



Off to a good start?

Inequalities and policy options for
facilitating school-to-work transition
among youth

Sonia Gontero



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UNITED NATIONS



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Foreign Affairs

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Introduction

There is widespread agreement on the importance of promoting access to the education and quality jobs that facilitate young people's social and productive inclusion. The forging of employment pathways that enable individuals to make full use of their capacities has an impact not only at the personal level, but also collectively, producing benefits for potential growth, social cohesion and even democratic governance (ILO, 2022; Chacaltana and Dasgupta, 2021; Dema, Díaz and Chacaltana, 2015). Economic development depends on the capacity of the economies to enable their citizens to fulfil their potential.¹

The political significance of this issue has been recognized internationally through the commitments established in the 2030 Agenda for Sustainable Development, which set specific targets for youth labour market inclusion. Many of the issues mentioned in this report are taken into account explicitly in that agenda. For example, the fourth Sustainable Development Goal refers to completing a quality secondary education; Goal 5, target 5.3, calls for the elimination of all harmful practices such as child, early and forced marriage; and Goal 8, target 8.6, aims to reduce the proportion of young people who are not in employment, education or training, while 8.b proposes the implementation of a global strategy for youth employment and the application of the Global Jobs Pact. The well-being of young people is also linked to other goals of the agenda, such as the eradication of poverty and malnutrition, the reduction of inequalities, the promotion of sustainable economies, and protection and care of the environment, among others.

In Latin America, although demographic changes are gathering pace, in 2020 roughly 25% of the working-age population were aged 15–24 years. This represents a valuable resource for the region and potential to reap the demographic dividend and increase productivity. It is also an opportunity for the region relative to higher-income countries, which are wrestling with the challenges of an ageing population. To take advantage of the opportunity, however, young people must be given the chance to develop their full potential through education and training; and they need job opportunities that enable them to create satisfactory employment pathways. Evidence shows that, on average, young Latin Americans have attained higher levels of education and greater proficiency in new digital technologies than previous generations. However, for many who are transiting between education and work the reality is beset by various obstacles and uncertainties. In their first few years in the labour market, young people

¹ This document contains many of the ideas outlined in S. Gontero and S. Albornoz, "Desigualdades en la transición de la escuela al trabajo entre los jóvenes latinoamericanos", *CCK Revista*, No. 16, Barcelona, Kreanta Foundation.

face multiple barriers and highly precarious employment conditions, which makes it hard for them to obtain a job that gives them satisfaction and enables them to plan their future career path. Workers in the region face various types of labour exclusion: first, barriers that prevent them from engaging in paid activities at all (involuntary inactivity); second, difficulties in finding a job (open unemployment); third, the need to take low-productivity jobs (subsistence employment); and lastly, precarious working conditions (informality, low pay, or lack of labour rights) (Weller, 2015 and 2012). Another obstacle to the full use of resources is mismatch between the skills that workers possess and those that the labour market requires. Evidence suggests that about half of all workers in the region have skill levels that differ from those that are needed for their jobs (Gontero and Novella 2021). A variety of economic, social, political and cultural factors combine to bring about this situation, which mainly affects young people from low-income households and especially young women.

This document summarizes indicators that reveal the difficulties faced by some groups of Latin American youth in fully integrating into the labour market, and in pursuing pathways that allow for their personal and vocational development. It also presents indicators that demonstrate the impact of the COVID-19 pandemic on young people in the transition between the worlds of education and work, whose access to training and new employment opportunities was cut off for several months. In order to capture the voice of youth, a number of surveys have been implemented in recent years to ascertain their personal and vocational aspirations and wishes. This study reports the results of some of these surveys, which confirm a high degree of uncertainty about the future, although young people's expectations remain high. Lastly, the study discusses policy options to address the existing inequalities and to facilitate the transition from school to the labour market. It advocates a comprehensive approach that increases the demand for labour, supports supply by improving employability and facilitating intermediation between the two, and operates throughout the life cycle with strategies for lifelong education and training, starting in early childhood. The report presents examples of active employment programmes in the region, the agencies involved, and the lessons learned from evaluations of their impacts.

Understanding this reality is a shared responsibility, in order to propose solutions that reduce insecurity and improve conditions for the employment and social inclusion of young people. In a scenario of multiple crises and urgent need for action, priority should be given to innovative options that have the greatest possible impact, maintaining a comprehensive vision and including dialogue and the voice of youth itself. This opportunity should be exploited by supporting young people in making choices under conditions that enable them to develop their potential to the full, build rewarding life courses and meet the challenges of the profound technological, economic and environmental transformations of the future.

I. A challenging context

To understand the statistics on the transition from school to the labour market, it is necessary to analyse the demographic, economic, social and political context that young people in Latin America face. This section presents indicators that reveal a relatively young region, with higher levels of education and access to technology than in previous generations. However, it is facing demographic, cultural, technological and environmental changes, in a context of lacklustre economic growth, with and little progress being made on its characteristic structural inequalities.

A. Demographic considerations

Latin American countries are going through rapid demographic transition processes, involving steep reductions in birth rates, increased life expectancy, and migration flows both within the region and outside. While the total fertility rate was 2.8 in the five-year period 1995–2000, it had fallen to 2.0 in 2020–2025 and is projected to reach 1.8 by 2050. Life expectancy has increased significantly from 70.6 years in 1995–2000 to 75 years at present, and it is expected to be 80.5 years by 2050 (Weller, 2022).

In this process, major changes are expected in the dependency ratio,² which expresses the relation between the size of the 'dependent' population and that of the economically active population. This indicator is currently close to 50%, with young dependents representing 35 percentage points older adults accounting for 14 points. By 2056, the dependency rate is projected to reach 60%, but the youth proportion will have shrunk to 26 points, and the older-adult share will have grown to 34 points. In the Caribbean countries, the situation is similar, albeit with a more rapid ageing process (Weller, 2022).

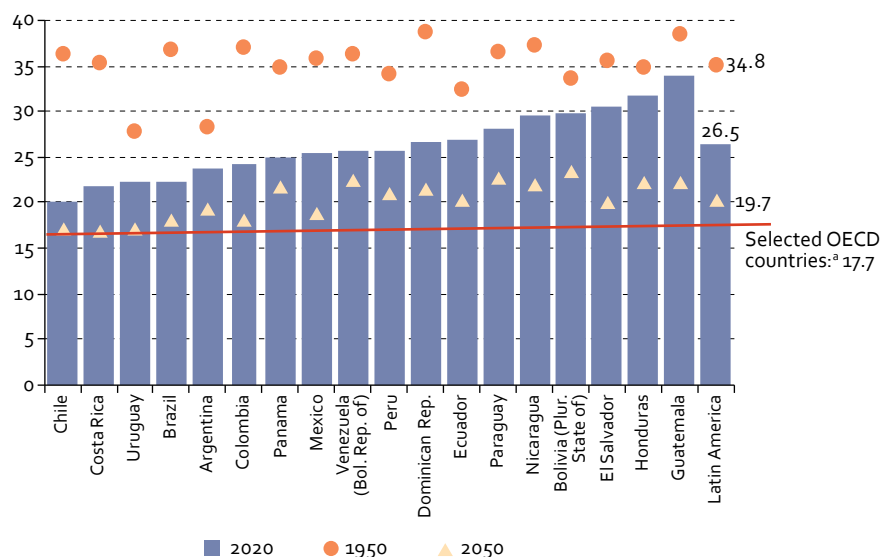
Nonetheless, many countries in the region still have a high proportion of young people and age structures offering a demographic bonus. In 2020, the population aged 15–24 years numbered approximately 102 million, representing 16.5% of the regional population and 26.5% of people of working age between 15 and 64 years old.³ Even in countries such as El Salvador, Honduras, Guatemala and the Plurinational State of Bolivia, one in every three persons of working age are in the 15–24 year age group (figure 1). However,

² The dependency ratio compares the total young population (up to 14 years of age) plus that of adults aged 65 and over with the working-age population (15–64 years of age).

³ Considering the group aged up to 29 years, young people represent approximately 25% of the total population and 36.7% of the working-age population.

this proportion has decreased significantly in recent years and the trend is expected to continue. Whereas, in 1950, 15–24 year-olds represented 34.8% of the working-age population, demographic projections indicate that this proportion will have dropped below 20% by 2050 (ECLAC, 2020). In comparison, in the high-income countries of the Organisation for Economic Co-operation and Development (OECD), young people represented 17.7% of the working-age population in 2020, which indicates a much more advanced stage of population ageing.

Figure 1
Youth (aged 15–24 years) as a proportion of the working age population (aged 15–64 years), 1950, 2020 and 2050
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), United Nations and Organisation for Economic Co-operation and Development (OECD).

^a Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.

In terms of migration processes, until the middle of the twentieth century Latin American and Caribbean countries were subject to net immigration, mainly from Europe; but in the second half of the century emigration outside the region gathered pace increasingly (Weller, 2022). In recent years, population movements between countries in the region have increased, with implications for the labour markets of both the sending and the receiving countries.

Young people play an important role in migration flows, because they are group most likely to move internationally. The Gallup consulting firm conducted interviews in 152 countries between 2015 and 2017, asking respondents whether they would be willing to move to another country.⁴ The results were used to create the Potential Net Migration Index (PNMI),⁵ and they confirm that young people in Latin America are more likely to migrate than adults (see figure A1 in the annex). Despite statistical limitations, the United Nations estimates that 11% of all migrants worldwide in 2019 were 15–24 years old (IOM 2021).

The pursuit of better conditions than those they perceive in their contexts of origin, and the expectation of achieving these through changes in the social, economic and cultural environment, seem

⁴ The question asked was "Ideally, if you had the opportunity, would you like to move permanently to another country or would you prefer to continue living in this country?"

⁵ The Potential Net Migration Index is measured on a scale ranging from minus 100 (meaning that the entire adult population of the country would leave) to infinity (meaning that the potential influx of adult population into the country is unlimited and depends on the number of people who want to move in from around the world). See Gallup, "Potential Net Migration Index" [online] <https://news.gallup.com/migration/interactive.aspx>.

to be common among adolescents and young adults, as their life projects are at a stage of launch or incipient consolidation (Martínez Pizarro, 2000). Young people may see international migration as an opportunity to obtain a better life for themselves and their families, to realize their educational aspirations, to improve their skills and career prospects, or to satisfy a desire for personal development.⁶ However, many young people who have made the difficult decision to move, or who have been forced to do so, find themselves significantly marginalized in their environment—rendered vulnerable not only socially and economically, but also psychologically and often legally too (Hall, 2022). It is important that policies to integrate young people into the labour market take account of the specifics of this population group in both host and receiving countries.

B. Economic, social and cultural considerations

In Latin America, major gains have been made in terms of gaining access to and completing education. On average, the new generations achieve significantly higher levels of education than their predecessors (Gontero and Weller 2015). In 2018, the majority of 15–19 year-olds had completed primary education, and 62% of young people aged 20–24 had completed secondary. Moreover, it was the lower-income population groups that increased their educational attainment at the primary level, thus catching up with higher-income groups in terms of graduation rates and reducing the gap between the richest and poorest income quintiles (ECLAC/OEI, 2020), access to new technologies has improved in recent years, in terms of both mobile devices and connectivity. In 2019, there were 430 million Internet users (equivalent to 67% of the population), although significant differences persist both between and within countries, between urban and rural areas, and between the different household income levels (ECLAC, 2021c).

However, a characteristic of the region is the heterogeneity of its productive structure, which generates external and internal productivity gaps and labour market segmentation (ECLAC, 2021a). In recent years, most countries in the region have experienced periods of modest and volatile economic growth, which has had a direct impact on the creation of quality jobs, both in general and for young people in particular (ECLAC, 2021a). Prior to the pandemic, the region's economies had grown by an average of just 0.6% per year between 2014 and 2019. In 2022, they continued to grow at a moderate rate, estimated at 3.7%, but all the signs are that, from 2023 on, they will converge to growth rates similar to those prevailing before the pandemic (ECLAC, 2022a). The lack of wage-earning employment opportunities and the need to generate household income have fuelled an expansion of self-employment.⁷ In addition to the ups and downs of the economic situation, the school-to-work transition is also affected by structural factors, relating mainly to inequality in its multiple dimensions, compounded by cultural elements and institutional weakness.

In this regard, it is important to note that Latin American societies are characterized by high degrees of inequality, poverty, violence and insecurity (ECLAC, 2021a and 2021b). In recent years, progress has been made in reducing the number of people living in poverty, from 45.4% of the population in 2002 to 30.8% in 2019 (ECLAC, 2019); and income distribution as measured by the Gini coefficient improved between 2002 and 2017, but has remained at levels close to 0.46 since then.⁸ In 2021, 13.8% of the region's population (86 million people) were estimated to be living in extreme poverty, and 32.1% (201 million people) in poverty overall (ECLAC, 2022b). Monetary poverty and inequality manifest themselves not only through disparities in household income, but also in many other dimensions, such as access to health care and other public services—including transportation, water and sanitation—and others such as access

⁶ See International Labour Organization (ILO), "Youth and migration" [online] <https://www.ilo.org/global/topics/labour-migration/policy-areas/youth-and-migration/lang--en/index.htm>.

⁷ On average 31% of workers in the region were self-employed in 2019, compared to 9.5% in higher-income OECD countries. Most of them work informally, in other words without making contributions to their social security.

⁸ Estimates from household surveys conducted in the countries of the region show that inequality decreased rapidly in the decade of 2000s, but the pace its decline then slowed in the early years of the following decade. Since 2017, inequality has remained relatively stable, with the Gini coefficient between 0.45 and 0.46 (ECLAC, 2022a, p.50).

to new technologies and the Internet. Many of the region's countries have large, socioeconomically segregated metropolitan areas, in which the poorest people live in the outskirts and have to travel long distances to reach their workplaces or specialized educational centres. These factors combine to rank the region's countries among those with the highest levels of persistence or inertia in terms of parental and child well-being, with very low social mobility (CAF, 2022) and high degrees of inequality in various measures of individual well-being. Unsurprisingly, young people from disadvantaged sectors face daily situations of violence both inside and outside their homes, which diminishes their capacity to participate safely in civic life. In short, inequality of income is intertwined with other inequalities (gender, ethnic and racial, territorial), which often reinforce each other and affect young people disproportionately (ECLAC, 2016). These disparities have a major impact on the accessibility and quality of education that young people receive and, hence, on their affective and cognitive capacity to acquire knowledge, which is later reflected in their educational attainment. The results of the 2018 assessments of the OECD Programme for International Student Assessment (PISA)⁹ show that student performance on tests of mathematics, science and reading is positively related to the economic, social and cultural status of young people in Latin America. These assessments make it possible to gauge the size of the gaps that exist between the countries of the region and the higher income countries of OECD. The percentage of students from more disadvantaged backgrounds who attain minimum performance levels is significantly higher in OECD countries than in Latin America in all subjects (Huepe, Palma and Trucco, 2022).¹⁰ In addition to the socioeconomic level of the student body, which explains these differences in school performance, there are significant disparities in school infrastructures and in teacher training. These affect access to quality education and will be reflected in the development of job skills.

The full social and labour market integration of young people is also hindered by cultural factors, such as those related to gender roles, in which men are seen as the main breadwinners in the household and women as responsible primarily for household chores and unpaid care. However, this deeply rooted belief diverges from the current reality of family organization in Latin America. Nowadays, there are more "dual-earner" households than "male-earner" ones; and female-headed single-parent households have increased (Blofield and Touchton, 2020; Espino and de los Santos, 2019; Molyneux, 2006).

Discrimination based on gender, income level, ethnicity, age, appearance or place of origin, among other factors, is deeply embedded in local culture. It diminishes self-perception and hinders the construction of tools to tackle the school-to-work transition. Ethnic-racial inequality is a historical and structural feature of Latin America, dating back to the process of conquest, which imposed the idea of race and created categories such as "Indian," "black," "white," or "mestizo," thereby defining identities that contributed to the construction of a social hierarchy. This social structure persists to the present day through a variety of actors, institutions, practices and values that naturalize and reproduce positions of advantage and subordination within societies (Holz, Huepe and Rangel, 2022; Hopenhayn and Bello, 2001).

Lastly, the region faces major governance challenges, as evidenced by the citizenry's distrust of institutions and their weak capacity to manage conflicts. According to the 2020 Latinobarómetro survey, 75.7% of the region's population aged 15–25 years believe that their country is governed by a few powerful groups for their self-benefit and not for the public good.¹¹ In recent years, the prevailing social discontent has triggered numerous expressions of conflict, and has fuelled growing levels of distrust in representatives and institutions, with the concomitant risk for democratic systems.¹²

⁹ The programme aims to measure the capacity of 15-year-old students to apply their knowledge and skills in reading, mathematics and science to real-life challenges <https://www.oecd.org/pisa/pisa-es/>.

¹⁰ Similar results are found in the 2019 Regional Comparative and Explanatory Study (ERCE 2019) that measured learning achievement in mathematics, language and science among students in third and sixth grade of primary education in 16 Latin American countries. At the regional level, only slightly more than half of third grade students attain minimum proficiency levels in both mathematics and reading, while in sixth grade, the proportion is even lower (Huepe, Palma and Trucco, 2022).

¹¹ See [online] <https://www.latinobarometro.org/latonline.jsp>.

¹² Between 2019 and 2022 several factors gave rise to numerous social demonstrations in several countries in the region—as described in local newspapers in countries such as Argentina, the Bolivarian Republic of Venezuela, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Nicaragua, Honduras, Panama, Peru and the Plurinational State of Bolivia.

II. The school-to-work transition

Youth is a crucial period in the life cycle, in which many decisions are made that will shape adult life in one way or another. In particular, the end of adolescence implies not only the transition to legal adulthood, but also the need to make important choices about education, work, and social and family life.

This period, known as the school-to-work transition, refers to the time that elapses between the moment an individual stops attending school (whether or not he/she has concluded a given level of education) and when he/she starts paid work.¹³ This period, which involves the pursuit of economic and social independence, will start and end at a different age for each person; but, to simplify the statistical analysis, it will be considered to span the ages of approximately 15–24 years.

During this period a person transitions from being inactive from an employment perspective (a student) to active (employed or unemployed). Clearly, this is not a simple linear process; during these years young people will very likely move between studies, employment and unemployment. Every society hopes that its young people's school-to-work transition will be as successful as possible, in the sense that periods of inactivity (not linked to the education or training system) will be short, job search will be completed in a reasonable amount of time, and the first job will be one of quality and provide opportunities for personal and vocational development. The absence of such conditions imposes high costs on both individuals and society. Lengthy transitions are not very desirable when there are factors beyond the young person's control that prevent him/her from fully entering the labour market (such as the need to undertake care tasks, or discouragement at being unable to find a job). This can have long-term consequences that damage conditions for future integration into the labour market. Moreover, the existence of generations of young people with lengthy transition periods or low-quality job opportunities has social and economic costs in terms of unused human resources and greater likelihood of engaging in risky behaviours (violence, alcohol, gangs) (Bricker and Foley, 2013), with economic independence being attained at an older age, among other consequences.

