



ILO

Briefing Notes

DECENT WORK IN ARGENTINA



International
Labour
Office



December/ 2011 Decent work for youth: the challenge of labour market policies in Argentina

I. Youth employment is the current topic of discussion

At the global and local levels, and consistent with the effects of the 2008 crisis, youth has grabbed the center of the scene. Youth has been disproportionately affected in terms of unemployment and labour precariousness. Indeed, youth are more prone to lose their jobs than adults and the last ones to recover them during the economic stabilization. Youth account for 40% of the world's unemployment population. Besides, unemployment duration remains significantly higher for disadvantaged youth (ILO, 2010a). Among the employed segment, youths have proven to be the most prone to hold jobs that do not meet the standards of decent work, accounting for 24% of the poor workers worldwide (ILO, 2010b). Youth vulnerability in the labour market constitutes a phenomenon in Argentina. During the period of economic contraction, youth unemployment and labour precariousness and instability indicators increased. In addition, in the following recovery period, many youth still face these adverse outcomes.

The lack of decent work that youth experience means current and future welfare loss to society. The deprivations transmitted across the lifespan affects the creation of trajectories and expectations, generating barriers to social mobility, productivity growth losses, and obstacles for a sustainable growth and development path. The increasing demand for corrective actions takes place in the present, and this is why decent work for youth has a strategic role in the public policy agenda.

II. The link between youth and the labour market is weak

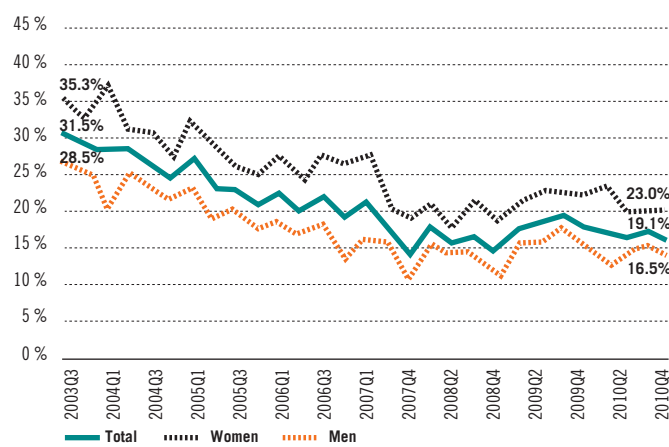
The high levels of unemployment affect youth and, particularly, young women. In the last quarter of 2010 the unemployment rate for youth aged 16-24 years old reached 19.1 percent, almost quadrupling the unemployment rate of 5.1 for the adult population aged 25-64 years. This rate for youth has persisted at high levels since 2003. After the 2001 and 2002 economic crisis, unemployment rates decreased but not below 20 percent despite economic growth. (Graph 1). Likewise, youth unemployment shows great heterogeneity by gender. Young

women have faced substantially higher unemployment rates. This gender premium brought about youth unemployment rates that were 40% higher for women in the last quarter of 2010. It is important to highlight that young women have a lower labour market share than men; while 35% of young women participate in the labour force, this figure amounts to 55% in the case of young men.

Youth employment in dialogue fora on decent work policies

Prioritization of youth employment has gained its share in policy dialogue forums at all levels. Indeed, the improvement in employment and employability conditions within a framework of decent work for youths has been one of the pillars prioritized by all three parties in the Decent Work Programme for Argentina 2008-2011. On the other hand, Argentina, as a pilot country of the Global Jobs Pact, has reinforced the importance of measures to support youths at risk. The participation of Argentina in different regional and international fora has also validated the importance of this phenomenon. Proof thereof was the presence of youth employment topics in different activities and –in some cases, as a specific objective of MERCOSUR meetings– under the pro tempore presidencies of Paraguay and Uruguay in 2011. It was also a topic of the International Labour Conference 2012, in which Argentina participates as an ILO member country. Additionally, in the last few years, a set of standards and interventions focused on youths as well as other more general ones have protected this population segment. Nonetheless, decent work is still a pending achievement for most of them.

