3-21-2014

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ILO Report: Latin America’s Youth Still Struggling To Access Job Markets

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Category/Department: Region
Published: 2014-03-21

In Latin America, unemployment and job insecurity continue to have a disproportionate impact on young people (aged 15 to 24). A serious economic problem, the situation also has major social and political implications and is even, in some cases, affecting stability and democratic governance, a recently released International Labour Organization (ILO) report concluded.

"It is not surprising that young people take to the streets, as their lives are marked by discouragement and frustration because of lack of opportunities," Elizabeth Tinoco, regional director of the ILO Regional Office for Latin America and the Caribbean, said Feb. 13 upon presenting the study. The ILO is a UN agency specializing in labor issues.

The report, titled "Decent Work and Youth: Policies for Action," uses data compiled between 2005 and 2011 to offer an overview of the employment situation facing the youth in Latin America. During that period of analysis, the unemployment rate among the region’s estimated 108 million young people improved somewhat, dropping from 16.4% in 2005 to 13.9% in 2011, according to the ILO. Nevertheless, the sector still represents 43% of the region’s entire unemployed population. And, compared with adults, young people are three times as likely to be without work, Tinoco explained.

They also face major challenges in finding quality employment. Among those who do work, 55.6% have "informal" jobs, characterized by poor labor conditions, low wages, and little or nothing in rights protections, the study concluded.

The gender gap
The ILO report found that youth employment in Latin America is marked by significant gender differences. In 2011, labor participation among young women was 21.2 percentage points lower than it was for their male counterparts.

Among the 18 Latin American countries included in the analysis, ILO researchers found the gender breach to be widest in El Salvador and Honduras, where male participation in the labor force exceeds that of women by more than 30 percentage points. The discrepancy was lowest in Bolivia and Peru, where male participation is approximately 13 percentage points higher.

Women also face higher rates of unemployment. In 2011, joblessness among young woman exceeded that of men by 6.3%, according to ILO researchers. "Gender inequalities are a direct consequence of traditional views on the place and role that women should occupy in society—views based on prejudice, discrimination and disregard for the progress the region has made and its effects on societies," the organization explained in a separate report titled "Decent Work and Gender Equality."

That report, written in collaboration with four other UN agencies and published this past January, looked specifically at the labor situation for women in Latin America and the Caribbean. To address
gender-related employment discrepancies, the region’s nations "must set out to become more inclusive and egalitarian," the ILO and its partners recommended. "It is therefore an urgent priority to invest in building gender equality, for which women’s economic independence is critical. And the way to do this is to generate decent work for women, with social protection and care systems."

Colombia, which has the highest overall unemployment rate for young people, also has the highest gender differential, the ILO found. Nearly 29% of the country’s young women are jobless compared with 17% of young men. The Dominican Republic and Guatemala also have wide discrepancies when it comes to youth employment: in both countries, joblessness among young women is more than nine percentage points higher than it is for their male counterparts.

On the other end of the spectrum are Peru and Mexico, where the gender breach in unemployment favors young men by just 0.3 and 1.6 percentage points, respectively. Of the 18 countries studied, only in El Salvador do young women enjoy a lower unemployment rate (11.7%) than do young men (12.5%).

NEETs, a particular concern
One of the most alarming problems facing the region is the NEETs phenomenon—-young people who are not in employment, education, or training. Approximately 21 million Latin American youth fall into this category, according to the ILO’s February report. Together they represent 20.3% of working age young people. Approximately 30% of the region’s NEETs are men and 70% women. Roughly a quarter actively seek—but fail to secure—employment opportunities, while just over half (mostly women) dedicate themselves to doing domestic chores.

The ILO considers the remaining 4.6 million NEETS—the people who, besides not working or studying, are neither looking for work nor staying busy at home—to be a the "hard core" (63.5% men, 36.5% women). That core is the biggest challenge of all given how much those people risk becoming socially excluded, the ILO warns. "It’s an enormous figure," said Tinoco. "The society offers them nothing, so they don’t know what to do with themselves."

Some critics consider NEET a pejorative term, one that puts the blame on young people while shifting attention away from shortcomings in education systems and the exclusionary nature of many job markets.

The ILO found that the countries with the highest NEET rates among young people are Honduras (27.5%), Guatemala (25.1%), and El Salvador (24.2%). Paraguay (16.9%) and Bolivia (12.7%) have the lowest rates. Among the other Latin American countries included in the study, the percentage of youth considered NEETs varies between 17% and 23%. The study also ranked the countries in what percentage of their NEETs can be considered "hard core." Paraguay and Uruguay led the list, with 48.3% and 45.2%, respectively. Costa Rica (10.6%) and Nicaragua (6.2%) had the lowest figures in that respect.

The new president of Honduras, Juan Orlando Hernández, recently announced a plan to create 100,000 jobs for young people via the program Con Chamba Vivís Mejor (life is better when you have a job). Hernández, a member of the right-wing Partido Nacional (PN), took office less than two months ago (NotiCen, Feb. 6, 2014). His jobs-creation program has the backing of northern Honduras’ business leaders, with whom the government will split the cost of hiring people on a three-month trial basis. Employers will then be inclined to contract the program participants—
who, after three months, will presumably be trained and qualified—on a permanent basis, or so the theory goes.

**Tracking the "transition"**

In its youth employment study, the ILO uses the term "transition" to describe the interim period between school (starting when a young person either graduates or drops out) and the moment he or she secures stable or satisfying employment. Stable employment, in this case, refers to a job that lasts more than 12 months and comes with either a written or oral contract.

Transition periods vary significantly by country, the report found. Young Brazilians, on average, spend 9.7 months doing temporary work before securing stable or satisfying jobs. For Salvadorans, the average transition period lasts nearly 17 months. And in Peru, young people need an average of 4.8 years to complete the process.

Most countries in the region have gone to some lengths to confront their respective youth-employment challenges. In large part, however, such efforts have focused more on putting young people to work than on improving working conditions. The ILO urges governments to place more emphasis on helping youth secure decent jobs. To do that, Latin American governments would do well to link the issue of youth employment to their respective economic and social-development agendas, the organization recommends.

"It’s clear that growth alone isn’t enough," said Tinoco, noting that Latin America’s sustained economic growth in recent years has not automatically resulted in job opportunities for youth. "It’s time to go from just being concerned [about the problem] to taking action."

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