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**Policy Scan and Meta-Analysis: Youth and
Employment Policies in Latin America**

Evelyn Vezza

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**Policy scan and meta-analysis: Youth and Employment policies in
Latin America^{**†}**
Updating Youth Employment Inventory for Latin America initiatives

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Abstract

Youth employment initiatives have become protagonists in the policy space, as the adverse outcomes faced by youth in the labour market remain persistent. The main aims of this document are to identify the recent patterns associated to these youth initiatives in the region and to identify lessons that can be learnt from them. In order to achieve these purposes, it updates and systematizes 65 initiatives that have been implemented in 18 Latin American countries from 2008 up to date, and reviews the findings of 12 initiatives with impact evaluations that have been published during this period.

Despite the active labour market programmes have appeared as the more recurrent response in the set of initiatives to handle the youth employment problems, labour market regulations have been more frequent to address labour demand barriers for youth recently. Supply-oriented initiatives account for the highest share of interventions, and most countries have developed initiatives to fostering youth entrepreneurship. The programmes in place in many countries are the result of combining earlier with newer initiatives.

Although rigorous evidence is still scarce, some learning potential lies on the common features between the impact evaluations that took place during 2008-13 in the region and the worldwide reviews. The programmes effectiveness on labour market outcomes seem to be more correlated to targeting and how the intervention is delivered than to the type of intervention. Comprehensive initiatives that combine different interventions also work better than programmes that rely on a single component. However, the main lesson learned in international experience is that interventions effects depend mostly on country-specific variables and therefore further research efforts are needed in assessing the interventions in their own specific country contexts.

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† Evelyn Veza, Associate Researcher, CEDLAS, National University of La Plata. Email: evezza@gmail.com. The author is grateful to Carolina Robino who provided valuable contributions to earlier versions of this report. The author also wants to thank to Marcela Salvador for her generous guidance, inputs, and suggestions; and to Carlos Corseuil, Juan Martín Moreno, Ignacio Apella, María José Leavy, Susana Puerto, and Fabio Bertranou for facilitating contacts and information on youth employment programmes in Latin America.

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1. Introduction

As youth performance in the labour market turned worrisome, public policies focused on youth became familiar in the Latin American countries' agenda. On average, around 16% of youth is unemployed, and 61% of those employed has jobs without social protection benefits. In contrast, the unemployment rate is threefold lower and the informality rate is almost 60% lower among adults, respectively (SEDLAC, 2013). Although these figures show variation across countries the common feature is their persistent high levels. Even more, school to work transition is marked by discontinuity and precariousness turning the work placement a hard-laden objective (Cruces and Viollaz, 2013; OIT, 2010). In response, public policy has developed a wide set of initiatives to handle these adverse outcomes.

The aim of this study is twofold. Firstly, it seeks to identify the recent regional patterns on youth employment initiatives. Secondly, it assesses which lessons can be learnt from them. The document builds on existing studies and approaches used to characterize the policies profile for youth employment. Although this study is not the first one to summarize youth interventions in Latin America, it contributes by providing updated and systematized evidence for a broad group of countries and initiatives. Following closely the framework developed by Betcherman, et al (2007) for the Youth and Employment Inventory (YEI)¹, the document updates and analyzes a representative set of initiatives that have taken place in 18 Latin American countries from 2008 up to date. In addition, the study reviews what does and does not work based on impact evaluation evidence published recently. To accomplish this, 65 initiatives focused on youth were collected and around 12 initiatives with impact evaluations were reviewed².

Similar to previous findings (Betcherman, et al, 2007; Puerto, 2007; OIT, 2010), the dominant form of initiatives is the one that provides training and employment services for young people. In comparison with former patterns, three features call attention in the analyzed period. In the first place, programmes became more demand-oriented giving place to subsidies for apprentice-contracts. Secondly, programmes are more prone to be integrated ones, i.e. tend to conjugate training with employment services or even more components such as the entrepreneurship option or subsidies for hiring to achieve the job placement objective. Thirdly, a growing share of countries gave higher institutional status to these interventions for youth, setting them in laws – for instance, Chile, Uruguay and Paraguay. Hence, these characteristics are expected to affect labor market outcomes for youth in a different way than before. However, despite increasing interventions the evidence on these programs and polices effectiveness is still scarce to allow a proper assessment about what works better in specific country-contexts.

The next section introduces the approach adopted for selecting the interventions and updating the YEI, highlighting similarities and differences with Betcherman et al (2007). Section 3 depicts the initiatives profile that allows mapping the Latin American countries policies and

¹ The YEI is a database that compiles information on youth employment programmes regarding design, implementation, and results. The World Bank (WB) initiated this database and currently it is managed by a Consortium where the German Ministry of Economic Cooperation and Development (BMZ), the Inter-American Development Bank (IADB), the ILO, WB, and the Youth Employment Network (YEN) participate.

² Visualization of programmes data and the region's profile are available at <http://www.labor-al.org/index.php>, where the database can also be downloaded.

programs for youth employment. Section 4 reviews initiatives' effectiveness emphasizing what impact evaluations have shown. Finally, the last section discusses a tentative roadmap for further research.

2. Approach to YEI updating

Following the YEI approach, the current Inventory compiles and systematized data on programmes and policies to improve the youth outcomes in the labor market. The YEI gathers main features and evidence of youth employment interventions around the world in a comparable way. Based on this data source, Betcherman et al (2007) were the pioneers to review these interventions and provide the main findings. Substantive research and knowledge on integrating young people into the labour market from a cross-country perspective has been based on the YEI (Rother, 2006; Stavreska, 2006; Puerto, 2007; Puerto and Rother, 2007; Angel-Urdinola, et al, 2010).

The present compilation of youth employment initiatives took advantage of ongoing efforts to systematize this kind of interventions across the region. In latest years, the WB systematized Active Labour Market Policies (ALMPs) for Latin American Countries following the OECD classification; and the Independent Evaluation Group reviewed regional interventions in the assessment of the WB and IFC support for youth employment programs (IEG, 2012). Furthermore, in the UN system, the International Labour Office (ILO) collected information on current interventions for youth employment identifying good practices in the world (OIT, 2012) and reviewed impact evaluation outcomes in Latin America (Sanz, 2013); the Millenium Development Goals (MDG) – Action Fund published detailed and comparable information of the Joint Programmes on Youth, Employment and Migration developed in six Latin American countries from 2009 to 2012. Finally, Ibarrarán and Rosas (2009) reviewed the impact evaluations findings for IADB projects on job training in Latin America.

The current Inventory reviewed and gathered country level information for the identified initiatives. Thus, research papers, websites, official documentation from governments and international organizations, and donors' or financing agencies provided specific data for every initiative. Indeed, the majority of reported initiatives were described using multiple data sources. The Inventory follows closely the framework used by Betcherman et al (2007) with minor adjustments. While preserving most criteria adopted for data systematization, new criteria were used mainly for data collection and classification, which are explained in the following subsections.

2.1. Sample selection

In order to update findings considering new interventions and evaluations in Latin American countries, information on the youth employment initiatives that took place recently was collected. Data collection was not exhaustive but it included a broad set of youth employment initiatives in a wide range of countries, illustrating their diversity and relevance in the Latin America policy space. It included programmes and some policies that affect labor market rules for youth as well. In fact, labour market regulations – which mainly involved new legislation or

changes in the existing ones, became a policy tool to overcome youth unemployment in several countries. The selected initiatives are those carried out by the public sector at the national level of government mostly. However, this Inventory collected some experiences executed by the private sector (mainly “Entra 21” interventions in different countries and “Educación para la nueva industria” in Brazil) and a group of subnational interventions for Argentina and Brazil as examples.

In consonance with existing studies based on YEI, only post-formal schooling interventions were considered for programmes with training components; and interventions which not exclusively target young people, were included if they prioritized youth or where youth had a significant share among total beneficiaries. Data collection focused on the timeframe 2008-13, considering active interventions during this period. This means covering ongoing and completed interventions, i.e. those that started before 2008 but were ongoing in that period as well as new ones that started in 2008 or after.

