

KEYWORDS

Youth
Youth employment
Labour market
Income
Unemployment
Measurement
Evaluation
Social aspects
Human resources
Gender equality
Employment creation
Labour statistics
Latin America

Youth employment: characteristics, tensions and challenges

Jürgen Weller

Youth employment problems affect not only the welfare of young people themselves but also some key elements of socio-economic development in general. This article examines the circumstances, origins and consequences of these problems and reviews the statistical information available on recent trends in youth employment variables. The figures show that the occupational position of young people has deteriorated in absolute terms along with labour markets generally and that, contrary to some expectations, it has not improved in relative terms either. Working conditions are also found to vary greatly by education level, gender and household characteristics, among other factors. The article then identifies a number of tensions between the subjective perceptions of the young and the reality of the labour market, and reviews options for improving the youth employment situation with regard to the issues of employability, equal opportunities for young men and young women, entrepreneurship and employment creation.

Jürgen Weller
Economic Affairs Officer
Macroeconomic Analysis Unit,
Economic Development Division,
ECLAC

✉ jurgen.weller@cepal.org

I

Introduction

Right from the beginning of the modern era, youth employment has been the key element in the transition to adult life, since earning their own livelihood gives young people the material basis they need to lessen and then end their financial dependence on their parents and set up a home of their own. Because society tends to rate individuals by their contribution to material, cultural or spiritual development, work also contributes to social cohesion and confers social legitimacy and recognition. Employment provides opportunities for interpersonal development, facilitating contacts and participation in networks while allowing people to involve themselves in collective actions. In short, work can be viewed as a key to social integration, a source of meaning in the lives of individuals, a platform for civic involvement and a driver of material progress (ECLAC/OIJ, 2003, p. 21).

Although the economic, social and cultural changes of recent decades have diminished the status of work in relation to other activities and aspects of life, especially in the eyes of many young people themselves, and the transition from youth to adulthood has been prolonged (Hopenhayn, 2004), employment remains a decisive factor in the sense described, both as a dominant cultural norm and as an individual aspiration for the vast majority of young people.

Recently, however, economic and occupational conditions in the region have not been favourable to young people seeking to participate in the world of work. Indeed, developments in Latin America's labour markets in the 1990s and the first half of the 2000s have been a cause for concern. Numerous opinion surveys indicate that joblessness and other employment issues are among the problems that most exercise the people of Latin America, and it would be hard to find an election campaign that did not include substantial job creation among its stated goals.

This article examines the characteristics, tensions and challenges of youth employment in Latin America.¹ Section II presents the background to the region's youth employment problems, chiefly its macroeconomic performance and structural changes in its markets, and summarizes the debate on the causes and consequences of these problems. Section III illustrates recent developments in the employment situation of the region's young people. Section IV introduces subjective elements, analysing the contrasts between the reality of Latin America labour markets and the characteristics, aspirations and expectations of the young. Section V, lastly, analyses the challenges that will have to be met if the employment situation of young people in Latin America is to improve.

II

The circumstances, origins and consequences of the employment problems affecting the young

In a context of modest and unstable economic growth, few wage-paying jobs were created between 1990 and 2003 (particularly in the formal sector) and the region's unemployment rate rose from 7.5% to 11% before the economic recovery of the following years brought it down to single-digit figures, although it did not return to its 1990 level (ECLAC, 2006). The informal sector expanded and employment conditions deteriorated. Logically enough, the worsening labour market situation also affected the young, and this was

reflected in a rising youth unemployment rate, among other things (see section III).

¹ This study is chiefly based on the findings of a project carried out at ECLAC with the cooperation of the German Agency for Technical Cooperation (GTZ) and with financing from the German Federal Ministry of Economic Cooperation and Development. For further details, see Weller (2006a) and the compilations of national studies prepared by Carranza (2006), Chacaltana (2006a), Charlín and Weller (2006) and Martínez Valle (2006).

Besides the vagaries of the economic situation, there are processes of a more structural nature that affect labour markets, and youth employment in particular. These include recent labour supply and demand dynamics, changes in the workings of job markets and economic transformations elsewhere.

On the supply side, the main factors have been the fall-off in demographic growth, the rising education level of the younger generations and the progressive entry of young women into the labour market. All these trends may contribute to more productive and equitable employment for the younger generations.

On the demand side, a key factor is the increasing integration of trade and finance which, directly or indirectly, is intensifying competition in markets. Companies may respond differently to the pressure of ever-growing competition; one response (and one that will probably come increasingly to the fore) is to introduce new technologies and new organizational processes. This response tends to increase relative demand for skilled and flexible labour, which also works to the benefit of young people more than adults, who find it harder to cope with shifts in production methods and technology.²

Faster change in markets as a result of global integration and technological progress is also affecting the operation of the labour market. Employment has tended to become more unstable, a process sometimes facilitated by legal reforms. Hitherto, however, there does not seem to have been a sea-change in contractual relationships in most of the countries; rather, change has taken place “at the margin”. While open-ended contracts remain the rule in the formal sector, new recruits are more likely to have less job security and inferior terms of employment, and it is the young that are most affected.

Another complicating factor for youth employment is marked (and growing) socio-economic segmentation, both a reflection and a cause of the great inequality found in Latin America. Family background largely determines the employment prospects of the young, as it influences their opportunities for building up human capital (access to good-quality education and training), social capital (social relationships based on trust, cooperation and reciprocity) and cultural capital (familiarity with the codes established by the dominant

culture). The situations, problems and prospects of the young, then, are heterogeneous.

The employment situation of young Latin Americans can thus be said to be critical, dynamic and segmented (ECLAC/OIJ, 2003). It should be pointed out, though, that many of these phenomena are not specifically Latin American. Indeed, many international organizations have examined the problems of youth employment in recent years to see if ways can be found to improve the situation.³ The creation of decent, productive jobs for the young was identified as one of the targets for the Millennium Development Goals.⁴ This renewed concern was partly a reaction to the surprising and unwelcome realization that youth employment indicators were not improving even though some of the ongoing changes touched upon above seemed to favour this. Indeed, in 2007 when the different indicators were reviewed for progress towards the Millennium Development Goals, few of them had performed so unsatisfactorily as youth employment and unemployment.⁵

The academic and political debate has considered a number of explanations for the difficulties facing young people in the job market.⁶ Regarding supply, one theory often heard is that education and training systems do not properly prepare young people for the world of work. As already pointed out, companies (representing most of the demand for labour) have had to cope with rapid economic and technological changes. To deal with these, many have tended to demand different and increased qualifications from their workforce, this being true not only of technical and professional skills and know-how (“hard skills”) but also of social and methodological capabilities, particularly communication, team-working and problem-solving skills (“soft skills”).

³ See, for example, OECD (2002, chapter 1), United Nations (2004, chapter 3), ILO (2006) and World Bank (2007, chapter 4).

⁴ This is target 16 of goal 8 (“Develop a global partnership for development”), which reads: “In cooperation with developing countries, develop and implement strategies for decent and productive work for youth”. The unemployment rate of 15- to 24-year-olds, by sex and in total, was selected as a key indicator (number 45) (<http://www.un.org/millenniumgoals/>). A target for productive employment and decent work for all, “including women and youth”, was subsequently introduced and target 16 removed.

⁵ The only region expected to have met the youth employment target by 2006 was Oceania. In most of the regions, the situation worsened or failed to improve (<http://unstats.un.org/unsd/mdg/Resources/Static/Products/Progress2006/MDGProgressChart2006.pdf>, last visited 19 February 2007).

⁶ For further details, see Diez de Medina (2001), O’Higgins (2001), Fawcett (2002), Tokman (2003), Weller (2003) and Cacciamali (2005).

² See Blanchflower and Freeman (2000) for an analysis of this issue in advanced countries.

Education and training systems are struggling to cope with this growing, dynamic demand because they lack resources, have little contact with the world of work and thus little understanding of the characteristics of demand, and have only a limited capacity to adjust. Since there is often uncertainty about the future characteristics of demand, moreover, the signals from the labour market are unclear, and this obviously makes it harder for the education and training supply to adjust. The result is that the young people who come out of these systems are not properly prepared and do not understand the characteristics of the working world; in turn, businesses are reluctant to employ them. Contrary to what is sometimes claimed, furthermore, it can be argued that the profound technological and organizational changes that have occurred have not wholly negated the value of experience. Consequently, although young people may have specific skills, in new technologies for instance, their potential advantages over older people are diminished by other relative weaknesses.

While this first group of employment problems derives from the inadequacy of supply in relation to the characteristics of demand, a second group stems from demand itself. One such problem, which concerns the level of demand, is that when an economic slowdown occurs the first response of company human resources policy is to stop hiring, and this obviously affects the youngest (who are over-represented among job-seekers) more than other people.⁷ When the crisis worsens and companies start to lay off workers, young people once again are usually the worst affected; partly because they have spent less time with the firm, and partly for social reasons (protecting heads of households) and financial ones (retention of experienced workers, lower severance payments), they are the first to lose their jobs. Consequently, in situations of great economic volatility like those that have characterized Latin America over recent decades, the environment becomes less favourable to the employment prospects of the young.