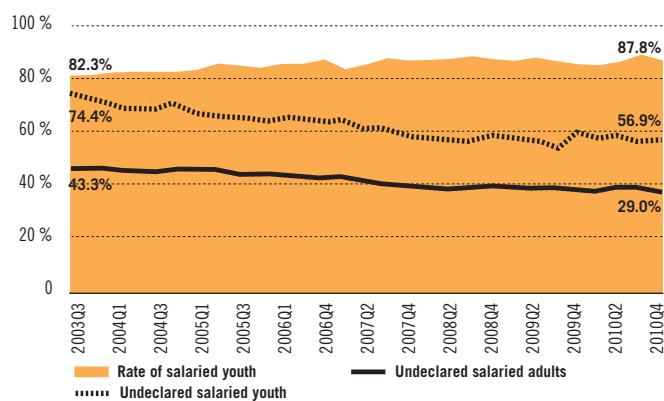
GRAPH 1: EVOLUTION OF YOUTH UNEMPLOYMENT RATES: TOTAL AND BY GENDER, 2003-2010



Source: prepared by the authors based on Continuous PHS, Q3 2003 to Q4 2010.
 Note: includes population between the ages of 16 and 24.

On the other hand, decent work deficits represent a common fact among young workers. Although the share of this group has been declining since 2003, 56.9% of salaried youths (men and women) did not have access to social security benefits in the last quarter of 2010, while 29% of salaried adults were in the same situation. Taking into account that the rate of salaried workers is over 85% among youth, non registered jobs are widespread among employed youths (Graph 2).

GRAPH 2: RATES OF SALARIED YOUTHS AND UNDECLARED SALARIED EMPLOYMENT, 2003-2010



Source: prepared by ILO based on the Continuous PHS, Q3 2003 to Q4 2010
 Note: includes population between the ages of 16 and 24.

Non registered jobs translate into deprivation of social security benefits such as the pension, health and workers' compensation systems, and is, furthermore, strongly correlated with the lack of effective enjoyment of other rights linked to decent work, such as paid leave, with an income floor based on the minimum adjustable wage in force, or pursuant to the provisions of Law No. 26,390 on the Banning of Child Labour and Protection of Adolescent Work. Additionally, temporary contracts and involuntary under-employment are also frequent features

among employed youths, which go against the expectations of decent work.

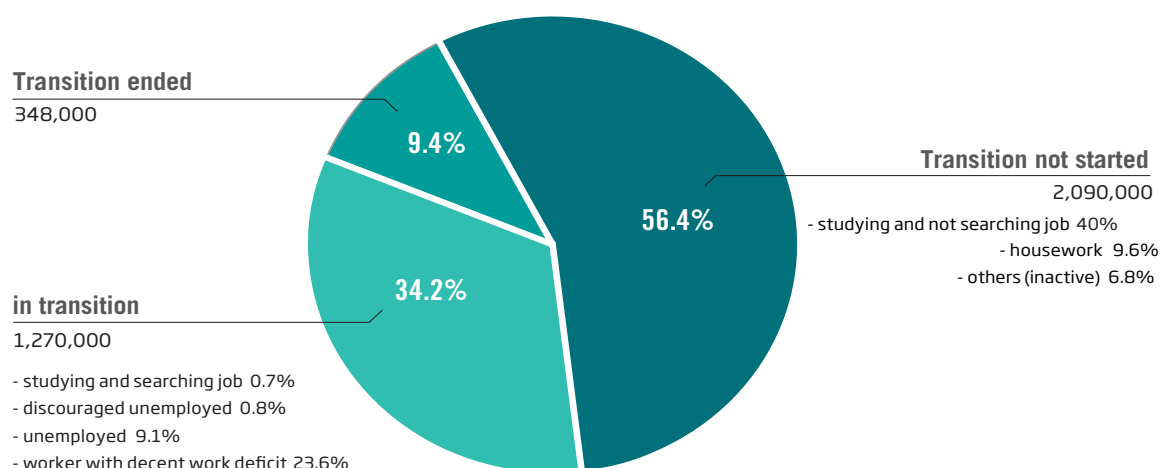
Different stages can be identified in how youths link to the labour market, according to the degree and profile of their participation. Thus youths with employment problems, either because of a decent work deficit, can be considered an "in transition" group in the labour market that has not yet achieved decent work standards. Graph 3 represents this group in the total number of youths -that is, 34.2%- as well as its composition in the last quarter of 2010. The most highly represented sub-group is that of workers with decent work deficits, amounting to 23.6%.¹ These are followed in order of importance by the unemployed reflected in the unemployment rate of 9.8%, comprising 9.1% who are seeking a job, and 0.7% who study and are looking for a job. Finally, the share of discouraged unemployed, that is to say, those who gave up looking for a job at the time of the survey and that are not reflected in the unemployment rate amounts to 0.7%, similar to the figure for the adult population. On the other hand, there are youth who have been successful in doing this transition and already have a decent work ("transition ended")- only 9.4% of the total.