Initiatives became part of this Inventory as soon as core data requirements were fulfilled. It comprehends information on the intervention’s objective and description, targeting criteria and the time period in which it was implemented. When available, additional information was also systematized on design including geographical scope, area of residence, executing and financing institution, and some performance indicators such as the number of beneficiaries and total cost. The Inventory also identified the kind of assessment that had been made. Whenever possible, it registered whether the initiative had a rigorous impact evaluation, the methodology used (experimental, non experimental) and summarized its main outcomes.

Table 1 shows the initiatives distribution in the sample by some attributes. For 18 Latin American countries, the Inventory collected information on 65 youth employment initiatives that took place during 2008-13. The current Inventory shows similar coverage in comparison to Betcherman et al (2007) where 68 initiatives were collected for the region. The majority of them are programmes, which represent 78% of the total. Only around one out of ten initiatives pertains to the private sector, and among the public initiatives almost 17% are in charge of the subnational levels of government. Regarding country distribution, Brazil accounts for 18.5% of the total, followed by 13.8% from Argentina and Chile respectively, 9.2% from Uruguay, 7.7% from Colombia, 6.2% from Honduras and Mexico, 4.6% from Costa Rica and Uruguay, 3.1% from Peru, and 12.3% is concentrated in the remaining eight countries where only one initiative was collected (see Annex for the list of initiatives by country).

Table 1: Youth employment initiatives in the Inventory, by category and country - 2008-13

Country	Initiative		Public Sector		Non public	Total
	Programme	Policy	National	Subnational		
<i>All</i>	51	14	50	10	5	65
Argentina	9	-	2	7	-	9
Bolivia	1	-	1	-	-	1
Brazil	9	3	7	3	2	12
Chile	5	4	8	-	1	9
Colombia	4	1	4	-	1	5
Costa Rica	2	1	3	-	-	3
Dominican Republic	1	-	1	-	-	1
Ecuador	1	-	1	-	-	1
El Salvador	1	-	1	-	-	1
Guatemala	1	-	1	-	-	1
Honduras	3	1	4	-	-	4
Mexico	3	1	4	-	-	4
Nicaragua	1	-	1	-	-	1
Panama	1	-	1	-	-	1
Paraguay	1	2	3	-	-	3
Peru	2	-	2	-	-	2
Uruguay	5	1	6	-	-	6
Venezuela	1	-	-	-	1	1

Source: Inventory 2008-13.

As the data collection has not been exhaustive some potential biases may arise, especially on policies' inclusion. Indeed, policies that became part of the Inventory are based on regulations and laws. For instance, policies like social dialogue and collective representation of youth in employment institutions were not included. Therefore, the external validity of the findings should keep in mind the place that the Inventory's initiatives had in the whole policy space, on one side on youth employment, and on the other side on the general labour market policies.

2.2. Initiatives' systematization

The Inventory organized initiatives according to the groupings used in the YEI template, which classified interventions in nine categories³. However, due to the fact the Inventory has a lower number of cases than the YEI, these categories have been reorganized for presentation into fewer ones to identify key approaches to youth employment in a synthetic way. Thus, the taxonomy used in the current report admits three categories: (i) overcoming labour demand barriers for youth; (ii) promoting youth initiative in business; and (iii) enhancing youth labour supply and the linkages with the labour market.

³ The categories used are (i) making the labour market work better for young people (counselling, job searched skills, wage subsidies, public works programs, anti-discrimination legislation); (ii) improving chances for young entrepreneurs; (iii) skills training for young people (vocational training including apprenticeship systems, literacy & numeracy for young adults, 2nd chance & equivalence programs); (iv) making training systems work better for young people (information, credit, financial incentives – subsidies, vouchers); (v) programs to counteract residential segregation of disadvantaged young people (transportation); (vi) improving labour market regulations to the benefit of young people; (vii) programs for overseas employment of young people; (viii) comprehensive approach; and (ix) other.

The first one, *overcoming labor demand barriers for youth*, groups those interventions that stimulate labor demand providing subsidies to payroll or social security contributions, establishing lower minimum wages for young workers, or offer temporary employment in public work programmes. Second, *promoting youth initiative in business*, comprehends financial incentives, subsidies, and technical support to develop self-employment activities or start-ups led by young people. Finally, *enhancing youth labour supply and the linkages with the labour market* involves training and employment services. Training may be based on vocational, technical or soft skills development - or any combination among them, provided to beneficiaries in classroom or “on-the-job”. Also programmes that facilitate to complete formal education are included, usually known as “second chance programmes”. The interventions that work on the linkage between youth and the labour market involve counselling, intermediation and job placement. In fact, many interventions in the Inventory provide the training and employment services components together, as an integral approach to facilitate the young people transition to employment.

However, the categories defined above are not exclusive for around 26% of the interventions, which combine components that account for more than one of these groupings – i.e. comprehensive initiatives. In order to optimize the capture of information, the programmes will be considered according to the specific component that matches with the selected taxonomy for initiatives’ profiling. However, the analysis will point out distinctions by “pure” or “composed” taxonomy when it helps to provide deeper understanding.

Table 2: Youth employment initiatives in the Inventory, by taxonomy

groupings	pure taxonomy	composed taxonomy	for profiling
<i>overcoming labor demand barriers for youth</i>	11	9	20
<i>promoting youth initiative in business</i>	7	10	17
<i>enhancing youth labour supply and the linkages with the labour market</i>	30	17	47
initiatives that involve more than one taxonomy (comprehensive)	17		
<i>Total initiatives</i>	65		

Source: Inventory 2008-13.

The registration of impact evaluation data – when available, demanded some additional adjustments. Labor informality is one of the main risks that workers face in Latin America, and young workers are more prone to working in precarious conditions than adults (Cruces & Viollaz, 2013; OECD & ILO, 2011; and Gasparini & Tornarolli, 2009). Hence, while outcomes were related to employment and labor income in the YEI, an indicator on job quality could not be missed in the Inventory for Latin America. The evaluations did not measure job quality in a unique way, therefore the meaning changes according to each study. For instance, for some of them it means jobs with social security benefits and for others equals to long-term jobs. Thus, the Inventory registered the net impact effects on four labour outcomes: activity rate or labour participation, employment, labour income, and job quality. Moreover, whenever possible these effects were reported by gender. The impacts collected are the long-run ones when they were available, and if this was not the case, short-run effects were reported.

Besides interventions' effects, the Inventory also registers the type of evaluation, whether the programme or policy has been assessed in terms of design or processes or else if an impact evaluation has been performed on main labour outcomes. In the case of the last one, it also details the methodology used to estimate net impact effects, i.e. experimental or quasi-experimental techniques. When cost-benefit evaluation is available, it documents the findings.

Similarly to the trend in developing countries, evidence based on rigorous impact evaluations is still scarce in Latin America (Sanz, 2012; IEG, 2012). Only 12 out of 65 initiatives have had impact evaluations, and for two additional programmes impact evaluations are in progress but their results have not been publicly distributed yet⁴.

3. Initiatives' profile in the region

Youth employment emerges as a topic at the top of the agenda for many countries in the region, where a wide range of interventions has been launched in the period under analysis. The common factor among them represents the need to address labour market imperfections as soon as young people find suboptimal and socially undesirable outcomes in equilibrium. Minimum wages above young workers' productivity, constrained skills and social capital, poor local development, job placement without social protection benefits, among others, explain the persistence of poor labour outcomes for the youth. The programmes and policies seek to overcome these using different interventions or tools.

Though active labour market programmes appeared as the more recurrent response, policies and institutions on labour regulation for young workers became more frequent. The distinction shows itself as a relevant one from the scope angle, i.e. how many youth are reached by programmes and how many are reached by policies. While policies and institutions set specific rules for all the labour market participants, programmes have limited scale targeting a constrained eligible population and therefore, have potentially limited effects (WB, 2012).

