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The employment situation in Latin America and the Caribbean

Challenges and innovations
in labour training



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The *employment situation in Latin America and the Caribbean* is a twice-yearly report prepared jointly by the Economic Development Division of the Economic Commission for Latin America and the Caribbean (ECLAC) and the Subregional Office for the South Cone of Latin America of the International Labour Organization (ILO), headed by Juan Alberto Fuentes and Guillermo Miranda, respectively. Work on the document was coordinated by Gerhard Reinecke, Senior Expert on Employment Policies of ILO, and Jürgen Weller, Senior Economic Affairs Officer at ECLAC.

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Foreword

The first half of 2013 was not plain sailing for Latin America and the Caribbean. With the slowdown in the global economy, demand for the region's exports slackened and their prices fell. The monetary policies adopted by several of the developed countries heightened volatility on financial markets and generated growing uncertainty regarding future capital flows. At the same time, domestic demand faltered and household consumption grew at a more moderate pace. Thus, the regional economy expanded by only 2.5%, approximately, in the first half-year, compared with the same period in 2012.

This sluggish regional output was reflected in a limited demand for labour: job creation slowed, especially in relation to wage employment in the formal sector. Thanks to a more tenuous increase in the economically active population, this weaker job creation did not cause a rise in the unemployment rate.

Once again, urban unemployment actually recorded a modest reduction: the 10 countries of the region for which quarterly information was available saw their overall rate diminish from 6.7% to 6.6%, compared with the indicators for the first half of the preceding year.

Given this trend, the average annual urban unemployment rate for Latin America and the Caribbean is expected to decline slightly from 6.4% in 2012 to 6.3% or 6.2% in 2013. It should be recalled that these are unprecedented lows in the measurement of this rate.

Over the past few years, regional growth was driven mainly by household consumption. Growth in consumption had a positive impact on the labour market, leading to intense job creation, especially in the tertiary sector, and to a reduction in poverty and inequality.

These growth patterns may not prove to be sustainable, however, because they are linked to the buoyant prices of export goods, and because the external accounts remain vulnerable. Hence, the countries of the region must step up investment and productivity especially in the sectors of tradable goods with strong national and regional production chains.

A strategy for reducing external and internal productivity gaps requires a labour force with skills, competencies and knowledge that can be adapted to demand of firms, and which, at the same time, reflects the needs and preferences of individuals who seek a productive integration into the labour market or an improvement in their working conditions. Thus, the second part of this issue of "Employment Situation in Latin America and the Caribbean" by ECLAC and ILO looks at the transformations taking place in national vocational training and education systems in Latin America and the Caribbean.

In recent decades, vocational training institutes in the region have made progress in finding responses to the challenges arising from the economic, production and technological changes taking place in the region. Emphasis is placed, in this report, on the change in the key objective of skills-training, which has shifted from mastering specific tasks to developing competencies.

Harnessing information and communications technologies for learning processes has transformed teaching and learning methods, as the rigidities of the parameters of space, time and content that once characterized training can now be overcome. In this context, it has also been possible to enhance sectoral and territorial specialization.

The greater diversity of demand, linked to a more diversified production structure and more differential training requirements by the population in many countries, has resulted in a wider variety of available training programmes, which has generated new challenges in areas such as coordination and quality control. Lastly, several countries are striving to improve the integration of vocational training with general education, and this has generated new momentum in inter-institutional coordination.

National vocational training systems need to play a role in reducing the inequalities typical of the labour markets in the region. This is one of the challenges they should take up. To this end, these systems must be integrated with other labour-market policy instruments and must develop effective ways of integrating into the labour market those groups now facing specific obstacles.

National vocational training and education systems are confronting major challenges, both permanent and changing—and as demonstrated in this report have made significant strides. Much remains to be done, however, in terms of securing resources and achieving efficiency and equality if the region is to make a lasting contribution to growth that is economically, socially and environmentally sustainable.

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I. Labour trends in the first half of 2013

The impacts on Latin America and the Caribbean of the modest global growth of recent years carried over into the first half of 2013. Although the second quarter brought signs that the global slowdown had abated, global growth during the first half-year was down on the year-earlier period. This depressed demand for the region's goods exports so that the volume of these exports shrank and the prices of the main export products fell, while generally remaining relatively high in historical terms. As a result, the value of the region's exports contracted during the first half of the year. Shifting expectations in the international financial markets towards the mid-year, related to the future of monetary policy in the United States, triggered capital outflows, the depreciation of some currencies and higher risk premiums for the region's countries.¹

At the same time, in many countries domestic demand has cooled owing to slower growth in household consumption, as well as in investment and public sector consumption. As a result, regional growth for the first half-year is forecast at around just 2.5%. Though expected to climb somewhat in the second

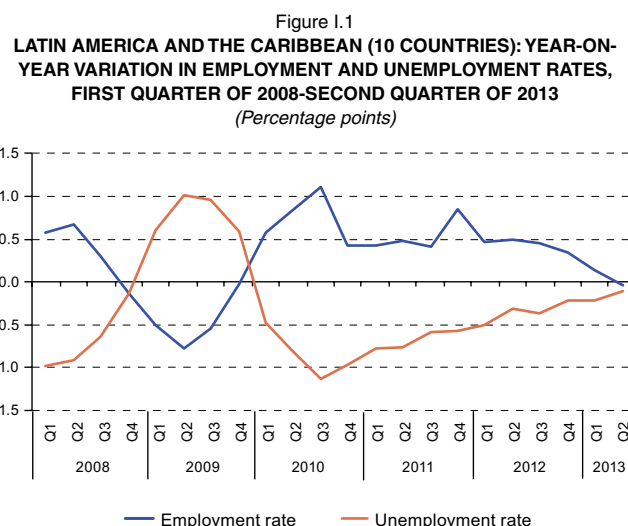
half of the year, regional economic growth for 2013 overall is likely to come in slightly below the already modest rate of 3.0% posted in 2012.

These economic conditions were reflected in slackening demand in the region's labour markets and, although labour variables have continued to show improvements in most cases, increasingly these have been lukewarm and, in some cases, changes have been negative in year-on-year terms. However, performance in the previous period prevented the erosion in job creation from producing significant imbalances, as would likely have been the case in the context of a prolonged period of sluggish growth. Specifically, relatively strong job creation in previous years significantly increased the number of wage earners per household, such that the current economic slowdown has not opened a major gap between the employment needs of households and job opportunities. Accordingly, the key variables that would reflect such an imbalance, such as the unemployment rate and low productivity jobs, have not (yet) deteriorated.

A. Job creation has cooled and unemployment has fallen

The economic slowdown in Latin America and the Caribbean was especially evident in weakening job creation capacity. Although new jobs were created, the number of occupied persons grew by just 1.2% (weighted average for nine countries) in the first half of the year over the same period in 2012. In addition, job creation capacity was steadily eroded. Whereas halfway through 2012, the regional employment rate (weighted average for 10 countries) had risen by around half of a percentage point, this year-on-year gain began to falter in the second half of the year, dropping to just one tenth of a percentage point in the first quarter of 2013 (i.e. employment growth continued to outpace labour force growth by a slight margin), and it was eroded completely by the second quarter of the year (see figure I.1).

This weaker job creation did not push up the regional unemployment rate because the relatively strong increase seen in workforce participation in 2012 (0.2 percentage points regionally) reversed, and in the 10 countries for which data are available, growth in workforce participation came to a halt in the first half of 2013.² In effect, the long-term trend in labour force participation (which is determined by population dynamics and variation in the labour force participation rate), which was outpacing the expansion of the working-age population, has been interrupted.



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

As a result of variations in the participation and employment rates, during the first six months of 2013, the unemployment rate continued on the downward trend begun in 2004, although with very small additional dips, and for the 10 countries with quarterly data, there was a slight year-on-year decline of 0.2 percentage points in the first quarter and of 0.1 percentage

¹ See ECLAC (2013a).

² See table A.2 in the statistical annex. It should be noted that the annual data tend to have greater country coverage than the quarterly data, so they are not entirely comparable.

points in the second quarter. Between the first half of 2012 and the first half of 2013 for these 10 countries, the rate dropped from 6.7% to 6.6%.

Among the 10 countries for which data are available, six posted declines in the unemployment rate during the first half of the year, while the rate climbed in Argentina, Jamaica, Mexico and Uruguay. With the exception of Jamaica, the unemployment increases in these countries were slight, at less than a half percentage point.