¹³ Some people in the region participate in the labour market on an unpaid basis. This group is classified as unpaid family workers because most of them work in a family business or enterprise for which they do not receive wage.

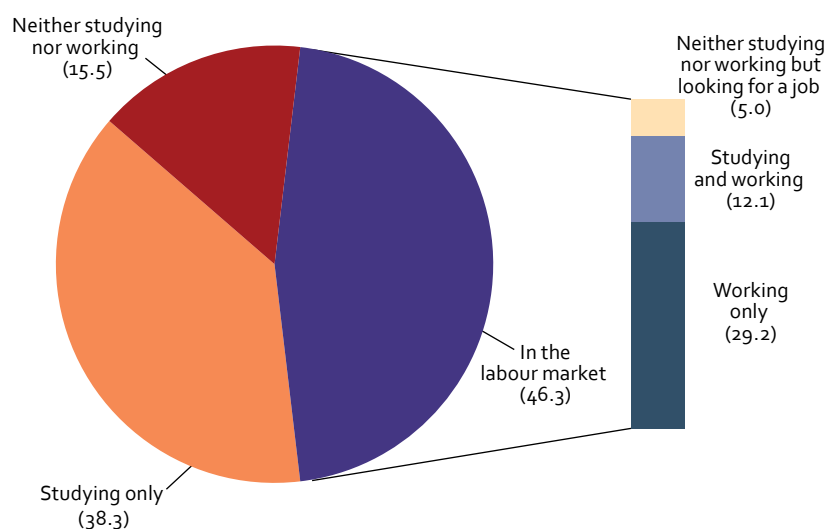
To analyse the dynamics of this period would require young people to be tracked during the years of the transition. However, this type of data from longitudinal surveys is scarce, owing mainly to the high cost of the necessary surveys. This section presents the main indicators that can be constructed with the information that is available in Latin America.

A. Transition indicators obtained from national employment surveys

The main sources of labour market information in the region are periodic employment or household surveys. The data in question make it possible to estimate indicators that reveal the employment status of young people and the duration of the transition.

One such indicator is the situation of young people in terms of their relationship with the educational world and the labour market at a given point in time. In 2019, before the disruptive changes brought about by the pandemic, about 38.3% of 15–24 year-olds were in full-time education, 15.5% were neither studying nor engaged in paid activities or job search; and the remainder, which is half of all young people, were participating in the labour market, either working or else looking for a job (figure 2). In the same year, in the highest-income OECD countries, 48% of 15–24 year-olds were participating in the labour market, and 46.7% were studying full time (figure 3). These countries also have a larger proportion of young people combining study and work (23.4% compared to 12% in Latin America and a smaller proportion of young people who were neither studying, nor in paid employment nor looking for work).

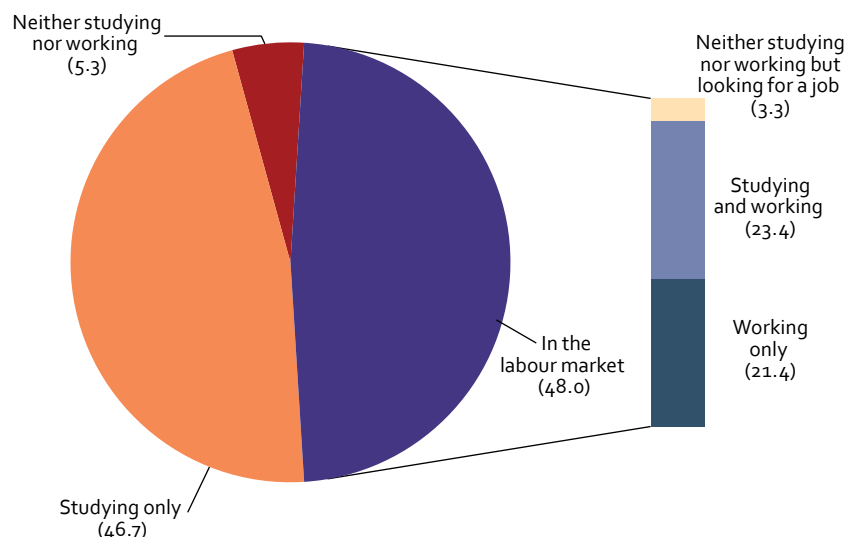
Figure 2
Latin America (16 countries):^a population aged 15–24 years by activity status, 2019
(Percentages)



Source: Prepared by the author, on the basis of International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/>.

^a Argentina, the Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Panama, Peru, Paraguay, El Salvador, the Plurinational State of Bolivia and Uruguay.

Figure 3
Developed OECD countries:^a population aged 15–24 years by activity status, 2019
 (Percentages)



Source: Prepared by the author, on the basis of International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/>.

^a Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.

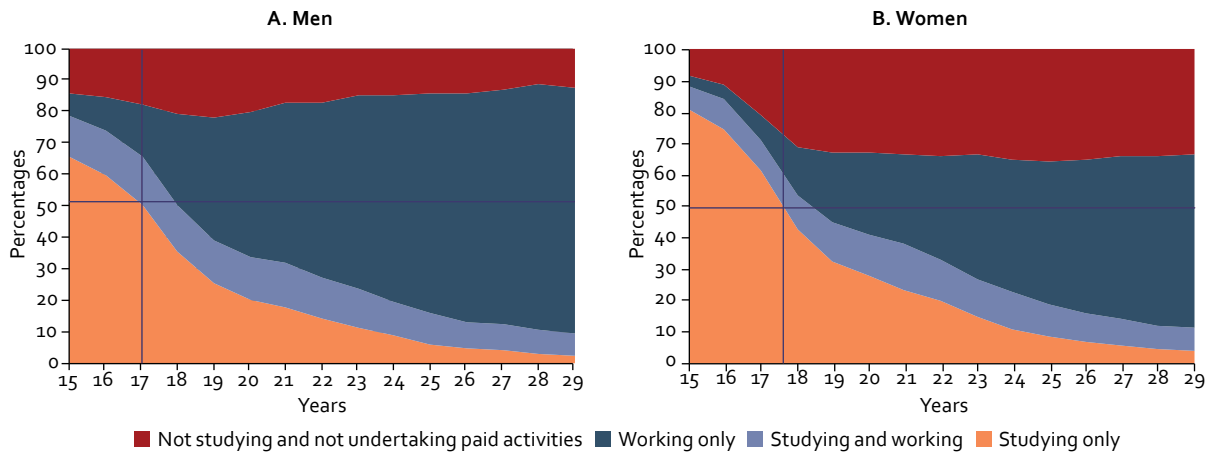
Another interesting indicator is the employment status of young people by age in years; that is the percentage of young people at each age who are only studying, studying and working, only working, neither studying nor working but looking for a job, and lastly young people who are neither studying nor working (figure 4). As would be expected, the proportion who are studying exclusively decreases with age, while the proportion who are working increases. The vertical lines indicate the age at which 50% of young people have left the education system, in other words the median age of concluding education. On average in Latin America, most young people stop studying between the ages of 17 and 18 years. In developed countries, this generally happens between 21 and 22.¹⁴ Another characteristic of Latin America is that the age of leaving education is higher among women, which means that young women tend to stay in education longer than men. Nonetheless, this indicator varies widely between the countries of the region. In some cases, such as Honduras, Nicaragua, Peru and the Plurinational State of Bolivia, labour market entry occurs very early, since the median age at which young people stop attending school exclusively is around 14 or 15 years, especially in the case of men (see figure A2 in the annex). This situation is alarming, since premature entry into the labour market is generally associated with school dropout and fewer opportunities for future career development. The International Labour Organization (ILO) estimates that about 6% of children aged 7–17 years were working in 2020. In other words, 6.8 million children were engaged in child labour,¹⁵ of whom 5.5 million were performing hazardous tasks that directly endangered their health, safety and moral development (ILO, 2022).

¹⁴ See OECD (2008) chapter 1.

¹⁵ The term “child labour” is defined as any work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that is hazardous and detrimental to the child’s physical, mental or moral well-being and/or interferes with the child’s schooling. See International Labour Organization (ILO), “Child labour” [online] <https://www.ilo.org/global/topics/child-labour/lang--en/index.htm>.

Figure 4
Latin America (17 countries):^a distribution of the youth population by educational and employment status,
and by age in years, around 2019

(Percentages and ages in years)



Source: Prepared by the author, on the basis of household surveys from the respective countries.

^a Argentina, the Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

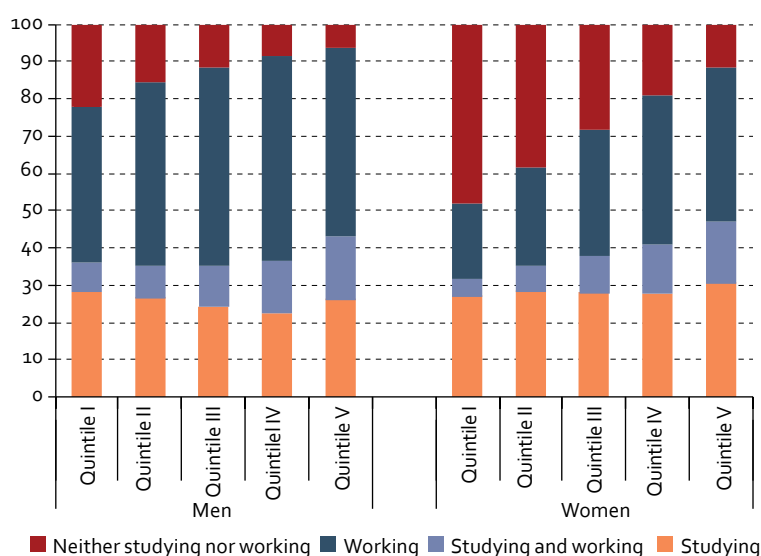
This indicator also reveals a significant increase in inactivity between the ages of 17 and 18 years; but while this seems to be a temporary situation for men, it is more permanent for women. Lastly, studying and working at the same time is more common between the ages of 19 and 22 among men and women alike; and it is more prevalent in Brazil, Costa Rica, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay (see figure A2 in the annex). Combining work and study can have immediate positive effects (income received, new social relationships, habits of adhering to schedules and rules, and so forth), and also longer-term effects (above all, the acquisition of experiences, skills and contacts that could be useful for a definitive future transition). However, the literature emphasizes that, among adolescents in particular, the impact of such a combination in the subsequent school-to-work transition depends on the work patterns involved, which, themselves, are influenced by the young people's social origins (Mortimer, 2010; ECLAC/ILO 2017). Similarly, Post and Pong (2009) found differences between countries and differentiated impacts of youth work on school performance. These depended on the extent of the work activities, since excessive work detracts from school performance and, hence, diminishes transition prospects (Gontero and Weller 2015).

The activity status of young people differs clearly according to household income level and gender (figure 5). In the case of young women, there is a clear tendency for their labour force participation to increase with income. Among young men, the proportion who work full-time is significantly higher among those from poorer households, while women in this group have higher inactivity rates, of up to 70% in the first quintile. The gender gaps are smaller in higher-income households, although the proportion of young women who neither study nor work is consistently higher than that of men.

The average duration of the school-to-work transition is an intuitively appealing indicator of the ease or difficulty with which young people integrate into the labour market; but in practice it poses many measurement problems, especially when international comparisons are being made (OECD, 2010 and 2008). Commonly used estimates are based on activity status by age and can be calculated using cross-sectional data obtained from employment or household surveys. The duration of the school-to-work transition is typically calculated as the difference between the age at which 50% of young people are employed (the median age at which young people start working) and the age at which only 50% are in school (the median age at which young people stop attending school). Estimates in 2019 show that this period lasted an average of 5.7 years in Latin America, compared to 2.7 years

in high-income OECD countries.¹⁶ In some of the region's countries, the transition lasts nearly 7 years (Costa Rica, Nicaragua and Honduras). There is also a wide gender gap, with the average school-to-work transition spanning an estimated 3.7 years for Latin American men and 9.2 years for women, possibly owing to the latter's involvement in unpaid care work (figure 6).

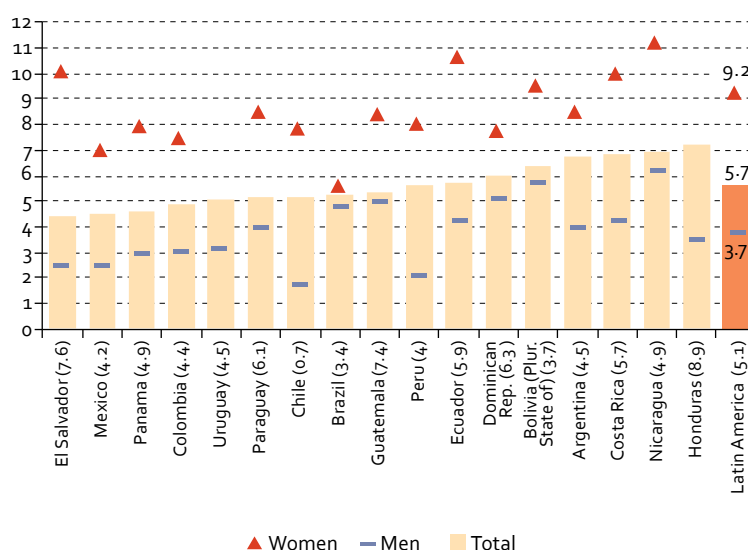
Figure 5
Latin America:^a activity status of 15–29 year-olds by household per capita income quintile and gender, 2019
(Percentages)



Source: Prepared by the author, on the basis of household surveys from the respective countries.

^a Argentina, the Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

Figure 6
Average duration of the school-to-work transition, around 2019
(Years)



Source: Prepared by the author, on the basis of household surveys from the respective countries.

Note: The difference (average duration for women minus that for men) is shown in parentheses.

¹⁶ Estimates for 2006 reported in OECD (2008).

It should be made clear that lengthy transitions are not necessarily bad, nor are all brief transitions desirable. The former could involve young people who need more time to find a job that meets their expectations, especially in contexts where there is financial support (either from the State or from the family) that permits longer job search. Conversely, short durations may reflect an economic necessity that sacrifices the quality or relevance of the job and creates a situation from which it is difficult to escape. This may be particularly relevant for lower-income groups with low expectations of finding good jobs. In short, while indicators of the duration of the transition can serve as warning signs, they should be complemented with other indicators and analysed in context, to provide a more accurate view of the factors that facilitate or hinder young people's full integration into the labour market (ECLAC-ILO, 2017).

While this type of cohort-based measure provides a useful indication of the age range in which many young people transition from studying to working, it is not a perfect indicator. In practice, it does not take into account the dispersion that results from study choices and the highly asymmetric difficulties that different groups face in entering the labour market. Moreover, it cannot be used to study the quality of the jobs found, since it includes all types of jobs, regardless of the type or duration of the contract in question. A first job is often only the starting point of the transition process: it is seldom stable and may be followed by alternating periods of employment, unemployment or inactivity (or both) (OECD, 2010). A more robust measure of the duration of the school-to-work transition would require a longitudinal survey that tracks individuals through time. However, such surveys are rare in developing countries.

B. Transition indicators based on the School-to-Work Transition Survey (SWTS).

In order to expand knowledge and evidence-based analysis of this stage, ILO developed the "School-to-Work Transition Survey" (SWTS), which it applied in various countries. The survey included 10 countries in Latin America and the Caribbean—initially Brazil (2013), El Salvador (2012), Jamaica (2013), Peru (urban areas, 2012–13) and the Dominican Republic (2015);¹⁷ and then, in a second wave, Guatemala (2017), Guyana (2017), Chile (2018), Colombia (2018) and Costa Rica (2018).¹⁸

This survey covered the 15–29 age group, so as to include young people who remain longer in the education system and also to take account of their work experiences after graduating. Moreover, the survey defines the end of the school-to-work transition as the moment when the young person in question finds a stable job. This is defined according to the terms of the employment contract (which may be written or verbal) and its duration (which must be more than 12 months), so that it offers the worker a sense of security or stability. In addition, as stability is scarce in youth employment, job satisfaction is also included as a variable.¹⁹ Thus, the transition to employment will be considered complete when the young person finds his or her first stable job or feels that it provides personal satisfaction (or both). If these conditions are not met, the transition will not be considered complete.

The stages of transition are classified as follows:

- (i) Transition complete (transited): young people who at the time of the survey are in:
 - A regular job, whether satisfactory or unsatisfactory; or
 - A temporary but satisfying job or satisfactory self-employment.
- (ii) In transition: young people who are in one of the following situations:

¹⁷ The main results for six countries in the region are summarized in ECLAC/ILO (2017), see also Dema, Díaz and Chacaltana (2015).

¹⁸ Some results for this wave are reported in ILO (2020d).

¹⁹ This is clearly a subjective variable that can vary from one young person to another, depending on how individuals judge the extent to which their current employment situation accords with the qualifications, work experience and potential they consider they possess.

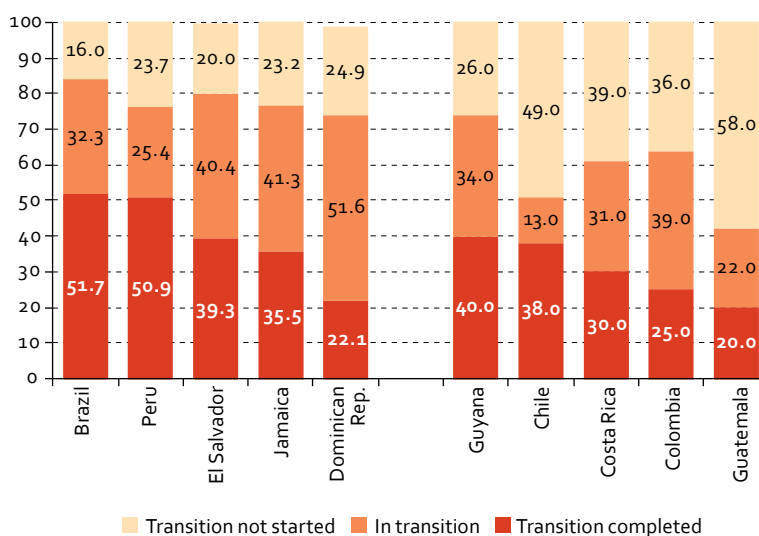
- Not in school and currently unemployed (flexible or broad definition²⁰), or
- In school and currently employed in a temporary and non-satisfactory job, or
- Currently self-employed and unsatisfied, or
- Currently economically inactive and not in school, with the aim to look for work at a later date.

(iii) Transition not yet started: young people who are in one of the following situations:

- Still studying (inactive students), or
- Currently economically inactive and not attending school or receiving training (not economically inactive students), with no intention of looking for work.²¹

According to this definition, the first wave of the survey showed that roughly half of 15–29 year-olds have completely transited in Brazil and Peru (figure 7). The equivalent proportion falls to one in three in El Salvador and Jamaica and just one in five in the Dominican Republic.²² The “In transition” group accounts for around 40% of 15–29 year-olds in El Salvador and Jamaica and around 30% in Brazil. Lastly, between 20% and 25% of this age group have not yet started their transition.

