



**UNIVERSIDAD CATÓLICA ARGENTINA**  
**“SANTA MARÍA DE LOS BUENOS AIRES”**  
**DEPARTAMENTO DE INVESTIGACIÓN INSTITUCIONAL**  
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**LABOUR POLICIES FOR YOUNG PEOPLE APPLIED DURING THE DECADE –  
ANALYSIS AND ASSESSMENT**

SALVIA AGUSTÍN\*

TUÑÓN IANINA\*\*

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\* Researcher, Head of the Observatory of the Argentinian Social Debt. Department of Institutional Research –UCA. Av. Alicia Moreau de Justo 1300. Buenos Aires. Argentina. Electronic mail: [agustin\\_salvia@uca.edu.ar](mailto:agustin_salvia@uca.edu.ar).

\*\* Sociologist. Professor and IIGG- UBA Researcher. Research scholarship holder in the frame of the UBACyT Program of Ph.D Scholarships. Period: 2005-2007. Uruburu 950, 6°, Buenos Aires. Argentina. E-mail: [itunon@mail.retina.ar](mailto:itunon@mail.retina.ar).

## **ABSTRACT**

Thinking about the young people as subjects of labour and social policies is a challenge that has mobilised worldwide governments since relatively recent times. Due to the urgency and seriousness of the problems of employment and social inclusion, the concept of youth has managed to be included in the public agendas and has positioned in different social environments (scholar, cultural, business). This was the case of Argentina during the 90's. However, it seems that the problem has broadly exceeded the policies.

The main specific policies applied during the 90's in Argentina to assist the problem of employment and youth educational backwardness are revised and assessed in this paper. In particular, we try to identify and assess the used institutional tools, the level of reached cover and the main results generated by the policies carried out by the National State in this field (new labour regulations, education reform, programmes of employment and training and programmes of school scholarships). In this case, the empirical investigations on these topics were done from the analysis of documentary sources and the consult to qualified informers.

## **YOUNG UNEMPLOYMENT: A COMPLEX PROBLEM**

In the bibliography about the problem of young people, it is recognized that the "young status" is a defining moment of the trends and capacities that direct the future development of a society. At the same time, the youth has the uniqueness of being a transitional period in the social and psychological process of integration of the person to the adult world.

Currently, the greatest difficulties faced by the young sectors to enter the adult life are present within the context of the developed and under-developed economies. However, it is in the last ones where the problem gets greater extension: to be young today (v. g. Latin America) is not only a relative factor of unemployment risk but also one of discrimination and social institutional disaffiliation. In effect, is this a general problem or can it be made relative only to specific groups of youth? In such case, who are the young that are more exposed to such amount of deprivation? Within the frame of potentially controversial diagnosis, it is appropriate to ask: which have been the sense and extent of the public policies that have attempted to give an answer to this problem during the application of structural reforms in Argentina in the '90s? What have been its relevance and efficiency?

Research on inter-generation mobility have given privilege to educational training and labour insertion as important moments to measure the improvement of wide segments of Latin American population. However, even in periods of economic growth and expansion, the region has been characterized by the persistence of serious problems of labour insertion for the young in labour markets with high unemployment and precariousness rates. Within the frame of technical changes and structural transformations applied during the last decades, the promotion mechanisms for the young people and the gap between the young of different social economic sectors have suffered important modifications. Against the most optimistic forecast in favour of the youth –as an advantage in front of the social-productive changes- the young people have become a specially vulnerable segment.

With regard to the labour integration, some studies state that within the context of technical change and processes of economic openness, the young record greater unemployment risk as they do not reach the educational competences which are necessary to have the new jobs demanded by businesses.<sup>1</sup> Some authors state that the high precariousness and young unemployment rates would be expressing problems associated with the clash between the out-of-standard expectations of the young -in terms of career- and the structural work of the market –sometimes worsened by the little flexible legislation. All this would result in later, unstable and unsafe labour insertion that generates higher unemployment rates among the young.<sup>2</sup>

However, recent studies about the relationship between the young and the labour market show evidence that the unemployment is not a problem that works regressively on the young status. In any case, neither the “excess” of expectations nor the “insufficiencies” of qualifications or capacities are the main causes of the young unemployment, as arisen from the first analysis of the most general data. It is claimed that if we take into consideration the proportion of first-time job hunters, the duration of the search and the proportion between employed and recent-unemployed, it can be concluded that the young *as a whole* do not face more employment problems than the adults. In this way, the high young unemployment rates would be explained by the greater relative weight of this systematic entrance of assets and the greater rotation between employment and unemployment.<sup>3</sup>