There is a problem of incomplete information in the labour market, both among young people in

relation to the working world in general and individual companies in particular, and among companies in relation to the young in general and certain young people in particular. Lack of transparency in intermediation procedures, prejudices on both sides and discriminatory practices can make the adjustment between companies' requirements and young people's aspirations even slower and more inefficient than it would otherwise have been, as well as entrenching inequalities.

Regulations such as a high minimum wage that make it more expensive to hire young people, whose lack of experience makes their productivity relatively low, can also reduce the level of youth employment. Other regulations designed to protect workers already in employment ("insiders") tend to block access to jobs for those without employment ("outsiders"), among them the young.

Lastly, the production structure and certain characteristics of employment institutions limit the scope for advancement in the labour market. A large segment of the region's economies is characterized by low productivity, low technology levels and non-compliance with numerous regulations, including employment regulations. Jobs in this segment not only entail poor working conditions and benefits, but the work experience acquired there is not much appreciated in the market and therefore commands little in the way of higher pay. Abuse of certain contractual mechanisms and non-compliance with employment laws are found in more "formal" contexts as well, worsening the quality of youth employment and limiting future prospects.

The specialist literature indicates that all these (often interrelated) factors are influential, but to very differing degrees (Weller, 2003). As we shall see later on, heterogeneity within age groups makes it hard to generalize, and large differences in human, social and cultural capital have to be considered when analysing the youth employment situation and proposals for improving this. To define youth simply by biological age is obviously very confining, but studies that work with statistical sources have no choice but to do so. In this article, accordingly, "youth" is understood to refer to people aged 15 to 29.

That employment indicators should show worse levels for young people than for adults is not in itself a cause for concern. When youth unemployment is high and prolonged, however, and young people are working in poor-quality jobs for which their education and skill levels overqualify them, there are negative economic and social effects:

⁷ For example, the averages of the figures for Chile, Ecuador, El Salvador, Paraguay and Peru in the early 2000s indicate that 52.7% of the unemployed who had already held a job at least once and 84.6% of those seeking work for the first time were young people aged between 15 and 29 (author's calculation based on special tabulations of household surveys from the countries concerned).

- The misapplication of human capital which social investment has helped to create limits economic growth and thus the welfare of society as a whole.
- The inability to acquire solid work experience adversely affects both the future earnings of young people and their pensions, especially in individually funded systems.
- It is harder and slower for young people to form households of their own when their employment position is poor and they thus remain dependent upon their parents for longer, with the financial burden this implies. As a result, the present net income of their parents is also reduced, as is their saving capacity and thence their future income.
- Young people from poor households are especially likely to work under substandard conditions or to enter the labour market too early or too late, often because of high drop-out or expulsion rates in the school system. The result is that the potential contribution of employment in releasing them from this situation is not realized and the intergenerational transmission of poverty is reinforced.
- The mismatch between educational characteristics and the demand for labour tends to impede social mobility, thus exacerbating structural problems in the distribution of income and perpetuating the region's inequitable income distribution.
- Substandard employment makes it harder for young people to integrate into society, as their civic rights are not upheld; this discourages participation in other institutional spheres and tends to drive them into confrontational attitudes.
- Young people in substandard employment are a major part of the at-risk population and face problems of social adaptation and marginalization.

III

Recent developments in Latin America's youth employment situation

This section examines the characteristics of youth employment in Latin America and the changes that occurred between the early 1990s and the early 2000s.⁸ These data, it must be remembered, are for a period of mediocre economic growth (2.9% a year between 1990 and 2004, giving an annual increase of 1.2% in per capita GDP) and thus of unsatisfactory labour market performance. As will be seen now, youth employment was no exception to these tendencies.

⁸ This section is based mainly on household surveys from 17 countries processed by Carlos Daroch. Since statistical information is not available for the same years in all the countries, the approach taken was to process the most recent information available (2003 or 2004 for most of the countries) plus the data for a year at the beginning of the 1990s or, in the case of countries that did not have this information, a year in the first half of that decade (see the note to table 1 for further details). To identify regional tendencies, simple averages were calculated for countries with comparable information. By the "recent period" is meant the period from the beginning of the 1990s to the early years of the 2000s.

1. Trends in youth activity and inactivity rates

Two trends in particular characterize the participation of young people in the Latin American labour market during the recent period. One is the moderate decline in the male participation rate;⁹ the other is the marked rise in the female participation rate. The result is that the participation gap between men and women has narrowed (table 1).

The final outcome of these two opposing tendencies was a small increase in the overall workforce participation rate of young people (except in the youngest group). The fall in the participation rate of young men was due primarily to the decline in the youngest group (15 to 19). A primary cause of this was that they stayed longer in the education system, since the proportion of students rose, particularly in this age group (table 2). At the same time, there was

⁹ The participation rate is the proportion of working-age people who are employed or seeking work.

TABLE 1

Latin America (17 countries): Participation rate by age group and sex, between around 1990 and around 2003/2004^a
(Simple averages)

Age group	Around 1990			Around 2003/2004		
	Both	Men	Women	Both	Men	Women
15-19	38.9	52.4	25.5	38.2	48.9	27.5
20-24	64.2	83.3	46.1	68.9	84.0	54.3
25-29	71.5	94.8	50.4	77.2	93.9	61.8
15-29	56.5	74.4	39.7	59.2	72.2	46.5
30-64	68.3	92.8	45.9	74.8	93.1	58.3

Source: ECLAC, on the basis of special tabulations of household surveys from the countries concerned.

^a Coverage is the national total for the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Peru; the urban total for Bolivia, Ecuador and Uruguay; and Greater Buenos Aires for Argentina. For the period around 1990, the years are 1989 for Bolivia, Guatemala and Mexico; 1990 for Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Costa Rica, Honduras and Uruguay; 1991 for Colombia and Panama; 1993 for Nicaragua; 1995 for El Salvador; and 1997 for the Dominican Republic, Ecuador and Peru. For the period around 2003/2004, the years are 2001 for Nicaragua; 2002 for Bolivia; 2003 for the Bolivarian Republic of Venezuela, Brazil, Chile, Honduras and Peru; and 2004 for Argentina, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Panama and Uruguay.

TABLE 2

Latin America (15 countries): Inactive youths as a percentage of their age group, by age group, sex and inactivity type, between around 1990 and around 2003/2004^a
(Simple averages)

Age group	Around 1990			Around 2003/2004		
	Both	Men	Women	Both	Men	Women
<i>Students</i>						
15-19	44.9	42.4	47.3	48.9	46.4	51.5
20-24	12.3	11.9	12.7	13.5	12.4	14.5
25-29	2.7	2.4	2.9	2.9	2.7	3.2
<i>Domestic work</i>						
15-19	13.0	0.8	25.2	9.6	0.9	18.3
20-24	20.2	0.3	38.6	14.8	0.4	28.5
25-29	23.7	0.1	44.9	17.0	0.3	32.3
<i>Other inactive</i>						
15-19	5.3	6.2	4.3	5.1	5.6	4.6
20-24	4.4	4.5	4.2	4.0	3.9	4.1
25-29	3.1	3.2	3.1	3.0	3.0	3.0
<i>Total inactive</i>						
15-19	63.1	49.3	76.8	63.6	53.0	74.3
20-24	36.8	16.7	55.5	32.2	16.8	47.1
25-29	29.5	5.8	50.9	22.9	5.9	38.5

Source: ECLAC, on the basis of special tabulations of household surveys from the countries concerned.

^a Brazil and Peru are excluded because of a lack of data in the coverage specified in table 1.

a small decline in the proportion of young men in the “Other inactive” category, the group containing the largest contingent of young people at greatest risk of exclusion and marginalization. In these circumstances, the decline in the youth participation rate is a positive development. There are still problems, however: for example, the high workforce participation rate of young people aged 15 to 19, an age when the great majority ought to be attending educational establishments, and the fact that more than 5% of this age group belong to the “Other inactive” category.

Higher workforce participation among young women did not lead to any decline in their attendance at educational establishments: in all age groups not only did the proportion of women attending educational establishments increase, but women outnumbered men of the same age. This was presumably contributed to by the realization that women with a low level of education have fewer employment options than men in the same position, leading women to make a greater effort to obtain qualifications in order to improve their opportunities of obtaining higher-quality employment.

Conversely, there was a marked decrease in the proportion of young women engaged in domestic work, while the proportion falling into the “Other inactive” category remained quite stable. The fact that employment increased at the same time as attendance at educational establishments can be regarded as another positive development. Once again, this does not mean that the problems of occupational inactivity have been overcome, since over a fifth of 15- to 19-year-olds are engaged in domestic work or are in the “Other inactive” category, which severely limits their options when it comes to taking paid employment in future.