Figure 7
Distribution of 15–29 year-olds, by transition stage
(Percentages)



Source: Prepared by the author, on the basis of regional School-to-Work Transition Survey (SWTS) data and International Labour Organization (ILO), “Transition from school to work remains a difficult process for youth”, Geneva, 16 January 2020 [online] <https://ilostat.ilo.org/transition-from-school-to-work-remains-a-difficult-process-for-youth/>.

²⁰ The flexible unemployment rate used in this survey extends the standard definition of unemployment by reintroducing young people who are “out of work”, “available for work” but have not actively looked for work. This definition makes sense when conventional methods of job search are not entirely relevant, when the labour market is highly disorganized, when labour force absorption is insufficient, or when there is a significant proportion of self-employment (Handal, 2014, p. 25).

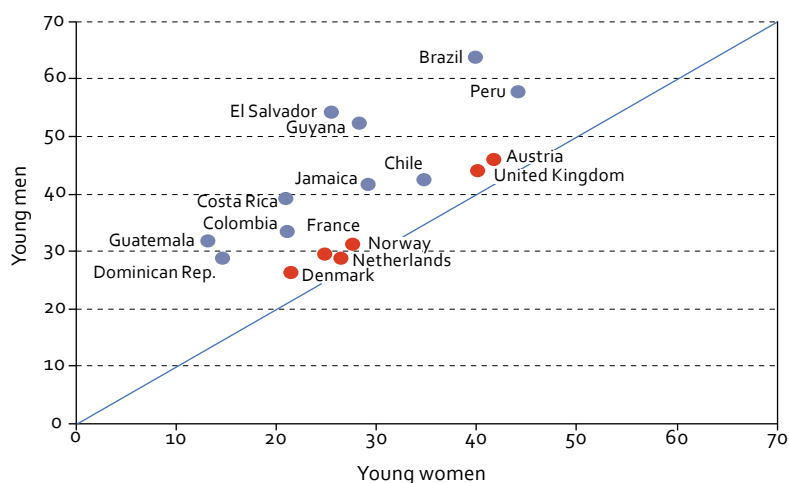
²¹ If individuals who are currently inactive but express a desire to work in the future (without a precise time frame) are included among “youth in transition”, this group could be overestimated. This is because whether the young person in question will ever actually take concrete steps to enter the labour market is unknown.

²² This gap reflects methodological differences since the study in this country includes young people who are both studying and working within the transited group, while in the other countries some people in this group will be classified as “transited” if their employment is considered stable.

The countries included in the new wave of the survey around 2018 had a larger proportion of young people who had not started their transition at 29 years of age, mainly in Chile and Guatemala.

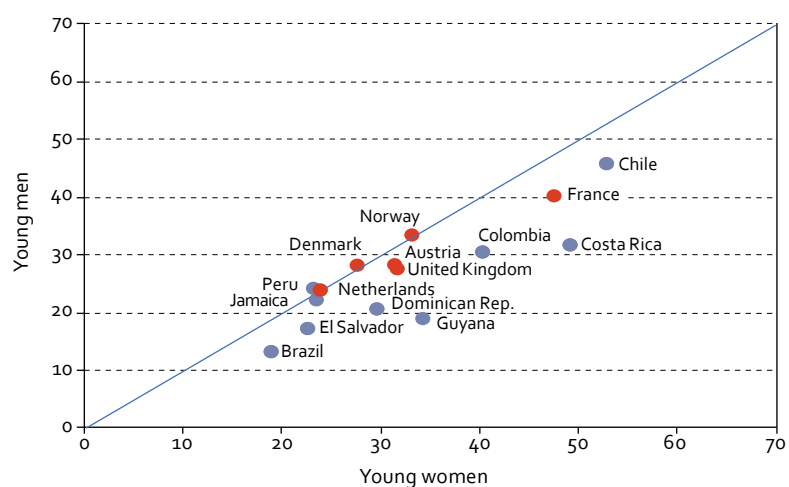
These averages are affected by wide gender disparity. In all of countries of the region considered, young men are more likely to complete the transition process between the ages of 15 and 29 (figure 8). The gap is larger among Latin American countries than among the high-income countries included in this survey.²³ Similarly, young women aged 15–29 are less likely to have started their transition to the labour market than young men, especially in Chile, Colombia and Costa Rica (figure 9).

Figure 8
Proportion of young men and women with transition completed
(Percentages)



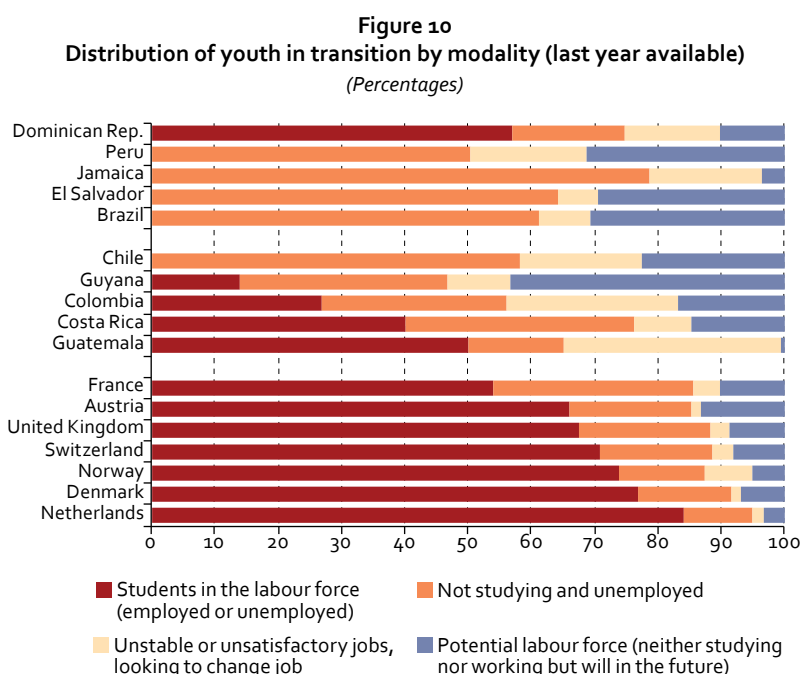
Source: Prepared by the author, on the basis of regional School-to-Work Transition Survey (SWTS) data.

Figure 9
Proportion of young men and young women with transition not started
(Percentages)



The survey provides information according to subcategories of the three aforementioned statuses. For example, among youth in transition, information can be obtained on who is not in school and currently unemployed, not in school and currently employed in a temporary and unsatisfactory job, currently self-employed and unsatisfied, or economically inactive and not in school but intending to look for work later.

The results show that the proportion of youth in transition who are studying but have already entered the labour market is generally greater in higher-income countries than in the Latin American and Caribbean countries considered (figure 10). The latter have a larger proportion of young people in transition who are not studying and are unemployed or in unstable or unsatisfactory employment. Similarly, the share of discouraged youth in the potential labour force is much higher in Latin American countries (except for Guatemala and Jamaica). These findings underscore the importance of continuing to invest in policies that promote quality employment and provide relevant work experience to lay the foundations for a productive future.



Source: Prepared by the author, on the basis of regional School-to-Work Transition Survey (SWTS) data and International Labour Organization (ILO), "Transition from school to work remains a difficult process for youth", Geneva, 16 January 2020 [online] <https://ilostat.ilo.org/transition-from-school-to-work-remains-a-difficult-process-for-youth/>.

III. Young people outside both the education system and the labour market

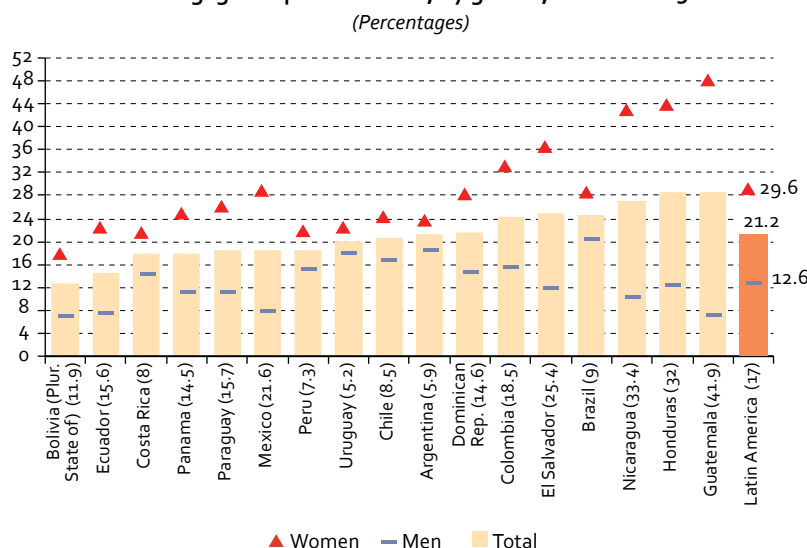
Despite the progress made in terms of access to education, dropout rates remain a worrying problem in the region, especially at the secondary-school level. The young people who remain outside the education system include those from lower-income sectors and those who live in rural and more remote areas, as well as indigenous and Afrodescendent populations. The latter suffer multiple inequalities stemming from historical processes of discrimination and exclusion (ECLAC/OEI 2020). This situation has been aggravated by the pandemic, as most countries in the region had to close their schools or implement distance learning in 2020 and 2021, from which many children, adolescents and young people were excluded. This increases the risk of school dropout substantially, with significant short- and long-term consequences, both for the economic well-being of the individuals affected and for a country's productivity. Students who drop out of school to enter the labour market generally develop fewer skills and are more likely to be unemployed, or to enter the informal economy, than those who complete secondary education (Adelman and Székely, 2016).

Many of these young people leave school early in order to contribute to household income. However, another group will neither study nor participate in paid activities. In 2019, about 21.2% of 15–24 year-olds were neither enrolled in the education system nor in the labour market (figure 11). It is worrying that this indicator has declined only marginally in recent years. On average for Latin America, an estimated 23.2% of 15–24 year-olds in 2000 were neither studying nor working. This slight improvement is the result of a reduction in the proportion of women in this situation, while the figure for men has remained virtually unchanged.

The proportion of young people who are neither studying nor engaged in paid activities also does not change significantly if the age range is extended to 29 years. In 2019 this indicator was estimated at 20.5%, almost double the rate in high-income countries. On average for 18 OECD countries, 11.7% of young people aged 15–29 were neither studying nor engaged in paid activities in 2019, with figures of 12.7% for women and 10.8% for men.²⁴ In Latin America the gender gap is much wider: in that year 29.7% of women were neither in school nor in the labour market, compared to 11.1% of young men (figure 12).

²⁴ Data available in Organisation for Economic Co-operation and Development (OECD), "Youth not in employment, education or training (NEET)" [online] <https://data.oecd.org/youthinac/youth-not-in-employment-education-or-training-neet.htm>.

Figure 11
Latin America (17 countries): proportion of 15–24 year-olds who are neither studying nor engaged in paid activities, by gender,^a around 2019^b

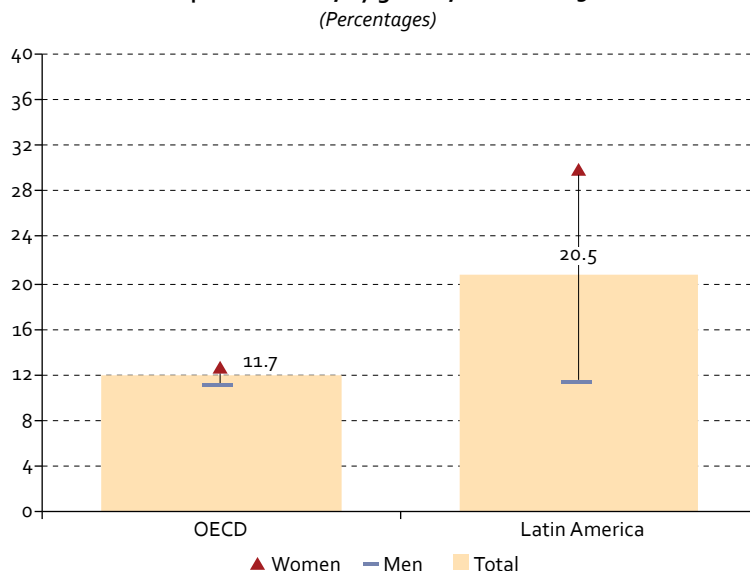


Source: Prepared by the author, on the basis of household surveys from the respective countries.

^a The difference (average duration for women minus that for men) is shown in parentheses.

^b Data for Argentina, Brazil, Costa Rica, Colombia, the Dominican Republic, Ecuador, El Salvador, Honduras, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay correspond to 2019; those for Mexico and Guatemala correspond to 2018, Chile to 2017 and Nicaragua to 2014.

Figure 12
Latin America (16 countries)^a and Organisation for Economic Co-operation and Development (OECD) (selected countries):^b proportion of 15–29 year-olds who are neither studying nor engaged in paid activities, by gender, around 2019



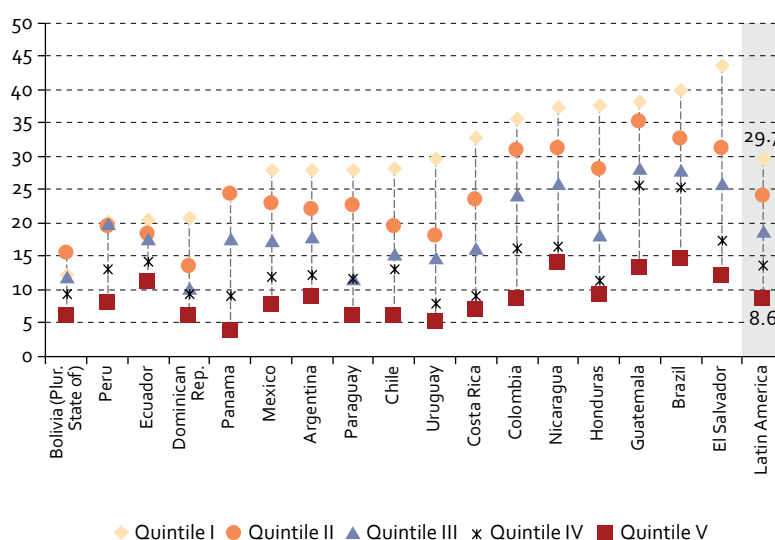
Source: Prepared by the author, on the basis of household surveys from the respective countries and Organisation for Economic Co-operation and Development (OECD), OECD Data [online] <https://data.oecd.org/>.

^a Argentina, the Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Peru, Paraguay, the Plurinational State of Bolivia and Uruguay.

^b Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, The Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.

In general, there is a positive correlation between household income level and the level of this indicator. In 2019, about 8.6% of 15–24 year-olds from more affluent households were neither studying nor engaged in paid activities, compared to nearly 30% of those from poorer households, a difference of more than 24 percentage points (figure 13). However, in some Central American countries, a large proportion of young people from high-income households are also neither studying nor working. This overall situation is worrying because the large proportion of young people who are neither studying nor working in low-income households contributes to the intergenerational transmission of poverty and inequality.

Figure 13
Latin America (17 countries): proportion of 15–24 year-olds who are neither studying nor engaged in paid activity, by income quintile, around 2019^a
(Percentages)



Source: Prepared by the author, on the basis of household surveys from the respective countries.

^a Data for Argentina, Brazil, Costa Rica, Colombia, Dominican Republic, Ecuador, El Salvador, Honduras, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay correspond to 2019; data for Mexico correspond to 2018, for Chile to 2017 and for Nicaragua and Guatemala to 2014.

Various life choices or situations influenced by the social and economic context can lead many young people to drop out of school and not enter the labour market. Some of these adolescents and young people may be considered at risk as they generally also face a variety of challenges, such as poverty, violence, family demands as heads of family, early marriage, or caring for younger siblings or family members in need. For young women, this situation is associated in particular with the sexual division of labour in the household and the need to provide unpaid care. Child, early and forced marriages and unions remain a reality for some girls and adolescents in Latin America and the Caribbean, where it is estimated that one in four will marry for the first time or be in a union before their eighteenth birthday (ECLAC and others, 2022). Moreover, statistics on adolescent pregnancy show that, on average, around 12% of 15–19 year-olds reported having had at least one live birth.²⁵

²⁵ In some countries, such as the Dominican Republic and Nicaragua, almost one in five 15–19 year-old women reported having had at least one child born alive at the time of the census. In Belize, Ecuador, El Salvador, Guatemala, Honduras and Panama, the rate of teenage maternity exceeds 15%. See Economic Commission for Latin America and the Caribbean (ECLAC), "Teenage maternity" [online] <https://oig.cepal.org/en/indicators/teenage-maternity>.

Exclusion from the labour market, especially when inactivity is involuntary, is a barrier to earning one's own income and hence to economic autonomy. This can restrict future opportunities, as young people accumulate fewer skills during this period; and, in some contexts, it is associated with high-risk activities such as delinquency, violence, substance abuse and risky sexual activity (ILO 2019a).

This persistently high proportion of young people who are neither studying nor in paid employment prevents the region from reaping the benefits of the demographic dividend and the associated productivity and welfare gains (Hoyos, Rogers and Székely, 2016). To achieve a successful school-to-work transition, it is crucial to take a multidimensional view, starting with the early prevention of school dropout, the promotion of gender equality and measures to reduce the proportion of young people who are neither studying nor working, involuntarily. Several policy options are discussed in the policy section.

IV. Labour market indicators

When young Latin Americans decide to participate in the labour market, the challenges begin at the stage of job search. In 2021, 17.6% of 15–24 year-olds, numbering about 23.5 million people, were actively looking for work without finding it. Countries of lower per capita income, such as El Salvador, Guatemala, Honduras and the Plurinational State of Bolivia, tend to have lower youth unemployment rates, possibly owing to the need for young people to earn an income. In contrast, countries such as Argentina, Brazil, Chile, Colombia, Costa Rica, Panama and Uruguay had youth unemployment rates of over 20% in 2021 (figure 14). To be considered unemployed, an individual must be without work, actively seeking a job and available for work. In addition to the economic consequences of this situation, lengthy periods of unemployment can affect self-esteem and constitute a very serious factor of exclusion from the labour market.