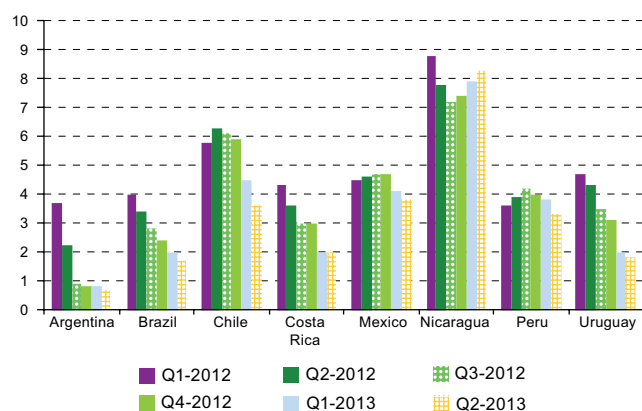
The change in the job creation dynamic between 2012 and the first half of 2013 was influenced by developments in Brazil.

In 2012, Brazil's labour market took a surprising turn for the better, with significant employment gains (both formal-sector and aggregate) despite modest economic growth of 0.9%.³ This performance was related to optimistic expectations of an imminent uptick in economic activity, which was expressed in positive hiring plans.⁴ However, ultimately, the unfavourable external economic environment seems to have caused growth expectations to moderate beginning in mid-2012,⁵ with job creation beginning to slip accordingly in the early part of the year. Thus, although Brazil's economy is growing faster in 2013 than in 2012, its performance in terms of job creation is more modest.

B. Slower economic growth is reflected in slower wage job creation

The slackening employment growth is clearly evident in the formal sector, which reflects the labour demand of formally established companies and the effects of formalization policies. As illustrated in figure I.2, several countries (including Argentina, Brazil, Costa Rica and Uruguay) saw growth in this sector of employment begin to fall sharply in 2012, a trend that continued in the first half of 2013. In other countries, the formal employment growth rate remained relatively stable in 2012 but subsequently fell. In Chile and, to a lesser extent, in Mexico, growth rates began to slide in the first quarter, while in Peru, this process did not begin until the second quarter. Among the countries with available data, Nicaragua is the only one in which the rate had not been observed to fall as of the second quarter of 2013. In this case, the increase occurs in the context of very low formal employment, with formalization policies driving significant percentage gains since 2004.

Figure I.2
YEAR-ON-YEAR VARIATION IN THE EMPLOYMENT RATE, FIRST
QUARTER OF 2012–SECOND QUARTER OF 2013
(Percentages)

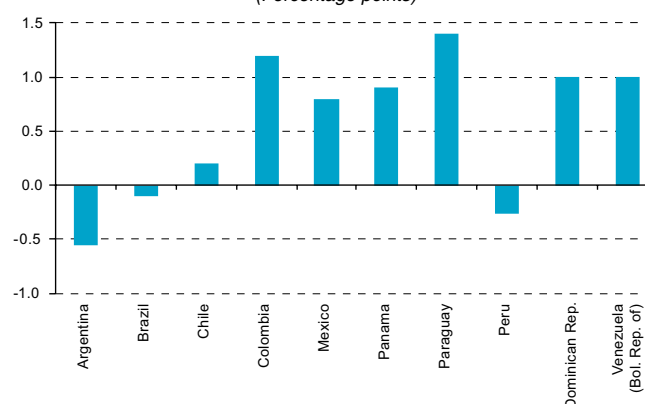


Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

Note: The data refer to variations in registered employment, with the exception of Peru, where they correspond to employment in urban companies with 10 or more employees.

The slowdown in formal job creation reflects a general slackening in the demand for labour. While wage employment grew regionwide by 3.1% in 2012, growth in this sector was estimated at 1.6% for the first half of 2013 (on the basis of data from 10 countries), which reflects some normalization of the output elasticity of wage employment compared with the patterns of the past decade.

Figure I.3
LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES):
VARIATION IN WAGE EMPLOYMENT AS A PROPORTION OF TOTAL
EMPLOYMENT, FIRST HALF OF 2012–FIRST HALF OF 2013
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

³ As documented in ECLAC/ILO (2013), Brazil's labour performance contributed to improvements in the regional labour variables above and beyond what would be expected in a context of economic growth of around 3%, which was the 2012 rate.

⁴ See the various figures in the survey *Global Employment Outlook*, which placed Brazil among the Latin American countries with the most positive hiring expectations in the region in 2012 (see [online] www.manpowergroup.com).

⁵ See the various figures in the report *Latin American Consensus Forecasts*.

However, even with significantly lower growth in wage employment, in many countries, this sector continued to expand as a proportion of total employment, climbing from 62.8% to 63.4% on average in these 10 countries. This demonstrates that supply side pressure in the labour market has eased after a relatively sharp increase in total employment, and especially in wage employment, over the past decade. Therefore, despite the slower pace of wage employment creation, own-account jobs are not emerging in large

numbers that would suggest that workers are having to generate their own sources of income amid this weak demand for labour. This situation also reflects the fact that despite the weakening in wage employment creation, the open unemployment rate has not climbed. Obviously, this would likely change if this weak period persisted, in which case the unemployment rate would be expected to rise and own-account work would be expected to expand as a proportion of total employment.

C. Gender gaps in the labour market are narrowing

Gender-disaggregated participation, employment and unemployment rates followed different trajectories in the countries in the first half of 2013. However, some patterns do emerge upon observing the simple and weighted averages of variations in these rates, as described below.

The rate of female participation in the workforce came to a virtual standstill while male participation contracted, which was a determining factor in breaking the long-term trend of rising participation (see figure I.4). In many countries, the male employment rate also fell, while the female employment rate ticked further upward. Lastly, the unemployment rate for men held relatively steady, which meant that the slight drop in the aggregate rate was due to lower unemployment among women. As a result, although improvements in labour indicators slowed heavily, the gender gaps in workforce participation, employment and unemployment continued to narrow in the first half of 2013.

Figure I.4
LATIN AMERICA AND THE CARIBBEAN (14 COUNTRIES): YEAR-ON-YEAR VARIATION IN PARTICIPATION, EMPLOYMENT AND UNEMPLOYMENT RATES, BY SEX, FIRST HALF OF 2013, SIMPLE AND WEIGHTED AVERAGES
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

D. Patterns of employment by branch of activity reflect economic growth trends

Job creation by branch of activity has been affected by the relative weakness of the tradable goods and services sectors, caused by lacklustre demand from external markets, both within and outside the region.⁶ In addition, in some cases, falling real exchange rates undermined the sectors' competitiveness, although towards the end of the six-month period, many countries saw their currency depreciate as a result of changing expectations regarding United States monetary policy. In particular, manufacturing jobs grew at a very weak pace and declined as a proportion of total employment fairly uniformly across the countries (by an average of 0.3 percentage points over first-half 2012 for 12 countries), reflecting sluggish manufacturing

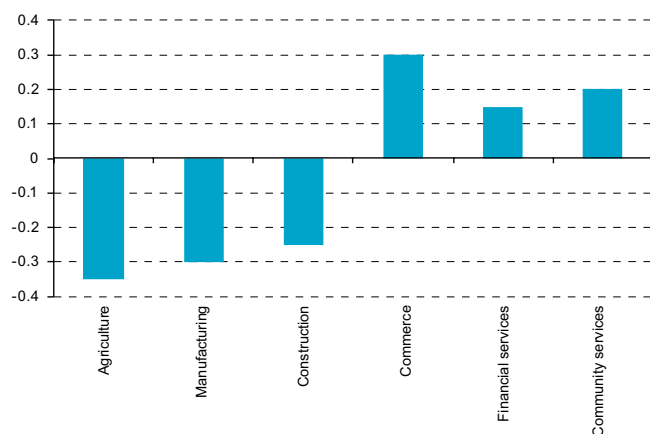
output in early 2013.⁷ Employment in agriculture followed the long-term trend—interrupted in recent times only in 2009—of a declining share of total employment.

Contrary to the trend observed in recent years, in most of the countries, employment in the construction sector also grew more slowly than employment overall. Specifically, construction jobs shrank as a proportion of total employment in some of the countries where construction contracted year-on-year in early 2013 (such as Argentina, the Bolivarian Republic of Venezuela, Brazil, Dominican Republic and Mexico). In contrast, only a few countries (such as Chile and Panama) experienced both growth in construction and an increase in employment share in this sector.

⁶ See ECLAC (2013b).

⁷ For production growth indicators for selected activities in early 2013, see ECLAC (2013c).