Policies and institutions that protect young workers take the form of minimum wages, apprenticeships contracts, and financial incentives. Minimum wages stratified by age are the institutions that have been created decades ago to increase youth employment in countries like Chile, Costa Rica, and Paraguay. In the case of apprenticeships contracts, in Brazil "Lei do Aprendiz" No. 10097 began in 2000 and despite involving training, the lifespan differs from traditional training programmes providing a subsidy up to 2 years. The rules governing hiring and payroll subsidies to young workers have been adjusted and launched in Chile with "Subsidio a la contratación y cotización de jóvenes Ley N° 20255" (subsidy to hiring and social security contributions for young workers in accordance with Law No. 20255) in 2008, and "Subsidio al Empleo Joven" (subsidy to youth employment) in 2009. Subsidies to young workers hiring take the form of tax exemptions for firms in Mexico, "Ley de Fomento al Primer Empleo" (first employment Law). Finally, in 2013 new youth employment laws rule apprenticeship contracts and subsidies in Uruguay, "Ley de Empleo Juvenil" (Youth

⁴ This is the case for "Programa de Apoyo Temporal al Ingreso" in El Salvador and "Trabajando Juntos – TU" in Colombia.

employment Law), and Paraguay, “Ley de Inserción al Empleo Juvenil No. 4951” (Law of Youth Employment Placement).

Similarly, the response through active labour market programmes to tackle the uneven conditions that youth face in employment also combines earlier with newer initiatives. Figure 1 illustrates the timing when the countries started the national programmes that were active sometime during the period 2008-12. While most countries have launched new programmes these years, many of them have also combined the new programmes with existing ones to address the young population in need.

Thus, new programmes have been created in Argentina – “Jóvenes con Más y Mejor Trabajo” (Youth with more and better employment); Bolivia – “Primer Empleo Digno” (My first decent job), Brazil – “Programa Integrado da Juventude Projovem 2” (Youth comprehensive programme Projovem 2) and “Programa Nacional de Acesso ao Ensino Técnico e Emprego PRONATEC” (National program of access to technical learning and employment); Chile – “Jóvenes Bicentenarios” (Bicentennial youth) and “Formación en el puesto de trabajo” (Training on-the-job); Colombia – “Jóvenes Trabajando Unidos TU” (Youth working together), Dominican Republic – “Juventud y Empleo” (Youth and employment); Mexico – “Emprendedores Juveniles” (Young entrepreneurs) and “Chambeatón”; and Uruguay – “Primera Experiencia Laboral” (First job experience), “Conecta Joven” (Connect youth), “Jóvenes en Red” (Youth in network), and “Yo Estudio y Trabajo” (I study and work). However, for 8 out of 15 countries these have not been the first interventions in the Inventory period. Argentina, Brazil, Chile, Colombia, Costa Rica, Honduras, Peru, and Uruguay launched national programmes years before which were also ongoing during 2008-12⁵.

Figure 1: Countries with National Programmes ongoing during 2008-12, by year of start

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
URU	BRA	CHI			COL	PAN	BRA	COL	ELS	ARG	BRA	ARG	BOL	URU	BRA	URU
	CHI									BRA	COS	BRA	COS		CHI	
	PER									HON	MEX	CHI	ECU		COL	
												DOM	HON		MEX	
												GUA	NIC		URU	
												URU	PAR			
																PER

Source: Inventory 2008-13. Note: Honduras, Chile, and Mexico launched two initiatives that were National Programmes in 2006, 2008, and 2011, respectively.

⁵ It is important to highlight that some of these programmes are based on older editions incorporating some changes in the current design, like “Juventud y Empleo” in Dominican Republic, “Formación en el puesto de trabajo” in Chile, and “Programa Integrado da Juventude – Projovem 2” in Brazil.

Box: Simultaneous initiatives in the region promoted by international donors

During the timeframe covered by the current report, International donors as part of their strategy developed programmes in several countries simultaneously, like the MDG-F Thematic Study with the Joint Programmes on *Youth, Employment and Migration*, and the International Youth Foundation (IYF) with the programme *Entra 21*.

Joint programmes – MDG-F

These initiatives developed by public and UNDP agencies jointly took place in Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay, and Peru between 2009 and 2012. The main purpose was to reinforce the youth-oriented policies in the national priorities. The programmes adopted different approaches to achieve this according to the countries' situation. The interventions involved capacity building, creating or enhancing institutional spaces for policy debate on youth situation, improving employment services, providing access to entrepreneurship and self-employment, promoting their rights and social inclusion as well as supporting migrants. Some components have had a reduced scale, launching pilots as a place to start.

Entra 21 - YEF

This initiative supported by the Multilateral Investment Fund of the Inter-American Development Bank promoted also comprehensive programmes to upgrade the skills of disadvantaged youth. The programmes were mostly developed in association with the private sector and in some cases also included partnerships with government agencies. The main features involve the provision of demand-oriented training, including soft and technical skills development, and the support of job placement services. Though the programmes are pilots, the second phase of the initiative that started in 2008 scale up its coverage reaching over 110,000 youth in the region.

Source: MDG Achievement Fund (2013) and IYF.

According to the different components and nature of the initiatives collected in the Inventory, a taxonomy is developed to describe their main features and lessons learned. Groupings combined policies and programmes as well as national and subnational interventions in the first type, *overcoming labor barriers for youth*. For the remaining two, *promoting youth initiative in business* and *enhancing youth labour supply and the linkages with the labour market*, the initiatives include both private and public, and national and subnational programs.

3.1. Overcoming labour demand barriers for youth

Regulations are more common than active labour market policies in addressing labor demand barriers opposite to the two other groups of interventions. In fact, most initiatives that provide incentives to employers to address the scarce demand for young workers are based on legislation, and they include specific minimum wages for youth, financial incentives (wage subsidies, tax exemptions, no termination payment) for young workers hiring, and employment protection.

Institutions that establish uneven minimum wages for workers according to their age, with lower ones to workers aged below 18 years old, have long tradition in Chile, Costa Rica, and Paraguay. In order to compensate lower productivity that may discourage hiring, these countries set a lower entry wage for these workers in comparison to those aged 18 or above, and impose certain conditions relating to the task performed and working history. In Chile, workers up to 18 years old may earn a wage below the minimum established for adult workers. In Costa Rica,

minimum wages for the same age-group could reach up to a half of the minimum wage for adults in the first year of employment, increasing to 75% in the second year and reaching the 100% in the third one. In Paraguay, the minimum wage for young workers is set up to 60% of the corresponding one for adult workers if the tasks performed are not alike between both groups of workers.

Nevertheless, temporal financial incentives are the dominant form of intervention to increase the labour demand of young workers (Table 3). For instance, legislation includes payroll subsidies to different types of contracts to young workers. Some countries provide wage subsidies to foster employment among first job seekers, like the employment laws of Bahia in Brazil, Mexico, and Uruguay. Alternatively, legislation rules the financial incentives to the hiring of vulnerable youth in the case of Brazil (“Programa Nacional de Estímulo ao Primeiro Emprego Lei N° 10748”), Chile (“Jóvenes Chile Solidario”, “Subsidio al Empleo Joven”), and Uruguay and Paraguay in their new employment laws. The wage subsidies to youth employment may reach up to 30% in Chile and 25% in Uruguay.

Some legislations resign fiscal revenues to promote the hiring of young workers. The Government of Bahia in Brazil provides a tax exemption of ICMS during a year and Mexico reduces taxes on revenues and IETU up to 40% during three years for each new young worker. In the case of Chile, the legislation offers a reduced social security contribution for two years.

Table 3: Legislation to promote labor demand for youth

Country	Legislation	wage subsidy	taxes deduction	termination payment deduction	reduced social security contribution	hiring / total staff
BRA	Lei do Aprendiz	x		x		x
BRA	Programa Primeiro Emprego - Bahia		x			
BRA	Programa Nacional de Estímulo ao Primeiro Emprego	x				
CHI	Subsidio al empleo joven	x				
CHI	Subsidio a la contratación y cotización de jóvenes				x	
PAR	Ley de Inserción al Empleo Juvenil	x				x
MEX	Ley de Fomento al Primer Empleo		x			
URU	Ley de Empleo Juvenil	x	x			

Source: Inventory 2008-13.

It should be remarked that two youth employment laws also establish lower and upper limits for the young workers share over total staff. In Brazil, “Lei do Aprendiz” establishes that from 5% to 15% of the hiring in medium and big firms must be young workers as trainees. The recent sanctioned law in Paraguay defines from 5% to 20% the youth employment targets that firms must accomplish, and that one third of them should correspond to vulnerable youth such as people with disabilities, women, workers with children, and workers in poverty.