Increased attendance at educational establishments is reflected not only in the rise in the number of students as a proportion of the age groups concerned, but also in the higher proportion of employed and unemployed young people attending such establishments. This group is very large, comprising 35.1% of all employed 15- to 19-year-olds, 20.8% of the 20 to 24 group and 12.2% of the 25 to 29 group in 2003/2004 or thereabouts, with higher rates among women than men.¹⁰ The proportions are similar among the unemployed, with 36.2%, 24.6%

and 13.7% of the three age groups, respectively, attending educational establishments.

Lastly, a clear divide can be identified between young men and young women when their participation levels are measured against income in the households to which they belong (Weller, 2006b, p. 9). Specifically, male labour market participation shows an inverted U-curve, with the lowest rates found in the first and fifth household income quintiles, although the differences between quintiles are relatively small.¹¹ In the case of young women, on the other hand, there is a clear positive correlation between household income level and workforce participation. The participation rate of young women in the poorest households (first quintile) is about 20 percentage points lower than that of women of the same age in the wealthiest quintile.

2. Youth employment trends

Between the early 1990s and the mid-2000s, the employment rate¹² among young people rose slightly, as the decline in the rate for young men was offset by a moderate rise in that for young women (table 3).

The employment rate is more homogeneous across education groups in the case of young men (with the highest rates in the least educated groups) than in that of women (with the highest rates in the most educated groups). Whereas in the former case this is mainly because some young men with intermediate and high education levels are still studying, in the latter case it is basically a reflection of cultural constraints and the lack of job opportunities for less educated young women (who come from low-income families, particularly in the countryside).

Among young women, the employment level rose in all educational groups, with larger increases in the lowest educational groups, resulting in a slight reduction of the difference in the employment rate between women of different educational levels. Owing to composition effects, the divide in the employment rate between young men and women fell quite sharply, from 34 percentage points in the early 1990s to less than 27 points around 2003/2004, although it remained high.¹³

¹⁰ These percentages rose across the board in the recent period. Around 1990, the proportion of working people who also attended educational establishments was 26.6%, 14.9% and 7.7%, respectively, for the three age groups (calculated as a simple average for 13 countries).

¹¹ About 5 percentage points between the lowest and highest rates.

¹² The employment rate is the proportion of working-age people in paid employment.

¹³ The highest educational groups have increased their share of the total among both men and women, but these groups present below-average employment rates in the case of men and above-average rates in the case of women.

TABLE 3

Latin America (16 countries): Occupation rate of youths aged 15 to 29, by education level and sex, between around 1990 and around 2003/2004^a
(Simple averages)

Years of study	Around 1990			Around 2003/2004		
	Both	Men	Women	Both	Men	Women
0 to 3	52.3	76.7	28.2	54.6	74.7	32.0
4 to 6	55.2	77.1	32.9	56.7	76.4	35.4
7 to 9	40.9	55.8	26.5	41.9	53.9	29.2
10 to 12	48.0	59.6	38.0	48.6	59.0	39.2
13 and over	55.2	59.9	51.1	55.2	59.6	51.8
<i>Total</i>	<i>49.0</i>	<i>66.5</i>	<i>32.6</i>	<i>50.0</i>	<i>63.5</i>	<i>36.9</i>

Source: ECLAC, on the basis of special tabulations of household surveys from the countries concerned.

^a Argentina is excluded because of a lack of data in the coverage specified in table 1.

In the recent period, furthermore, there was a general rise in the share of low-productivity sectors within the employment structure, chiefly reflecting weak demand for labour in the more productive sectors at a time of low economic growth.¹⁴ There is a strong negative correlation between the share of low-productivity sectors and the education level of the young (table 4). Indeed, the proportion working in these sectors was more than three times as high among those with the lowest education levels as among those with the highest education level.¹⁵ During the most recent period, however, the share of low-productivity sectors also increased in the intermediate and high educational groups, indicating that, with weak growth in the region's economies at a time when the education level of young people entering the labour market was rising, a growing number of these young people with a good level of education were not finding employment commensurate with that education.

Lastly, the occupational activity status of young people tends to be far more mobile, and their employment in particular more unstable. In the case of Chile, Henríquez and Uribe-Echevarría (2003, p. 93) found

that, over six consecutive quarters, just 23.3% of young people who formed part of the economically active population at some point were continuously employed, while 34.3% moved between employment and inactivity and 42.4% had at least one spell of unemployment.¹⁶ By way of comparison, in the 30 to 49 age group the figures reveal far greater stability, standing at 60.4%, 19.8% and 19.8%, respectively.

3. Youth unemployment trends

In Latin America, the youth unemployment rate is more than twice the adult rate (15.9% compared to 6.6% around 2003/2004) and the gap between youths and adults is similar for men and women. Unemployment rose for all groups in the recent period, so that the rise in youth unemployment was more a reflection of the general deterioration in the region's labour markets than of specific issues affecting the young. Indeed, in relative terms unemployment increased by slightly more for adults, so that the gap between these and the young narrowed somewhat.¹⁷ Among young people, the female unemployment rate was almost half as high again as the male rate, with little change in this respect over the recent period (table 5).

¹⁴ These sectors are measured using the proxy variables of own-account workers without professional or technical qualifications, wage earners in microenterprises, unpaid family workers and domestic service workers.

¹⁵ A *probit* exercise has shown that in the cases of Argentina, the Bolivarian Republic of Venezuela and Costa Rica, the more educated people are the less likely they are to be working in low-productivity sectors (Weller, 2003, pp. 50-52). In addition, people from poor households are more likely to work in these sectors.

¹⁶ See Chacaltana (2006, p. 189) for similar data regarding Peru.

¹⁷ In the group of 17 countries with comparable data for the recent period, unemployment rose from 12.8% to 16.1% among the young and from 4.8% to 7% among adults, meaning that the youth rate was 170% higher than the adult rate at the start of the 1990s and 130% higher a decade later.

TABLE 4

Latin America (14 countries): Percentage of youths aged 15 to 29 in low-productivity jobs, by education level, between around 1990 and around 2003/2004^a
(Simple averages)

Years of study	Around 1990			Around 2003/2004		
	Both	Men	Women	Both	Men	Women
0 to 3	68.4	64.1	77.0	72.3	66.9	83.8
4 to 6	62.7	58.0	72.6	66.3	61.4	77.2
7 to 9	51.0	47.2	59.0	58.5	53.2	68.8
10 to 12	32.9	32.1	34.4	40.0	36.7	44.7
13 and over	15.7	16.4	15.2	19.3	19.3	19.5
<i>Total</i>	<i>49.9</i>	<i>48.3</i>	<i>51.6</i>	<i>51.4</i>	<i>49.6</i>	<i>55.1</i>

Source: ECLAC, on the basis of special tabulations of household surveys from the countries concerned.

^a Argentina, Colombia and Mexico are excluded because of a lack of data in the coverage specified in table 1.

TABLE 5

Latin America (17 countries): Unemployment rate, by sex and age group, between around 1999 and around 2003/2004
(Simple averages)

Age group	Around 1990			Around 2003/2004		
	Both	Men	Women	Both	Men	Women
15-19	17.7	15.6	22.1	22.4	19.2	28.1
20-24	13.4	11.2	16.7	16.8	13.9	21.1
25-29	9.0	7.3	11.7	10.6	8.0	14.0
15-29	12.8	10.9	15.9	15.9	13.1	19.9
30-64	4.8	4.3	5.7	6.6	5.3	8.3

Source: ECLAC, on the basis of special tabulations of household surveys from the countries concerned.

There is a strong negative correlation between the youth unemployment rate and household incomes. In the early 2000s, the youth unemployment rate in the first quintile was almost 30%, or more than three times the rate in the fifth quintile. In the recent period, however, this last quintile experienced the largest proportional increase in its unemployment rate, possibly in part as a result of rising “educated unemployment” or unemployment among better-educated young people. Of course, people in well-off households are in a position to wait and search for longer without any great sacrifice in the well-being of household members (Weller, 2006b, p. 20).

Interestingly, for unemployed people who have previously worked there is no great difference in the

time it takes youths and adults to find employment, suggesting that the former do not generally have greater problems of labour market access than the latter, although there are specific groups that may indeed face more severe problems.¹⁸ As already mentioned, however, the younger cohorts account for the bulk of the unemployed seeking work for the first time, who typically find it harder to enter the labour market and take longer to find work. These two related factors help to account for the higher rate of youth unemployment

¹⁸ For example, it takes young women longer to find work than young men, although the gap is smaller than that between adult women and men (Weller, 2003, p. 34).

and highlight the importance of a first job for the young, especially a first job where they can build up experience that will later be recognized in the labour market.