Figure I.5
LATIN AMERICA AND THE CARIBBEAN (12 COUNTRIES): YEAR-ON-YEAR VARIATION IN SHARE OF TOTAL EMPLOYMENT, BY BRANCH OF ACTIVITY, FIRST HALF OF 2013, MEDIAN VALUES
(Percentage points)

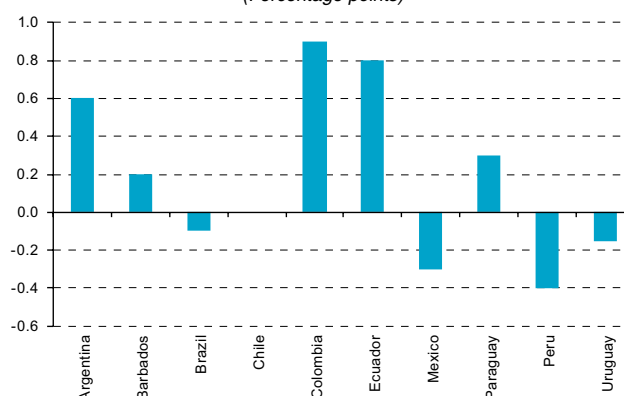


Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

The main segments of the services sector again claimed a larger employment share, deepening the concentration of employment in services activities. The two largest segments—commerce, restaurants and hotels, and community, social and personal services—expanded their employment share significantly, though in a context of low employment growth overall.

The slowdown in the process of labour improvements seen in the recent period was also reflected in the evolution of time-related underemployment (visible underemployment). This indicator has gradually improved in recent years at the regional level, albeit unevenly among the countries, but results were mixed in the first half of 2013. It improved in only four of ten countries with available data (including the two largest countries in the region, Brazil and Mexico, and also Peru and Uruguay) but remained unchanged in Chile and worsened in Argentina, Barbados, Colombia, Ecuador and Paraguay.

Figure I.6
LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): YEAR-ON-YEAR VARIATION OF THE UNDEREMPLOYMENT RATE, FOR THE FIRST HALF OF 2013
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

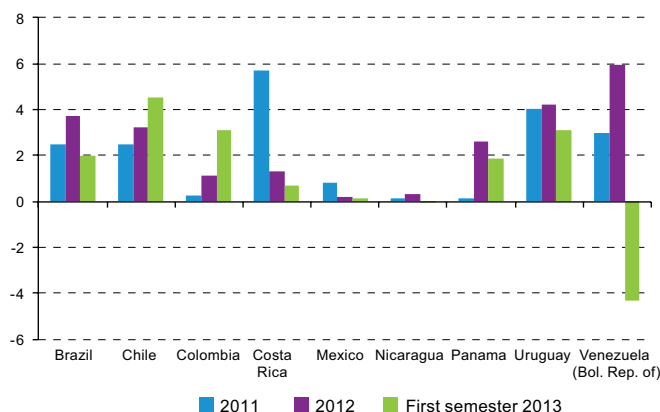
E. Real wages continue to grow, but at a slower pace

Wage patterns are another indicator that reflects the slowdown in labour improvements. However, they show that the declining labour demand—and thus slower wage employment creation—in the first half of 2013 did not represent a profound shift in conditions in the region's labour markets. In fact, in the first six months of the year, nominal wages continued to grow at a pace similar to the 2012 average (on the basis of the simple average and the median for eight countries with available data).

In some countries, however, inflation picked up (modestly, in general), resulting in narrower wage gains in real terms. The exceptions were Chile and Colombia, where a drop in inflation in the first half of 2013 resulted in higher real wage gains (see figure I.7).

Between the slower pace of job creation and the narrower gains in real wages in many countries, the wage bill and thus household purchasing power grew at a more leisurely pace than in 2012, which was reflected in slower private consumption growth (ECLAC, 2013c). Household consumption continued to be the main driver of economic growth but to a lesser extent in early 2013 than in 2012, which contributed to diminished growth of around 2.5% in the first half of 2013 (ECLAC, 2013a).

Figure I.7
LATIN AMERICA: YEAR-ON-YEAR VARIATION IN MEAN REAL WAGES IN THE FORMAL SECTOR, 2011-FIRST HALF OF 2013
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

Although a slight uptick in regional economic growth is expected in the second half of 2013, job creation is unlikely to gain much new momentum. At year-end, the main labour variables will closely approximate the 2012 figures. The regional unemployment rate may fall again, though by a very small margin on the order of 0.1 or 0.2 percentage points, owing to slower growth in labour supply.

With inflation under control in the vast majority of the region's countries, real wages continue to climb, albeit at moderate rates. And with domestic demand holding steady, the labour market continues to support economic growth despite still-adverse external conditions. However, weaker employment and wage growth points to a deterioration in the robust economic growth of recent years, which was largely rooted in household consumption.

II. What new developments have there been in vocational training in Latin America and the Caribbean? Innovations and challenges during more than 70 years of the region's history

A. The new context and its challenges: more training for more employment

Historically, vocational training in Latin America and the Caribbean has features that match those of the rest of the world and others that are peculiar to the region. These features consisted of (i) training courses structured around major national institutions or, in some cases, around institutions that were both national and sectoral; (ii) tripartite or multipartite governing bodies; and (iii) financing systems based on corporate payroll contributions.

Such were the basic characteristics of the vocational training institutions up to, at least, the late 1970s. Thereafter, once a more demand-driven training policy was adopted, questions were raised concerning that institutional format. The focus was no longer just on the quality and relevance of the courses provided, but also on scale.

At the heart of these discussions were various transformations that had caused a substantial amount of strain in training institutions and policies in the region in the 1980s and 1990s. The most notable of these processes were the following:

- Changes in ways of organizing and managing labour, together with the introduction of new technologies (information and communications technologies and those directly linked to agricultural and industrial production), have meant that practices associated with the industrial society are being phased out and replaced by approaches in which information and knowledge play a dominant role, triggering a transformation of the skills individuals must have if they are to find a niche and progress in the labour market.
- As regards the labour-market structure and dynamic, the now historical expansion of employment in the tertiary sector (commerce and services), at the expense of the primary sector and to a lesser extent the industrial sector, is compounded by other trends that lead to a diversification of the demand for education and training. One of these is the gradual overlapping of these three traditional categories, for example through the expansion of agribusiness or production and distribution and marketing services. In today's markets, in along with the scarcity of skilled workers in certain sectors and occupations, it is increasingly difficult for less skilled workers to find and maintain stable, productive jobs. Young people continue to find it difficult to enter the job market

partly because of deficiencies in the educational system in terms of quality and student retention, which rate lower than in other regions, and partly because young people are overrepresented among the poorest sectors of the population and lack the educational and social capital needed to get ahead. While the participation of women in the labour market has been rising steadily, they still suffer from an income gap and their opportunities for developing a satisfactory working career are fewer.

- The lack of skilled workers acts as a bottleneck to economic expansion, but at the same time is an opportunity to incorporate vulnerable communities into the labour market provided that appropriate support policies are implemented in the area of education and training. Education indicators pose an enormous challenge in the medium term. Deficiencies in reading competencies, as well as in science and mathematics, are constraints to the proper performance in vocational training in occupations that call for average or high skills and subsequently impact on productivity. In addition, the low average number of years of schooling of the population aged 15 years and over is a disadvantage compared with other countries in the world. The average number of years of schooling is 9.3 in Argentina, 7.5 years in Brazil and 7.7 in Colombia.
- The most recent data compiled by the ILO Regional Office in Latin America and the Caribbean demonstrate that the urban unemployment rate among young people aged 15 to 24 stands at 14.3%, more than double the overall rate (6.4%). Furthermore, young people live in a context of socioeconomic segmentation, reflecting the marked inequality in the region, which colours their expectations and their way of relating to the labour market. It is paradoxical that, in a region where the supply of young job-seekers is significantly higher than elsewhere, with the under-40 age group accounting for as much as 69% of the population in Latin America, the education and training systems are unable to retain students and to keep pace with the demand for skills of the information and knowledge society. Nevertheless, over the past five

years, the participation rate of young people in the labour market has declined, due no doubt to their remaining longer in the education system, and this should augur well for their finding a better niche in the labour market at a future date (ECLAC/ILO, 2012).

These processes, individually and in combination, pose the main challenges that the countries of the region have faced over the past decades, and continue to face today, through their vocational training policies and institutions. The present note reviews the responses put forward in that regard.

B. Institutional training arrangements: better coordination, with quality, relevance and greater coverage

In response to these transformations, alternatives to the original modes of organization have been proposed, which assign a subsidiary role to the State (in providing financing and setting market rules) and a much more preeminent role to private training providers. The latter would thus assume responsibility not just for the implementation of training activities but also for their orientation (based on the assumption that they are more in touch with effective market demand). Traditional training services, originally conceived as the sole entry and exit option have become more flexible, and arrangements have even been developed for incorporating and accrediting new courses using criteria relating to quality, relevance and equity.