In order to guarantee job quality and deter adverse effects on human capital accumulation, youth employment laws rule on employment protection. They place limitation on employment of workers aged below 18 years old; constraining the working hours for those enrolled in school or under training schemes (apprenticeships), and prohibiting to perform certain types of occupations.

Box: Youth Employment Laws sanctioned in 2013

In the southern cone, Paraguay and Uruguay sanctioned youth employment laws after a long period of political debate. Both countries set new rules for the job placement of young workers in June and September, respectively.

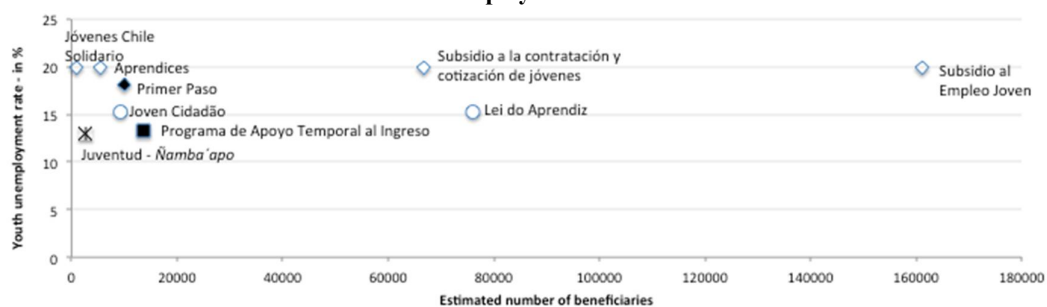
The laws approval process has been the outcome of inter-institutional and continuing dialogue in both countries. In Uruguay the Law design has been the result of an inter-agency and participative debate where different sectorial institutions were involved, such as the Ministries of Education, Labour, Social Development, Finance, the National Youth Institute, and workers and employers representatives. The project was presented in mid 2012. In the case of Paraguay, the project emerged from a tripartite dialogue (Mesa Nacional para la Generación de Empleo Juvenil) that started in 2008. It was submitted by the Ministry of Justice and Employment to Parliament in early 2011, but due to political changes the negotiations for its approval were delayed and restarted a year later.

Besides legislation, some countries also provide subsidies to youth employment through active labour market programmes. The cases are closely associated to training schemes. In Argentina, the subnational programme “Primer Paso” offers the option to use the training fellowships as a wage subsidy by the firm if hiring is involved; and the programme “Jóvenes con Más y Mejor Trabajo” also offers a programme with subsidies for job placement to employers that hire those participants in the on-the-job training component. In Chile, “Aprendices” and its continuation since 2011 named “Formación para el Trabajo” cover 50% of the minimum wage for a year, while “Jóvenes Chile Solidario” offers the same subsidy up to six months.

Alternatively, public works programmes in El Salvador and Paraguay provide temporary employment as a short-run solution to insufficient labor demand. The “Programa de Apoyo Temporal al Ingreso” (Temporary income support programme) offers cash-transfers to vulnerable population – where young people are a core and prioritized group, to participate in local development projects for six months. Moreover, a pilot of the “Juventud: capacidades y oportunidades económicas para la inclusión social” (*Ñamba’apo Paraguay Joven* component) finances employment in public works for four months.

The scale of beneficiaries shows high dispersion among programmes. Subsidies account from 1000 to 10,000 participants annually, showing that despite population disparities by country, this kind of initiatives achieves lower extension than the two other groupings. The exemption is “Lei do Aprendiz” which benefited in average almost 850,000 annually between 2000-10 (Courseuil, et al, 2012). Figure 3 illustrates the initiatives’ scale by country according to their national unemployment rate for youth.

Figure 2: Initiatives to stimulate labour demand for youth, by number of beneficiaries and country unemployment rate



Source: Inventory 2008-13. Note: Number of beneficiaries reports the sum of the annual average of beneficiaries for the programmes in this category, unless annual data is available.

3.2. Promoting youth initiative in business

Many countries in the region count with interventions to enhance young people to develop their own opportunity to employment in response to the lack of labor demand and the scarce local development. However due to their age, limited assets, life and work experience launching start-ups is harder for youth than for adults. In fact, the GEM report on youth entrepreneurship in Latin America (2013), remarks that 75.7% of youth new or nascent business relied on social capital for funding their start-ups. Therefore, initiatives usually offer training to develop entrepreneurial skills, support services (counseling, mentoring, technical and financial advice) and access to microcredits to their target population.

Around 12 countries developed 17 initiatives that at least have one component associated to fostering youth entrepreneurship. About a half of the initiatives pursues this objective exclusively, while the remaining half combines it with other alternatives for employment – in general, training.

The majority of these interventions combine different components to achieve their objective. The package to jointly provide training and support services is the most recurrent one in terms of countries and beneficiaries covered (Table 4). In fact, this modality takes place in 8 out of 12 countries where this type of initiatives is developed. Four joint programmes financed by the YEN launched pilots in Costa Rica, Honduras, Paraguay and Peru. In Colombia, “Jóvenes Rurales Emprendedores” (Rural young entrepreneurs) trains and supports vulnerable young people in rural areas to expand or improve their family business. In Argentina, the subnational programme “De la esquina al trabajo” (From the corner to work) offer participants the possibility of engaging in specific training and support to self-employment or small business activities for youth in vulnerable conditions. In Brazil, “Plug Minas” also offers the chance to follow a training path linked to entrepreneurial skills development and provides follow up to the projects that participants want to develop. Besides training and support services, facilitating access to microcredits is part of the interventions in four countries.

Table 4: Countries and estimated annual beneficiaries according the components of the initiatives

component	countries								estimated beneficiaries*
training and support services***	ARG	BRA	CHI	COL	COS	HON	PAR	PER	187723
all	ARG	COL	NIC	MEX					6165
only training	ARG								7646
support services and financing	BRA	ECU							1657
only financing**	BRA								na

Source: Inventory 2008-13. Note: * reports the sum of the annual average of beneficiaries for the programmes in this category; ** data for Plug-Minas (BRA) and *** PRONAF Jovem (BRA) were not available.

More than 60% of the initiatives that promote youth entrepreneurship target young people at risk. It poses a hard challenge for the intervention itself to overcome the higher barriers that this population faces on skills development, assets accumulation, collaterals and the social capital needed to launch and sustain their own start-ups. Among the 11 initiatives focused on youth at risk while almost all of them provide training and support during the business development phase, only three of them facilitated financial resources: the Ecuador and Nicaragua interventions under YEN, and the “Jóvenes con Más y Mejor Trabajo” in Argentina. In the case of Ecuador, the programme provided some funding and also worked with local financial institutions to promote youth projects financing. In Nicaragua, the programme provided “seed capital” funding, and also financed microenterprises. In Argentina, the programme offers a fixed amount of money to finance small start-ups.

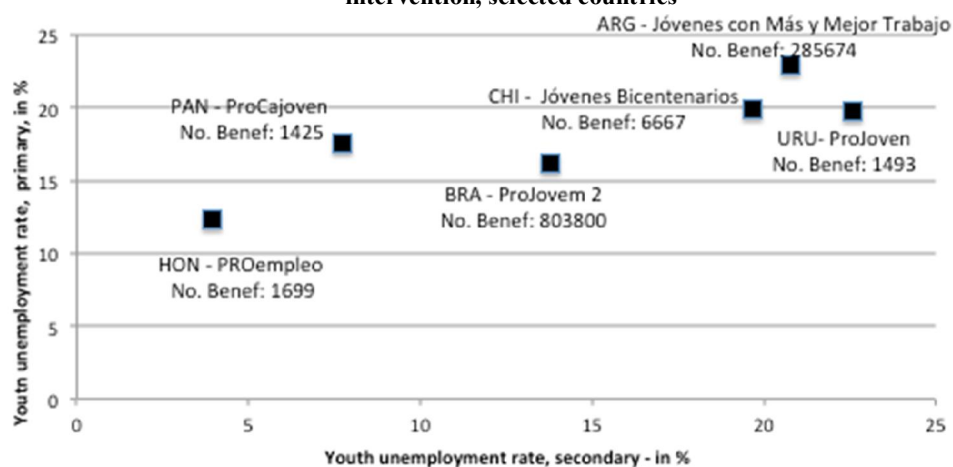
3.3. Enhancing youth labor supply and the linkages with the labor market

The interventions that provide training and/or employment services account for the majority of initiatives and beneficiaries covered in the Inventory. While 30 interventions provided these components to improve the youth conditions in the labour market exclusively, 17 additional ones also offered them besides contemplating another taxonomy in their design. Almost 1.2 million young people have received this kind of interventions annually. Orienting the efforts both to meet youth skills gap and employment needs, training programmes usually involved different types of learning and participants received follow-up and guidance through employment services⁶.