In any event, once young people have started to build up experience, the specific problems they face (as compared to adults) mainly concern the characteristics of the jobs available rather than access to these jobs as such; this is manifested in greater job instability for young people than for adults, partly because a high percentage of their employment contracts are short-term (Fajnzylber and Reyes, 2005). Table 6 shows how this instability manifests itself in a higher rate of transition from employment to unemployment. The table reveals that the ratio between the number of people who have recently become unemployed and the number of people in work is substantially higher for young people than for adults, and for women than for men.¹⁹

Thus, the fact that the unemployment rate is higher for young people than for adults is mainly due to the concentration of first-time jobseekers among the young, the access problems experienced by these, and a greater frequency of movement between employment and unemployment or inactivity among young people than among adults.

4. Earnings trends

There is a large earnings gap between young people and adults, as the latter receive an “experience premium”. Logically enough, the gap narrows as the age (and experience) of the young increases. While the youngest (aged 15 to 19, with average earnings of approximately 1.5 times the poverty line) earn a third as much on average as adults, those aged 20 to 24 receive more than half (2.6 times the poverty line) and those aged 25 to 29 more than three quarters (3.5 times the poverty line) of average adult earnings, which are 4.6 times the poverty line (table 7).²⁰ Contrary to expectations of an improvement in the youth employment situation, at least in relative terms, in the recent period both real earnings as measured in terms of the poverty line and the gap between young people and adults remained quite stable.

The earnings gap proves to be significantly larger for young men than for young women, indicating that

women receive less of a premium for experience over their working lives than men, either because they really do build up less experience on average by reason of their careers being more interrupted, or because of discriminatory pay practices, or both.

The pay gap between young people and adults tends to be wider at the higher education levels and narrower at low education levels. This is partly because experience plays a preponderant role in the case of skilled workers, whose activities offer more scope for developing additional skills than do simpler occupations. In the case of the latter, physical exertion is a major component of performance.²¹

In this context, it is striking that whereas the specialist literature indicates that the pay gap between the highest-skilled and other educational groups widened in the labour market as a whole in the recent period (IDB, 2003), the evidence for the different age subgroups among the young is mixed. Specifically, the relative earnings of young people with 10 to 12 years of education tended to deteriorate and the best-educated saw their relative earnings improve in the 25 to 29 group, but not in the 20 to 24 group (table 8). In the case of adults, on the other hand, both the group with 10 to 12 years of education and, to an even greater extent, the best-educated group improved their earnings relative to the other educational groups.

These findings contradict the widely held theory that the far-reaching technological changes of recent times have handed a competitive advantage to the best-educated young people with skills in new technological fields, these skills being harder to acquire for adults educated in different technological paradigms. For the group with 10 to 12 years of education, the reason for this unexpected turn of events may possibly be that rising secondary education coverage in the recent period has “devalued” this educational attainment, so that young people educated to this level entered the labour market in large numbers and saw their relative earnings decline. As for the most educated group, the difficulty of finding employment commensurate with their level of education (rising “educated unemployment”) must have resulted in some new jobseekers having to take up positions for which they were overqualified, driving down the average earnings of this educational group.

¹⁹ In addition, young people typically move more frequently between employment and inactivity; see Chacaltana (2006b, p. 189) for the situation in Peru, for example.

²⁰ This improvement is also observed when changes in the earnings of a particular age cohort are tracked (see Weller, 2003, pp. 53-60).

²¹ Within each age group, furthermore, less educated people potentially have more years of work experience because they entered the labour market earlier.

TABLE 6

Latin America (16 countries):^a Percentage ratio between the newly unemployed^b and the employed, by age group and sex, around 2003/2004
(Simple averages)

	15-19	20-24	25-29	15-29	30-64
Both sexes	4.4	3.2	2.2	2.9	1.2
Men	4.3	2.9	1.9	2.7	1.2
Women	4.7	3.8	2.6	3.3	1.3

Source: ECLAC, on the basis of special tabulations of household surveys from the countries concerned.

^a Brazil is excluded because of a lack of data in the coverage specified in table 1.

^b People previously in employment and now unemployed and seeking work for up to a month.

TABLE 7

Latin America (16 countries): Youth earnings as a multiple of the poverty line and as a percentage of the average earnings of the corresponding adults, by age group and sex, between around 1990 and around 2002^a
(Simple averages)

	Around 1990			Around 2002		
	15-19	20-24	25-29	15-19	20-24	25-29
<i>Earnings as a multiple of the poverty line</i>						
Both sexes	1.5	2.6	3.5	1.5	2.6	3.5
Men	1.6	2.8	3.9	1.6	2.8	3.9
Women	1.4	2.2	2.9	1.3	2.3	3.0
<i>Earnings as a percentage of the corresponding average adult earnings</i>						
Both sexes	33.0	56.9	78.0	32.6	57.0	77.2
Men	29.6	52.8	74.2	29.6	53.0	73.3
Women	43.6	70.9	92.1	38.7	66.2	86.7

Source: ECLAC, on the basis of special tabulations of household surveys from the countries concerned.

^a Earnings data from around 2002 are used because 2003/2004 data were available for only a few countries.

TABLE 8

Latin America (16 countries): Earnings as a percentage of the average earnings of working people in the age group concerned with 10 to 12 years of education, by age group and education level, between around 1990 and around 2002
(Simple averages)

Years of study	Around 1990				Around 2002			
	15-19	20-24	25-29	30-64	15-19	20-24	25-29	30-64
Total	74.0	86.4	89.6	82.2	89.9	92.3	100.0	95.9
0 to 3	61.6	58.9	55.6	50.4	84.4	68.6	58.6	50.1
4 to 6	72.2	80.2	67.3	66.3	87.4	79.0	73.5	64.7
7 to 9	77.2	82.0	83.0	79.3	87.4	86.0	84.3	75.9
10 to 12	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
13 and over	...	127.9	148.9	170.7	...	125.8	164.2	214.9

Source: ECLAC, on the basis of special tabulations of household surveys from the countries concerned.

There are large earnings gaps between young men and women, both overall and in specific educational groups. The difference widens with age: in 2002, women's earnings were 87% of the average in the 15 to 19 group, 81% in the 20 to 24 group and 76% in the 25 to 29 group (table 9). Once again, then, it transpires that women do not receive the same kind of premium for experience as men.

An interesting finding is that, whereas many studies, such as ECLAC (2001), show that the earnings gap between men and women is usually greater at the high education levels than at the low and intermediate ones, this is not true in the case of the young. Indeed, the earnings gap for young women with a higher level of education as compared to those in the other educational groups is smallest in the three youngest age subgroups. This could mean that the relative earnings of this group of women diminish most afterwards, when highly educated men start to receive a large premium for their experience, typically by way of promotion, whereas the premium for women's experience increases less owing to interruptions in their careers (to have children) and discrimination. An alternative or complementary theory is that young women with a higher level of education tend to be discriminated against less, as they are increasingly succeeding in enforcing their right to equality of pay

with similarly able men.²² This theory would seem to be borne out by the fact that the best-educated young women aged 20 to 29 have been able to narrow the earnings gap with their male counterparts, whereas the predominant pattern among other educational groups has been for the gap to widen.

To conclude this brief review of the most salient statistical information, it can be said that the employment situation of young Latin Americans deteriorated once again in the recent period. This was due to general trends in the region's labour markets, where employment conditions and earnings once again suffered amidst pronounced macroeconomic volatility. Contrary to what might have been expected from theories about young people's competitive advantages in the areas of technology and organization, there was no improvement in their occupational situation as compared to that of adults. This does not mean that the expectations were completely wrong,²³ but that they apply not so much to young people generally as to specific groups.

²² Schkolnik (2005, p. 37) shows that the employment patterns of highly educated young women are very similar to those of their male peers.

²³ See Campusano (2006, p. 97) on the characteristics attributed to young people by employers.

TABLE 9

Latin America (16 countries): Earnings of young women in relation to the average earnings of their male counterparts, by age group and education level, between around 1990 and around 2002
(Simple averages)

Years of study	Around 1990			Around 2002		
	15-19	20-24	25-29	15-19	20-24	25-29
<i>Total</i>	91.7	81.9	76.0	87.2	80.6	76.2
0 to 3	94.0	76.3	62.8	75.0	62.1	56.6
4 to 6	79.1	64.8	62.4	83.1	67.7	57.8
7 to 9	83.2	68.8	61.1	83.2	68.9	58.5
10 to 12	104.1	85.0	71.7	89.4	78.2	69.8
13 and over	...	77.0	75.4	...	84.4	76.4

Source: ECLAC, on the basis of special tabulations of household surveys from the countries concerned.