This is the case of the National Apprenticeship Institute (INA) of Costa Rica, the National Service of Apprenticeship (SENA) of Colombia and the National Technical and Professional Training Institute (INFOTEP) of the Dominican Republic, which provide certification and accreditation programmes for third-party training services and in this way, incorporate into the training courses on offer up-to-date contents with the same quality as those applied by State-run vocational training institutes. In other cases, the National Training and Employment Service (SENCE) of Chile and the Salvadoran Institute for Professional Training (INSAFORP) of El Salvador allocate resources competitively for the implementation of their programmes to agencies specialized in programme execution. This approach has provided information on the way the training market functions and has promoted complementary measures for improving the quality of private courses and for encouraging proposals in new sectors.

After more than three decades of debate, experimentation and changes, it may be concluded that neither of the approaches has taken precedence over the other and both have changed. However, in the case of training institutes, the change has been deeper and oriented towards innovation. Another significant change is linked to the much more active role played by the ministries of labour and education.

While the expansion of the supply of private training would probably have taken place regardless of the context, public programmes (many based on credits from international agencies) have been launched to invite competitive bidding for the provision of courses and policies have been introduced that offer tax incentives as a stimulus for on-the-job training.

This has contributed, especially initially, to the emergence and consolidation of new training markets. While the available training courses have expanded significantly, in many cases, the courses offered have been split up and emphasis placed on courses of short duration and limited impact on employability and working conditions; indeed the latter have not been effectively tied in with the development of instructional pathways.

FACTS AND FIGURES RELATING TO SOME VOCATIONAL TRAINING INSTITUTES IN THE REGION

In 2012, the National Service for Industrial Labour Training (SENATI) of Peru reported a total enrolment of 384,408 students (17.4% more than in 2011). 2012 saw the training of over 8,000 senior technicians. The highest income inflows received by SENATI come from a contribution of 0.75% of the industry payroll in Peru.

The National Industrial Apprenticeship Service (SENAI) of Brazil recorded an enrolment of 2,533,578 participants in 2011; this represented an increase of 23.8% over the figure of 2,045,177 participants recorded in 2002. Industrial enterprises in Brazil contribute 1% of the value of their payroll bill to SENAI.

The National Commercial Training Service (SENAC), which is specialized in commerce and services, reported an enrolment of 1,121,553 students in 2007 and plans to register 1,411,301 in 2013. It receives funding equivalent to 1% of the wage bill of commercial establishments.

According to its annual records, the Technical Institute for Training and Production (INTECAP) of Guatemala registered 143,267 participants in 2002 and as many as 277,464 in 2012. Of this number, 44% are intermediate technicians. The Institute's principal source of funding is 1% of the payroll bill.

The National Service of Apprenticeship (SENA) of Colombia reported a total of 2,263,382 admissions in 2003 and 9,053,188 in 2012. Some 14% of the courses are technical or technological. Up to 2012, the budget of SENA was funded essentially out of 2% of the payroll and, as from 2013, the funds will come from the national treasury.

In any event, the contrast is clear: whereas vocational training was dominated in the 1940s by State-run training institutes, the situation shifted in the 1980s and 1990s to a context where these shared the stage with a wide and varied range of private establishments involving other stakeholders. The institutes initially perceived these establishments as a threat, but later recognized them as an opportunity to increase the levels of coverage and improve the efficiency of expenditure on vocational training. Examples abound in the region, as national institutes have developed collaboration systems with private institutes and centres while implementing accreditation mechanisms of other courses and training activities which are invariably intent on ensuring the quality and relevance of the training provided.

In Central America, training institutes agreed on common curricula for various occupations of interest to the subregion. They share competition rules as well as the e-training courses provided for several occupations (see [online] www.redifp.net).

Another major, complementary innovation in institutional upgrading was the establishment of training centres or the conversion of existing ones towards a sectoral specialization (linked to the actual production situation in the territories where they are located). This will be referred to later. They have thus become real reference centres, in terms not just of training but also of technologies. By placing them at the cutting edge of innovation in these fields, a series of virtuous processes have occurred: (i) these centres produce and disseminate training technology (teaching materials, programmes, objects of learning, among others) to the rest of the network of centres; (ii) they provide information on technological innovations (equipment, materials, tools, procedures, programmes, and others) within the institutes and to the production environment; (iii) they provide technical assistance to businesses that provide opportunities for applied research and the generation of practical training for students; (iv) they encourage the participation of businesses and their sectoral organizations, trade (and sectoral) unions and local stakeholders in the life of the centres by virtue of the closeness to the issues that are of greatest interest to them;

and (v) in several cases, the institutes and centres have been pioneers in quality assurance, obtaining and maintaining relevant certifications. These developments have occurred in addition to the identification of required skills (referred to earlier) and to the adoption of an approach based on the relevance of the courses offered linked to the demands not only of businesses but also of the individuals to be trained and the territories where they operate.

TRAINING AND INNOVATION FROM A SECTORAL PERSPECTIVE

In Colombia, the Ministry of Education is participating in efforts to create a national human capital training system; for this purpose, it has formed an inter-sectoral committee with the participation of eight public institutions and the private sector.

In Brazil, the Ministry of Education is conducting a national programme for access to technical education and employment (PRONATEC) with the participation of training institutes such as the National Industrial Apprenticeship Service (SENAI) and the National Commercial Apprenticeship Service (SENAC). This coordinated effort will facilitate the more efficient functioning and harmonization of the vocational training courses.

In Chile the National Training and Employment Service (SENCE) is being reformed with a new role for sectoral councils, which will allow them to increase the coverage and effectiveness as well as to improve the quality and relevance of the training programmes.

Lastly, in many countries, the labour and education portfolios have become central pillars in the establishment of vocational training policies. While, in many cases, they implement their own programmes, even more important is their role in national initiatives designed to coordinate and systematize the available training more effectively. Thus, they foster and assist the establishment of schemes for identifying, standardizing and certifying aptitudes, the adoption of national qualification frameworks and the call for national and sectoral dialogues on vocational training among other lines of action.

C. Vocational training for the knowledge society

In response to the transformation processes already discussed, the available training has been diversified with a wider variety of providers, especially private schools; however, State-run vocational training establishments have been innovating and this has had an impact on their actions and strategies for coping with the demand. The trend towards innovation is greater in this field than in mainstream education and encompasses

aspects such as pedagogical methods or teaching devices and resources. Competency-based training, learning through projects, the growing use of information and communications technologies (ICTs), together with the deployment of a diverse and flexible range of available courses, are part of the effort to ensure that the qualifications demanded and the requirements and conditions of the programme participants are relevant.

The emergence in the mid-1990s of a new approach to the role of vocational training in the effective labour and social integration of participants was a milestone in the region. This approach, known as competency-based training, was gradually incorporated to give new responses to questions such as: How do you define an occupational profile? How do you define a competency-based vocational training programme and how do you implement it? How is previous learning recognized and certified?

Almost all vocational training institutes in Latin America and the Caribbean currently apply the competency-based approach in one form or another. These institutes' invariable willingness to cooperate proves how far this model has spread in terms of reciprocal support actions that are still being recorded. Competency-based training, which implies a results-based approach, has reached technical education and universities, has called into question pedagogical models, has shaped new ways of viewing and implementing teaching and has created a kind of common language which has helped significantly to align vocational education more closely with formal education.

In the effort to build competencies, teaching approaches have also been renewed. This is the case with project-based learning, a model in which students plan, implement and evaluate projects which have applications in the real world beyond the classroom. Under this approach, the activities are interdisciplinary, long-term and student-centred, instead of being based on short, isolated lessons. These processes are geared to the participants, are clearly defined, with contents that are meaningful for them and directly observable in their surroundings. They foster connections between academic pursuits, and life and labour skills and provide opportunities for first-hand research, feedback by experts and reflection and self-assessment by the participant. The design and use of projects geared to problematic situations occur, among other institutions, in SENAI of Brazil, SENA of Colombia, SENATI of Peru and INFOTEP of the Dominican Republic.

Innovations have also been observed in the way training opportunities for building competencies under new parameters of space and time have been diversified and adapted, taking into account individual and group differences. In the new learning environments, the basic unit of educational space (the classroom) and the basic unit of time (the class period) are impacted by the appearance of new ICT technologies in the training sphere. The school environment, born out of industrialization and characterized by units of time, place and action (all in the same place, at the same time and carrying out the same learning activities) has become more and more blurred. The space and time coordinates provided by the new technologies help to facilitate access by a wider variety of persons to learning resources under different circumstances.