This indicator also reveals gender inequalities: in the same year, the unemployment rate among young women was 21.8%, 7 percentage points higher than the 14.9% rate for young men. By comparison, in high-income OECD countries, the youth unemployment rate in 2021 was around 15.8%, with no significant gender differences, and even slightly lower for women.²⁶

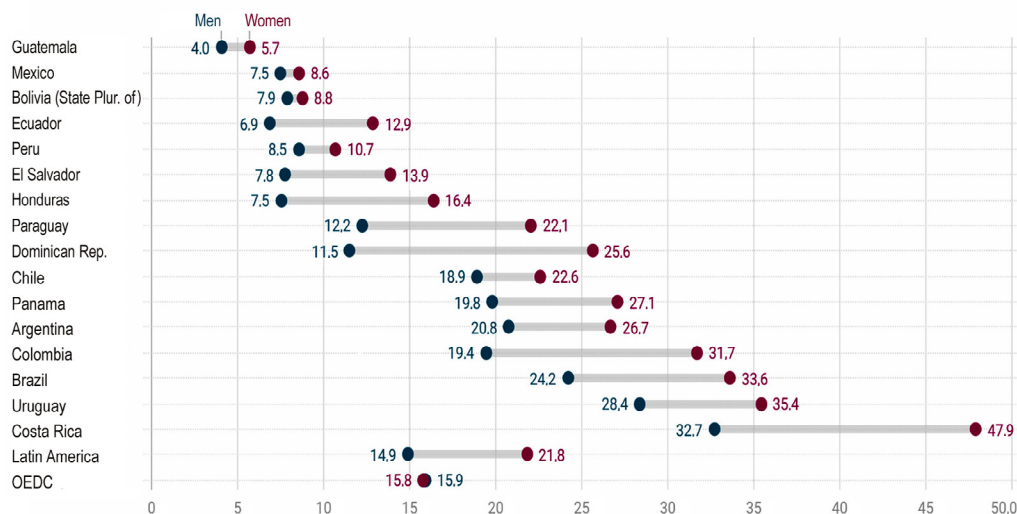
Before the pandemic, the youth unemployment rate in Latin America was on average three times higher than that of adults aged 25–54 years, whereas in developed countries it is usually double. There are several reasons why young people would be expected to have higher unemployment rates than adults: their lack of experience puts them at a disadvantage vis-à-vis new job opportunities; but it could also reflect higher labour turnover, as young people seek jobs that match their training and expectations. In contrast, adults with greater financial responsibilities, prefer to stay in their jobs while looking for other opportunities, thereby avoiding periods of unemployment that reduce their disposable income.

These barriers are higher for young people from lower-income households. In 2019, the regional average unemployment rate among youth from households in the first income quintile was 23.3%, compared to around 8% among those from more affluent backgrounds (figure 15). This situation reflects multiple factors of inequality, such as lower levels of education and experience or reduced access to quality education, less motivating environments, poor access to care services allowing for longer working

²⁶ There is also disparity among the high-income OECD countries. The average reflects the problematic situation of high youth unemployment rates in countries such as Spain, Italy and Portugal, without which the average is substantially lower.

hours, living further away from the workplace, among others, which compound to the detriment of these young people. It is also worth noting the importance of social capital and its unequal distribution in Latin America. In labour markets where information is scarce, employers tend to prefer personal references when hiring, which generally benefits young people from families with higher incomes and a network of contacts (Weller, 2007).

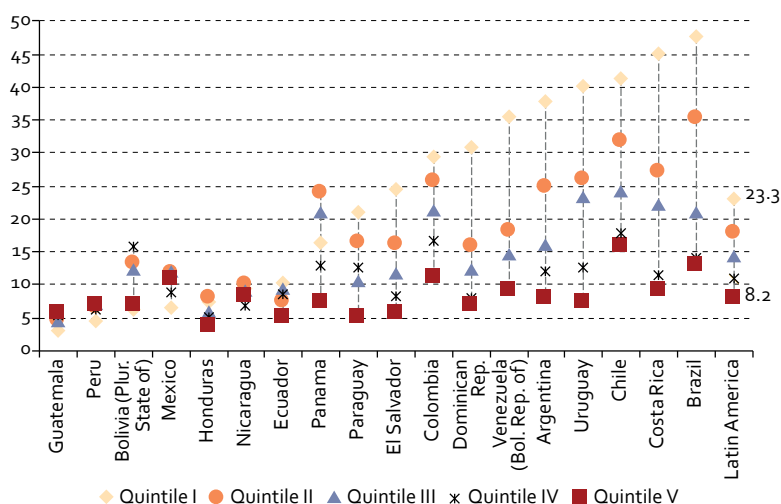
Figure 14
Unemployment rate among 15–24 year-olds, around 2021^a
(Percentages)



Source: Prepared by the author, on the basis of International Labour Organization (ILO), "Statistics on unemployment and labour underutilization" [online] <https://ilostat.ilo.org/topics/unemployment-and-labour-underutilization/>.

^a The figures for Guatemala and Honduras refer to 2019.

Figure 15
Unemployment rate among 15–24 year-olds by income quintile, around 2019^a
(Percentages)



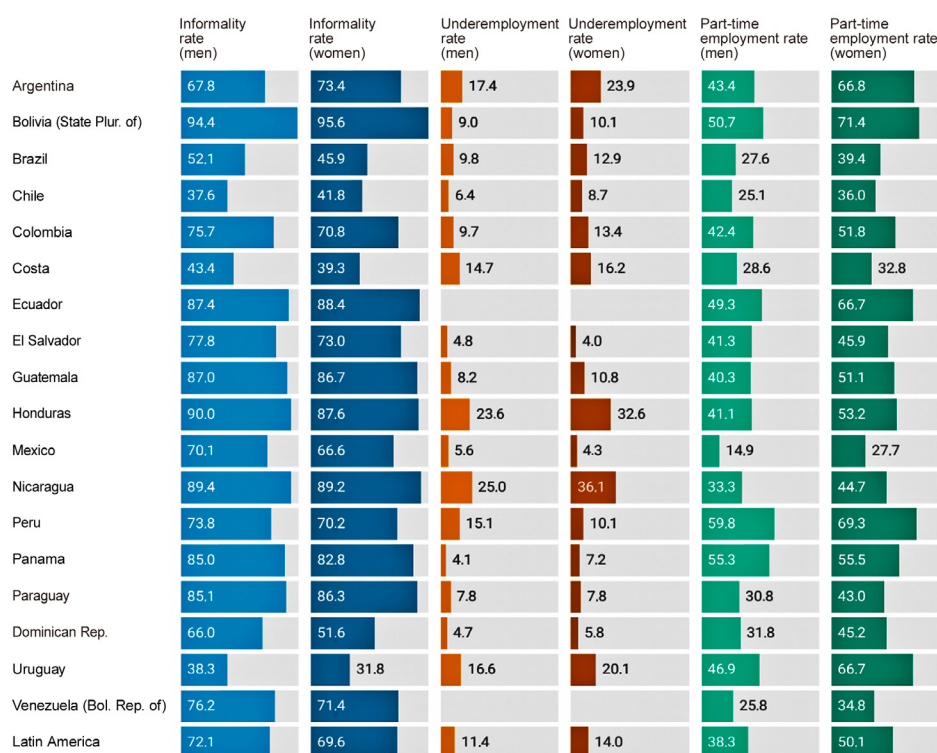
Source: Prepared by the author, on the basis of household surveys from the respective countries.

^a The figures for the Bolivarian Republic of Venezuela refer to 2014.

When young people do find work, the conditions of employment are often informal and precarious; in other words, jobs that do not pay social security contributions for pensions, health care, or other rights such as sick pay or parental leave. This is another factor of exclusion from the labour market. It is estimated that around 70% of young women and 72% of men aged 15–24 in employment were working informally in 2021; and in some countries the proportion rises to four out of every five workers (figure 15).

As shown in reports on the regional labour market, most labour market indicators reveal large gender gaps. In particular, women have lower participation and employment rates than men, higher unemployment rates and (on average) more precarious working conditions; they have less access to managerial positions and receive lower pay for the same work. These disparities can be discerned as from the initial years of labour market participation: in 2019, nearly 40% of young women and 27% of men were either unemployed or wanted to work more hours; or else they formed part of the potential labour force, which includes discouraged youth who are no longer looking for work (ECLAC, 2021a). Young women are more likely to combine work with other household responsibilities, and this is generally reflected in the time they spend in paid work. On average, the prevalence of underemployment and part-time work is higher among young women (figure 16).

Figure 16
Informality rate, underemployment and part-time work among 15–24 year-olds, around 2021^a
(Percentages)



Source: Prepared by the author, on the basis of International Labour Organization (ILO), "Statistics on unemployment and labour underutilization" [online] <https://ilostat.ilo.org/topics/unemployment-and-labour-underutilization/>.

Notes: (a) Informal employment includes: (i) Employees (or persons not classified by employment status) not protected by national labour legislation in that job (social security, entitlement to certain employment benefits); (ii) Entrepreneurs in a production unit that is considered informal, where entrepreneurs refers to employers, members of producers' cooperatives, and self-employed workers (provided what is produced is for sale); and (iii) Auxiliary family workers. (b) The time-related underemployment rate is a measure of labour underutilization that provides information on the proportion of employed persons who are willing and available to increase their work time and worked fewer hours than a specified time threshold during the reference period. (c) Part-time work is defined as less than 30 hours' work per week. However, there is no agreed international definition; national determinations vary significantly from one country to another. In some countries, the threshold is defined in terms of the legal hours of full-time work. Other countries ask directly whether workers work part-time, or else define the threshold in terms of the worker's own usual working hours.

^a The figures for Guatemala and Honduras refer to 2019.

In some cases, finding a job does not provide a route out of economic hardship; difficulties in obtaining quality employment are reflected in the proportion of young workers who remain economically vulnerable. According to ILO estimates, around 5.2% of working youth were poor in 2019, equivalent to approximately 2.2 million young people. This proportion has declined steadily since 2000, but has remained relatively stable over the last five years (see figure A3 in the annex). Young women receive 85% of the wages received by young men, and this trend has not changed much over time (see figure A4 in the annex). Differences in labour income between men and women may reflect various observable individual factors such as education, occupation, economic sector, household responsibilities, formality, hours worked, among others. However, there are also differences in income between men and women which, even when all of the aforementioned factors are controlled for, cannot be explained and may be due to discriminatory practices (ILO, 2019b; Miró and Ñopo, 2022; ECLAC/ILO, 2019).

In short, the evidence shows a high degree of underutilization of young people in the region; and the indicators of unemployment, inactivity and underemployment reflect this reality, particularly among women.

V. The impact of the COVID-19 pandemic on youth labour market integration

In March 2020, the World Health Organization (WHO) declared a state of pandemic owing to the spread of the COVID-19 virus. Most countries in the world had to implement measures restricting individual mobility to prevent the spread of this virus, which triggered a deep economic and social crisis. In Latin America, gross domestic product (GDP) fell by 6.8%, with a major impact on labour markets, which experienced significant reductions in participation and employment rates (ECLAC, 2021a and 2021b).

For young people, the COVID-19 pandemic had a major impact across three dimensions: (i) disruptions to education and vocational training; (ii) increased difficulties for young jobseekers and new labour market entrants in the early 2020s; and (iii) job and income losses, along with deteriorating quality of employment for those who were working (ILO, 2020b). These factors, compounded by the interruption of leisure and socialization activities at a crucial time in life, will certainly shape the adult life of a generation.

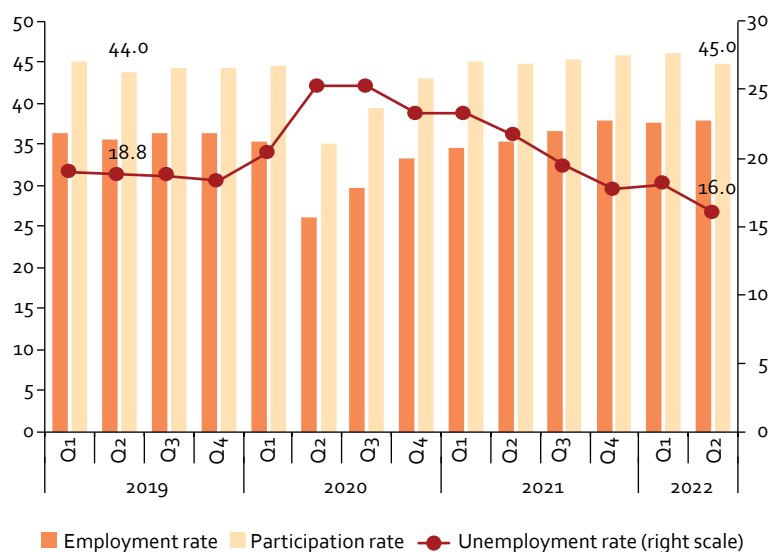
For young people who were studying, the closure of educational establishments and the transition to distance learning meant a major paradigm shift in the mode of receiving education. A global survey conducted between April and May 2020 estimated that 70% of young people who were studying or combining studies and work had suffered from the closure of schools, universities or training centres; and a similar proportion reported having learnt less since the start of the pandemic, despite efforts to maintain teaching learning (ILO, 2020c). This situation has had a significant social impact. In Latin America, there are major barriers in terms of access to Internet services, the availability of mobile devices²⁷ and the digital skills of both students and teachers. As a result, the move to online education has increased the risk that educational gaps will widen still further. The World Bank (2022) estimated the impact of the pandemic on learning loss in the region, using data on school closures and partial openings in different countries, together with the results of the 2019 Regional Comparative and Explanatory Study (ERCE) and macroeconomic projections. On average, the estimations identify a loss ranging between 1 and 1.8 years of learning-adjusted schooling under an optimistic or a pessimistic scenario for the number of schools closed, respectively, with higher relative losses in countries that were already more disadvantaged (Huepe, Palma and Trucco, 2022).

²⁷ A more detailed assessment of the resilience of the digital ecosystem of the region and its countries to the COVID-19 pandemic can be found in Katz, Callorda and Jung (2020).

For new labour market entrants, or individuals who were actively looking for work at the onset of the pandemic, the impact was due both to reduced demand for labour (no new jobs were created) and to the impossibility of moving or starting a business. These factors significantly increase the risk of prolonging the school-to-work transition, with a consequent negative impact on the acquisition of skills and experience needed for successful labour market entry. This lack of opportunities, both for training and for new jobs, will be a major challenge and source of discouragement for young people just starting their working life.

For young people already participating in the labour market, estimations of key indicators reveal a major impact on this age group. Between the second quarter of 2019 and the same period in 2020, the employment rate fell by 9.5 percentage points and the participation rate dropped by 8.8 points. As a result, unemployment among 15–24 year-olds added 6.5 percentage points to reach 25.3% in the second quarter of 2020 (figure 17); and the adult unemployment rate rose by 4.3 percentage points over the same period. This is consistent with evidence showing that aggregate unemployment is generally more demand sensitive among young people than among adults (Ahn and others, 2019). In times of crisis, firms often respond to declining demand and the need to downsize by retaining their more experienced workers or those with more training or higher productivity, while laying off workers of less seniority, for whom the severance costs are lower (ILO, 2020b). In the case of the crisis caused by the pandemic, other factors also played a role, such as the lack of new job creation affecting young first-time job seekers, the heavy presence of young people in informal employment, and their overrepresentation in occupations that were severely affected by the lockdown measures, such as restaurant and hotel services and commerce (ILO, 2020b).

Figure 17
Latin America and the Caribbean (13 countries):^a main youth labour indicators,
first quarter of 2019 to second quarter of 2022
(Percentages)

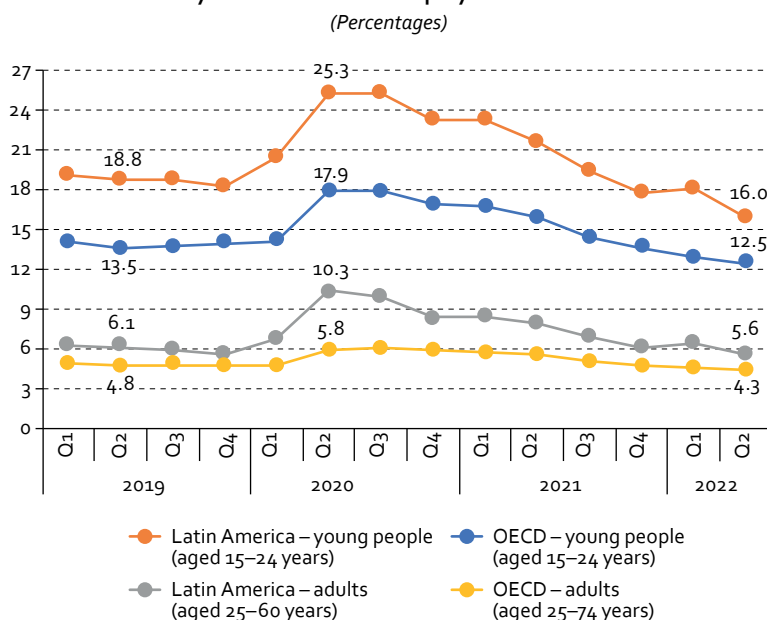


Source: Prepared by the author, on the basis of household surveys from the respective countries.

^a Argentina, Brazil, Chile, Costa Rica, Colombia, the Dominican Republic, Ecuador, Jamaica, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

The evidence shows that youth unemployment, both in advanced and in developing economies, is twice as sensitive to general demand as adult employment, which underscores how countercyclical macroeconomic policies could help protect young people from economic fluctuations (Ahn and others, 2021). By comparison, in higher-income OECD countries, this indicator rose by 4.3 percentage points to 17.8% (figure 18). The adult unemployment rate was also higher in the region than in higher-income OECD countries.

Figure 18
Latin America and the Caribbean (12 countries)^a and OECD (19 countries):^b
youth and adult unemployment rates



Source: Prepared by the author, on the basis of household surveys from the respective countries and Organisation for Economic Co-operation and Development (OECD).

^a Argentina, Brazil, Chile, Costa Rica, the Dominican Republic, Ecuador, Jamaica, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

^b Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.

Throughout 2021 and 2022, economic activity in Latin America staged a recovery, with workers returning to the labour market and employment increasing. In the second quarter of 2022, both participation and employment rate were higher than in the second quarter of 2019, and the unemployment rate was lower.

A recent survey-based study in four developing countries, including Peru, found evidence that the resilience of youth labour to the impact of COVID-19 appears to have been driven more by need than by capacity; and that young workers were able to keep their jobs at the cost of accepting lower pay and possibly worse working conditions. It also found that working in a vulnerable sector before the pandemic increased the likelihood of returning to that situation after the initial impact. The study also detected less employment resilience among women (Chacaltana and others, 2022). In Argentina, the increase in youth employment after the worst of the health crisis was almost exclusively driven by self-employment, which is associated with greater informality among this group. With data up to late 2021, a recent study shows that, during this period, there was a significant reduction in the proportion of young people with jobs who also reported being in possession of labour rights, such as social security coverage, paid vacations, paid sick days and Christmas bonuses (ILO/ECLAC, 2022).

Likewise, lockdown measures, educational disruptions, and limited employment options had significant effects not only on young people's academic performance and economic autonomy, but also on their emotional well-being. Some opinion polls showed increases in anxiety and depression levels and lower motivation to carry out activities in both Latin American countries (UNICEF, 2022) and in high-income countries (European Union, 2022). For young people who were already in a situation of vulnerability, this could compromise the quality of human resources and future productivity.

VI. The voice of youth: expectations meet reality

In recent years, steps have been taken to ascertain young people's opinions on this process of transition between the world of education and the labour market. The results show that, despite the challenging context, the region's young people are generally very optimistic about the future. Although this could result in a mismatch between their aspirations and the opportunities available on the labour market, it could also be the force driving a spirit of self-improvement that fosters skills such as perseverance and adaptation to adversity and changing contexts.