IV

Tensions in the youth employment situation

The gap between expectations of an improved outlook for youth employment (because of educational, demographic, technological and economic factors) and actual developments in recent times (see section III above) has given rise to a number of tensions, many of them interrelated.²⁴ These tensions generally arise between the subjective perceptions of the young and the reality of the labour market. Given the great heterogeneity of the youth cohorts, these tensions obviously do not affect all young people alike. Many of them are being experienced in all the countries, however.

First tension: young people now have higher levels of formal education than the age cohorts that preceded them, but they also face greater problems in obtaining work.²⁵ The cause of this tension lies mainly in the weakness of aggregate demand, which has meant that a large proportion of new jobs have arisen in low-productivity sectors as these have expanded under the pressure of the labour supply. Clearly, the cause of this tension is not that the new generations are “over-educated” or that there is a surplus of young people with high levels of education, since the widening of the pay gap in favour of the most educated observed for the recent period in Latin America (IDB, 2003) shows that the demand for labour has if anything been shifting towards the most highly qualified workers. On the contrary, progress with educational coverage has been insufficient to achieve equity and development in the region (by comparison with other middle-income countries, for example) and quality is inadequate. Specifically, education and occupational training systems have only half-heartedly addressed the productive and sociocultural changes of recent times, and are thus not facilitating the transition to the world of work.

Second tension: young people place a high value on work as such, but their experience with actual jobs tends to be frustrating. While there is a growing functional perception of work as primarily a source of income (and one that in some cases has to compete with others offering higher returns for less effort), for many young people it is still the cornerstone for the development of their personal identity, not least because of the new social contacts they forge in the workplace. Often, however, the initial experience of work does not live up to expectations, with many young people reporting low earnings, few opportunities to acquire skills and know-how, threats of dismissal, ill-treatment, sexual harassment or unpleasant personal relationships; in short, conditions that do not help them fully realize the potential contribution work can make to their individual and social development.

Third tension, connected with the second: there are major contradictions between young people’s expectations of the benefits of participating in the labour market and the conditions they actually experience there. These expectations centre on improvements in the material well-being of themselves as individuals and the parental household, the creation of a basis for setting up homes of their own, social recognition and the opportunity to contribute to the development of their country, among others. The change in gender roles has heightened this tension, since more and more young women are trying to fulfil and develop their potential in order to achieve greater independence and release themselves from traditional roles closely tied to the home. For many young people, however, the reality of the labour market does not satisfy these aspirations or does so only in part. A key element in the frustrations this creates are low earnings, reflected in the large percentages of “working poor”.

Fourth tension: taking a dynamic view, the characteristics of the labour market are expressed in the contrast between the need and preference for a working life that provides a minimum of job and earnings stability, especially when young people aspire to start a family of their own, and the volatility and insecurity that are the dominant reality of the labour market. The young people of today have had their first experience of work in this “new occupational norm”

²⁴ Section IV is based mainly on the results of a number of focus groups organized as part of the ECLAC/GTZ project mentioned in footnote 1 and comprising young people and young adults of different educational levels. See Espinosa (2006), Sepúlveda (2006) and Palau, Caputo and Segovia (2006), plus the relevant chapters in Carranza (2006) and Chacaltana (2006a).

²⁵ This is the first of the tensions or paradoxes analysed by Martín Hopenhayn in relation to the situation of Latin American youth and discussed in ECLAC/OIJ (2004, pp. 17-21) and elsewhere. The tensions identified in this chapter, which mainly concern aspects of youth employment, can be considered in conjunction with these.

(Sepúlveda, 2006) and some find it a satisfactory framework for their aspirations of independence and creativity. For most, however, the labour market is not a place where dynamic opportunities abound, but one where obstacles are placed in the way of advancement and stable employment. Combined with the weakening of social protection systems in many countries, this gives rise to deep uncertainty that affects the personality development and social inclusion of young people.

Fifth tension: achieving employment aspirations is generally a long-term matter, particularly when it comes to attaining high levels of education. However, many young people face short-term pressures that compel them to leave the school system early, prevent them from resuming their studies and oblige them to accept any job available to generate earnings that their households cannot do without. Whereas for young people from poor households this conflict becomes apparent at an early age, for others the clash between long-term aspirations and short-term pressures comes with the responsibilities entailed by having a family of their own. In these cases, the tension between aspirations and the realities of employment is often “resolved” by transferring the aspirations to the next generation, with the idea that short-term sacrifices will facilitate their accomplishment for the family’s offspring.

Sixth tension: young women are showing an increasing desire to lead independent lives. Employment plays a key role in this, but they face special problems in the labour market. Although the situation is particularly difficult for women with low levels of education, who have very few opportunities for productive employment, the employment indicators for young women are less favourable than those for young men in similar age groups at all education levels. Consequently, and despite their higher levels of formal education, average employment indicators for young women as a group are also worse than those for their male counterparts (ECLAC, 2004, pp. 167-171).

Seventh tension: the growing need to combine work with study can create negative tensions, by affecting performance in both spheres, or positive ones, by opening up access to opportunities that would otherwise be closed off. In any event, the growing importance of “lifelong learning” can involve a lasting conflict throughout a person’s working life, with potentially negative effects on free time and family and social life, especially in the Latin American countries with their long working days.

Eighth tension: young people experience the conflict between a “meritocratic” discourse, to which

they respond with a willingness to make great personal efforts and sacrifices for the sake of advancement in their education and employment, and the reality of a labour market in which personal contacts and recommendations are often an important factor in access to desirable jobs. Occupational exclusion among those who do not have this type of social capital reflects a marked intragenerational segmentation that is intensifying in many countries because of growing differences in the quality of the education available to young people from different socio-economic backgrounds.

Ninth tension: the market demands work experience, among other things; however, many young people seeking work for the first time discover, firstly, that it is extremely difficult to gain experience and, secondly, that the market does not recognize experience acquired in the kind of occupations open to young people of a low educational level. Accordingly, this group finds it almost impossible to embark upon a path of occupational advancement.

Tenth tension: young people are showing more and more interest in self-employment and entrepreneurship and in the arguments advanced in favour of this orientation, which is represented as one way of coping with the scarcity of new wage-paying jobs. However, there are considerable obstacles to starting a business (experience, credit and others), as well as a high risk of failure,²⁶ while with few exceptions the institutions needed to help young people with ventures of this type, and particularly with the consequences of failure, have yet to be created. In addition, situations of crisis or low economic growth not only limit the creation of wage-paying employment, but also restrict opportunities to create and expand new businesses.

Eleventh tension: young people have to cope with the conflict between their cultural preferences and the standards demanded in a labour market shaped by the dominant culture. They perceive that they are subject to exclusion because of their age and the cultural choices they express, while the market places what young people see as an unfair emphasis on work experience and does not accept certain types of subcultural self-expression that could affect a company’s image in the eyes of its customers, and thence its financial results.

These tensions all have their effects on occupational and social integration. Many of them are linked to a deeper contradiction between individual and collective dreams and aspirations and a social and economic

²⁶ See point 3 in section V below.

reality that does not facilitate their attainment. This contradiction can create conflicts that find more or less powerful expression both at the individual level and in the form of social tensions with generational components. This is obviously a dynamic tension, and the dreams and aspirations of a cohort of young people

develop in directions that are usually unpredictable but not entirely disconnected from the shifting social reality. The same thing happens when successive youth cohorts are compared with those coming up behind them, each of which tends to modify the values and goals of its predecessor.

V

Improving the youth employment situation: the challenges involved

A favourable macroeconomic environment is essential for significant progress to be made with the employment situation of the young and for the tensions identified above to be dealt with. No programme to improve the job prospects of the young (through the development of know-how, skills and capabilities for work), increase the efficiency of occupational intermediation or influence other aspects of the employment situation can produce satisfactory results unless there is a dynamic demand for labour generated by high and stable economic growth rates and expectations that lead firms to recruit more staff, and unless there is a favourable environment for self-employment with prospects for advancement.

Many of the tensions described can be put down to labour market volatility and poor conditions of employment for large numbers of those seeking work. The old protection and security mechanisms, which were anyway available only to part of the region's workforce, have lost much of their regulatory power. Consequently, another outstanding task is to establish a new regulatory framework for the employment market so that labour relations are governed by a model that incorporates protection mechanisms appropriate to the new economic conditions, among other things.²⁷

However, not all the occupational tensions observed can be blamed on weak growth or labour market institutions. Again, it is not possible to conceive of "solutions" that would resolve all of them satisfactorily for everyone concerned. Furthermore, some are bound up with dynamic intergenerational tensions that public policies cannot easily act upon.

Consideration will now be given to some policy options for helping young people participate successfully in the labour market. This examination is organized around the "4Es" proposed by the High-level Panel of the Youth Employment Network, which are as follows: employability, equal opportunities for young men and young women, entrepreneurship and employment creation (United Nations, 2001).²⁸

Of course, any intervention to improve the youth employment situation needs to take account of the great heterogeneity of the region's young people, as clearly revealed by the data presented in section III. There is no one employment problem common to all young people, but rather a variety of specific problems. The challenges faced by young people of different sexes and with different educational, socio-economic, cultural, ethnic and other characteristics vary greatly, so appropriate responses need to be found for different specific needs. There also needs to be better coordination of public, private and non-governmental actors at the national and local levels so that the efforts of young people and their families can be deployed in a more favourable occupational context.