There are youth who have not started their transition to the labour market ("transition not started") yet, i.e. those who are not looking for a job because of studying or house work, and those inactive. Youths outside the labour market in the last quarter of 2010, account for 56.4% of the total amount, which meant 20% more than the figure recorded for 2003. This increase was mainly due to a growing share of youths making a productive use of their time, beyond the fact that they do not participate in the labour market. Among youths, 40% devotes their time to studying and 9.6% does domestic work in households. Youths identified as inactive due to a disability or any other reason account for the lowest share (6.8%).

Finally, the dynamics among these transition stages unveils great instability in short periods. Youth move from one stage to another in a higher proportion than adults, and specially moving from jobs with decent work deficits to unemployment or inactivity. For example, in the last two quarters of 2010, while 20 percent the youth who were in transition during the third quarter moved out of the labour market in the fourth quarter, only 10 percent of adults did the same movement. Complementary, youth movements from transition to decent work register lower levels than adults, 11 percent versus 19 percent respectively.

1. The identified deficits in the case of salaried youth refer to non registration and the lack of social security coverage for all temporary staff working over 48 hours a week, involuntary under-employment and incomes that are below the minimum adjustable wage in force, in proportion to the amount of hours worked.

GRAPH 3: DISTRIBUTION OF YOUTHS ACCORDING TO THEIR LINK WITH EMPLOYMENT, Q4, 2010



Source: ILO, based on the Continuous PHS, Q4 2010. Note: includes population between the ages of 16 and 24, living in urban centers according to the survey – approximately 62% of the country's total population.

III. Recent interventions put normative and public programmes in place

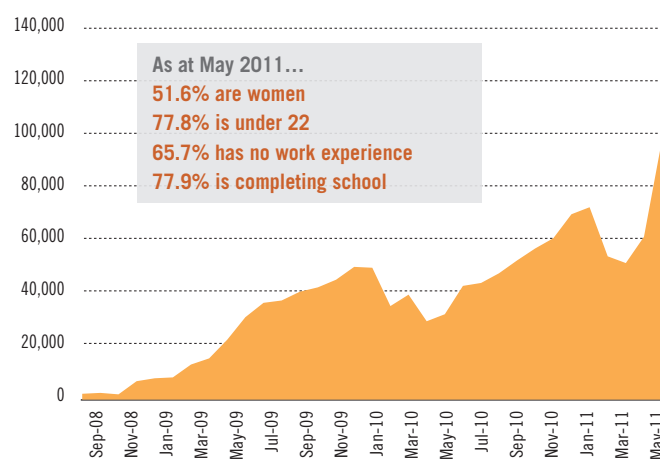
A mixed set of interventions took place in the latest years. From the legal angle, two sanctioned laws intended to improve employment conditions for youth. From the social protection policies angle, new programmes focused on youth facing employment deficits, and different transfer programmes provided economic security to support insertion in the labour market and school retention.

Two laws were enacted in 2008 to prevent a precarious insertion of youths into the labour market. Law No. 26390 on the Banning of Child Labour and Protection of Adolescent Work increased to 16 the minimum age of admission to employment, and established specifications on the type of task and working conditions, with a view to protecting the work performed by adolescents aged 16-17. On the other hand, Law No. 26427 on Educational Apprenticeships establishes higher standards and controls than the former law on training activities for students aged 18 or more in the workplace. The Law also defines contract duration – from 2 to 12 months – and the possibility to get an extension period – 6 months; wage above the minimum for the corresponding sector; 20 hours a week at work; and the employers requirement of accomplishing the same social security benefits (health, labour accidents, and leaves) as for regular workers.