The supply-oriented response in terms of training depends on the skills development needs that the young and unemployed population faces. Figure 4 presents the unemployment rate according to education levels and the main policy response to address it. Nevertheless, no matter the levels of unemployment rates by education degree, there has been a group of programmes that combine different modalities of training as a strategy.

⁶ Indeed, only two programmes offer employment services without any kind of training, the subnational programme Red de Empleo Joven in Argentina, and Chambeatón in México that mainly facilitates access to information on the labour market opportunities for young people.

Figure 3: Youth unemployment rate according to education degree and main supply-oriented intervention, selected countries



Source: Inventory 2008-13 and Cruces & Viollaz (2013). Note: Number of beneficiaries reports the sum of the annual average of beneficiaries for the programmes in this category, unless annual data is available.

In contrast to the dominance of vocational training, work experience and work readiness skills emerged as key components to develop skills among young people. Figure 4 summarizes in the left panel the initiatives' frequency by type of training. Though vocational training is offered in more than 30 initiatives, on-the-job and soft-skills training gained participation in around 28 initiatives respectively. Only 5 initiatives offer the opportunity to complete formal education ("second chance programmes"). The right panel in Figure 4 illustrates that the three main components in employment services had similar share in terms of initiatives, being provided to participants as a package to shorten gaps to the employment opportunities.

This movement to a comprehensive learning package can be observed in the central panel of Figure 4. Just few initiatives provide only one type of training: 7 vocational, 6 on-the-job, and 2 soft-skills. In opposition, interventions that match vocational, on-the-job and soft-skills training⁷ reach 14 initiatives, mainly programmes that followed the "Projoven" design, which has been widely extended in the region. While these programmes provided only vocational and on-the-job training in their first phases, most of them gave a step forward in the latest years including also training modules to develop basic skills. This is the case of "Juventud y Empleo" in Dominican Republic, "PROJoven" in Peru, "ProCaJoven" in Panama, among others. It also includes the apprenticeships programmes such as "Yo Estudio y Trabajo", "Primera Experiencia Laboral", "Conecta Joven" in Uruguay. Around 100,000 young people participate in these programmes, annually.

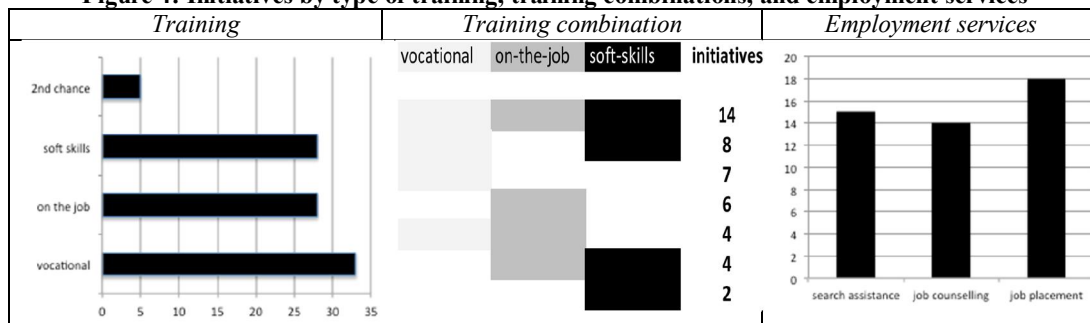
Indeed, the combination of soft-skills development with another type of training became more popular than combining vocational with on-the-job training. "Jóvenes con Más y Mejor Trabajo"⁸ and "Jóvenes con Futuro" in Argentina, "PROEmpleo" and "Mi Primer Empleo" in

⁷ Soft skills training means providing orientation to the labour market and developing activities to improve personal habits, communication, self-confidence and other skills (usually required in occupational vacancies) in participants prior to starting the phase of training in the workplace.

⁸ The programme allows the participants to follow a path that combines these types of trainings, though not exclusively.

Honduras are examples of matching the soft-skills development together with on-the-job experience. “PROJovem 2” in Brazil, “Alternativas Laborales” in Costa Rica, and “Desarrollo de las capacidades nacionales para mejorar las oportunidades de empleo y autoempleo” in Nicaragua pertain to those interventions that combined vocational with soft-skills training. Finally, there is no soft-skills development in the training programmes of “Mi Primer Empleo Digno” in Bolivia, “Jóvenes en Acción” in Colombia, and “Jóvenes Bicentenario” in Chile.

Figure 4: Initiatives by type of training, training combinations, and employment services



Source: Inventory 2008-13.

As it happens with the previous two groupings, most initiatives focused on specific groups of young people. Around half of them targeted youth at risk, and in many cases they reinforced it with conditions on school achievements and poverty for applicants’ eligibility. Only eight programmes do not impose requisites to eligibility, though access may be limited because of the programmes scale. Pertain to this group, “Apoyo a Proyectos Juveniles – Impulso México” in Mexico, the subnational programme “Primer Paso” in Argentina, and “Conecta Joven” in Uruguay.

4. What do we know about what works or what does not work?

After identifying the regional patterns for youth interventions in the latest years, this section reviews the existing evidence in order to draw conclusions on what lessons can be learned from the design of these initiatives for young people. However, some caveats concerning the evidence provided and the external validity of findings should be pointed.

4.1. About the profile of evaluations

After collecting and summarizing the main features that characterize initiatives for youth employment in the region, there is a need to integrate the existing knowledge about their effects after implementation. Meta-analysis allows us to review findings across studies and interpret them, facilitating inferences about the strength of observed effects and the reliability of results based on a range of studies.

This process of re-assessing the results to find a general trend across impact evaluation studies faces methodological issues: the sample size and the quality of information. Indeed both issues are connected. Depending on the availability of evaluation data, initiatives may become eligible to be part of the meta-analysis sample.

Following Betcherman et al (2007) two indicators were generated to assess the quality of the evaluation (QOE) and the quality of intervention (QOI). QOE classifies initiatives according to the evaluation evidence that is available. This indicator values 0 whether there is no information on outcomes or impact; 1 whether there is information on gross outcomes – without control group; 2 whether there is information on net impacts but no cost-benefit analysis; and 3 whether there is complete evaluation information – i.e. net impacts estimation and cost-benefit analysis. QOI classifies initiatives according to their effectiveness. This indicator values 0 whether the initiative had negative or zero impact on labour market outcomes; 1 whether it had positive impacts but is not cost-effective; 2 whether it had positive impacts but there is no cost-benefit assessment; 3 whether it had positive impacts and is cost-effective; and 99 whether there is not enough evidence to assess the intervention. Table 5 shows the initiatives distribution according to both indicators.

Polarization appears as the main feature in assessing documents on evaluation. The majority of initiatives (36 over 65) have no data on their outcomes or impacts. Among those with some data, 16 out of 29 provide data on gross outcomes and those findings suggest positive effects on at least one employment indicator⁹. Nevertheless, information on gross outcomes is heterogeneous where for many initiatives it is not necessarily comparable to baseline data. Initiatives that count with rigorous impact evaluations rise to 12 (QOE equals 2 and 3), and 7 of them have been assessed in terms of cost-effectiveness (QOE equals 3). In all cases, initiatives affect positively at least one employment indicator. The QOE indicator allows filtering initiatives according to the quality of evaluation data. Only those that reported information on outcomes would be part of the sample, no matter if these results are connected to gross or net effects (i.e. QOE equals 1, 2 or 3). This process would reduce the total initiatives to 29 for a meta-analysis sample, a half of the total cases in the Inventory.