1. Employability

This point turns on the concepts of human capital, social capital and cultural capital. While economists have traditionally worked with the concept of human capital and have recently "discovered" social capital, sociologists tend to distinguish between social capital

²⁷ ECLAC (2007) analyses a social cohesion pact that provides for labour market interventions of this type.

²⁸ During the deliberations of the Youth Employment Summit (YES), a further three were proposed: environmental sustainability, empowerment and education.

and cultural capital, the second of which includes the aspects of education, training and work experience that economists identify as determinants of human capital. The position taken here, however, is that successful participation in the job market requires human capital (good-quality education and training), social capital (social relationships based on trust, cooperation and reciprocity) and cultural capital (familiarity with the codes established by the dominant culture).

(a) *Human capital*

A good education and occupational training are essential for the development of human capital and the employability of the young. The region's education systems still display numerous deficiencies in terms of coverage and quality, however.²⁹

The countries of Latin America have made great efforts to universalize primary education, attaining coverage of 93% by 2001 (United Nations, 2005, p. 90). Nonetheless, there is still ground to be made up in the coverage of secondary education, which stood at a simple average of 65% in the region's countries in 2001 (United Nations, 2005), and of preschool education, which is vital to counteract the disadvantages suffered by children from poor households.

Quality levels and quality gaps are another widely recognized problem in the region's education systems (Labarca, 2004; United Nations, 2005), one effect of which has been to devalue academic credentials. A form of "top-down" pressure thus exists: young people with qualifications cannot obtain work in occupations for which their education suits them and so take up less skilled jobs, crowding out young people who have trained for these (Novick, 2004). Young people also face segmentation in the education system, which favours graduates of schools and universities recognized for the quality of their teaching but unaffordable for most students (ECLAC/OIJ, 2004).

Young people have clearly grasped the importance of education, but quite often feel that neither education nor occupational training prepares them properly for employment, owing to a lack of connection between

the school curriculum and the world of work.³⁰ Furthermore, as we have already pointed out, short-term pressures often force young people to enter the labour market early, something that is reflected, for example, in the rising percentage of young people simultaneously studying and working or studying and seeking work. When work affects academic performance because long or tiring working days limit people's ability to learn, this increase represents an adverse trend that jeopardizes the future of the young.

On the other hand, if young people attend an educational establishment whilst carrying out types of work that do not significantly affect their academic performance (during vacations or with short working hours), not only will they generate income but they will familiarize themselves with the working world, as they will be acquiring and applying skills that are not so central in the educational sphere (Krauskopf, 2003). Again, because the transition to the adult working world is often long (Sepúlveda, 2006), a suitable combination of work and study can help young people to develop individual employment strategies and build up the self-esteem and recognition of their own capabilities that they need to take the first steps in their line of work.

It may be supposed that this more benign combination of work and study is likelier to be found among young people from higher-income households, while young people from poor households are faced with the harsher alternative. In the case of the latter, conditional transfer programmes (which reduce the need for children and young people to work) are an appropriate instrument for limiting the negative impact of short-term pressures. More flexibility is also needed in the educational system and employment legislation (part-time contracts with the corresponding social benefits, opportunities to work flexible hours) so that work can be combined with study under benign conditions.

(b) *Social capital*

It has been pointed out that access to social capital can be both a cause of the inequity that afflicts Latin American societies (because of its unequal distribution) and a solution to this (when more of it is acquired by disadvantaged groups) (Durstun, 2003).

When it comes to labour market access, one thing that is striking is the importance given by both businesses and the young themselves to the

²⁹ Abdala (2004, p. 31) mentions the following shortcomings in the region's education systems: delayed entry to primary education (20% of young people), high repetition rates (40% in the first year), children falling behind their age level (50% at some point in the cycle) and non-attendance at the secondary level (intake of 50% of those qualified). See also ECLAC/OIJ (2004).

³⁰ Romero-Abreu Kaup and Weller (2006) examine some ideas in this connection.

recommendations of third parties.³¹ In a labour market that lacks transparency, which is very often the case in Latin America, this behaviour can make sense as a second-best solution for companies, especially smaller ones that wish to avoid costly selection procedures.

However, these practices involve a dynamic of exclusion for those young people who lack the necessary contacts.³² In these circumstances, unequal distribution of social capital strongly predetermines opportunities for access to productive jobs and thus the future career paths of many young people. This creates major frustrations, since the reality of the labour market is that education and training efforts are not appreciated unless those making them have the necessary social contacts. Furthermore, those who do enter the labour market in this way strengthen their social capital yet further to the detriment of young people who lack such initial contacts.

To increase the efficiency of labour market intermediation and make recruitment processes more equitable, there is a need to improve the transparency of the labour market, for example through certification of skills, staff (pre)selection agencies, help for disadvantaged young people to develop employment strategies, and quantitative and qualitative improvements in intermediation systems, assisted by new information and communication technologies.

(c) *Cultural capital*

For companies, the attitudes and values of applicants are a vital factor when recruiting, and young people generally score poorly on many counts (Campusano, 2006). Indeed, a major obstacle to employment for many young people is their unfamiliarity with the prevailing cultural codes insisted on in the working world. Here, a distinction should be drawn between problems caused by unawareness and conflicts arising from subcultural tensions. Regarding the former, many young people are clearly unfamiliar with the attitudes, norms and forms of presentation that companies appreciate, and this is often reflected in poorly presented curricula

vitae and mishandled job interviews. Training in this area can certainly be an effective way of improving the employment prospects of young people who possess the qualifications required for a particular post.

Studies of both young people and companies reveal that a proactive attitude is quite common among young people, many of whom stress the importance of personal effort, notwithstanding many adverse factors (Sepúlveda, 2006). This attitude is confirmed by companies, which see the willing attitude of young people towards work in general and new challenges in particular as being among the positive characteristics of the new generations (Campusano, 2006, p. 98).

However, there are many young people who perceive themselves as victims of discrimination because of the forms of cultural self-expression they adopt (clothing, hairstyles, bodily ornaments), which are often rejected by the world of work, particularly in the formal sector.³³ This is obviously a permanent source of tension, although at the same time forms of cultural expression permeate up from subcultures to the dominant culture. It is possible that at some point the dominant culture may come to tolerate forms of self-expression that were once excluded and penalized, and even to adopt them itself; in turn, each generation creates its own cultural expressions that set up new tensions with the dominant context. Young people will have to decide as individuals when and to what extent they are willing to cede to the demands of the traditional working world, or whether they are going to try to find some creative outlet of their own that enables them to earn a living in a manner consistent with their beliefs and values.³⁴

In any event, certain recent changes in the production and employment structure, such as the emergence and expansion of numerous activities in the service sector, part-time work and less hierarchical employment structures, are giving some young people new opportunities that are more compatible with their interests and preferences, including teamwork and flexible hours.

³¹ See the summaries given in Espinosa (2006, p. 35) and Campusano (2006, p. 94).

³² The subject of privilege in recruitment often came up in the focus groups with young people and young adults. In countries that lacked an independent civil service, the importance of political contacts for obtaining a job in the public sector was often referred to (see, for example, Palau, Caputo and Segovia, 2006).

³³ See the views of Salvadoran business people cited in Vega and Carranza (2006).

³⁴ Of course, tolerance towards particular cultural expressions cannot be all on one side. Also, a distinction needs to be made between expressions of an intolerant and repressive ideology and the existence of different social "scenes" that use different codes, without this necessarily entailing discrimination.

2. Equal opportunities for men and women

There are specific barriers to participation in the labour market for many women, often associated with the traditional division of labour: women are relegated to the private sphere and are responsible for reproduction, while men act in the public sphere and are responsible for productive work. Of particular importance here are, first, the roles assigned to young women in poor families in rural areas, as they are often put in charge of younger siblings or other household tasks, and, second, the situation of low-income young mothers in urban areas who usually have difficulty finding and paying for childcare services during the working day. To ensure equality of opportunity between the sexes when it comes to integration into the working world, policies to support youth employment have to take account of these specific needs in the different groups of young women. Reconciliation of household tasks and paid employment cannot be seen as the sole responsibility of women (Batthyány, 2004).

Again, the gender perspective needs to be taken into account in occupational training, both to improve the quality of programmes in occupations to which women have traditionally had access and to increase their access to others (Fawcett and Howden, 1998).

