key Indicators of the Labour Market. Labour productivity and unit labour costs. KILM 18 and Employment, Productivity and Poverty Reduction in the report on employment in the world 2004/5.

whether they provide social coverage and satisfy the accepted norms of decent work considered as “a synonym for productive work in which rights are protected and that generates adequate income and involves suitable social protection. This also means sufficient work in the sense that everyone should have full access to opportunities to obtain income”.⁵

In this report we will examine the common characteristics and the differences between the countries analysed as regards their economies, their training systems and the labour market entry of their workers, with the aim of proposing some policy alternatives.

CONTENTS OF THE REPORT

In the first chapter we outline the socio-economic situation of the region with a special focus on the four countries to be analysed. We examine their similarities and differences in areas ranging from the size of their economies and populations to their demographic characteristics and the profile of their labour markets, with an emphasis on the evolution of these aspects since the 1990s. Structural heterogeneity and current poverty rates are highlighted as they are problems that pose challenges for training systems.

In the second chapter there is a diagnosis of the training situation in the four selected countries. This involves a distinction between general formal education on the one hand, how its coverage has expanded and what its weaknesses are, and on the other hand training that is more specifically geared to work, in other words technical education and vocational training. The levels of learning of the work force in each country are compared, and also current participation in secondary and higher education and the recent implementation of education system reforms. We present the results of evaluations made under the *Programme for International Student Assessment (PISA)* for the four countries. As to vocational training, we examine the similarities and differences between countries as regards vocational training institutions and the new generation of programmes implemented in recent decades. Lastly we examine the coordination between training, employment and productivity, and current tensions between the training offer, enterprises’

5 Somavía, Juan. Director General of the ILO. Report presented at the 87th Session of the International Labour Conference, 1999.

requirements, and the needs of the population seeking training and employment.

In chapter three we list and describe the problems that emerge from the foregoing analysis, the challenges that these problems pose for training, and the responses that are found in public policies. In conclusion, this review of the activity of the institutions in question and the programmes implemented is used as the basis for some suggestions about future initiatives that should make it possible to correct current orientations and respond to the challenges involved. Then we present some conclusions about the prospects for the future in these areas, individualised by country.