AVAILABILITY OF DISTANCE-LEARNING COURSES OFFERED BY VARIOUS VOCATIONAL TRAINING INSTITUTES

CONOCER <http://www.conocer.gob.mx/index.php/centrovirtual/>

DuocUC: <http://portalacademico.duoc.cl/>

INA: www.inavirtual.com

INTECAP: <http://www.intecap.edu.gt/>

INFOTEP: <http://www.infotepvirtual.com/>

INADEH: www.inadehvirtual.edu.pa/

SENA: <http://www.senavirtual.edu.co/>

SENAI: <http://www.portaldaindustria.com.br/senai/canal/educacao-distancia-home/>

SENAC: <http://www.senac.br/cursos/educacao-a-distancia.aspx>

SENATI: <http://virtual.senati.edu.pe/>

UTU: <http://industriales.utu.edu.uy/>

Part of this diversification and adaptation arising from the convergence between training and ICTs is linked, albeit not exclusively, to the expansion of distance learning, which, given the technological component, has progressively come to be termed virtual training or e-learning. This is not an exclusionary modality or one that seeks to replace classroom teaching. Rather, it is a set of additional and complementary training resources which combine in various ways and with variable intensity with face-to-face teaching, bearing in mind factors such as content, the location of subjects of attention as well as the availability of infrastructure, teaching staff and other training resources. For example, in Brazil, distance learning is on the rise for the National Industrial Apprenticeship Service (SENAI), with over 200% annual growth in some states; in São Paulo, over 70,000 participants were enrolled in beginners', refresher or advanced technical courses in 2011. In Colombia, the National Apprenticeship Service (SENA) estimates the use of virtual training for 25% of its participants enrolled in its different programmes in 2013. The National Service for Industrial Labour Training (SENATI) of Peru has just launched an ICT-based platform for training services and business development, directed at small and medium-sized enterprises in the clothing sector, within the framework of a project funded by the Multilateral Investment Fund (FOMIN). Over the past two years, the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) prepared a project with the International Development Research Centre (IDRC) of Canada, which generated several ICT tools for the development of training and competencies of entrepreneurs (see [online] <http://www.oitcinterfor.org/tic-formacion/inicio>).

It has long been the intention in the region to establish modular and systemic vocational training. Recently, once again thanks to the options provided by ICTs, new opportunities for achieving and diversifying vocational training towards new fields of application have been opened up and are being harnessed. These fields encompass not only direct instruction but also the generation of new learning environments in which teamwork takes precedence over individual work and posing problems and finding solutions take precedence over rote-learning and routine exercises.

Technological development, especially new means of mass storage on the web, implies that teaching resources, formerly available basically in a physical, usually print, medium, and therefore limited to face-to-face interaction, are now offered through channels such as the Internet and access media, which include computers, television, smart phones and video-game consoles. Design technologies are enabling the rapid development of an offer of didactic simulators, which tend to generalize all the spheres of production and services. Simulations ranging from a hotel management process to the calculation of the volume of irrigation for an agricultural acreage can now be portrayed in virtual reality and made available, simultaneously, to different participants who are monitored and guided from a distance.¹

The countless amount of teaching resources, available on the web, pose a further challenge which no longer has to do

with availability but rather with selection and with classification and usage criteria.

ICTs enable vulnerable groups to access vocational training and are instrumental in creating equal opportunities, which are evolving in tandem with Internet access indicators. In short, opportunities for access to training have expanded in response to the demand of enterprises thanks to the possibilities offered by Internet-based distance training and new digital learning materials and resources.

Thus, as a result of the modular construction of resources that are conducive to learning, a new way of understanding and developing teaching materials has been developed: the book, manual or guide is now replaced by the concept of component, segment or block. In other words, if the competency replaces the task as the learning objective, a teaching material can support the development of a part of this competency as well as of others; in addition, it can be incorporated into various courses or learning activities. It is no longer a one-to-one relationship, such as existed between a manual and a course or between a guide book and a user, or between a book and a single reader; the variety facilitated by the development of ICTs gives access to an innumerable group of learning resources and makes it possible to assemble them according to the needs or preferences of users and participants in competency development actions.

D. Coordination, networks and new social and production realities

During the last two decades of the twentieth century, an intense debate arose as to how to overcome what was understood as supply-based training and replace it by demand-based models. While in the first instance, the tendency was to match this demand with the requirements of firms (provide training in response to firms' requirements), subsequently, the concept was enhanced. Thus, currently, what institutes handle as demand for profiles and competencies encompasses at least the following dimensions: (i) what firms and production units effectively need at present; (ii) the signals arising from the sectoral and occupational trends that are grasped with prospecting methods or analyses of future scenarios; (iii) the needs, expectations and requirements of individuals; and (iv) the social demands and demands of the informal economy (sectors with low levels of employability, qualification, productivity) whose interest often prefigures the employment and training policies and the way they are linked to economic and production policies.

In countries, such as Chile and Colombia, advances are being made in shaping qualification frameworks of different scope. This will facilitate job mobility and will give greater transparency to the labour market.

In Brazil and Argentina, sectoral frameworks have been developed. For more detailed references, see [online] http://www.oitcinterfor.org/sites/default/files/file_publicacion/marco.pdf.

To this end, vocational training institutes have been developing various strategies and tools, which, generally speaking, may be grouped in the following categories:

- Forecast mechanisms and methodologies for constructing scenarios that predict changes occurring in economic sectors in the medium and long term, in technology, in ways of organizing labour, in occupations, hence, in the demand for training.
- Coordination with employment services, which facilitate complementary training pathways as a guide for users, detect and describe mismatches and identify the characteristics and the volume of structural unemployment.
- Coordination with formal education in order to facilitate the layout of paths for continuous learning or "lifelong learning". This means that vocational training diplomas are

¹ Many training institutions have virtual learning resources that are reusable and accessible from remote locations. The ILO Teaching Resources Bank facilitates access to teaching materials for several of them. (<http://www.oitcinterfor.org/banco-recursos-didacticos/inicio>).

accredited in formal education structures and, furthermore, that national structures are set up to certify qualifications.

- Specialization of training centres and programmes in catering for specific sectors or production chains, so as to match supply more closely to specific demands, at the same time as they facilitate the update of training resources and provide technological services to firms, sectors and territories.
- Promotion of social dialogue, whether at the level of the governing bodies of the institutes, or of sectoral, regional and local councils, or in different areas created for this purpose, or as a recurrent practice in rallying support for participatory processes at different levels (national, sectoral or local).

This set of designs and strategies makes it possible to respond more fully to a demand, which in addition to being varied, changes constantly over time. Their relevance also increases in relation to three dimensions: the production situation and the labour market; the needs, characteristics and contexts of the different groups of society; and the development objectives that societies propose.

This progression is crucial for tackling the challenges of restructuring and the new dynamics present in markets, as well as the changes in content and ways of organizing labour. These factors challenge the capacity of vocational training institutes and policies to respond to mismatches between the competencies required by enterprises and those available among the population, as well as to the need to improve the

employability of those sectors of the population that find it most difficult to obtain decent jobs. Thus, better knowledge of these dynamics and the ability to forecast demands for competencies are fundamental, all the more so when facing a historic process of economic growth and productive development that threatens to slow down unless there is a supply of sufficient good-quality jobs.

In Argentina, the Ministry of Labour, Employment and Social Security has developed sectoral training networks.

In Brazil, the National Industrial Apprenticeship Service (SENAI) is moving forward with the establishment of over 23 innovation centres and 63 technological centres, which will provide direct support for the training, applied research and technological development in industry, thus enhancing competitiveness.

In Uruguay a Technological University has been founded and will provide training with emphasis on sectoral demand in the interior of the country.

In Costa Rica, the National Apprenticeship Institute (INA) has technological cores as an integrated response to sectoral demands.

Lastly, in Colombia, the National Apprenticeship Service (SENA) coordinates its network of centres on the basis of sectoral strengths, and includes in its programmes priority sectors for development, such as agriculture and rural development, mining and transport infrastructure.

E. The impact of vocational training: the challenge of evaluation

One of the pending issues in the region is the need for more information on the outcomes, effects and impacts of investments in vocational training both in the public sector and in enterprises. Despite the advances made by several institutes in recent years through application of evaluation techniques to reveal the private and social benefits of their actions, this practice has still not been adopted across the board.

As a result, there is little information on the effects that the changes described have had on the outcomes of investment in vocational training. Specifically, there are few evaluations of whether the activities of vocational training systems influence the integration of beneficiaries in the labour market, in terms of an improvement in the level of employment and of wages, two important factors in this respect.²

In Latin America and the Caribbean, notwithstanding the tardiness in conducting systematic evaluations of the impact of training and education programmes, the Inter-American Development Bank promoted evaluations of programmes, especially for fostering integration of youth of intermediate and low education levels into the labour market. On the whole, these programmes are carried out to encourage the generation or coordination of new vocational training providers and do not fall under the responsibility of the State-run training institutes. In several instances, ministries of labour have played a significant role in their design and implementation. The results of evaluations of these programmes have been mixed depending on the group of beneficiaries, albeit with predominantly positive effects in terms of employment and income, in comparison with control groups which did not benefit from these programmes (Abdala, 2009).