Another measure to improve the employability of young women is help in deciding on personal employment strategies. Among other components, such strategies include establishing contacts and familiarizing themselves with the world of work at an early stage, plus better information on the labour market generally and on employment and training options. These strategies can thereby contribute to the development of cultural and social capital and self-esteem, which are factors of great importance for labour market participation and in which young women are generally at a considerable disadvantage, especially when they come from low-income households.

Generally speaking, employment policies, and specifically those aimed at the young, need to adopt a transversal gender approach that recognizes the numerous obstacles and inequalities faced by women when they are trying to break into the job market and once they are actually in it (Abramo, 2006). These problems are partly due to discriminatory attitudes that need to be identified and confronted. This being so, the role of anti-discrimination laws in stimulating a social and cultural transition towards more equitable societies is at least as important as their role in remedying individual infringements, especially since

discrimination is often masked by a rationale of efficiency.³⁵

3. Entrepreneurship

Production structures are changing rapidly, largely because of the impact of new information and communication technologies. These technologies not only generate and require greater flexibility in markets (including the labour market), but they also make it easier for people to start their own businesses with much smaller capital investments than previous production methods required. These technological and productive opportunities are reflected in a growing interest among many young people in working more independently, at a time when wage employment is characterized by increasing insecurity and instability (Espinosa, 2006). Partly in acknowledgement of these trends, the promotion of microenterprises and own-account working has recently come to be seen as a strategy for addressing the problem of youth unemployment.

However, many microenterprises are subsistence affairs rather than a reflection of the entrepreneurial spirit of young people (Messina, 2001). In addition, a lack of dynamism in the economy not only affects job creation by established firms, but also limits the scope for setting up and sustaining new businesses.

The data available show that young people who aspire to work on their own account and create their own businesses face greater obstacles than adults. Own-account workers and employers represent a much smaller proportion of young people than of adults, and this is not surprising given that many young people, however much they may wish to work for themselves, prefer to build up work experience in a wage-paying job first. More importantly still, there is greater instability among the young self-employed than among adults. As the data presented in table 10 for Chile, Ecuador and Peru show, a significantly higher proportion of young people who have worked independently, i.e., as own-account workers or employers, switch category than do adults in the same position. In Chile, for example, over an 18-month period 40% of young people who were independent at the start of the period had switched to some employee category by the end of it,

³⁵ Doing away with discrimination is not just a matter of making and enforcing laws, of course, but they are useful instruments.

TABLE 10

Chile, Ecuador and Peru: Stability of independent employment, young people and adults

(Percentages of all those in work at the start of the period indicated)

	Young people	Adults
<i>Chile, change from start to end of 18-month period, 1996-2003</i>		
Independent employment		
Total (start of period)	12.5	27.8
No change	7.5	22.7
Change (wage employment or other)	5.0	5.1
<i>Ecuador, change between April-May 2000 and April-May 2002</i>		
Independent employment		
Total (start of period)	10.1	37.5
No change	6.6	31.2
Change (wage employment or other)	3.5	6.3
<i>Peru, change between 1998 and 2001</i>		
Independent employment		
Total (start of period)	40.8	63.0
No change	17.8	44.3
Change (wage employment or other)	23.0	18.7

Source: Romero-Kaup Abreu and Weller (2006, p. 263).

while among adults the proportion was only 18%. In Ecuador, meanwhile, the percentages are 35% and 17%, respectively, over a two-year period, while in Peru they are 56% and 30%, respectively, over a three-year period. To sum up, the proportion of independently working young people who subsequently become employees in the three countries is twice that for adults.³⁶

These data show how risky it would be to invest massively in programmes to encourage young people to start microenterprises. This is certainly not a universal solution for improving the youth employment situation. It would be advisable to reorient education so that it encourages entrepreneurship, not exclusively with the goal of creating entrepreneurs, however, but also to stimulate skills, capabilities and attitudes that will be useful to young people in the working world generally, community life, voluntary work and political, social, cultural, sporting and other types of organization.

Experience of these activities leaves some young people with a desire to venture into the world of

business. Policies and programmes to support these potential entrepreneurs need to be differentiated by the group of young people aimed at, and should be coordinated with general business creation policies.

4. Employment creation

Although some firms claim to recruit well-educated young people even if they lack experience, the fact is that employers tend to make additional demands (experience, personal contacts, familiarity with cultural norms, individual effort and others). For all the positive correlations that might exist at the aggregate level, then, many young people perceive that the relationship between education and access to productive employment is weakening. Thus, young people seeking work for the first time are required to have both education and experience to break into the labour market, but when they lack experience they are not given the opportunity to acquire it. Furthermore, failings in the way the labour market operates (lack of transparency, mechanisms of exclusion and discrimination) exacerbate the obstacles to access for particular groups. This is why it is so important to facilitate access to a first job with prospects of career advancement. In the last few years a number of countries have created programmes that

³⁶ The comparison between the start and end of the period concerned does not provide any information about what happened in the interim, or whether those who have kept their occupational category unchanged are still working in the same line of business. The data do show significant general trends, however.

use different instruments to help young people into a first formal job.³⁷

With the increasing instability of employment, success in breaking into the working world does not necessarily guarantee occupational advancement. Nonetheless, a first formal job can be a powerful signal to the market that useful capabilities and experience are being acquired. These include the learning of new skills, usually through practice rather than via formal training schemes; the accumulation of work experience and cultural capital; and the opportunity to relate to people of all ages in a new context of socialization and thereby establish social networks outside the family.

At the same time, a number of countries have introduced special contracts with reduced employment rights (in respect of pay, social benefits and rules of dismissal) to encourage the recruitment of certain groups, particularly the young. Where the young are concerned, it is imperative for such contracts to provide for verifiable training measures, so that adult labour is not simply replaced by worse-paid youth labour.³⁸ Many young people believe that these hiring procedures, like work placements, are more a mechanism for taking advantage of their labour at low cost than a means of acquiring knowledge and skills that will be relevant to them in their future working lives. Indeed, the evidence indicates that many firms

do not comply with the training requirements laid down in the legislation (Chacaltana, 2006a). Given that wage and non-wage incentives of this type (and tax incentives in the case of employment subsidies) can only be justified socially if they generate investment in human capital, it is vitally important to monitor compliance with the obligations of those involved. This is more feasible in dual occupational training schemes, which create an interaction between theoretical and practical learning.³⁹

In conclusion, to improve the employment situation of young people it is necessary to establish a virtuous circle between a more favourable environment (in which macroeconomic conditions that stimulate economic growth and thence the demand for labour are the most important element), new labour market institutions and measures to strengthen the human, social and cultural capital of the young, especially those in a disadvantaged situation. Measures to improve the employment conditions of young women, encourage entrepreneurship and create jobs would make an important further contribution. This would provide greater and more easily accessible opportunities for young people to embark upon a path of occupational advancement and help to reduce the profound inequalities that characterize the region.

(Original: Spanish)

Bibliography

- Abdala, E. (2004): Formación y empleabilidad de jóvenes en América Latina, in M. Molpeceres Pastor (coord.), *Identidades y formación para el trabajo*, Montevideo, International Labour Organization (ILO)/Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR).
- Abramo, L. (ed.) (2006): *Trabajo decente y equidad de género en América Latina*, Santiago, Chile, International Labour Organization (ILO).
- Batthyány, K. (2004): *Cuidado infantil y trabajo: ¿un desafío exclusivamente femenino? Una mirada desde el género y la ciudadanía social*, Montevideo, Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR).
- Blanchflower, D.G. and R.B. Freeman (eds.) (2000): *Youth Employment and Joblessness in Advanced Countries*, Chicago, The University of Chicago Press.
- Cacciamali, M.C. (2005): *Mercado de trabajo juvenil: Argentina, Brasil y México*, No. 2005/02, Geneva, International Labour Organization (ILO).
- Campusano, C.L. (2006): El mercado laboral y los jóvenes: una mirada del empresariado, in J. Weller, *Los jóvenes y el empleo en América latina: desafíos y perspectivas ante el nuevo escenario laboral*, Bogotá, D.C., Economic Commission for Latin America and the Caribbean (ECLAC)/Mayol ediciones.
- Carranza, M. (ed.) (2006): *Oferta, demanda e intermediación laboral: aportes para la integración de jóvenes al mercado de trabajo salvadoreño*, LC/R.2130, San Salvador, Economic Commission for Latin America and the Caribbean (ECLAC)/Instituto Universitario de Opinión Pública (IUDOP).
- Chacaltana, J. (2006a): *Empleos para los jóvenes*, LC/R.2129, Lima, Centro de Estudios para el Desarrollo y la Participación

³⁷ In 2007, Mexico became the latest country to start such a “first job” programme.

³⁸ The same is true of age-differentiated minimum wages.

³⁹ The participation of young people in emergency job creation programmes is not advised, since they generally acquire little relevant experience there and involvement in such programmes often has a stigmatizing effect in the labour market, which could make it harder to find work afterwards.