Table 5: Initiatives' QOE and QOI in the Inventory

Quality of Evaluation (QOE)	Quality of Intervention (QOI)					Total
	0. no impact	1. impact but not cost-effective	2. impact but no evidence on costs	3. impact and cost-effective	99. no evidence	
0. no data on outcomes/impacts	-	-	-	-	36	36
1. only data on outcomes	1	-	16	-	-	17
2. data on net impacts	-	-	5	-	-	5
3. data on net impacts and cost-benefit analys	-	-	-	7	-	7
<i>Total</i>	1	0	21	7	36	65

Source: Inventory 2008-13.

The sample characteristics, with no variability in the QOI and where almost all interventions produce positive impacts, does not allow us to infer that a particular feature is of crucial importance, or that the relationships between specific variables are worthy to note. Larger amount of data as well as better data quality on evaluations is needed. The assessments of programme impacts are weaker when rigorous impact evaluations account for a small share of the sample. The reliability of outcomes requires evaluations that compare the situation of youth

⁹ Employment rate, activity rate, job quality, or labour income.

outcomes after participating in the initiative with the outcomes they would have obtained in the absence of the intervention.

Thus, the lessons from impact evaluations are drawn as case studies, not being able to combine the results of impact evaluations on youth employment initiatives to determine whether the finding holds generally. However, these lessons might be complemented with those highlighted in former studies to emphasize some findings. Only 18% of the initiatives have been assessed through rigorous impact evaluation techniques. This percentage matches closely the shares found in former studies.

Table 6 reports some attributes of these interventions in terms of their evaluation data. First, Chile rises as the country that has assessed more their initiatives to overcome youth employment issues, accounting for 5 initiatives over 12. The remaining studies are distributed among initiatives that took place in Colombia, Dominican Republic, Panama, Peru, Brazil, and Argentina. In the case of the Dominican Republic, the programme “Juventud y Empleo” (Youth and Employment) counts with two impact evaluations available corresponding to 2011 and 2012, respectively¹⁰. Despite the evaluation of “ProCajoven” in Panama and the “Aprendices” in Chile were performed out of the Inventory period, due to both interventions were active until 2009 and 2010 respectively, their findings are also reviewed.¹¹

Table 6: Impact evaluations of youth employment initiatives in the Inventory

Country	Initiative	Evaluation method	Cost-benefit analysis	Publication date	Authors
ARG	Entra 21	Experimental	No	2013	Alzua, et al
BRA	Lei do Aprendiz	Cuasi-experimental	No	2012	Courseuil, et al
CHI	Jóvenes Bicentenarios	Cuasi-experimental	Yes	2010	Acero et al; Sepulveda
CHI	Subsidio al empleo joven	Cuasi-experimental	Yes	2012	Universidad de Chile
CHI	Aprendices	Cuasi-experimental	Yes	2006	SENCE
CHI	Jóvenes Chile Solidario	Cuasi-experimental	Yes	2009	Fundación AGROUC
CHI	Especial de Jóvenes	Cuasi-experimental	No	2008	SENCE
COL	Jóvenes Rurales Emprendedores	Cuasi-experimental	No	2010	Castañeda, et al
COL	Jóvenes en Acción	Experimental	Yes	2011	Attanasio, et all
DOM	Programa Juventud y Empleo	Experimental	Yes	2011, 2012	Card, et al; Ibarrarán, et al
PAN	ProCajoven	Natural experiment	No	2007	Ibarrarán and Rosas
PER	PROjoven	Cuasi-experimental	Yes	2008, 2011	Ñopo, et al; Caparó and Pierina

Source: Inventory 2008-13.

4.2. Drawing lessons

Although literature review suggests local and country-specific findings, it provides deeper understanding on the “alerts” that interventions’ design might take into account and assess. Table 7 summarizes the initiatives effects on four labour outcomes – activity, employment,

¹⁰ Indeed, there is a third evaluation performed in 2013 which findings have not been publicly distributed at the time of this current report.

¹¹ Three additional programmes in the Inventory have contemplated experimental evaluation in their design: “Programa de Apoyo Temporal al Ingreso” (Transitory Income Support) in El Salvador, the pilot “Jóvenes Trabajando Unidos” (Youth Working Together) – “TU” in Colombia, and “Mi primer Empleo Digno” (My First Decent Employment) in Bolivia. However, evaluation papers have not been public at the time of the current draft.

labour income, and job quality. Findings are reported by study – when there is more than one for the same intervention, and by gender when this distinction was made in the research papers.

Incentives to labour demand for young workers improved labour outcomes

The “Lei do Aprendiz” in Brazil accomplished their objective to smooth transition from school to work and to reinforce the employment path. Subsidies to the apprentice contracts ruled by the law had positive effects on the participants’ employment and modest but still positive effects on labour income. Even more, subsidies generate positive effects in the chances to get a formal job and a non-temporary contract between the first year of contract and the third one of the start date (Corseuil, et al, 2012). In addition, authors remark that these increased chances do not mean that young workers remain in the job they get. On the contrary, the increased employability is inversely associated to accumulate experience. It should be reminded that the estimation method provided estimations of local effects, as soon as control and treatment groups are based on the cut-off age for eligibility¹².

Another subsidy to hiring in Chile for a year length, “Aprendices” (Apprentices), reported similar results: positive effects in activity, employment and job quality, and negative effects on labour income (SENCE, 2006). Participants developed the internships mainly in three sectors: agriculture (29%), commerce (21%), and construction (18%). Regarding the firms size, 59% of the participants were assigned to firms with 200 employees or over.

The “Subsidio al Empleo Joven” (Subsidy to Youth Employment) in Chile also had positive results in terms of its objectives (Universidad de Chile, 2012). The impact evaluation also identified positive effects in the three labour outcomes assessed: employment, job quality (formal employment) and participation¹³. The study remarks that the employment effects seemed to be countercyclical, with higher effects when the unemployment rate increases. Regarding these effects on young people employment, it is important to note that this initiative also involved a subsidy to the supply-side reducing the workers’ social security contributions. Regarding the effects on formalization, the proportion of months that an eligible worker has been contributing to social security during a year is higher - and statistically significant- than for a control group. Estimations show that the subsidy enhanced employment in formal jobs. Eligible workers paid for social security contributions between one to three additional weeks by year than the non-eligible young workers. The study also offers a proxy of labor participation considering active workers those youth registered in the unemployment insurance who reported positive income at least one month during the last year. The impact of the subsidy to employment is positive and statistically significant.

¹² Authors obtained estimations using discontinuity regression based on the age cut-off that determines eligibility for the assessed cohort. Thus, youth aged 17 years old participating in the apprenticeship were compared to youth just above the maximum age required to qualify in the programme in 2005 (i.e. 18 years old). The estimated effects are valid around these ages and could not be generalized to the whole age group qualifying to the apprenticeship.

¹³ As in the case of “Lei do Aprendiz”, authors obtained estimations using discontinuity regression based on mean test scores (workers aged 18-24 with scores up to 11.734 measured by the “Ficha de Protección Social” are eligible and compared with those just above 11.734). Therefore, these effects do not necessarily hold when the comparison group includes workers with distant mean test scores.

... but did not perform uniformly across gender and age

The evaluation of “Subsidio al Empleo Joven” distinguishes initiative’s effects by gender and finds disparities not in terms of sign, but in terms of size (Universidad de Chile, 2012). The effects on job quality and employment are higher for men than for women. In the case of “Aprendices” while the impact on activity is higher for men, the effects on job quality are the opposite – i.e. higher for women. Women also performed better in terms of labour income effects: while the subsidy affects men negatively it turns to positive for women (SENCE, 2006). A hypothesis behind these two opposing findings could rely on the participants’ conditions to have access to the programme. It is recognized that subsidies are more effective when they are targeted (OECD & ILO, 2011; and WB, 2012). While in the “Subsidio al Empleo Joven” the employers select the participants’ profile among the young population, in the case of “Aprendices” employers have to select participants among the vulnerable youth. Thus, when labour market screening works and long-run placement is involved men benefit more than women. However, when subsidies are focused on vulnerable population (despite being temporary contracts) the success of women in terms of employment is higher.