In Colombia, the National Apprenticeship Service (SENA) has developed a set of evaluations, albeit fairly spaced out over time, which reveal different results and emphasis. Jiménez

² In 2010 and 2011, Cinterfor formed an apprenticeship and internship community with various institutions in the region and jointly produced a guide for assessing the impact of training. This material, along with several of the applications identified during these two years, is available in a knowledge bank published by the Centre at <http://guia.oitcinterfor.org/>.

and Kugler (1987) compared the impact of short courses with that of long ones and concluded that the latter have a much greater impact on the probability of generating higher income and finding employment. Sarmiento and others (2007) found that courses helped to build social capital for graduates from the institute. According to the evaluation of the programme for young rural entrepreneurs carried out in 2010, participating in the programme courses has a positive impact on the hourly income of individuals (FEDESARROLLO, 2010b). In that same year, the evaluation of programmes for technicians and technologists determined that graduates of these programmes had a higher chance (7-10 percentage points higher) of finding employment than those who had not participated (FEDESARROLLO, 2010a).

In México, most of the evaluations of the BÉCATE programme discovered an improvement in the probabilities of productive integration and of labour income of the participants, although, in general the rates were relatively moderate and differential results were obtained for different groups of participants (by sex and level of education (Samaniego, 2004; Colegio de México, 2010).

In 2006, INFOTEP in Dominican Republic evaluated effects of its courses, based on surveys of graduates; the results showed that 50% of those surveyed were earning more, while 12% showed entrepreneurial tendencies (INFOTEP, 2006). Despite being methodologically simpler, this evaluation procedure yields good indicators on satisfaction, relevance and quality of the training.

In 2013, the National Industrial Apprenticeship Service (SENAI) of Brazil published the results of a study on the income of graduates from its technical programmes, in which it detected positive wage differentials (up to 24% higher) for those who opted for technical training in industrial areas (see [online] www.senai.br). The study also identified industrial occupations that were successfully exercised in sectors associated with commerce and services.

An assessment conducted in Chile describes a positive and robust impact of the certification of competencies on the labour income of workers certified under a pilot application in the logistics sector (Programa Chile Califica, 2009). In Ecuador, the Ecuadorian Vocational Training Service (SECAP) evaluated the impact of its programmes in 2012 and demonstrated that the beneficiaries of its training programmes saw their income go up by 21.19% compared with the income of non-participants (SECAP, 2012).

In general, the evaluations establish that procedures that include internship components in firms yield better vocational training results. Access to more information on the region would be extremely valuable especially bearing in mind that many studies on the impact of training activities in the developed countries yield mixed results which, when analysed, can be useful for decision-makers and policymakers responsible for training.

In short, since its origins in the 1940s, institutionalized vocational training has succeeded in bringing about successive and permanent adaptations to changes in the economic, social, labour and production context, as well as to the challenges that each new scenario poses. This capacity for adapting to change, together with a set of characteristic features, is the very essence of vocational training in Latin America and the Caribbean. As at other times in the region's history, vocational training today is a fundamental tool for tackling some of the core challenges that countries face in the effort to maintain and deepen their social and economic development. The construction of efficient systems for the development of vocational competencies—which link education with technical training, technical training with integration into the labour market and integration into the labour market with the workplace and lifelong learning— can help countries to obtain sustainable growth in productivity and to convert that growth into more and better-quality jobs.

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Annex

Table A.1
LATIN AMERICA AND THE CARIBBEAN: URBAN UNEMPLOYMENT, 2002-FIRST HALF 2013
(Average annual rates)

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2012 First half	2013
Latin America													
Argentina ^a	19.7	17.3	13.6	11.6	10.2	8.5	7.9	8.7	7.7	7.2	7.2	7.2	7.6
Bolivia (Plurinational State of) ^b	8.7	9.2	6.2	8.2	8.0	7.7	6.7	7.9	6.5 ^c	...	...	...	...
Brazil ^d	11.7	12.3	11.5	9.8	10.0	9.3	7.9	8.1	6.7	6.0	5.5	5.9	5.7
Chile ^e	9.8	9.5	10.0	9.2	7.8	7.1	7.8	9.7	8.2	7.1	6.4	6.6	6.2
Colombia ^f	17.6	16.6	15.3	13.9	12.9	11.4	11.5	13.0	12.4	11.5	11.2	11.9	11.6
Costa Rica ^g	6.8	6.7	6.7	6.9	6.0	4.8	4.8	8.5	7.1	7.7	7.8	...	...
Cuba ^h	3.3	2.3	1.9	1.9	1.9	1.8	1.6	1.7	2.5	3.2	3.8	...	...
Dominican Republic ^h	6.6	7.3	6.1	6.4	5.5	5.0	4.7	5.3	5.0	5.8	6.5	5.9 ⁱ	7.0 ⁱ
Ecuador ^j	9.2	11.5	9.7	8.5	8.1	7.3	6.9	8.5	7.6	6.0	4.9	5.0	4.8
El Salvador ^k	6.2	6.2	6.5	7.3	5.7	5.8	5.5	7.1	6.8	6.6	6.2	...	...
Guatemala ^l	5.1	5.2	4.4	...	...	...	...	...	4.8	3.1	4.0	...	...
Honduras ^l	5.9	7.4	8.0	6.1	4.6	3.9	4.2	4.9 ^m	6.4 ^m	6.8 ^m	5.6 ^m	...	...
Mexico ⁿ	3.9	4.6	5.3	4.7	4.6	4.8	4.9	6.6	6.4	6.0	5.9	5.8	5.9
Nicaragua ^o	12.2	10.2	8.6	7.0	7.0	6.9	8.0	10.5	9.7	...	...	...	...
Panama ^p	16.5	15.9	14.1	12.1	10.4	7.8	6.5	7.9	7.7	5.4	4.8	5.3 ^q	5.1 ^q
Paraguay ^r	14.7	11.2	10.0	7.6	8.9	7.2	7.4	8.2	7.0	6.5	6.1	8.7	8.2
Peru ^s	9.4	9.3	9.4	9.6	8.5	8.5	8.4	8.4	7.9	7.7	6.8	7.5	6.1
Uruguay ^l	17.0	16.9	13.1	12.2	11.4	9.6	7.9	7.7	7.1	6.6	6.7	6.7	7.1
Venezuela (Bolivarian Republic of) ^l	15.9	18.0	15.3	12.3	10.0	8.4	7.3	7.9	8.7	8.3	8.1	8.7	8.1
The Caribbean													
Bahamas ^t	9.1	10.8	10.2	10.2	7.7	7.9	8.7	14.2	...	15.9	14.0	...	...
Barbados ^t	10.3	11.0	9.6	9.1	8.7	7.4	8.1	10.0	10.8	11.2	11.6	11.8 ^u	11.5 ^u
Belize ^t	10.0	12.9	11.6	11.0	9.4	8.5	8.2	13.1	12.5	...	15.3	14.4 ⁱ	12.1 ⁱ
Jamaica ^t	14.3	10.9	11.4	11.2	10.3	9.8	10.6	11.4	12.4	12.6	13.9	14.3 ^v	15.4 ^v
Trinidad and Tobago ^t	10.4	10.5	8.3	8.0	6.2	5.5	4.6	5.3	5.9	5.1	5.2 ^w	...	...
Latin America and the Caribbean^x	11.2	11.1	10.3	9.0	8.6	7.9	7.3	8.1	7.3	6.7	6.4^y	6.7^z	6.6^z

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of information from household surveys conducted in the countries.

^a Progressive incorporation of up to 31 urban agglomerations. New measurement with effect from 2003; data not comparable with preceding years.

^b Urban area. Figure for 2004 based on the survey conducted between November 2003 and October 2004. New measurement with effect from 2009; data not comparable with preceding years.

^c First half-year.

^d Six metropolitan areas.

^e Nationwide total. New measurement with effect from 2010; data not comparable with preceding years.

^f Thirteen metropolitan areas. Includes hidden unemployment.

^g Nationwide urban figure, July of each year. New measurement introduced in 2009; data not comparable with preceding years.

^h Nationwide total.

ⁱ Figure for April.

^j Nationwide urban figure. November 2002 and December 2003. With effect from 2004, average for four quarters. Includes hidden unemployment.

^k Nationwide urban figure. With effect from 2007, the age of the working age population was changed from 10 years and over to 16 years and over. Includes hidden unemployment.

^l Nationwide urban figure.

^m Figure for May.

ⁿ Thirty-two urban areas.