- (CEDEP)/Economic Commission for Latin America and the Caribbean (ECLAC)/German Agency for Technical Cooperation (GTZ).
- _____ (2006b): Trayectorias laborales de jóvenes peruanos, in J. Weller, *Los jóvenes y el empleo en América latina: desafíos y perspectivas ante el nuevo escenario laboral*, Bogotá, D.C., Economic Commission for Latin America and the Caribbean (ECLAC)/Mayol ediciones.
- Charlín, M. and J. Weller (eds.) (2006): Juventud y mercado laboral: brechas y barreras, LC/R.2131, Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC)/Latin American Faculty of Social Sciences (FLACSO).
- Diez de Medina, R. (2001): *Jóvenes y empleo en los noventa*, Montevideo, International Labour Organization (ILO)/Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR).
- Durston, J. (2003): Capital social: parte del problema, parte de la solución, su papel en la persistencia y en la superación de la pobreza en América Latina y el Caribe, in R. Atria, M. Siles and others (eds.), *Capital social y reducción de la pobreza en América Latina y el Caribe: en busca de un nuevo paradigma*, LC/G.2194-P, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.03.II.G.03.
- ECLAC (Economic Commission for Latin America and the Caribbean) (2001): *Social Panorama of Latin America, 2000-2001*, LC/G.2138-P, Santiago, Chile, October. United Nations publication, Sales No. E.01.II.G.141.
- _____ (2004): *Social Panorama of Latin America 2004*, LC/L.2220-P, Santiago, Chile, November. United Nations publication, Sales No. E.04.II.G.148.
- _____ (2006): *Preliminary Overview of the Economies of Latin America and the Caribbean 2006*, LC/G.2327-P, Santiago, Chile, December. United Nations publication, Sales No. E.06.II.G.141.
- _____ (2007): *Social Cohesion: Inclusion and a Sense of Belonging in Latin America and the Caribbean*, LC/G.2335, Santiago, Chile.
- ECLAC/OIJ (Economic Commission for Latin America and the Caribbean /Ibero-American Youth Organization) (2003): *Juventud e inclusión social en Iberoamérica*, LC/R.2108, Santiago, Chile.
- _____ (2004): *La juventud en Iberoamérica: tendencias y urgencias*, LC/L.2180, M. Hopenhayn (coord.), Santiago, Chile.
- Espinosa, B. (2006): Transformaciones y continuidades en el mundo del trabajo en América Latina desde la perspectiva de los jóvenes: introducción y síntesis de los estudios por país, in J. Weller, *Los jóvenes y el empleo en América Latina: desafíos y perspectivas ante el nuevo escenario laboral*, Bogotá, D.C., Economic Commission for Latin America and the Caribbean (ECLAC)/Mayol ediciones.
- Fajnzylber, E. and G. Reyes (2005): Dinámica del empleo juvenil: resultados preliminares con datos del seguro de cesantía, *En foco*, No. 54, Santiago, Chile, Expansiva.
- Fawcett, C. (2002): Los jóvenes latinoamericanos en transición: un análisis sobre el desempleo juvenil en América Latina y el Caribe, *Documentos de trabajo*, Washington, D.C., Sustainable Development Department, Inter-American Development Bank (IDB).
- Fawcett, C. and S. Howden (1998): El tema de género en los programas de formación técnica y profesional, *Women in Development (WID)*, No. 103, Washington, D.C., Sustainable Development Department, Inter-American Development Bank (IDB).
- Henríquez, H. and V. Uribe-Etcheverría (2003): Trayectorias laborales: la certeza de la incertidumbre, *Cuaderno de investigación*, No. 18, Santiago, Chile, Departamento de Estudios, Dirección del Trabajo.
- Hopenhayn, M. (2004): El nuevo mundo del trabajo y los jóvenes, *Revista de estudios sobre juventud*, Year 8, No. 20, Mexico City, Jóvenes.
- IDB (Inter-American Development Bank) (2003): *Good Jobs Wanted: Labor Markets in Latin America*, Washington, D.C.
- ILO (International Labour Organization) (2006): *Global Employment Trends for Youth*, Geneva.
- Krauskopf, D. (2003): Proyectos, incertidumbre y futuro en el período juvenil, *Archivos argentinos de pediatría*, vol. 101, No. 6, Buenos Aires, Sociedad Argentina de Pediatría.
- Labarca, G. (2004): Educación y capacitación para mercados del trabajo cambiantes y para la inserción social, in C. Jacinto (coord.), *¿Educar para qué trabajo? Discutiendo rumbos en América Latina*, Buenos Aires, Ediciones La Crujía/Red ETIS.
- Martínez Valle, L. (ed.) (2006), *Jóvenes y mercado de trabajo en el Ecuador*, Santiago, Chile, Latin American Faculty of Social Sciences (FLACSO)/Economic Commission for Latin America and the Caribbean (ECLAC).
- Messina, G. (2001): Modelos de formación en las microempresas: en busca de una topología, in E. Pieck (coord.), *Los jóvenes y el trabajo: la educación frente a la exclusión social*, Mexico City, Ibero-American University.
- Novick, M. (2004): Transformaciones recientes e el mercado de trabajo argentino y nuevas demandas de formación, in C. Jacinto (coord.), *¿Educar para qué trabajo? Discutiendo rumbos en América Latina*, Buenos Aires, Red ETIS.
- OECD (Organisation for Economic Co-operation and Development) (2002): *Employment Outlook 2002*, Paris.
- O'Higgins, N. (2001): *Desempleo juvenil y política de empleo. Una perspectiva global*, Geneva, International Labour Organization (ILO).
- Palau, M., L. Caputo and D. Segovia (2006): Paraguay: expectativas y estrategias laborales de los jóvenes, in J. Weller, *Los jóvenes y el empleo en América Latina: desafíos y perspectivas ante el nuevo escenario laboral*, Bogotá, D.C., Economic Commission for Latin America and the Caribbean (ECLAC)/Mayol ediciones.
- Romero-Abreu Kaup, P. and J. Weller (2006): Políticas de fomento de la inserción laboral de los jóvenes, in J. Weller, *Los jóvenes y el empleo en América Latina: desafíos y perspectivas ante el nuevo escenario laboral*, Bogotá, D.C., Economic Commission for Latin America and the Caribbean (ECLAC)/Mayol ediciones.
- Schkolnik, M. (2005): *Caracterización de la inserción laboral de los jóvenes*, Políticas sociales series, No. 104, LC/L.2257-P, Santiago, Chile, Economic Commission for Latin America and

- the Caribbean (ECLAC), March. United Nations publication, Sales No. S.05.II.G.15.
- Sepúlveda, L. (2006): Incertidumbre y trayectorias complejas: un estudio sobre expectativas y estrategias laborales de jóvenes y adultos jóvenes en Chile, in J. Weller, *Los jóvenes y el empleo en América Latina: desafíos y perspectivas ante el nuevo escenario laboral*, Bogotá, D.C., Economic Commission for Latin America and the Caribbean (ECLAC)/Mayol ediciones.
- Tokman, V.E. (2003): *Desempleo juvenil en el Cono Sur: causas, consecuencias y políticas*, Santiago, Chile, Friedrich Ebert Foundation.
- United Nations (2001): Recommendations of the High-Level Panel of the Youth Employment Network, *Letter from the Secretary-General to the President of the General Assembly, A/56/422*, New York, 28 September.
- (2004): *World Youth Report 2003: The Global Situation of Young People*, Geneva.
- (2005): *The Millennium Development Goals: A Latin American and Caribbean Perspective*, LC/G.2331, J.L. Machinea, A. Bárcena and A. León (coords.), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. E.05.II.G.107.
- Vega, L. and M. Carranza (2006): Experiencia y visión de los empresarios salvadoreños sobre la inserción laboral de los jóvenes, in J. Weller, *Los jóvenes y el empleo en América Latina: desafíos y perspectivas ante el nuevo escenario laboral*, Bogotá, D.C., Economic Commission for Latin America and the Caribbean (ECLAC)/Mayol ediciones.
- Weller, J. (2003): *La problemática inserción laboral de los y las jóvenes*, Macroeconomía del desarrollo series, No. 28, LC/L.2029-P, Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), December. United Nations publication, Sales No. S.03.II.G.192.
- (2006a): *Los jóvenes y el empleo en América Latina: desafíos y perspectivas ante el nuevo escenario laboral*, Bogotá, D.C., Economic Commission for Latin America and the Caribbean (ECLAC)/Mayol ediciones.
- (2006b): Tendencias recientes de la inserción de los jóvenes latinoamericanos en el mercado laboral, in J. Weller, *Los jóvenes y el empleo en América Latina: desafíos y perspectivas ante el nuevo escenario laboral*, Bogotá, D.C., Economic Commission for Latin America and the Caribbean (ECLAC)/Mayol ediciones.
- World Bank (2006): *World Development Report 2007: Development and the Next Generation*, Washington, D.C.