Undoubtedly, it is a complex problem in which educational as well as social-economic factors have to be included in the explanation in a critical way. With regard to the educational dimension, there is a variety of studies that emphasize the unequal opportunities offered by the formal educational system as a means of labour training. The research outstands the existence of wide sectors of the young population that do not complete the secondary education<sup>4</sup> or whose fulfillment seems to have little incidence on the opportunities of insertion in formal jobs or expanding areas.<sup>5</sup> Such inequalities tend to widen in front of the appearance of closed educational circuits where economic and social-cultural resources are combined with social nets that make the access to the new markets easier. With reference to the social-economic factors, it does not seem possible to theorize about the young people’s expectations without taking into consideration the out-fitting generated between the offer and demand for employment as a result of the transformations on the productive structure.<sup>6</sup> As regards, a factor that has to be considered is the disappearance of wide economic sectors (small and medium industrial and agricultural businesses) in which the young traditionally began their labour training process.<sup>7</sup>

The situation would be specially affecting the sectors with fewer possibilities to enter the new market circuits. In the same sense, studies by CEPAL and BID draw the attention to the social-economic condition of the poor households as a determining factor of the social-occupational insertion of their young people. The alternatives of rising mobility of the formal education (even when the syllabi and the modalities are the “appropriate”) lose relevance when the young person becomes an “additional worker”<sup>8</sup> that has to cooperate in the sustenance of the household.

The result is the constitution of broad groups of young people from vulnerable social sectors, structural poor and new poor who lack the required qualifications while there may be over qualified medium sectors striving for jobs for which they are not appropriately trained. In this way, the present youth situation in the labour field seems to be the mixed result of the general macro economic evolution and the effects of an occupational

participation affected by other processes. The problem is that the young as a whole do not have the same opportunities to go on studying, can not receive the same education, do not have the same necessity of having an income or do not have equal urgencies of emancipation. The young with fewer social and educational credentials, who are moved by the necessity, occupy the young labour market first while they are the last to get a high-quality job.<sup>9</sup> This representation of the problem implies the consideration that the education and the functioning of the social structure are explanatory dimensions which are important for the specific feature of the unemployment and the weak young insertion in the context of the structural reforms.

Within this frame, we are interested in revising the action of the public policies in the Argentinian case. During the last decade, several of these diagnosis were used as the base for a set of intervention proposals circumscribed to three strategies: a) changes in the labour legislation through flexible systems of internships, b) reform of the educational and professional training systems in order to adapt their syllabi and work to the economic changes, c) design of focused social programs aimed to improve the opportunities of the most vulnerable sectors. These strategies have tried to influence on the demand for work as well as on the young expectations about the labour capacities and competences –which were the aim of the training- and at a lesser extent, to correct the inequality of opportunities and to make certain access channels to a better educational and labour insertion easier.<sup>10</sup> This paper aims to explain the sense and “effectiveness” of these alternatives.

## **TO BE YOUNG IN A DETERIORATION CONTEXT: THE ARGENTINIAN CASE**

Literature repeatedly shows that the problem of young unemployment has complex and varied causes which refer to the work of the social-economic system and to the technical changes of the last decades. Particularly, the problem in Argentina has to be set within the context of the economic, political and social crisis that has affected the country for the last 3 decades and all what it implied as it was left “backward”. In this sense, it is appropriate to consider that during most of the 20th century, the entrance to the educational system, the insertion to a stable job and the rising social mobility constituted the normal path to be followed by the young of the “popular sectors”.<sup>11</sup>

The courses of young inclusion have been experiencing a strong worsening within the frame of the general economic decay of the country. (see Table 1). Far beyond those “golden years”, research papers have explained that the young of today register a more *impoverished* system of opportunities in terms of educational and labour achievements despite their better level of schooling and years of education. In spite of the initiatives, which were adopted in the last years, the problem seems to have broadly overcome the capacity of public policies as regards satisfactory alternatives to the problems analyzed above. The recent crisis that affected the country in the period 1999-2002 deepened this deterioration even further. The clear result is the structural disqualification of certain young sectors which are not only prevented from reaching labour courses linked with a job or professional profile but also from a set of social and institutional framework that makes up the access to security and citizen participation. Some evidences refer to the fragile situation of the young in the current Argentina. (2004-2005) (see Frame 1).

In general, the governments have tended to simplify the problem to the lack of adequate competences held by the young to face the new demands stated by the technical changes. But even if the problem is not away from

the contents of the educational systems and of the professional reforms, this explanation turns out to be partial in front of the strength of the structural factors that seem to lead the poverty to broad sectors of the society independently of the education resources. On this path, it is suitable to summarize the main factors to be considered in order to understand the unemployment problems that affect the young in Argentina in depth. These factors are the following:

(a) The general high unemployment rate within the young is associated with the high proportion of first-time job hunters among the youngest age groups in front of an added demand which is weak to absorb the flow of new unemployed immediately –in the same extent that the first to enter are the ones with less level of qualification and experience. As long as the transition to the adult life goes on, only some sectors get a high quality job.