^o Nationwide urban figure. New measurement introduced in 2003; data not comparable with preceding years.

^p Nationwide urban figure. Includes hidden unemployment.

^q Figure for March.

^r Nationwide urban figure. The data for the first half of 2012 and of 2013 relate to Asunción and urban areas of the Central Department.

^s Metropolitan Lima.

^t Nationwide total. Includes hidden unemployment.

^u First quarter.

^v Average of January and April figures.

^w Average of March and June figures.

^x Weighted average. Includes adjustment of data for methodological changes in Argentina (2003), and for the exclusion of hidden unemployment in Colombia, Ecuador and Panama. Does not include Guatemala.

^y Preliminary figure.

^z This figure (a preliminary one) represents only the countries for which information was available, and therefore is not comparable with the annual figures.

Table A.2
LATIN AMERICA AND THE CARIBBEAN: URBAN PARTICIPATION RATES, 2002-FIRST HALF 2013
(Average annual rates)

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2012	2013
												First half	
Latin America													
Argentina ^a	55.8	60.3	60.2	59.9	60.3	59.5	58.8	59.3	58.9	59.5	59.3	58.8	59.0
Bolivia (Plurinational State of) ^b	58.0	...	58.6	55.7	58.7	57.1	...	56.9	57.3 ^c	...	...	...	...
Brazil ^d	55.3	57.1	57.2	56.6	56.9	56.9	57.0	56.7	57.1	57.1	57.3	57.1	57.1
Chile ^e	53.7	54.4	55.0	55.6	54.8	54.9	56.0	55.9	58.5	59.8	59.5	59.7	59.6
Colombia ^f	64.8	65.0	63.6	63.3	62.0	61.8	62.6	64.6	65.7	66.7	67.6	67.3	67.2
Costa Rica ^g	56.4	56.8	56.3	58.2	58.2	58.5	58.6	62.3	60.7	62.6	62.3	...	...
Cuba ^h	70.9	70.9	71.0	72.1	72.1	73.7	74.7	75.4	74.9	76.1	...	...	...
Dominican Republic ^h	49.5	48.5	48.9	49.0	49.7	49.9	50.1	48.4	49.6	51.0	51.4	51.5 ⁱ	50.7 ⁱ
Ecuador ^j	58.3	58.9	59.1	59.5	59.1	61.3	60.1	58.9	56.9	55.2	55.9	56.9	55.3
El Salvador ^k	53.1	55.4	53.9	54.3	53.9	63.6	64.1	64.3	64.4	63.7	64.6	...	...
Guatemala ^l	61.7	61.6	58.4	...	...	...	...	...	...	61.0	65.5	...	...
Honduras ^l	52.4	53.5	52.7	50.3	52.1	51.7	52.7	53.1 ^m	53.7 ^m	52.5 ^m	51.2 ^m	...	...
Mexico ⁿ	57.8	58.3	58.9	59.5	60.7	60.7	60.4	60.2	60.1	60.2	60.9	60.7	60.4
Nicaragua ^o	49.4	53.0	52.6	53.7	52.8	50.5	53.8	52.1	...	...	...	...	...
Panama ^p	63.4	63.5	64.2	63.7	62.8	62.6	64.4	64.4	64.0	63.2	63.7	63.9 ^q	63.1 ^q
Paraguay ^r	60.5	59.2	62.4	60.4	57.9	59.6	61.5	62.3	60.1	60.0	63.8	62.7	64.3
Peru ^s	68.5	67.4	68.0	67.1	67.5	68.9	68.1	68.4	70.0	70.0	69.1	69.2	68.9
Uruguay ^l	59.1	58.1	58.5	58.5	60.9	62.7	62.6	63.4	63.7	64.2	64.0	63.9	63.5
Venezuela (Bolivarian Republic of) ^l	68.7	69.1	68.5	66.2	65.5	64.9	64.9	65.1	64.5	64.4	63.9	63.8	63.7
The Caribbean													
Bahamas ^t	76.4	76.5	75.7	...	...	...	...	73.4	...	72.3	74.6	...	...
Barbados ^t	68.5	69.2	69.4	69.6	67.9	67.8	67.6	67.0	66.6	67.6	66.2	67.2 ^u	66.6 ^u
Belize ^t	57.3	60.0	60.3	59.4	57.6	61.2	59.2	...	...	...	65.8	...	...
Jamaica ^t	65.7	64.4	64.5	64.2	64.7	64.9	65.5	63.5	62.4	62.3	61.9	62.0 ^v	63.1 ^v
Trinidad and Tobago ^t	60.9	61.6	63.0	63.7	63.9	63.5	63.5	62.7	62.1	61.3	61.8 ^w	...	...
Latin America and the Caribbean^x	58.6	59.4	59.5	59.3	59.5	59.7	59.7	59.8	60.1	60.3	60.5^y	60.0^z	60.0^z

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of information from household surveys conducted in the countries.

^a Progressive incorporation of up to 31 urban agglomerations. New measurement with effect from 2003; data not comparable with preceding years.

^b Urban area. Figure for 2004 based on the survey conducted between November 2003 and October 2004. New measurement with effect from 2009; data not comparable with preceding years.

^c First half-year.

^d Six metropolitan areas.

^e Nationwide total. New measurement with effect from 2010; data not comparable with preceding years.

^f Thirteen metropolitan areas. Includes hidden unemployment.

^g Nationwide urban figure, July of each year. New measurement introduced in 2009; data not comparable with preceding years.

^h Nationwide total.

ⁱ Figure for April.

^j Nationwide urban figure. November 2002 and December 2003. With effect from 2004, average for four quarters. Includes hidden unemployment.

^k Nationwide urban figure. With effect from 2007, the age of the working age population was changed from 10 years and over to 16 years and over. Includes hidden unemployment.

^l Nationwide urban figure.

^m Figure for May.

ⁿ Thirty-two urban areas.

^o Nationwide urban figure. New measurement introduced in 2003; data not comparable with preceding years.

^p Nationwide urban figure. Includes hidden unemployment.

^q Figure for March.

^r Nationwide urban figure. The data for the first half of 2012 and of 2013 relate to Asunción and urban areas of the Central Department.

^s Metropolitan Lima.

^t Nationwide total. Includes hidden unemployment.

^u First quarter.

^v Average of January and April figures.

^w Average of March and June figures.

^x Weighted average. Includes adjustment of data for methodological changes in Argentina (2003), and for the exclusion of hidden unemployment in Colombia, Ecuador and Panama. Does not include Guatemala, Nicaragua or Plurinational State of Bolivia.

^y Preliminary figure.

^z This figure (a preliminary one) represents only the countries for which information was available, and therefore is not comparable with the annual figures.

Table A.3
LATIN AMERICA AND THE CARIBBEAN: URBAN EMPLOYMENT RATES, 2002-FIRST HALF 2013
(Average annual rates)