As from 2008, a new specific employment programme for youth, “More and Better Jobs for Youths” started. on More and Better Jobs for Youths (JMyMT by its Spanish acronym). It is targeted to youths between the ages of 18-24 who have not completed their secondary school studies, are permanent residents in the country, and are unemployed. This programme reached out to

approximately 134,000 youths in June 2011, that is to say, 11% of the potentially eligible population². These measurements showed that the programme had achieved the highest coverage in number of beneficiaries since its implementation (Graph 4) as well as in territorial scope. Beneficiaries receive a cash transfer conditional on employability benefits, labour market insertion, support and labour market orientation (participants might combine these benefits). In May 2011, approximately 77.9% of the beneficiaries received an allowance to complete their school education, while around 2.4% were given an allowance for professional training. This pattern of access to benefits is correlated with the design of the programme and the profile of beneficiaries participating in it, mostly youths between the ages of 18 and 22, with no prior work experience.

GRAPH 4: EVOLUTION AND PROFILE OF BENEFICIARIES OF THE PROGRAMME ON MORE AND BETTER JOBS FOR YOUTHS



Source: MTEySS, Employment Secretariat, Directorate of Strategic Information for Employment, 2010-2011.

2. The eligible population could amount to 1.19 million youths between the ages of 18-24, without decent employment, incomplete secondary school studies (that is to say, with less than 13 years' schooling). The effectively eligible population (unable to estimate the number) should exclude those benefiting from other transfer programmes that are not compatible with JMyMT.

In 2009, two new cash transfers programmes were launched: Argentina Trabaja and Asignación Universal por Hijo (AUH). They were oriented to people with employment problems and covered young people. In the case of Argentina Trabaja, beneficiaries participate in cooperative work executing community and local public projects receiving a cash transfer in exchange. In the case of AUH, unemployed people or those working in the informal sector may apply for a family allowance benefit for every child below 18 years old or for pregnancy. Both programmes were launched in August and September of 2009 respectively, and they attracted some JMyMT beneficiaries, as evidenced in Graph 4. In fact, in the beginning both programmes offered a higher cash transfer than the JMyMT and the AUH also meant the possibility to get a long-run coverage. The movement from JMyMT to AUH for having children below 18 years old reached 15,000 beneficiaries up to May 2011. This flow was moderated when JMyMT increased its cash benefit in November 2010. Regarding AUH beneficiaries - aged 16 and 17 years old - who receive the AUH, they represented 230,000 beneficiaries in December.

IV. An agenda towards decent work calls for specific measures

The reality that youth face in the labour market imposes important challenges for the decent work agenda. Based on the urban survey estimations EPHC, as a lower bound estimation, at least 1.3 million of youth pertain to the vulnerable population in the labour market. Unemployment is high, but is the share of youths suffering decent-work deficits higher still. Furthermore, high labour instability takes them from a status of employment to one of inactivity or unemployment, not allowing them to have a successful labour career.

The policy agenda targeted to youths is substantive and requires policy convergence to ensure employment growth, through programmes aimed at overcoming the specific disadvantages that many youths face on the labour market. By definition, the design of youth-centered policies does not include a great part of the population at risk. In fact, for the group “in transition” from 18 to 24 there is quite a similar distribution between those with mandatory level completed and uncompleted. Hence, approximately 50% of them are not covered by the JMyMT. Incompatibilities among these programs and active labour market programmes pose constraints to employability development. Even more, universal cash transfers follow other goals which should be reinforced in their designs. The situation of young women, in particular, requires a specific look on as to the combination of employability and assistance policies. Young women are the most affected by unemployment and, in turn,

those who mostly become holders of entitlements within the universal transfer programmes. On the other hand, training must ensure youths the possibility to gain employability competences so as to promote their effective integration into the labour market, in transit from school to work.

In a context of high national and global visibility for youth employment, policies for youth account for a large political space. Experience and advances constitute a good platform on which enhance existing interventions (MTEySS, 2010), correct perfectible elements, and complement new approaches. These precedents are a favourable framework for developing a youth employment strategy that seeks comprehensive solutions. Youth-centered social protection policies as well as the participation of all players on the labour market must converge in the response provided to the above issues.

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