Effects may also differ by age. The impact of “Subsidio al Empleo” on employment is lower for the eligible population aged 18 and 19 in contrast to those aged 20-24. The suggestion is that the demand side could explain this result. The scarce human capital among the youngest could make them less attractive to employers for hiring (Universidad de Chile, 2012).

... may have substitution effects to be assessed

Subsidies to labour demand may have high deadweight losses and substitution effects among different groups of workers. Despite the use of the “Subsidio al Empleo Joven” is not very extended, its impact evaluation identified a statistically significant substitution effect: youth hiring increased in 1% in the total hiring, displacing older workers. The effect is inversely proportional to firm size, being higher for microenterprises and close to zero for the big ones (Universidad de Chile, 2012). This finding reinforces the need to monitor the firm’s hirings prior to have access to these subsidies in order to prevent workers substitution¹⁴.

... and sometimes subsidies may have null effects despite being targeted

In opposition to the above findings, the assessment of “Jóvenes Chile Solidario” did not identify any statistically significant effect on employment, labour income, and job quality outcomes. Payroll subsidies are higher in comparison to other programmes (reaching up to 50%) though for a short period of six months. In contrast to the scheme in “Lei do Aprendiz”, firms must hire young people in vulnerable conditions. Thus, targeting in subsidies does not necessarily guarantee better performance than universal access (OIT, 2011).

¹⁴ For instance, “Jóvenes con Más y Mejor Trabajo” verifies that firms had not dismissed employees before approving the internship for youth or placement.

Evidence on training is more extended and points out modest labour income effects with gender disparities

While “PROjoven” in Peru highlights positive and statistically significant effects on labour income, even by gender (Ñopo, et al, 2008), the “Jóvenes Bicentenario” evaluation estimated zero effects (Acero, et al 2010; and Sepúlveda, 2010). For the rest of the training interventions, findings are mixed. The subnational “Entra 21” intervention in Argentina estimated slightly positive effects that do not sustain disaggregating them by gender (Alzúa, et al, 2013). Card, et al (2011) reported positive but modest impacts on earnings in the “Juventud y Empleo” evaluation, while Ibarrarán et al (2012) found positive effects for women while only positive effects for the employed men in Santo Domingo. PROjoven in Peru estimated positive impact on labor income for both women and men, however the size effect was substantially higher among women (Ñopo, et al, 2008). “Especial de Jóvenes” estimated positive effects only for men (SENCE, 2008) against the ProCajoven that identified positive effects for women (Ibarrarán and Rosas, 2007).

The experience based on impact evaluations worldwide supports the idea that when training is demand-oriented and focused on specific population, people usually out of the labour market could take advantage of it (WB, 2012). Despite all the programmes mentioned above targeted participants at risk with educational and socioeconomic hindrances, positives effects are not generalizable. The type of training could offer additional elements. As pointed by Fares and Puerto (2009), training programmes in the region have adopted a comprehensive approach, combining different types of training which yielded higher payoff. In the case of “Jóvenes Bicentenario”, with zero effects, the youth only attended to vocational training. There are programmes that combine skills development in classroom with on-the-job training. For example, “Jóvenes Bicentenarios” in Chile and “Juventud y Empleo” in Dominican Republic share similar aspects of design like programme duration (3 months for classroom and 3 months for on-the-job training), and the absence of income support to participants who only receive a daily-stipend to cover transport costs.

.... likely to have null effects on job quality for women

Three out of four evaluations that measured the impacts on job quality by gender – “Entra 21”, “Especial de Jóvenes”, and “Juventud y Empleo”, suggested zero effects for women. In contrast, for men the results are positive. Evidence across the world suggests that this may be the case because training initiatives usually provide higher chances to get formal jobs to those in better starting conditions (ILO, 2011) and women would no be part of this group. Again, the type of training could offer some insights. The experience collected worldwide reveals that the effects on formality among women are visible when the training develops capacities to work in the formal sector (Todd, 2012).

Promising effects to initiatives on youth business in the short run but scarce knowledge about long-run effects

The increasing participation of initiatives to promote youth start-ups provided three impact evaluations that assessed some related indicators. The estimated effects on employment and labour income for “Jóvenes Emprendedores Rurales” in Colombia (Castañeda, et al, 2003) were

positive, and positive effects on managerial skills were also found. The training also improved the chances for self-employment promotion in “Jóvenes en Acción” (Attanasio, et al, 2011) and in “Juventud y Empleo” (Card, et al, 2011). These programmes, as the majority of those in the Inventory, focused on young people in vulnerable conditions. It poses a key role to support services and financing to those who wish to implement business ideas. The challenge is to achieve that self-employment and start-ups allow young people to sustain their business and not to provide them an “end-station” option when previous employment policies faced pitfalls in placing them in jobs.

In the assessment made by Cho and Honorati (2013) about these kinds of interventions in the developing world, authors highlight that better knowledge and execution are the first measurable impacts. The programmes could affect youth positively and strongly upgrading their knowledge and management in business despite not observing correlated effects in income and sustainability in the short run. The key aspect that reinforces the positive results relies in the comprehensive support involving training and financing. The relevance of training becomes significant for existing self-employees or entrepreneurs while financing appears more important for women.

Table 7: Net effects on labour outcomes, by initiative and evaluation paper

country	initiative	evaluation paper	activity			employment			labour income			job quality		
			total	M	H	total	M	H	total	M	H	total	M	H
ARG	Entra 21	Alzua, et al (2013)	na	-	-	na	-	-	(+)	zero	zero	(+)	zero	(+)
BRA	Lei do Aprendiz	Courseuil, et al (2012)	na	-	-	(+)	-	-	(+)	-	-	(+)	-	-
CHI	Jóvenes Bicentenarios	Acero et al; Sepulveda (2010)	(+)	-	-	(+)	-	-	zero	-	-	-	-	-
CHI	Subsidio al empleo joven	Universidad de Chile (2012)	(+)	(+)	(+)	(+)	(+)	(+)	na	-	-	(+)	(+)	(+)
CHI	Aprendices	SENCE (2006)	(+)	(+)	(+)	(+)	(+)	(+)	(-)	(+)	(-)	(+)	(+)	(+)
CHI	Jóvenes Chile Solidario	Fundación AGROUC (2009)	na	-	-	zero	-	-	zero	-	-	zero	-	-
CHI	Especial de Jóvenes	SENCE (2008)	na	-	-	na	-	-	(+)	zero	(+)	(+)	zero	(+)
COL	Jóvenes Rurales Emprendedores	Castañeda, et al (2010)	na	-	-	(+)	-	-	(+)	-	-	-	-	-
COL	Jóvenes en Acción	Attanasio, et al (2011)	na	-	-	na	(+)	zero	na	(+)	zero	(+)	(+)	(+)
DOM	Programa Juventud y Empleo	Card et al (2011)	na	-	-	zero	zero	zero	(+)	(+)	(+)	na	-	-
		Ibarrarán et al (2012)	zero	zero	zero	zero	zero	zero	(+)	(+)	(+)	zero	zero	(+)
PAN	ProCaJoven	Ibarrarán and Rosas (2007)	zero	zero	na	zero	(+)	na	zero	(+)	na	zero	(+)	na
PER	PROjoven	Ñopo, et al (2008)	na	na	na	(+)	(+)	(-)	(+)	(+)	(+)	na	na	na

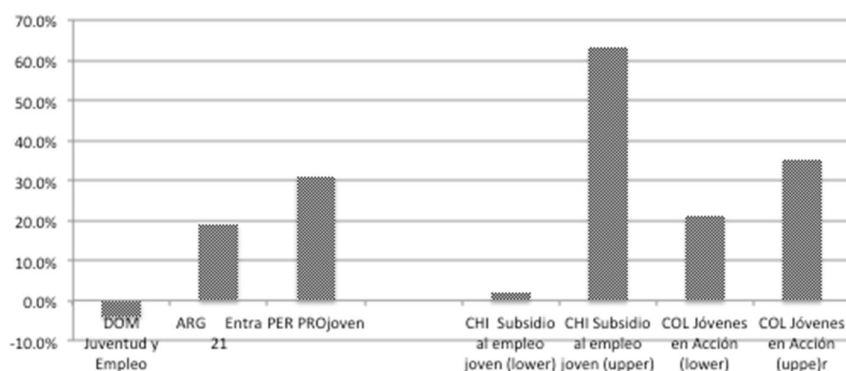
Cost-benefit analysis appears as a revealing source to guide policy decisions but also as an uncommon practice

When impacts are weak and modest, balancing benefits and costs reinforce its relevance. If the measurement of net impact effects does not represent a common practice for this kind of initiatives, the incidence of cost-benefit analysis is even lower. In fact, a half of those initiatives with impact evaluations offered cost-effectiveness estimations.