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2012 First half	2013
Latin America													
Argentina ^a	44.6	49.9	52.1	53.0	54.1	54.5	54.2	54.2	54.4	55.2	55.0	54.6	54.5
Bolivia (Plurinational State of) ^b	53.0	...	55.0	51.2	54.0	52.7	...	52.4	53.6 ^c	...	...	...	...
Brazil ^d	48.9	50.1	50.6	51.0	51.2	51.6	52.5	52.1	53.2	53.7	54.2	53.7	53.9
Chile ^e	48.4	49.3	49.5	50.4	50.5	51.0	51.7	50.5	53.7	55.5	55.7	55.7	55.9
Colombia ^f	53.4	54.2	53.8	54.5	54.0	54.8	55.3	56.2	57.6	59.1	60.1	59.3	59.5
Costa Rica ^g	52.6	53.0	52.5	54.2	54.7	55.7	55.7	57.0	56.4	57.8	57.4	...	...
Cuba ^h	68.6	69.2	69.7	70.7	70.7	72.4	73.6	74.2	73.0	73.6	...	...	...
Dominican Republic ^h	46.2	45.2	46.0	45.9	46.9	47.4	47.7	45.8	47.1	48.0	48.2	48.4 ⁱ	47.4 ⁱ
Ecuador ^j	52.1	48.6	53.4	54.4	54.3	56.8	56.0	53.9	52.5	51.9	53.2	54.0	52.6
El Salvador ^k	49.8	52.0	50.4	50.3	50.8	59.9	60.6	59.7	60.0	59.5	60.6	...	...
Guatemala ^l	58.5	58.4	55.8	...	...	...	...	...	...	59.0	62.8	...	...
Honduras ^l	49.3	49.5	48.5	47.2	49.7	49.7	50.5	50.5 ^m	50.3 ^m	48.9 ^m	48.3 ^m	...	...
Mexico ⁿ	55.5	55.6	55.8	56.7	57.9	57.8	57.5	56.2	56.2	56.7	57.4	57.2	56.8
Nicaragua ^o	43.3	47.6	48.0	49.9	49.1	47.1	49.5	46.6	...	...	...	...	...
Panama ^l	53.2	53.4	55.1	56.0	56.3	57.7	60.2	59.3	59.1	59.8	60.7	60.4 ^p	59.9 ^p
Paraguay ^q	48.4	52.5	56.1	55.8	52.7	55.3	57.0	57.1	55.9	56.1	59.9	57.2	59.0
Peru ^r	62.0	61.2	61.6	60.7	61.8	63.0	62.4	62.7	64.5	64.5	64.4	64.0	64.7
Uruguay ^s	49.1	48.3	50.9	51.4	53.9	56.7	57.7	58.6	59.1	60.7	59.6	59.6	59.1
Venezuela (Bolivarian Republic of) ^h	57.9	56.7	58.0	58.0	58.9	59.4	60.2	60.0	58.9	59.0	58.7	58.2	58.5
The Caribbean													
Bahamas ^h	70.5	69.7	68.0	...	...	...	...	63.0	...	62.4	64.2	...	...
Barbados ^h	61.4	61.6	62.7	63.2	61.9	62.8	62.1	60.3	59.4	60.0	58.5	59.3 ^s	58.9 ^s
Belize ^h	51.5	52.3	53.3	52.8	52.2	56.0	54.3	...	...	...	55.8	...	...
Jamaica ^h	56.4	57.1	57.0	57.0	58.0	58.6	58.5	56.3	54.7	54.4	53.3	53.1 ^t	53.4 ^t
Trinidad and Tobago ^h	54.6	55.2	57.8	58.6	59.9	59.9	60.6	59.4	58.4	58.2	58.6 ^u	...	...
Latin America and the Caribbean^v	52.1	52.8	53.4	54.0	54.5	55.1	55.4	55.0	55.7	56.2	56.6^w	56.0^x	56.0^x

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of information from household surveys conducted in the countries.

^a Progressive incorporation of up to 31 urban agglomerations. New measurement with effect from 2003; data not comparable with preceding years.

^b Urban area. Figure for 2004 based on the survey conducted between November 2003 and October 2004. New measurement with effect from 2009; data not comparable with preceding years.

^c First half-year.

^d Six metropolitan areas.

^e Nationwide total. New measurement with effect from 2010; data not comparable with preceding years.

^f Thirteen metropolitan areas.

^g Nationwide urban figure, July of each year. New measurement introduced in 2009; data not comparable with preceding years.

^h Nationwide total.

ⁱ Figure for April.

^j Nationwide urban figure. November 2002 and December 2003. With effect from 2004, average for four quarters.

^k Nationwide urban figure. With effect from 2007, the age of the working age population was changed from 10 years and over to 16 years and over.

^l Nationwide urban figure.

^m Figure for May.

ⁿ Thirty-two urban areas.

^o Nationwide urban figure. New measurement introduced in 2003; data not comparable with preceding years.

^p Figure for March.

^q Nationwide urban figure. The data for the first half of 2012 and of 2013 relate to Asunción and urban areas of the Central Department.

^r Metropolitan Lima.

^s First quarter.

^t Average of January and April figures.

^u Average of March and June figures.

^v Weighted average. Includes adjustment of data for methodological changes in Argentina (2003). Does not include Guatemala, Nicaragua or Plurinational State of Bolivia.

^w Preliminary figure.

^x This figure (a preliminary one) represents only the countries for which information was available and therefore is not comparable with the annual figures.

Table A.4
LATIN AMERICA AND THE CARIBBEAN (14 COUNTRIES): ACTIVITY, EMPLOYMENT AND OPEN URBAN UNEMPLOYMENT RATES BY SEX, FIRST HALF 2012 AND 2013^a
(Percentages)

Country	Unemployment rate						Participation rate						Employment rate					
	Total			Male			Female			Total			Male			Female		
	First half 2012	First half 2013	First half 2012	First half 2013	First half 2012	First half 2013	First half 2012	First half 2013	First half 2013	First half 2012	First half 2013	First half 2012	First half 2012	First half 2013	First half 2012	First half 2012	First half 2013	First half 2013
Argentina (31 urban agglomerations)	7.2	7.6	6.4	6.6	8.3	9.0	58.8	59.0	71.6	72.3	47.1	47.1	54.6	54.5	67.1	67.5	43.4	42.9
Barbados ^b	11.8	11.5	10.5	11.8	13.1	11.1	67.2	66.6	73.6	72.0	61.4	61.8	59.3	58.9	65.9	63.5	53.4	54.9
Brazil (six metropolitan areas)	5.9	5.7	4.6	4.7	7.3	6.9	57.1	57.2	66.5	66.3	49.0	49.4	53.8	53.9	63.4	63.2	45.4	46.0
Chile	6.6	6.2	5.5	5.4	8.2	7.3	59.7	59.6	72.2	71.9	47.5	47.7	55.7	55.9	68.3	68.0	43.6	44.2
Colombia (13 cities)																		
Broad measurement ^c	11.9	11.6	9.8	9.9	14.2	13.4	67.3	67.2	75.5	75.1	60.0	60.1	59.3	59.5	68.1	67.7	51.5	52.1
Open unemployment	11.2	10.9	9.5	9.5	13.2	12.5												
Dominican Republic ^d																		
Broad measurement ^c	14.3	15.0	9.3	9.9	21.9	22.7	56.5	55.7	68.7	67.6	44.4	44.0	48.4	47.4	62.2	60.9	34.7	34.0
Open unemployment	5.9	7.0	4.3	5.0	8.7	10.4												
Ecuador																		
Broad measurement ^c	5.0	4.8	4.6	4.4	5.6	5.3	56.9	55.3	69.0	67.4	45.7	44.2	54.0	52.6	65.9	64.5	43.1	41.9
Open unemployment	4.3	4.1	3.9	3.9	4.9	4.5												
Jamaica																		
Broad measurement ^c	14.2	15.4	10.8	11.3	18.6	20.2	62.0	63.1	69.9	70.0	55.1	56.5	53.1	53.4	61.5	62.0	44.9	45.1
Open unemployment	8.9	9.8	7.0	7.7	11.3	12.5												
Mexico (32 areas)	5.8	5.9	5.9	5.8	5.8	6.0	60.7	60.4	76.0	75.5	47.3	46.9	57.2	56.8	71.5	71.1	44.5	44.1
Panama ^e																		
Broad measurement ^c	5.3	5.1	4.7	4.9	6.1	5.4	63.9	63.1	77.7	76.8	51.6	51.0	60.4	59.5	74.0	73.0	48.5	48.3
Open unemployment	4.4	3.8	3.7	3.4	5.3	4.2												
Peru (Lima, Metropolitan)	7.5	6.1	5.9	4.7	9.3	7.8	69.2	68.9	78.1	78.0	60.9	60.4	64.0	64.7	73.4	74.3	55.2	55.7
Paraguay (Asunción and urban areas of the Central Department)	8.7	8.2	7.0	7.4	11.0	9.2	62.7	64.3	72.7	72.2	53.5	56.8	57.2	59.0	67.6	66.9	47.6	51.5
Uruguay	6.7	7.1	5.4	5.8	8.3	8.5	64.0	63.5	73.0	72.7	56.0	55.6	59.7	59.0	69.1	68.5	51.4	50.8
Venezuela (Bolívarian Republic of)	8.7	8.1	8.1	7.6	9.6	9.0	63.8	63.7	77.8	77.5	50.0	50.0	58.2	58.5	71.4	71.6	45.2	45.5

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.

^a In the case of Barbados, Bolivarian Republic of Venezuela, Chile, Dominican Republic and Jamaica, the figure is the national total.

^b Data corresponding to the first quarters.

^c Includes hidden unemployment as part of the economically active population and unemployment.

^d Data for the month of April in both years.

^e Data for the month of March in both years.

In the first half of 2013, limited economic growth amid sluggish global conditions dampened the progress the Latin American and Caribbean region had been making hitherto in creating jobs and reducing unemployment. Formal employment creation, in particular, lost momentum. However, wage employment continued to represent the largest share of total employment and real wages rose slightly overall.

Greater investment and productivity are needed, especially in tradable goods sectors with strong national and regional production linkages, in order to boost future growth and thus productive employment creation. This means reducing internal and external productivity gaps, which calls, in turn, for a workforce that has the skills, competences and knowledge to meet the demand from formal and informal enterprises and that reflects the needs of individuals seeking to join the labour market or improve their working conditions. This report reviews the challenges facing training institutions in the region in the framework of the economic and production sector changes under way today and the innovations taking place in this area.