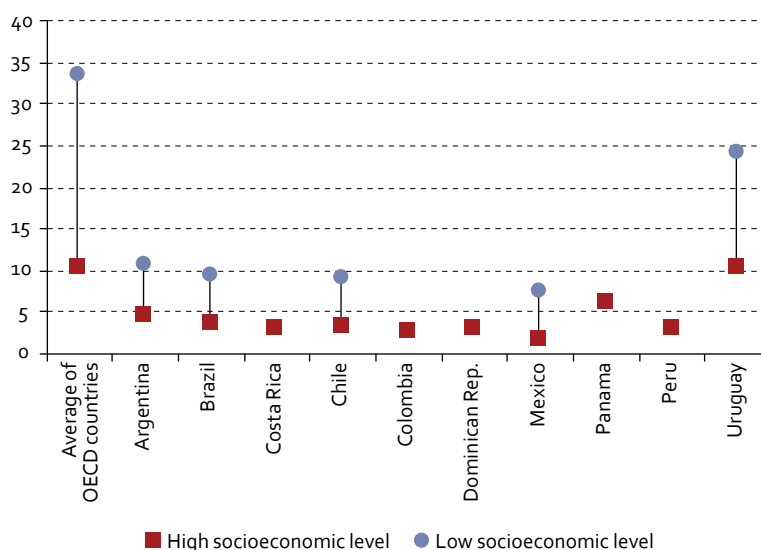
A telephone survey conducted by ILO in 2016 found that 69% of the young people surveyed expected to work in their own business or in the public sector, while a very small percentage actually did so; and very few expected to work in a private sector firm. Similarly, almost 76% of the young people expected to have a good salary, although in their current position they were far from this reality. Many even thought that in the future they would be satisfied with their work situation, work in a decent environment and have health insurance; nearly 60% expected to have flexible working hours, and 40% expected to be able to work from home (ILO, 2017).

Similarly, the results of the ILO longitudinal school-to-work transition survey conducted in several countries around the world, as noted above, show that young people in the region enter the labour market with high hopes. For example, most students aspire to work in the public sector and in highly skilled occupations. Not surprisingly, the results show that young people's career aspirations are strongly determined by their socioeconomic level, although this appears to be less true for female students, who have high career aspirations regardless. The survey also uses a measure of job satisfaction that includes information on the desire to change job, which shows that the main drivers of job satisfaction include self-employment, having the right skills for the job, opportunities for training, security, formality and good pay. However, the study also shows that there is a large gap between young people's career aspirations and current and projected demand (OECD, 2017).

An analysis of the career expectations of young people participating in the 2018 PISA exams found that the region's youth are more optimistic than their peers in developed countries. For example, among those who performed relatively well in the exams, the proportion who do not expect to complete tertiary education is higher among OECD youth than among their Latin American counterparts (figure 19); and it is much higher among young people from lower socioeconomic backgrounds. The same survey also shows

that the best science and mathematics students in Latin America have higher expectations of working in engineering careers than their peers in developed countries (Mann and others, 2020).²⁸

Figure 19
Students who do not expect to complete tertiary education among those who have achieved
at least a minimum level of academic proficiency (Level 2) in the three core PISA subjects
and high proficiency (Level 4) in at least one subject
 (Percentages)



Source: Prepared by the author, on the basis of A. Mann and others, *Dream Jobs? Teenagers' Career Aspirations and the Future of Work*, Paris, Organisation for Economic Co-operation and Development (OECD), 2020.

Note: In countries shown without data the sample was not sufficiently representative.

In 2015, the Inter-American Development Bank (IDB) conducted field studies and surveys among young people in seven of the region's countries and found them to be relatively optimistic about their future. In all countries, more than three out of four young people who had completed secondary school, said they hoped to pursue tertiary education. Moreover, a high percentage of respondents thought it very likely that they would get the job they wanted (Novella and others, 2018). The same survey shows that, on average, young people in the countries studied are highly adaptable to adversity; and they score well on socioemotional skills such as perseverance, self-esteem and self-efficacy.

Discrepancies between young people's labour market expectations and the reality they have to face generate tensions that affect labour market and social integration processes. This often leads to conflicts that are expressed, to a greater or lesser extent, at both the individual and social levels (Weller, 2007). As noted above, recently the region has seen several protests and demonstrations by young people seeking improvements in the education system and greater access to jobs. Another direct consequence of this discrepancy between young people's aspirations and the reality of the labour market is increasing migration by young people, as also mentioned in previous sections.

The United Nations recently conducted a survey of 15–29 year-olds to assess the impact of the pandemic on the lives of Latin American youth and their current and future concerns. A first round of this survey, titled "United Nations survey on Latin American and Caribbean youth within the context of the COVID-19 pandemic," was conducted between May and June 2020. The results showed that 97% of young people were worried about the future. The most common concern was the family's financial

²⁸ The gender breakdown shows that young men with better grades in science and mathematics have higher expectations of working in engineering-related areas, whereas young women have higher expectations of working in health-related areas.

situation (64%), which is known to cut across different subgroups and populations of interest (Working Group on Youth of the Regional Collaborative Platform for Latin America and the Caribbean, 2021).²⁹ A second round of the survey, conducted between August and October 2021, revealed a slight shift in young people's concerns. They firstly mention fear of losing family members or friends (or both), and then turn to worries about their financial, personal or family situation and finding a job after the pandemic, and concerns about delays in studies (Working Group on Youth of the Regional Collaborative Platform for Latin America and the Caribbean, 2022).

In summary, the surveys show that what young people want most are accessible, purposeful and stable job prospects. In general, they have high expectations and are prepared to work to achieve their goals; they are willing to occupy spaces that provide them with the means and opportunity for meaningful participation and contribution; and they understand their responsibilities in the process. However, they also expect political leaders and institutions, both public and private, to fulfil their responsibilities (Chacaltana and Dasgupta, 2021). These aspirations and goals can (and should) be influenced by policies to enable young people to choose freely among their educational options, to enter the labour market, and to contribute to the society in which they live. Improving information and access to young people's voice and expression can be a valuable tool for reducing the uncertainties that characterize this period.

²⁹ This survey warned of various issues, including food insecurity (16% of respondents did not have enough money to buy food), an increase in gender-based violence during the pandemic, deterioration of mental health (heightened levels of stress and anxiety affected nearly half of the respondents), and difficulties in accessing health services, among others.

VII. Policy options

The difficulties that young people face in entering the labour market are not a new problem in Latin America. Since the early 1990s, statistical data have revealed the scale of the challenges facing the region and highlighted the need for interventions to improve the situation (Weller, 2007 and 2003; Cacciamali 2005, Fawcett 2002). This has been recognized by most countries in the region, which have implemented a variety of programmes to integrate their youth populations into the labour market.

Initially, youth employment policies focused mainly on “classroom” training. Especially in certain Central American countries, where inactivity rates are high and the average level of schooling is low, policies were implemented in the following three areas: (i) literacy programmes; (ii) extracurricular education programmes with flexible and distance modalities; and (iii) expansion with modifications in the supply of technical education (CONARE, 2015). In the 1990s, the “Joven” (youth) programmes were implemented, targeting excluded youth explicitly with a clear demand-side approach. Since the decade of 2000, there has been a renewed emphasis on “first job” creation programmes and, to a lesser extent, entrepreneurship initiatives (Chacaltana and Prieto, 2019; Dema, Diaz and Chacaltana, 2015). Efforts to help young people enter the labour market have been institutionalized by including the topic in national development plans, decent work programmes or national action plans on youth employment. Youth Institutes³⁰ were also created with the aim of institutionally consolidating policies and strategies to promote youth employment at the national level, and to improve their coordination and integration in order to reduce the dispersion of efforts and duplication of actions (ECLAC/OIJ/IMJUVE, 2014). Currently, there is greater investment in strengthening and modernizing labour intermediation and generating information on the labour market to link training to the needs of the productive world (Veza 2021, ILO, 2019a).

According to information from the Database of Non-contributory Social Protection Programs in Latin America and the Caribbean, some 95 labour and productive inclusion programmes had been implemented in 22 of the region’s countries between 2000 and 2020, of which 73 were in operation in the latter year.³¹ Of these programmes, 31 were targeted exclusively at the youth population. The majority of the programmes included technical and vocational training actions, followed by job placement and study

³⁰ The list of organizations with responsibilities for youth can be found in Economic Commission for Latin America and the Caribbean (ECLAC), “National institutions” [online] <https://dds.cepal.org/juvelac/instituciones>.

³¹ See Economic Commission for Latin America and the Caribbean (ECLAC), Database of Non-contributory Social Protection Programs in Latin America and the Caribbean [online] <https://dds.cepal.org/bpsnc/>.

levelling. Thirty-seven programmes had only one type of intervention, while the remaining 58 included between two and five types of action (Morales and Van Hemelryck 2022).

The multi-causal nature of youth labour market integration problems in Latin America, and the gender disparities observed, underscore the importance of adopting a comprehensive approach that addresses the needs of individuals throughout their life cycle and engages multiple institutions. The following is a summary of policy options to improve the employability of young people, the agencies involved, and some examples of programmes in the region and their impact.

A. Where to start?

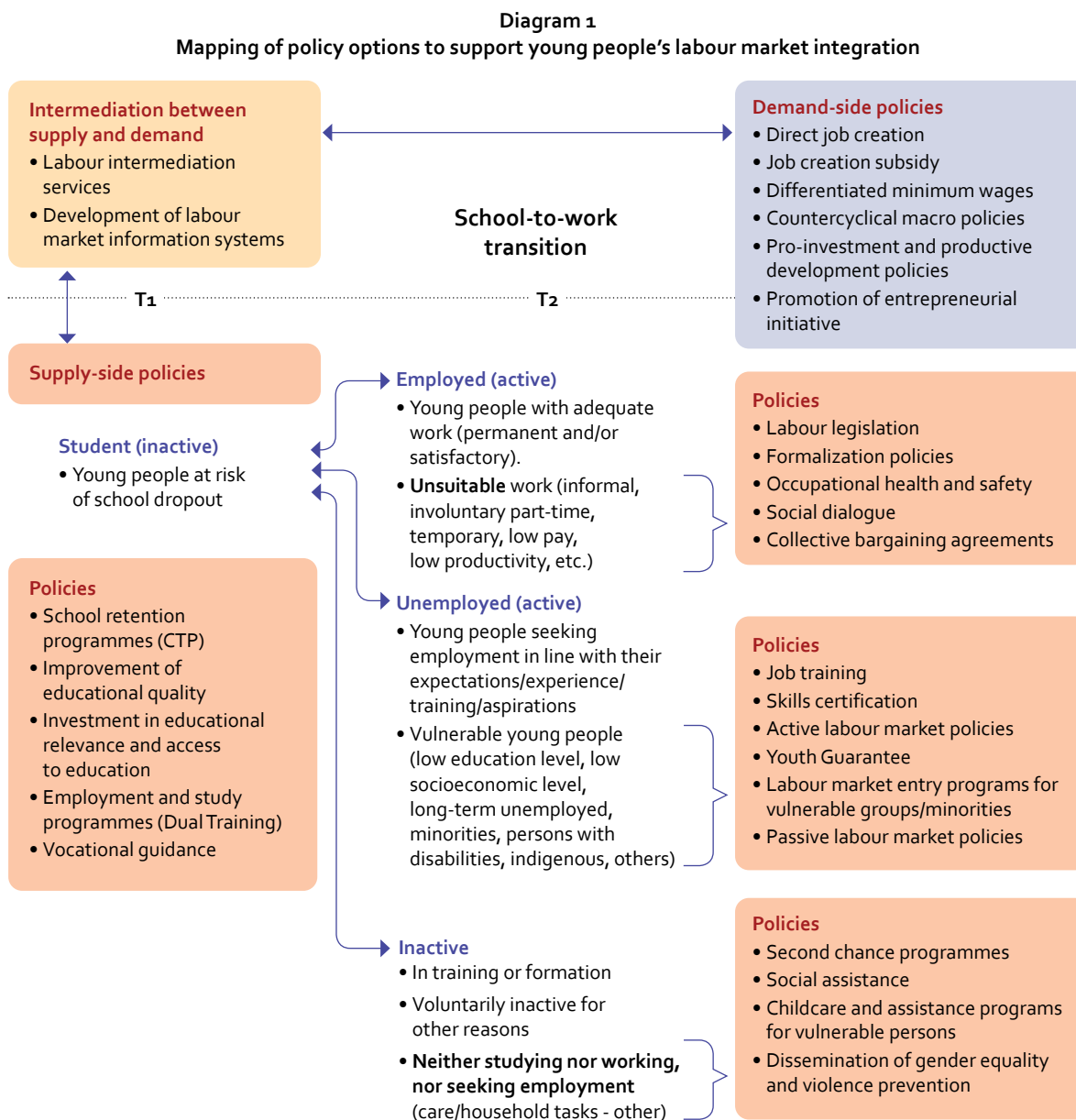
Differences in the modality and conditions under which young people enter the labour market are to some extent inevitable. Individual characteristics, abilities, preferences and choices will certainly determine future employment. The role of governments is to create suitable contexts to enable all individuals to make choices under conditions of freedom and equal opportunity. Given that labour market entry is closely related to the characteristics and qualifications acquired throughout life, interventions to promote young people's labour market entry should often start at an early age, in school or even earlier, and should also include education and training strategies that allow human capital to be accumulated (Dema, Díaz and Chacaltana 2015). It could thus be said that there is a wide range of spaces for public interventions that promote the school-to-work transition, either directly or indirectly.

Diagram 1 displays a number of policy options and shows how they affect both the demand for youth employment and its supply, through targeted interventions according to the situation of young people throughout the life cycle, as well as the interaction between supply and demand.

On the demand side are policies that promote job creation, and the hiring of young people in particular. This category could include macroeconomic policies that promote growth and investment, along with productive development policies that create jobs. In general, this is the responsibility of the countries' ministries of finance or economy, ministries of labour, ministries of productive development, and central banks. For the youth population in particular, these policies include direct job creation by the government, differentiated minimum wages,³² the promotion of entrepreneurship and wage subsidies to firms. Several of the region's countries use the latter strategy, such as the programmes Youth Employment programme in Ecuador (which ended in 2022), the *My First Job* programme in Costa Rica and *Youth Employment Subsidy* in Chile, which generally provide companies with cash subsidies for a portion of wages or social contributions, to promote hiring of young people. This policy also plays a role in promoting formal employment. Most of these programmes are implemented by ministries of labour (see table A1 in the annex). In terms of promoting entrepreneurship and self-employment, examples of programmes for young entrepreneurs include the programmes *Young Entrepreneurs à la Carte* in Colombia (Ministry of Trade, Industry and Tourism of Colombia, 2021), *My Enterprise* in Chile (Ministry of Social Development and Family of Chile, 2021) and *Young Entrepreneurs* of the National Agency for Economic Development of Uruguay (ANDE).³³ These programmes are generally run by ministries of production. The objectives are to strengthen entrepreneurial skills, and to generate conditions that facilitate and encourage small businesses and a vision of the future among young people.

³² Age-differentiated minimum wages are prohibited in many countries because they imply a violation of the principle of equal pay for work of equal value, regardless of the age of the workers. In countries where age differentiation has been applied, such as the United Kingdom and the Netherlands, it has aimed to encourage young people to stay longer in the education system (ILO, 2014).

³³ See National Agency for Economic Development of Uruguay (ANDE), "Apoyo al Programa Jóvenes Emprendedores de DESEM-ANDE" [online] <https://www.uruguayemprendedor.uy/programa-de-apoyo/apoyo-al-programa-jovenes-emprendedores-de-desem-ande/>.



Source: Source: Prepared by the author.

On the other hand, policies that affect labour supply can benefit young people regardless of their stage in the school-to-work transition. In diagram 1, they are grouped according to the stage of the education-labour cycle. At time 1 (T1), individuals are considered inactive because they are in the education system. Although the legal working age is 15 years in most of the region's countries, it is desirable that young people remain in school and ideally complete post-secondary education. As this is a crucial period for acquiring technical, emotional and social skills, it is important to identify young people at risk at this stage. Interventions in this area include student retention programmes, such as conditional cash transfers, raising the compulsory school age, transportation subsidies, programmes to improve the quality of education and teachers, and investments in the relevance of education. Examples of this type of initiative are the [School Retention Support Scholarship \(BARE\)](#) in Chile (JUNAEB, 2017) or the [I don't give up programme](#) in Mexico (Secretariat of Public Education of Mexico, 2015). Programmes that combine employment and study, known as dual training, can also be included in this group. An example is the programme offered by the [National Association for Technical and Vocational Education \(CONALEP\)](#)

in Mexico (Government of Mexico, 2019). In Brazil, the Jovem Aprendiz programme has been running for more than 20 years, as a scheme that combines classroom and on-the-job training, with remuneration subsidized according to the young person's level of studies (Veza, 2021).

Vocational guidance in line with labour market needs is also a tool that can be introduced at an early age. Technological progress allows access to more services of this type, for example through online tests that relate fields of specialization to individuals' characteristics.³⁴ Lastly, job training or technical-vocational training plays a very important role at this stage. In practically all Latin American countries, technical-vocational education is a modality offered at the secondary and higher education levels, in an interaction between ministries of education and technical and vocational training institutes.³⁵

In a second stage (T2), young people could be participating in the labour market, either looking for a job or already working.

Among the unemployed, there are young people who do not lack opportunities, but who do not feel pressured to take the "first job offered to them". Instead, they use this time to search for a job that matches their expectations, experience, training and personal aspirations. However, another group of young people face greater difficulties in obtaining their first work experience. In general, youth in higher need of help are those with low levels of education, the long-term unemployed, those with weak social capital and other vulnerable groups such as migrants, person with disabilities, indigenous and Afrodescendent people. Measures to promote the integration of these people include active labour market policies (ALMPs), such as vocational training programmes, certification of competencies or skills acquired informally or in places other than the place of residence, job placement programmes and employment services, and job placement programmes for vulnerable groups. Most countries in the region have public employment services, which facilitate labour market integration through various employment services.³⁶ In some cases, a combination of incentives is used to achieve labour market entry. In Argentina, the *Foster Employment* programme,³⁷ which although available to the entire population, has young people among its priority groups and acts through career guidance, search assistance, training and economic incentives. In Chile, "Chile Valora" is the agency responsible for formally recognizing people's labour competencies regardless of how they were acquired and whether or not they have an academic degree. This is done through evaluation and certification processes, based on standards defined and validated by the production sectors.³⁸ In Colombia, the Ministry of Labour and the National Vocational Training Service (SENA) recently launched the *Saber Hacer Vale* programme, which provides skills recognition to enable migrants to access the labour market.³⁹ The labour market inclusion of people who face other entry barriers should be considered according to the specifics of each group. For example, some countries in the region have established labour market inclusion laws or quotas for persons with disabilities.⁴⁰ Some countries of the European Union have established the *Youth Guarantee*⁴¹ which ensures that young people receive a job offer within four months of becoming unemployed or leaving education. During the pandemic the age coverage of this programme was extended. Lastly, passive labour market policies that provide a minimum income to job seekers also play an important role. Only eight countries in the region

³⁴ See, for example, National Institute for Professional Training (INACAP), "Ruta Vocacional" [online] <https://portales.inacap.cl/rutavocacional/index#page-box>; Organisation for Economic Co-operation and Development (OECD), "Skills Profiling Tool" [online] <https://oecd-skillsprofilingtool.org/home>.