For example, “Juventud y Empleo” in the Dominican Republic ranks among the training programmes in the Inventory with lower costs while “Entra 21” among the highest ones. However, due to modest impacts, “Juventud y Empleo” had a negative internal rate of return (IRR) opposite to “Entra 21” that reached almost 20%. “PROJoven” in Peru provided an even higher IRR of 30%. The remaining training programme, “Jóvenes en Acción”, rated IRR between “Entra 21” and “PROJoven” considering two scenarios estimated based on the expected trend of earning gains (permanent or decreasing over time).

Finally, the IRR of subsidies have wide dispersion between the minimum and maximum scenario depending on the employment rate increase in a year. However, for the cost-benefit estimation based on the minimum scenario for valuing earnings (minimum wage), the IRR is expected to be above 2%. In addition, the IRR rated better than alternative subsidies like “Subsidio a la Contratación” that ranged from -10% to 7%.

Figure 5: Cost-benefit analysis, Internal Rate of Return



Though evidence is still scarce, some learning potential lies on the common features between the new evaluations and the reviews worldwide. The understandings follow closely what already former YEI assessments stated. The programmes effectiveness on labour market outcomes seems to be more correlated to targeting and how the intervention is delivered than to the type of intervention (Betcherman, et al, 2007). The above remarks are in consonance with IEG (2012) and Sanz (2012) findings, indicating that comprehensive approaches that combine complimentary interventions – for instance, training and support to job search, financing for start-ups and mentoring, in-classroom and on-the-job training, work best than programmes developed on unique components.

5. Final remarks

Through different approaches, various initiatives have been developed to enhance labour market experiences for the youth. Over the years, the region gained experience and knowledge accumulation that have allowed to improve and update these initiatives combining different interventions and adjusting targeting.

The region's profile of interventions and the impact evaluations review included in this report highlight some issues regarding design and implementation that could be addressed in future research. Most importantly, as the main lesson learned in international experience is that interventions effects depend mostly on country-specific variables, improving the effectiveness of interventions in the region could not be properly done extrapolating experience. It demands to assess programmes and policies considering the specific country contexts.

The region has been developing similar initiatives without enough or even with unfavorable evidence on effects. In the case of the initiatives on self-employment and start-ups for youth, as it was pointed earlier, sustainability effects in the region are scarcely known and some hints from international evidence alert on the barriers for vulnerable youth.

The knowledge gap on the effects of labour market institutions for youth deserves a place in the region's research agenda. While there is not enough regional evidence on labour institutions, for example, the international evidence points that minimum wages for youth effects are context-specific ranging from positive to negative. In addition, subsidies to hiring have substitution effects that would be useful to assess for the recent laws on youth employment protection. In relation to subsidies to increase labour demand, more research is needed to understand which factors determine that targeting vulnerable people does not offer the same results than non-targeting. Special focus requires the assessment on women's poor performance along this kind of initiatives.

At the same time, there are plenty initiatives on training which impacts are known to be modest. Though much progress has been done, the difficulties to cover youth at risk and the high dropout rates reduce these initiatives potential effects. Mentoring and close follow up suggest positive effects, and the efforts to identify better mechanisms to enhance participation would assure desired impacts. Additional understanding is also needed on the way to include the young population currently not reached by the specific programs or policies.

Finally, even though the interventions may affect another dimensions of human development the ultimate objective should not be forgotten, and therefore, progress should be tracked against the labour market indicators that the programmes and policies want to modify. Most programmes have resources assigned to evaluation but concentrated on process and design assessment. Rethinking the ways to internalize monitoring and evaluation schemes that allow more accurate assessments on programmes effectiveness – including cost-benefit analysis, would accelerate the progress to better tools in addressing youth hindrances in the labour market.

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Annex

Programmes/policies list by country

Initiative's name	Country
Entra 21	Argentina
Jóvenes con Más y Mejor Trabajo	Argentina
Primer Paso	Argentina
Red de Empleo Joven	Argentina
De la esquina al trabajo	Argentina
Envión	Argentina
Oportunidades	Argentina
Vale la pena	Argentina
Jóvenes con Futuro	Argentina
Mi primer empleo digno	Bolivia
Lei do Aprendiz, Nº 10097 y Nº 11180	Brazil
Jovem Cidadão: Meu Primeiro Trabalho	Brazil
Programa Integrado da Juventude - Projovem 2	Brazil
Programa Nacional de Acesso ao Ensino Técnico e Emprego - PRONATEC	Brazil
Programa Primeiro Emprego Lei Nº 8578	Brazil
Programa Nacional de Estímulo ao Primeiro Emprego Lei Nº 10748	Brazil
Entra 21	Brazil
Educação para a nova indústria	Brazil
Plug Minas - Centro de Formação e Experimentação Digital	Brazil
Programa Nacional de Integração da Educação Profissional com a Educação Básica na Modalidade de Educação de Jovens e Adultos - PROEJA	Brazil
PRONAF Jovem	Brazil
Programa Nossa Primeira Terra - Programa Nacional de Crédito Fundiário (PNCF)	Brazil
Jóvenes Bicentenarios	Chile
Subsidio al empleo joven	Chile
Subsidio a la contratación y cotización de jóvenes Ley Nº 20255	Chile
Aprendices Ley Nº 19518	Chile
Formación en el puesto de trabajo	Chile
Jóvenes Chile Solidario	Chile
Especial de Jóvenes	Chile
Entra 21	Chile
Salario mínimo para jóvenes	Chile
Jóvenes Rurales Emprendedores	Colombia
Jóvenes en Acción	Colombia
Entra 21	Colombia
Jóvenes Trabajando Unidos - TU	Colombia
Ley de Formalización y Generación de Empleo Nº 1429	Colombia
Programa Conjunto de Juventud, Empleo y Migración: Una Ventanilla Única para el empleo juvenil en Desamparados y Upala	Costa Rica
Alternativas Juveniles	Costa Rica
Salario mínimo para jóvenes	Costa Rica
Juventud, empleo y migración para la reducción de la inequidad en Ecuador	Ecuador
Programa de Apoyo Temporal al Ingreso	El Salvador
Guatemala Joven	Guatemala
Desarrollo humano juvenil vía empleo para superar los retos de la migración	Honduras
Mi primer empleo	Honduras
Programa Nacional de Empleo por Horas Decreto 230-2010	Honduras
PROempleo - Programa de Educación Media y Laboral	Honduras
Ley de Fomento al Primer Empleo	Mexico
Chambeatón	Mexico
Apoyo a Proyectos Juveniles - Impulso México	Mexico
Emprendedores Juveniles	Mexico
Desarrollo de las capacidades nacionales para mejorar las oportunidades de empleo y autoempleo	Nicaragua
ProCaJoven	Panama
Juventud: capacidades y oportunidades económicas para la inclusión social	Paraguay
Ley Nº 4951 de Inserción al Empleo Juvenil	Paraguay
Salario mínimo para jóvenes	Paraguay
PROjoven	Peru
Promoción del empleo y las MYPE de jóvenes y gestión de la migración laboral juvenil	Peru
Programa Juventud y Empleo	Dominican Republic
PROjoven	Uruguay
Primera Experiencia Laboral	Uruguay
Conecta Joven	Uruguay
Jóvenes en Red	Uruguay
Yo Estudio y Trabajo	Uruguay
Ley de Empleo Juvenil	Uruguay
Entra 21	Venezuela