³⁵ See United Nations Educational, Scientific and Cultural Organization (UNESCO), "Educación y formación técnica y profesional" [online] https://siteal.iiep.unesco.org/eje/educacion_y_formacion_tecnica_y_profesional.

³⁶ In 2009, the Inter-American Development Bank (IDB) created the Technical Support Network to Employment Services in Latin America and the Caribbean (SEALC Network) with the objective of financing initiatives aimed at improving public employment services in the region. In 2021, the network's scope was expanded to encompass areas such as international labour migration, green employment, the growth of the digital economy, and the digital transformation of employment services.

³⁷ See Ministry of Labour, Employment and Social Security of Argentina, "Trabajadoras y trabajadores del Fomentar Empleo" [online] <https://www.argentina.gob.ar/trabajo/fomentarempleo/trabajadoras-y-trabajadores-del-fomentar-empleo>.

³⁸ See Government of Chile and others, "Chile Valora" [online] <https://www.chilevalora.cl/>.

³⁹ See Ministry of Labour of Colombia, "Saber Hacer Vale" [online] <https://www.mintrabajo.gov.co/empleo-y-pensiones/movilidad-y-formacion/saber-hacer-vale>.

⁴⁰ For further details on this debate see Pinilla and Rodríguez (2022) and Morales and Van Hemelryck (2022).

⁴¹ See European Commission, "The reinforced Youth Guarantee" [online] <https://ec.europa.eu/social/main.jsp?catId=1079&langId=en>.

have unemployment insurance (Argentina, Bahamas, Barbados, the Bolivarian Republic of Venezuela, Brazil, Chile, Ecuador and Uruguay). These programmes and policies are under the purview of the Ministry of Labour or Ministry of Social Development, or special agencies in the case of specific populations.⁴²

In the case of those who are already working, it is also necessary to continue to inquire about the characteristics of the job. Some young people will find themselves in a situation of adequate employment, either because it meets current standards, or because they find it satisfactory, or because there is little chance of changing jobs in the short term. However, another group will find themselves in inadequate jobs—informal, with no contract, social protection or other security conditions, or with very low wages, etc. In this case, it will be necessary not only to facilitate entry into the first job, but also to ensure that it occurs under decent working conditions. Policies to be considered include all related to the improvement of labour market institutions (including laws regulating new forms of employment, anti-discrimination policies and the prevention of violence and harassment in the workplace), and the monitoring of compliance with them, as well as the promotion of decent work (policies to promote formalization). This universe of initiatives also includes everything related to social dialogue and the active participation of young people, as well as the possibility of freedom of affiliation and participation in collective bargaining. Most of these policies are the responsibility of ministries of labour.

Another group of young people will remain economically inactive, some choosing not to engage in work activities for various reasons (to take time off, for travel, sports, military service, for example) and others for involuntary reasons, such as discouraged jobseekers or those who need to devote their time to household chores. Some of the policy options for working with these young people include: second chance programmes to complete formal schooling and skills training programmes (especially in trades), childcare or special care assistance programmes. In general, programmes to complete studies are implemented by the ministries of education, as is the case in [Argentina](#),⁴³ [Chile](#),⁴⁴ the [Dominican Republic](#)⁴⁵ and [Ecuador](#),⁴⁶ among others; while care support programmes depend on the agencies in charge of social development. In general, young people who are neither studying nor working outside the home present multiple risk factors, some more serious than others, so there is a wide range of policies that may be necessary in these cases.⁴⁷ Although most of them are the responsibility of ministries of social development, non-governmental organizations, cooperatives and the private sector also have roles to play. The wide gender disparities that have been identified underscore the need to continue mainstreaming gender in the design, implementation and evaluation of all of these policies. The creation of ministries for women in many of the region's countries plays a key role in promoting gender equality in a broad sense and in preventing violence and harassment.

Lastly, the link between supply and demand can be strengthened through employment services and the development of labour information systems. As noted above, most countries in the region have public employment services and are also making progress in generating relevant labour market information. Technological progress has enabled the development of greater statistical capacity and new tools to identify and foresee human capital gaps (Gontero and Albornoz, 2019; Gontero and Zambrano, 2018).

⁴² Examples include the National Disability Agency in Argentina, or the National Disability Service (SENADIS) of the Ministry of Social Development and Family in Chile.

⁴³ See Ministry of Education of Argentina, "Plan FinEs 2023" [online] <https://www.argentina.gob.ar/educacion/fines>.

⁴⁴ See Ministry of Education of Chile, "Cómo terminar la enseñanza básica y media" [online] <https://www.chileatiende.gob.cl/fichas/38094-como-terminar-la-ensenanza-basica-y-media>.

⁴⁵ See Ministry of Education of Ecuador, "Esta es tu oportunidad para terminar tus estudios de Educación Básica" [online] <https://educacion.gob.ec/esta-es-tu-oportunidad-para-terminar-tus-estudios-de-educacion-basica/>.

⁴⁶ See Ministry of Education of the Dominican Republic, "Nivel medio, prepara" [online] <https://www.ministeriodeeducacion.gob.do/servicios/padres-y-alumnos/nivel-medio-prepara>.

⁴⁷ There are many social assistance programmes that aim to reduce risk situations, promote wellbeing and learning, and therefore improve the prospects of future labour market entry. Examples include violence prevention programmes in both public and private spaces, teenage pregnancy, substance abuse, nutrition and food programmes, leisure time occupation, among others. There also are several public, private or international cooperation initiatives in the region, such as Jóvenes Protagonistas in Guatemala, Jóvenes Resilientes programme in Colombia. See Ministry of Social Development of Guatemala, "Programa Jóvenes Protagonistas arranca de nuevo en 2022" [online] <https://guatemala.gob.gt/programa-jovenes-protagonistas-arranca-de-nuevo-en-2022/>; ACIDI/VOCA, "Programa Jóvenes Resilientes" [online] <https://www.acdivoca.org.co/portfolio-posts/programa-de-jovenes-resilientes/>.

There is a wide range of policies and programmes for which different agencies are responsible. To coordinate all of these areas, 20 countries in Latin America and the Caribbean have developed national youth employment plans or strategies (ILO, 2023). These are officially adopted decisions that articulate a set of measures and provisions aimed at promoting youth employment within a given time frame. Each strategy refers to a set of measures that may include the following: economic policies to promote youth employment; labour market policies targeted at young people; and policies and programmes to improve the employability of young people, to promote youth entrepreneurship or to protect the rights of young people at work, or both. It should also specify how such policies will be implemented, in particular through an action plan with clearly defined responsibilities, resource allocation and a robust monitoring framework (ILO, 2023).

Lastly, there are also several initiatives led by non-governmental organizations, many of them in partnership with the employers' sector. These initiatives have fewer participants, which reinforces their advantages in providing tailored services and following up with participants (Vezza 2021). They mainly target training according to labour market needs, but they can also offer a package of services, for example in the case of entrepreneurship support. Some examples in the region provide training for women in areas related to information technology and education.⁴⁸

B. Impact of programmes and policies

Evaluating the effectiveness of policies to improve young people's labour market integration is not an easy task. There are several reasons for this: firstly, methodological difficulties in establishing control groups, managing the drop-out of individuals in the sample, the ideal moment to measure the impact, cost-benefit indicators, and so forth; secondly, the scarce or non-existent development of plans for monitoring, follow-up and the construction of appropriate statistics; and thirdly, difficulties in separating the effects of different interventions that may be acting simultaneously and the context in which they take place.

Despite these limitations, monitoring the cost-benefit impact of these programmes is crucial for decision-making and the allocation of public resources. Impact evaluations of the effectiveness of ALMPs conducted in developed countries reveal differences that depend on the type of intervention. The literature review made in Caliendo and Schmidl (2015) highlights the positive effects of labour intermediation initiatives, mixed results for wage subsidies, and negative results for public employment programmes. Similarly, Madon and others (2021), for the case of Poland, show that public employment programmes have little effect on youth employment in the long run, mainly because of the low probability of future employment in the public sector. In contrast, classroom training vouchers seem to be the most effective for men, and wage subsidies and on-the-job training vouchers for women. In the case of vocational training, a study performed with data on technical training graduates in Italy made it possible to estimate the effectiveness of a reform that extended training from two to three years and amended the content, with greater emphasis on cross-cutting skills. It shows that this strategy reduced the average duration of the school-to-work transition by five months, with a relatively more powerful impact on women and migrants (Comi, Grasseni and Origo, 2022).

In less developed countries, some studies have suggested that active labour market policies have less impact than expected. An alternative might be to focus on demand-side determinants, such as promoting the conditions for firms to innovate, grow and create more jobs. (McKenzie, 2017).⁴⁹ However, other authors find evidence of positive impacts on both employment and income, mainly in countries with lower levels of development, with programmes targeted on vulnerable groups, and, in particular, job

⁴⁸ In 2022, the UBITS training platform offered scholarships to unemployed women in Mexico and Colombia in the areas of technology and customer service. In Costa Rica, a pilot project between the CRUSA Foundation and LEAD University has generated a public-private partnership model for the training of women.

⁴⁹ The author summarizes the results of policies such as job training, wage subsidies and labour intermediation found in several impact studies in developing countries including Argentina, Colombia, the Dominican Republic and Peru.

training and promotion of entrepreneurship (Kluve and others, 2016). These authors conclude that the effectiveness of programmes depends on their design and implementation. In the case of Latin America, one of the impacts is a greater probability of formal employment (Escudero and others, 2017).⁵⁰

Some factors that are critical to the effectiveness of these interventions are summarized in table 1, which is divided into four areas: the context in which the programmes are executed, the design of the programmes, the characteristics of the beneficiaries, and their management.

Table 1
Success factors related to labour policy interventions to facilitate the school-to-work transition

Context	Design	Characteristics of the beneficiaries	Management
<ul style="list-style-type: none"> • Situation of economic boom and growth in the countries. • Adequate quality of basic education and vocational training institutions. • Labour legislation that is conducive to the creation and formalization of micro and small enterprises. • Flexible labour markets (minor impact). • Adequate social protection systems that guarantee access to services and a minimum monetary income. • Legislation to ensure compliance with standards that protect young people from discrimination and exploitation in the labour market. • Greater recognition of learning outside the formal education system. 	<ul style="list-style-type: none"> • Adequate definition of the problem to be addressed. • Correct identification and characterization of the most vulnerable population. • Training for beneficiaries in “soft” job skills. • Training provided by firms in their own premises (internships). • Education and training programmes coordinated with labour market needs. • Promotion of self-employment and youth entrepreneurship, with comprehensive models that incorporate a wide range of services. • Strategies to sustain or maintain on-the-job experience and not just facilitate job placement. • Segmentation by age, knowledge of life stories and work on their pathways, promotion of participation mechanisms (in design, implementation, follow-up and evaluation). 	<ul style="list-style-type: none"> • Job training programmes tend to have a greater impact on women’s income but are likely to have no effect on job quality. • Incentives for labour demand improve labour market outcomes; but the effects on employment and job quality are greater for men. • Self-employment promotion programmes tend to have a greater impact on beneficiaries with higher levels of education and physical and social capital. • Promising effects for entrepreneurs in the short term, but little is known about the long-term effects. • Entry requirements: there is no agreement on whether to target individuals with attributes that guarantee their permanency, or to be less rigorous, because the programmes tend to foster skills that are not easy to detect in the educational system. • Active labour market policies (ALMPs) are more successful among women and youth and when implemented during periods of growth. 	<ul style="list-style-type: none"> • Stability of the technical and administrative team in charge of programme management. • Coordination of the Ministry of Labour with other programmes and organizations. • Participation (in design and implementation) by social partners (workers, employers, young people and the community at large). • High level of political commitment. • Robust institutional structures and appropriate certification and accreditation mechanisms. • Cost-benefit analysis of programmes to guide policy decisions. • Design and planning before implementation, providing a suitable method to monitor and evaluate results. • Consideration of labour and tax legislation and regulations.

⁵⁰ In relation to other policies that support the transition from school to work, Edo, Marchionni and Garganta (2015) find evidence that unconditional cash transfers would be associated with 15–17 year-olds in Argentina staying longer in the education system.

Context	Design	Characteristics of the beneficiaries	Management
<ul style="list-style-type: none"> Promotion of a system of education and work with flexible routes (greater recognition of technical establishments, enabling compatibility between study and work). 	<ul style="list-style-type: none"> Promotion of permanency for long enough to generate real improvements in employability. Implementation of agile communication, inclusion of families, work on the development of socioemotional skills. 	<ul style="list-style-type: none"> Active labour market policies (ALMPs) are more successful among women and youth and when implemented during periods of growth. Training programmes increase formal employment and income and are most effective when they are intensive and target the poor. 	<ul style="list-style-type: none"> Promotion of flexible management but with control focal points. Awareness-raising and involvement of the private sector. Availability of medium- and long- term financing

Source: Prepared by the author, on the basis of K. Madon and others, "What works for whom? Youth labour market policy in Poland", *IZA Discussion Paper*, No. 14793, Bonn, Institute of Labor Economics (IZA), 2021; E. Vezza, "Programas de empleo juvenil: revalidando su rol en la agenda pública pospandemia de COVID-19", *Project Documents* (LC/TS.2021/88), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2021; "Escaneo de políticas y meta-análisis: juventud y políticas de empleo en América Latina", *Documento de Trabajo*, No. 156, La Plata, Center for Distributive, Labor and Social Studies (CEDLAS), 2014; V. Escudero and others, "Active labour market programmes in Latin America and the Caribbean: evidence from a meta-analysis", *IZA Discussion Paper*, No. 11039, Bonn, Institute of Labor Economics (IZA), 2017; J. Kluve and others, "Do youth employment programs improve labor market outcomes? A systematic review", *IZA Discussion Paper*, No. 19263, Bonn, Institute of Labor Economics (IZA), 2016; R. Maurizio, "Trayectorias laborales de los jóvenes en Argentina: ¿dificultades en el mercado de trabajo o carrera laboral ascendente?", *Macroeconomics of Development series*, No. 109 (LC/L.3302-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2011; Economic Commission for Latin America and the Caribbean/International Youth Organization for Ibero-America/Mexican Youth Institute (ECLAC/OIJ/IMJUVE), *Invertir para transformar: la juventud como protagonista del desarrollo*, Santiago, 2014; International Labour Organization (ILO), *Global Employment Trends for Youth 2013: A Generation at Risk*, Geneva, 2013; *Global Employment Trends for Youth 2015: Scaling Up Investments in Decent Jobs for Youth*, Geneva, 2015; G. Sánchez and others, "La reforma a la Ley Federal del Trabajo: estableciendo las normas de la precariedad. Las evidencias de la subcontratación", *Visión crítica de la reforma laboral: un análisis multidisciplinario*, P. Chávez and others (coords.), Puebla, Meritorious Autonomous University of Puebla, 2014; S. Puerto, *Interventions to Support Young Workers in Latin America and the Caribbean: Regional Report for the Youth Employment Inventory*, Washington, D.C., World Bank, 2007.

The lessons learned include the need for a life-cycle approach, starting in the early years. It is important to assess the country and institutional context in which programmes are developed. In general, impacts will be greater in periods of stronger growth, with high quality education and work training linked to the labour market, and where labour legislation supports the creation of decent jobs and protects workers.

In terms of design, there seems to be a greater impact when policies are targeted on young people at higher risk and from more vulnerable households, starting from early adolescence. The impact is also enhanced by services complementary to the main intervention, consideration of the parties involved, promotion of job stability and not merely inclusion; in the case of promotion of entrepreneurship, follow-up in the long term and the avoidance of benefiting already relatively advantaged groups. The role of flexible education systems is also important, with greater emphasis on vocational training, the promotion of internships, career guidance and lifelong learning.

Training programmes are found to have a greater impact on women, while demand-side policies have a greater impact on men. On the other hand, programmes to promote entrepreneurship seem to have better results for young people with higher levels of education and social capital; but their impact seems to diminish in the long run. Similarly, impacts are greater when they are differentiated by age group and place of residence, and when young people and their families participate in the design, implementation and monitoring.

Lastly, aspects related to the institutional framework and the management of initiatives can also affect the results. In general, policies require stable teams, coordination with other programmes and institutions, the establishment of monitoring, control and accountability mechanisms, and the ongoing involvement of key stakeholders.

VIII. Concluding remarks

The transition between the world of education and the labour market is a crucial stage in people's lives—a period in which many elements that will characterize their adult lives are defined. Although life courses are diverse and unique to each person, for the sake of statistical analysis, the transition stage is considered to be 15–24 years of age. In 2020, Latin America and the Caribbean will have 102 million **15–24 year-olds, representing about 25% of the total working-age population (15–64 years of age)**. This represents a valuable resource for the region and the potential to reap the demographic dividend and increase productivity. For this to happen, however, the structural inequalities that characterize the region and prevent many people from reaching their full potential need to be addressed.

Latin America has undergone major demographic changes in recent years, with lower fertility rates and increases in life expectancy **that will likely reduce the proportion of youth relative to the adult population in the coming years**. There has also been a significant **increase in intra-regional migration**, especially of young people, which has had a major impact on labour markets in both host and source countries.

On the other hand, most countries have experienced years of **low economic growth or insufficient institutional improvements (or both), which have made it impossible to improve distribution and create quality jobs**. Although there have been improvements in poverty and inequality indicators, the pace of progress seems to have slowed in recent years. Inequality is manifested not only in disparities in household income, but also in many other dimensions, such as access to health, security and other public services, as well as access to new technologies and connectivity. **These disparities have a major impact on the accessibility and quality of education that young people receive, and thus on their emotional and cognitive capacity to acquire knowledge that will later be reflected in their educational attainment and type of labour market inclusion**. This has led to an increase in feelings of exclusion and mistrust among young people, which has manifested itself in recent years in various social demands across the continent.

The school-to-work transition indicators described in this study show that, compared to youth in high-income countries, **young people in the region stop attending school exclusively at an earlier age, are less likely to combine study and work, and are less likely to be in paid employment**. As a result, the school-to-work transition period is estimated to last several years for many young people in the region. One of the factors influencing this outcome is the difficulty in reducing the proportion of **young people**

who are neither studying nor in paid employment, which has stayed around 20% of all 15–24 year-olds in the last decade. Most of these are young women, who are mainly engaged in unpaid care work, as well as young people from low-income households. **These gender and socioeconomic disparities can also be discerned among young people participating in the labour market.** Young women have lower participation and employment rates, higher unemployment rates and (on average) more precarious working conditions than their male counterparts. There is a higher incidence of underemployment and part-time work among female workers, possibly explained by their need to combine work with other household responsibilities, which may affect their future personal and professional development.

In short, the backlogs and gaps in indicators related to access to education and training and to quality work are factors of exclusion, and they reflect the wide disparities and major difficulties faced by young people in the region, especially women and young people from the most vulnerable backgrounds.

The crisis caused by the **pandemic has merely exacerbated these pre-existing gaps and difficulties.** In 2020, many young people were affected by the closure of education and training institutions, and by the scant creation of new jobs, and layoffs due to the halting of activity in many sectors with a high concentration of young people (tourism and commerce). At present, it is difficult to assess the long-term impact of being kept out of the education system and the paid labour market for several months. While the region's main labour market indicators had returned to pre-pandemic levels by mid-2022, this appears to have been at the expense of job quality.

Young people's perceptions of the future remain optimistic, although often far removed from real opportunities in the expected time frame. This provides an opportunity to act by strengthening skills to adapt to changing and highly technological contexts, and to build resilience and perseverance. Similarly, greater access to information can be harnessed as a tool to promote the cultural changes needed to move towards more egalitarian societies.

This situation highlights a **multidimensional problem that needs to be addressed from different angles.** Government intervention is fundamental and must act **from the demand side, promoting macroeconomic, investment and productive development policies that create conditions, through incentives, for the creation of decent employment for all, and for young people in particular.** These policies and programmes need to form part of a more ambitious agenda that includes national plans to create decent jobs and improve citizens' quality of life. However, they also need to be complemented by supply-side policies and the interaction between the two. **On the supply side, evidence points to the need for an integrated approach, with policies across the life cycle, starting at an early age and targeting priority groups. This includes educational, social and labour policies and programmes with monitoring and evaluation strategies, national and local coordination, social dialogue and long-term commitment.** On the other hand, the **strengthening of the link between supply and demand through labour intermediation services;** the development of efficient and updated labour market information systems, including results and analysis of instruments for the identification and anticipation of skills; and the recognition of skills acquired informally or in countries other than the one of residence should not be neglected. Last but not least, progress needs to be made on creating **regulatory frameworks that are conducive to promoting decent employment,** especially in the context of new business and work models.

For several years the region has been implementing programmes of various types to support the development and inclusion of young people in different areas. During the pandemic, governments acted swiftly through unconditional transfers that provided income mainly to informal and unemployed workers. **Most countries in the region currently have support programmes targeted on young people. In the coming years, it will be crucial to continue developing mechanisms to evaluate the impact of different types of intervention, in order to generate reliable information that will allow decisions to be made on the basis of cost-benefit analyses of these interventions. This will emerge from social dialogue.**

The region's economic growth and social well-being depend on its ability to generate employment opportunities and improve productivity. To this end, it must take advantage of its demographic window of opportunity and the human resources at its disposal. Meeting this major challenge will require a strong individual and collective commitment. Urgent action is needed, based on agreements between the government, businesses, and young people and their families, to improve citizens' social, economic and political conditions, with a commitment to equity and respect for the environment.

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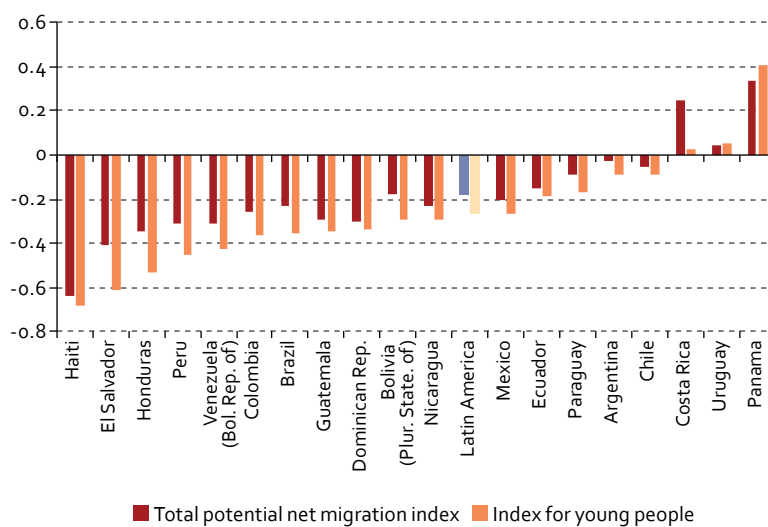
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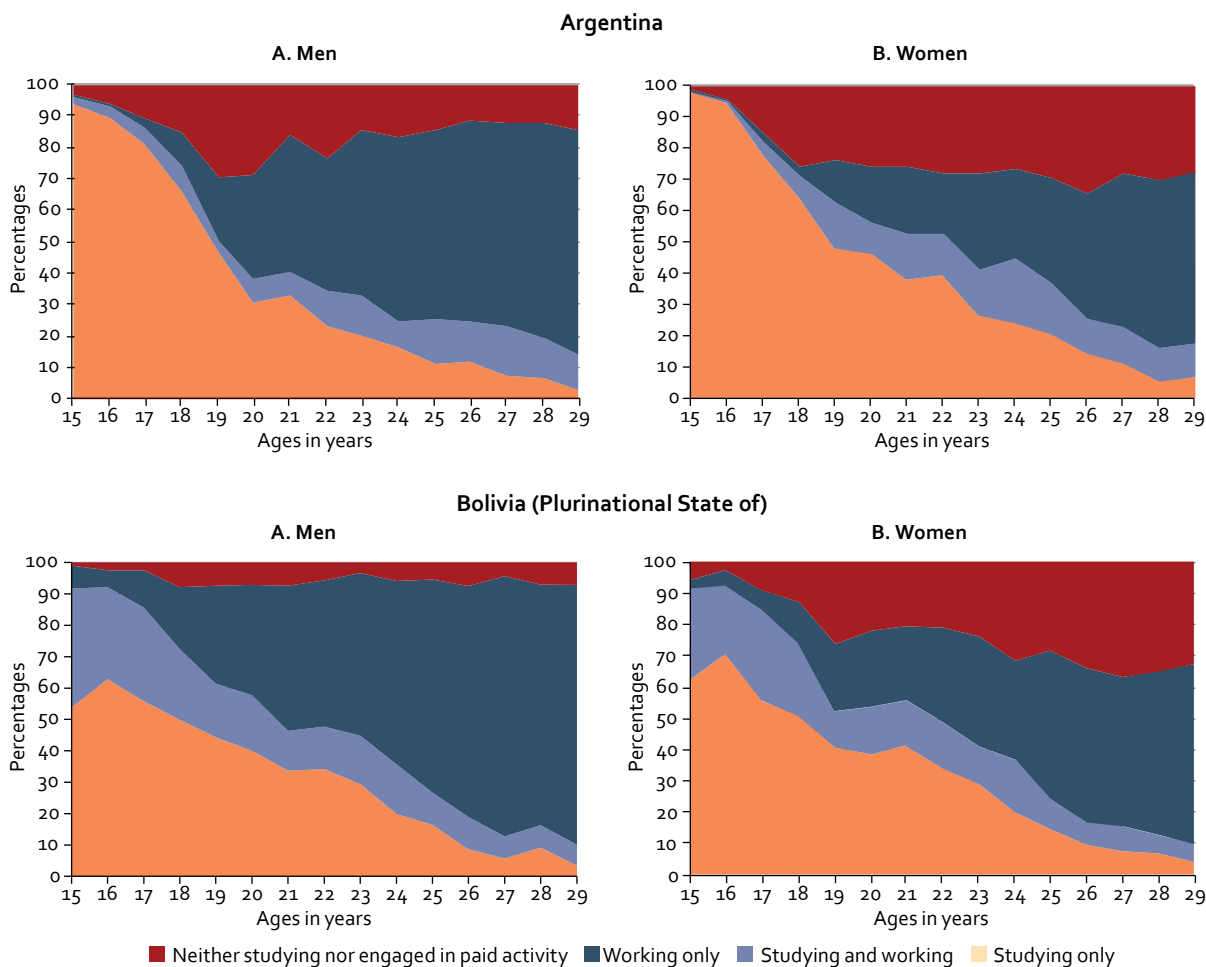
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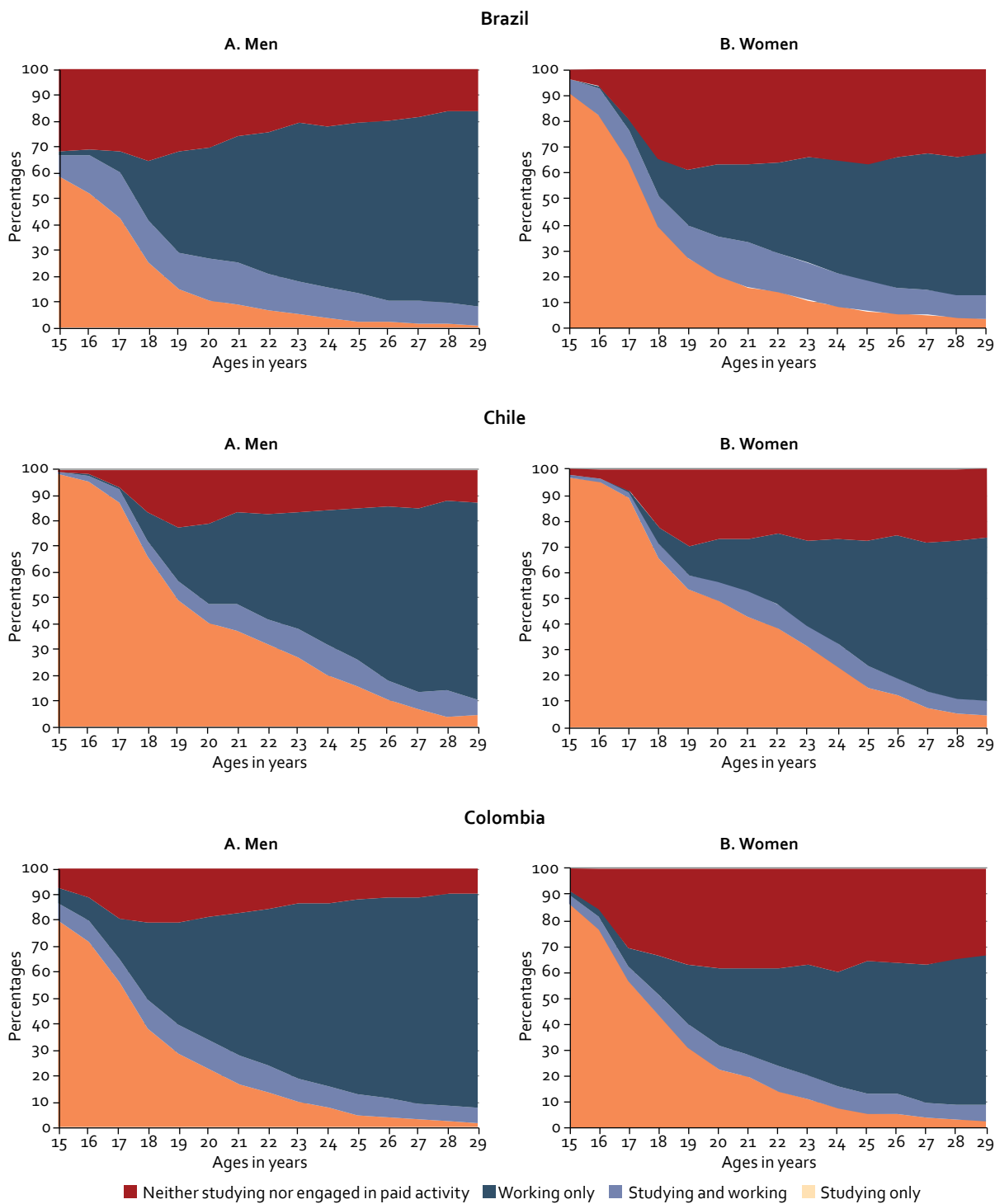
Figure A1
Potential net migration index, total and youth (15–29 years)

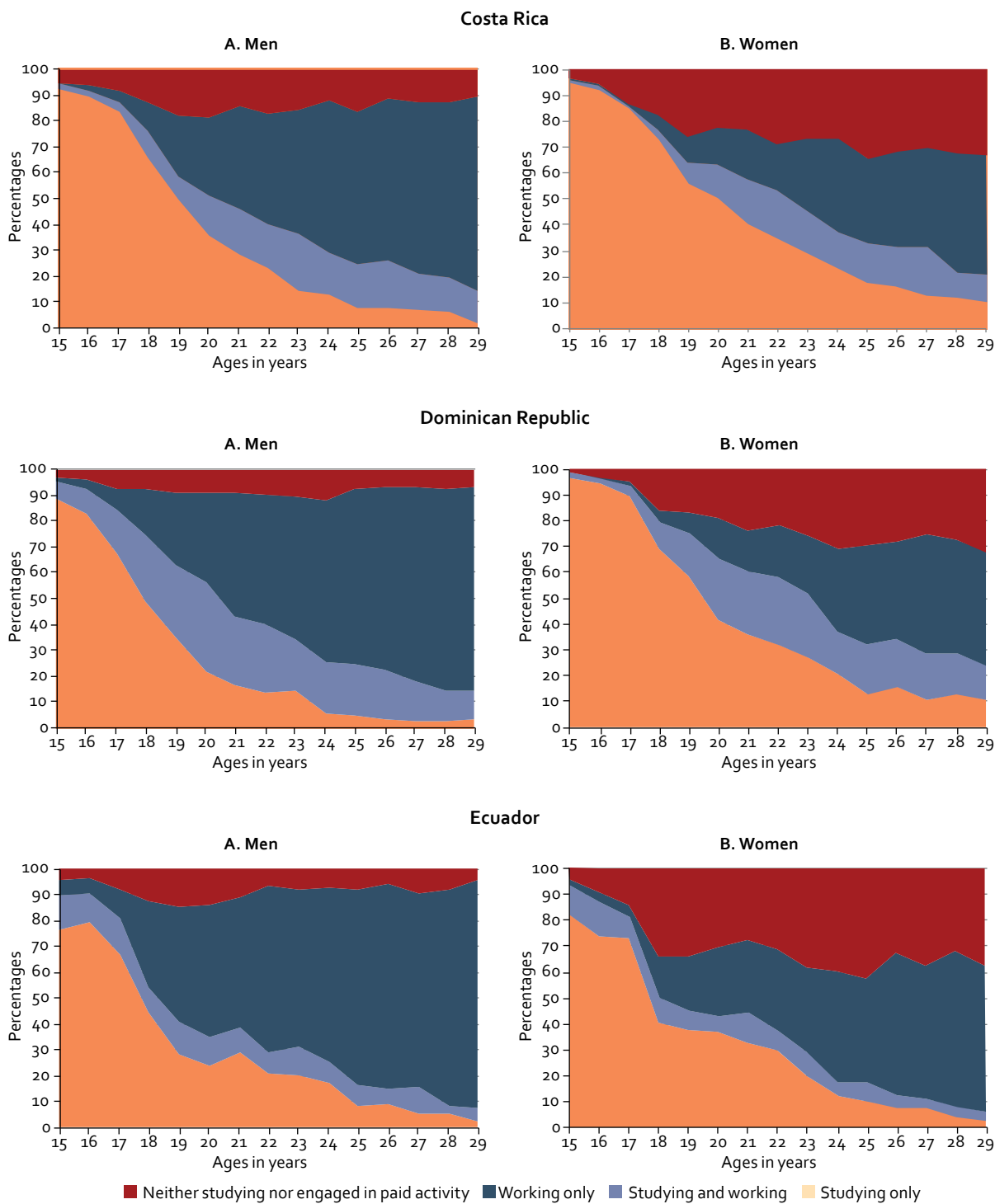


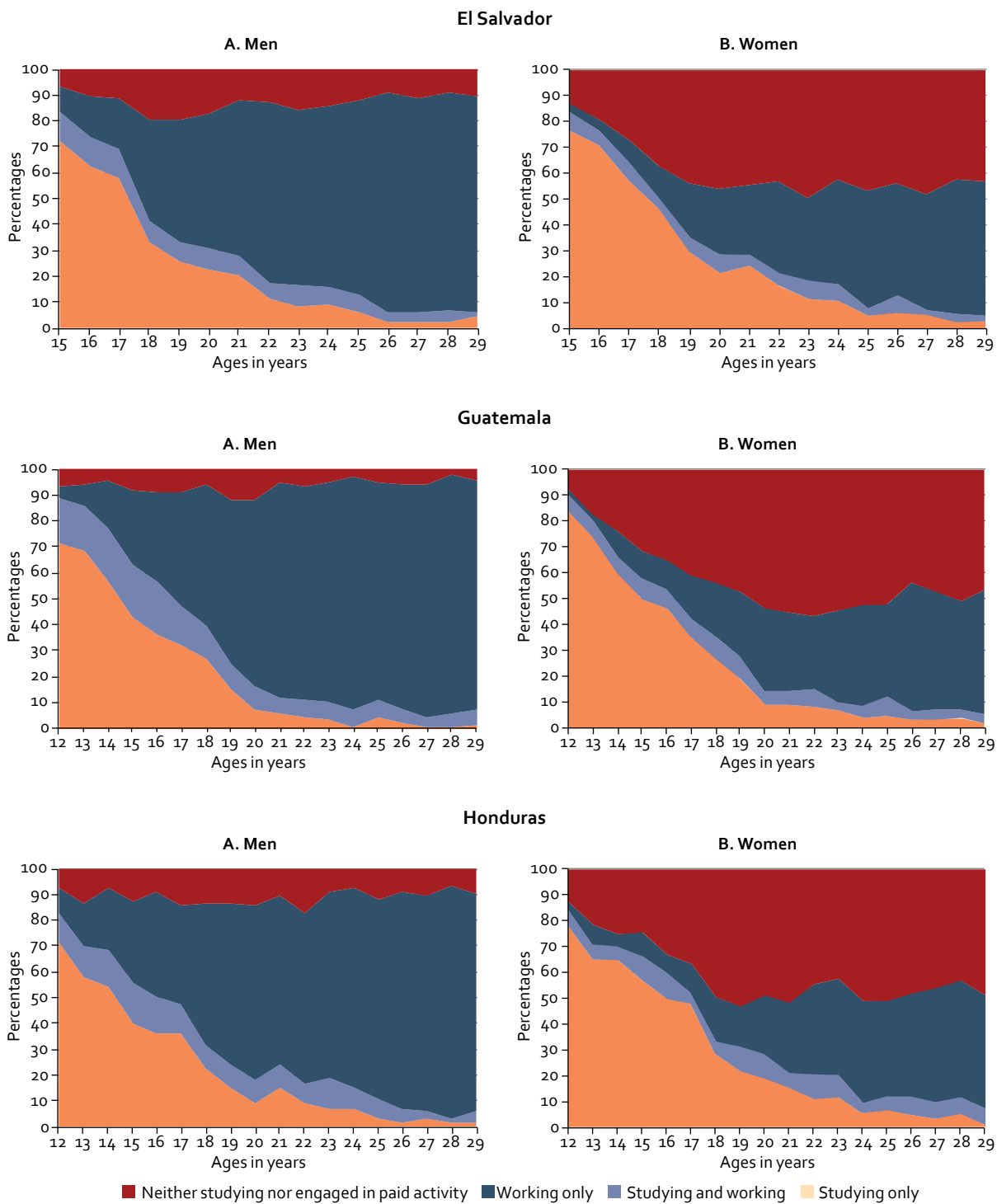
Source: Prepared by the author, on the basis of Gallup, "Potential Net Migration Index" [online] <https://news.gallup.com/migration/interactive.aspx>.

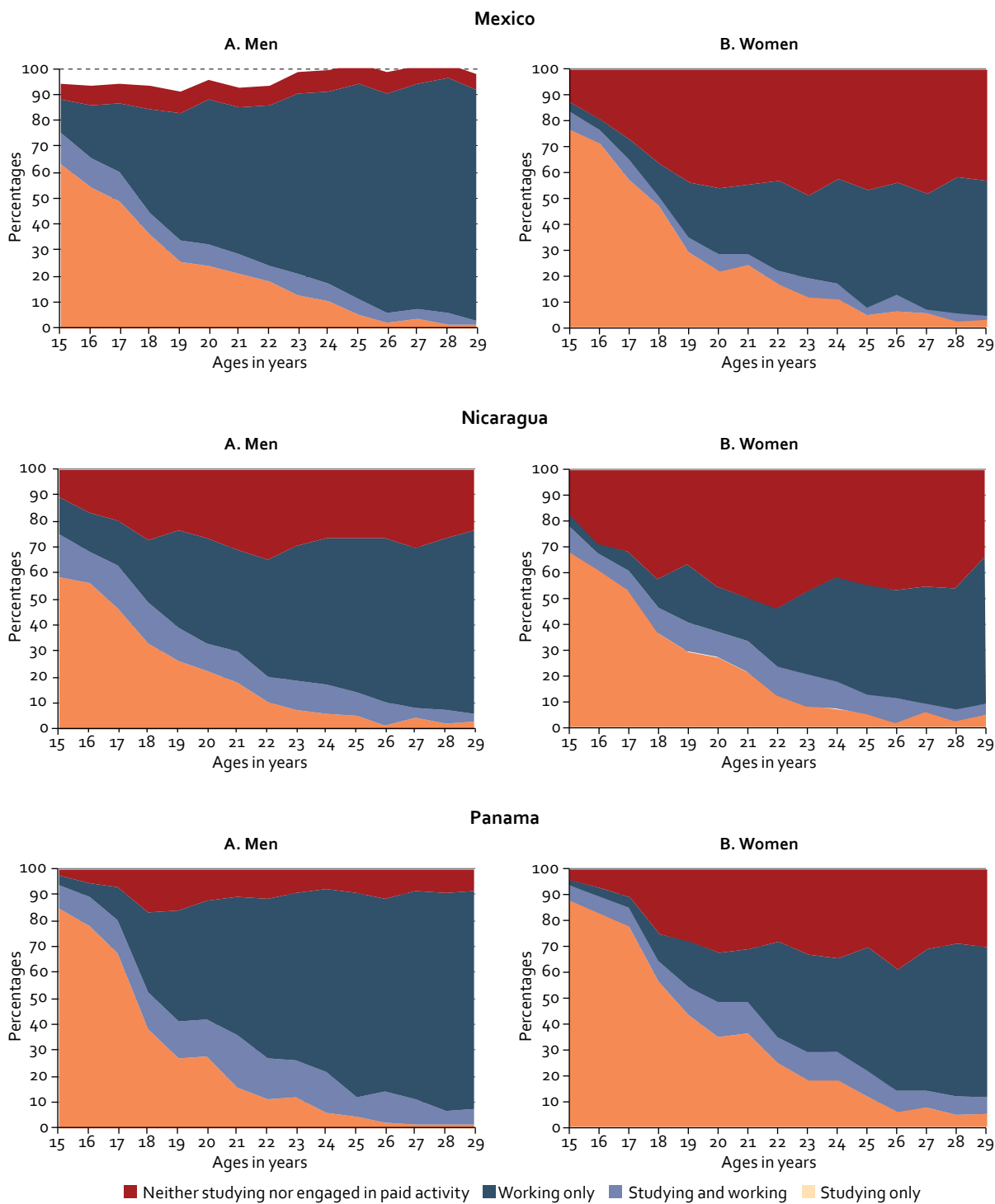
Figure A2
Distribution of the youth population by educational and employment status, simple age and gender, around 2019
(Percentages and ages in years)

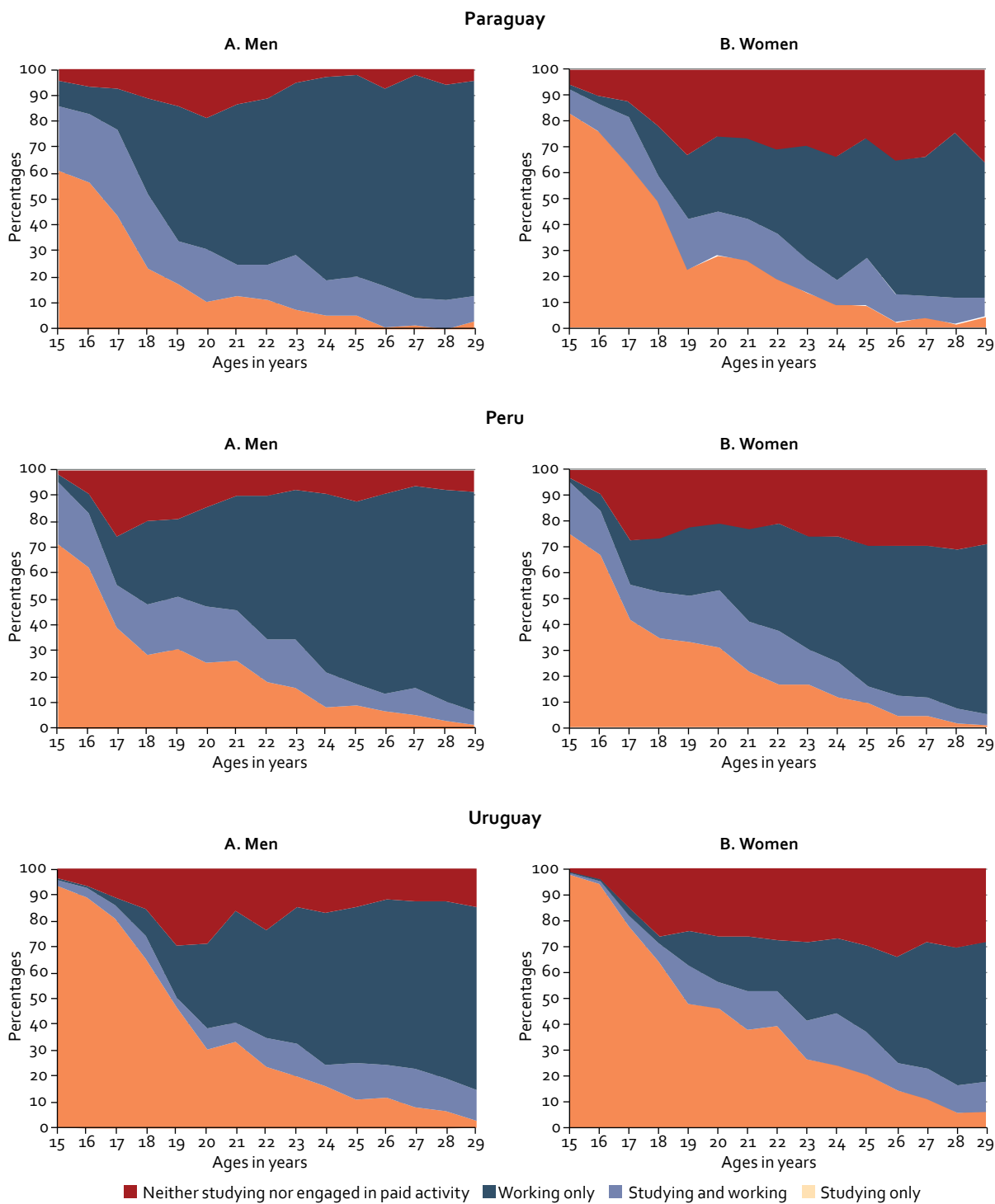




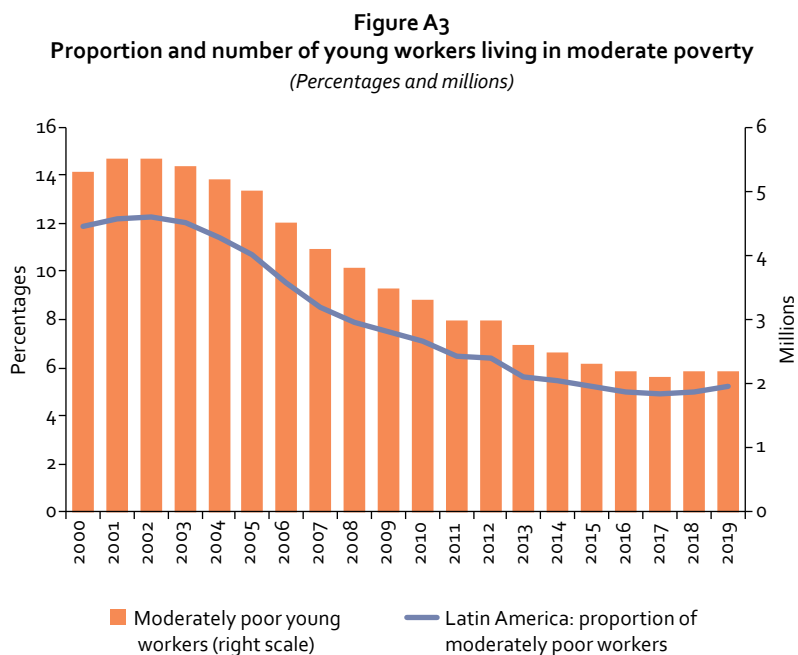






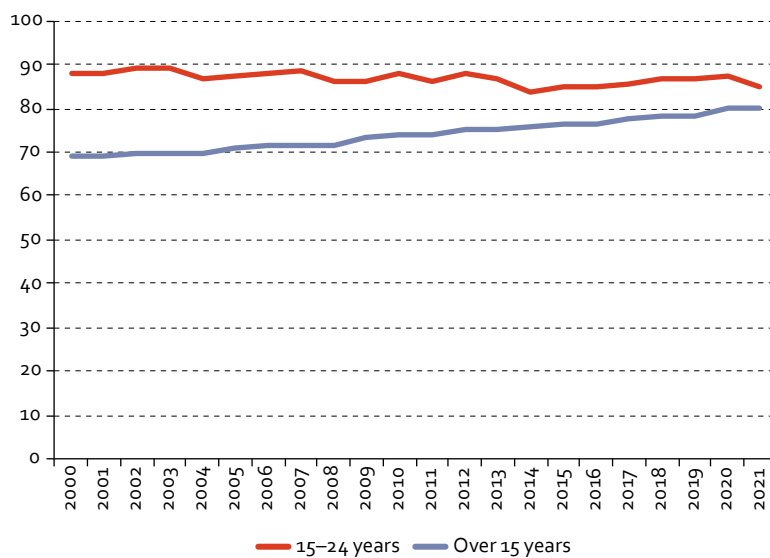


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of household surveys from the respective countries.



Source: Prepared by the author, on the basis of International Labour Organization (ILO), *Global Employment Trends for Youth 2022: Investing in Transforming Futures for Young People*, Geneva, 2022

Figure A4
Ratio of average labour income between sexes for youth (aged 15–24 years) and total population, urban area



Source: Prepared by the author, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), “Urban gender wage ratio, by years of education completed”, CEPALSTAT [online] https://statistics.cepal.org/portal/cepalstat/dashboard.html?lang=en&indicator_id=149&area_id=407.

Table A1
Youth employment promotion programmes in Latin America, 2022

Country	Programme	Target population	Programme features
Argentina	Foster employment	Unemployed persons between 18 and 64 years of age (other priority groups include 18–24 year-olds)	<ul style="list-style-type: none"> • Support for the unemployed in obtaining formal employment, through guidance and counselling, the provision of internships and vocational training • Economic incentive is included for people from priority groups and for firms that hire
Brazil	Horizons	18–29 year-olds, especially those in situations of social vulnerability	<ul style="list-style-type: none"> • Training for young people to enter the labour market through nano- and micro-entrepreneurship and the development of interpersonal skills • Vocational guidance
	<i>Espaço 4.0</i>	18–29 year-olds	<ul style="list-style-type: none"> • Technical training for young people in the knowledge and use of Industry 4.0 equipment and tools and new technologies • Support to develop skills and competencies for entry into the world of work
Barbados	Apprenticeship Programme	Individuals of at least 16 years of age who have completed nine years of formal education	<ul style="list-style-type: none"> • Three-year dual training programme that provides theoretical training in an academic institution and practical on-the-job training, duly supervised, in occupational areas that require a high degree of skill and knowledge • Wage monitoring
Bolivia (Plurinational State of)	<i>Bolivia C-reActiva</i> (a play on words meaning Bolivia creative and active)	Individuals under 30 years of age, graduates or in their final year of tertiary education	<ul style="list-style-type: none"> • Service-apprenticeship for the implementation of production management and marketing tools for small and medium-sized enterprises and craft-workers • Awarding of diploma endorsed by the Plurinational School of Public Management • Monthly financial incentive paid to young participants for three months
Chile	Youth Employment Subsidy	18–23 year-olds, targeting women and persons with disabilities	<ul style="list-style-type: none"> • Monthly cash benefit for wage-earning employees, or annual cash benefit for self-employed workers • The employer receives a monthly monetary contribution
	IFE Laboral apoya	Women, young 18–24 year-olds, men over 55 years of age, persons with disabilities or receiving a disability pension	<ul style="list-style-type: none"> • Subsidy for a new employment relationship that is created, provided that the gross monthly pay does not exceed three times the minimum monthly wage. In the case of women and young people, the subsidy amount is higher
Colombia	Young State	15–28 year-olds, students in tertiary education programmes	<ul style="list-style-type: none"> • Professional internships in the public sector, involving a five-month internship in a public agency and its certification as professional experience • Monthly financial incentive
	Young People in Action	15–28 year-olds, high school graduates without a university degree, living in a condition of poverty and proven vulnerability	<ul style="list-style-type: none"> • Technical, vocational and skills training in higher education institutions, in various modalities. • Monetary transfers conditional on continuing studies
Costa Rica	My first job	Firms	<ul style="list-style-type: none"> • Economic benefit paid by the State to firms that enrol in the programme, to create new job opportunities for young people, women and persons with disabilities

Country	Programme	Target population	Programme features
Dominican Republic	Entrepreneurship laboratory and first job policies for youth	15–35 year-olds	<ul style="list-style-type: none"> • Strengthening of technical capacities to enable young entrepreneurs materialize ideas that result in the creation or improvement of a product or service. With collaboration from the industrial, academic and financial sectors • Facilitate access to credit for successful proposals • Support for young people in the different phases of incubation and acceleration of entrepreneurial projects
Ecuador	Hiring Modalities	Individuals up to 26 years of age	<ul style="list-style-type: none"> • Regulation on the youth hiring modality, through employment contracts that allow young people to gain experience through versatility and rotation in the activities undertaken • In the case of hiring young trainees, conditions must be provided to enable them to continue their studies at appropriate times • Wage monitoring
	Youth Employment	18–26 year-olds with basic education completed. Without work experience and available to work full time	<ul style="list-style-type: none"> • Strengthening of young people's capacities and knowledge through training in soft skills, labour code, labour rights and duties • An economic incentive is included for firms that hire
El Salvador	<i>Empléate Joven</i> (strengthening of youth employability and entrepreneurship)	18–29 year-olds	<ul style="list-style-type: none"> • Training to develop knowledge and soft skills; English language and entrepreneurship • Link with firms • Equipping of public institutions to implement the programme
Guatemala	My First Job	18–24 year-olds, without formal work experience	<ul style="list-style-type: none"> • Promote and support the hiring of young people for a four-month period, as apprentices for a specific trade, working and receiving training in the same firm • Monthly financial incentive and health insurance for young people • Subsidies to firms
Honduras	<i>Projoven</i> (Vocational training for young people)	18–30 year-olds, in a condition of social vulnerability, from rural neighbourhoods or territories	<ul style="list-style-type: none"> • Technical-vocational training geared to the needs of the labour market • Support and guidance for labour market entry
Mexico	Young people building the future	18–29 year-olds who are neither studying nor working	<ul style="list-style-type: none"> • On-the-job and/or classroom training (in firms, businesses, workshops, training institutions) for one year • Monthly financial incentive and medical insurance
Panama	Learn by Doing	17–24 year-olds with high school, university or technical training	<ul style="list-style-type: none"> • Three-month internships in a business environment • Supervision and job counselling, socioemotional skills training/job readiness training • Scholarships for outstanding interns
Paraguay	My First Job	Individuals aged 16 years or older, with schooling and basic computer skills *Targeted on young people	<ul style="list-style-type: none"> • Employability training; oral and written expression; digital skills; use of tools that impact economic and financial decision making • Those who complete the training modules will have access to internships and a job bank, where they will receive guidance and counselling

Country	Programme	Target population	Programme features
Peru	Bicentenary youth scholarships	18–29 year-olds, with secondary education completed, who are not enrolled in a higher education institution and not employed.	<ul style="list-style-type: none"> • Job training to develop and strengthen employability and technical skills, aligned with labour market demand. • Certificates of participation for those who complete the course satisfactorily. • Support for labour market entry, in the form of guidance, diagnostic assessment, follow-up and counselling.
Uruguay	Hiring modalities: subsidies for firms that hire	Firms in the rural, manufacturing and commerce sectors	<ul style="list-style-type: none"> • Temporary subsidy for the hiring of unemployed youth • First work experience: aimed at hiring young people with no formal work experience. • Graduates internship: hiring of young people with previous training who are looking for their first job related to their degree. • Protected youth employment: hiring of unemployed young people from households with incomes below the poverty line.

Source: Prepared by the author, on the basis of official data from the respective countries.



In Latin America, approximately one in four people of working age are young, at 15–24 years old, the age at which most make the transition from school to the labour market. This young population group is a valuable resource for the region with potential to increase economic growth. This document presents indicators that reveal the barriers to access to decent work that exclude young people, mainly those from lower-income households and women. Policy options are put forward to reduce these gaps and facilitate the transition to the labour market with a comprehensive approach that enhances demand, supports supply and facilitates interaction between them. In a context of multiple crises and enormous needs, innovative and high-impact options should be prioritized, with a comprehensive vision that takes into account the voice of young people. Great individual and collective commitment are needed to create tools that will enable youth to face the challenges of the far-reaching demographic, technological, economic and environmental transformations of the future.