(b) The access to a high quality job opens its way through a selective demand from the point of view of the qualification –however sensitive to the economic cycles- that opens a strong competence among the young. The most affected are the ones with the lowest level of education that come from poor families settled in marginal areas. In the medium-term, some young are able to define a professional course but many others can not and remain on the way. For the last, there is no time for waits and searches.

(c) It is also clear that the qualified young express their aspirations about their labour insertion that do not match with the vacancies offered by the labour market. Consequently, they have a longer period of search, greater instability and higher unemployment rates than the adults (until they adjust expectations or find the appropriate job). But here it is convenient to point out that not always there is an adequate “adjustment” between the offer and the demand of the market when it is the necessity what prevails from the offer.

(d) For an equal cost, companies prefer to hire people with greater experience. In this sense, the labour rules generate a set of indirect inequalities when placing the first-time job hunter –regardless his/her experience and qualifications- and the rest of adult workers -whose profile and experience are too defined- at the same level. In the same sense, the lack of control from the State on the programs of internships and professional training – carried out by the private sector- can generate strong inequalities in terms of greater precariousness and exploitation towards the young.

## **YOUNG-ORIENTED POLICIES DURING THE DECADE 1990'S**

Thinking about the young as subjects of labour and social reforms is a challenge that has mobilized the governments worldwide for at least two decades. Due to the urgency and seriousness of the problems of employment and social inclusion, the issue of the youth has been included in the public agenda and in different environments of the social life. In the case of Argentina, this trend started to become stronger late in the 1990's within a context of an ambitious program of structural reforms.

In this sense, between 1991 and 2001, a set of policies specially applied to assist the problems of unemployment and educational backwardness of the young has been tried:

- a) the introduction of the promoted modalities of labour contract that favours the young added demand (from the Employment Law 1991 and other labour reforms);
- b) the restructuring of the system of technical-professional training, the extension of the years of compulsory schooling and the new structure of the systems of middle and superior education (through the Federal Laws of Education and Superior Education, 1993); and
- c) the economic aid to vulnerable sectors aimed to favour the permanence in the secondary level or the technical work training (through the Scholarships for teenagers from poor families and training programs for young with schooling deficit in equal conditions –Young Project / Proyecto Joven-).

Below, there is a description and assessment of these policies in terms of the used institutional tools, the level of reached cover and the main obtained results.

## **FLEXIBILITY OF LABOUR RELATIONS**

The structural reform program applied in Argentina during most of the decade of 1990 put forward a greater “flexibility” of the labour market in order to favour the increase in the general productivity of the economy and to achieve positive effects in the labour field in the medium term.<sup>12</sup> The initial success of the stabilization and revitalisation plan allowed to set this argument with a certain consensus in the public opinion. On the other hand, the increase in the unemployment and informal work cleared the political conditions for the introduction of important changes in the field of labour relations.

The most significant institutional reforms in the field of employment and labour relations had the 1991 National Employment Law as their first antecedent. The main objective of this law was to introduce in advance –though with relative public regulation and tripartite participation- the main topics that would be included in the public agenda as regards labour reform and employment policies up to the present. In this way, under the perspective of structural reforms with negative consequences in the field of employment, the necessity and importance that the young people were the privileged object of public policy in this area were established.

Later, a set of political-economical strategies and legal stipulations pointed to make the forms of contract and frames of labour regulations even more flexible. With regard to this, the most important measures focused on the reduction of the employers’ contributions, the flexibility of labour contracts and the introduction of private capital into the field of the social security and health system. In the same sense, decisions tending to deregulate and decentralize the intervention of the trade unions in labour relations were taken.

About this, we can deepen into the central aspects of the measures introduced by the reforms to promote the young employment: a) the creation of promoted and flexible forms of contract (free of employers’ contributions and of the severance payment); and b) the introduction of systems of internships and learning associated with labour relations without contracts (paid by the employer and with his responsibility for the young people’s professional training) (see frame 2).

- It is from the National Employment Law NR. 20.013 – passed at the end of 1991- that important changes in the field of employment policy were introduced. Through this regulation the government took the unemployment as a State problem by giving it a specific entity. The problem of young people’s employment was a central topic in this law; in front of which new forms of contract -partially promoted from the point of view of the tax and the contract- were introduced.<sup>13</sup>
  
- But some aspects of the application of this rule became contradictory with the “deregulation” strategy of the reform program. In this sense, in the context of the Convertibility Plan from 1992, the economic policy tried to retake topics such as the reduction in labour costs (decrease in contributions), the extension of the forms of contracts promoted for the young, the creation of a testing period, the reduction in the direct wage costs by dismissals and the control over the increases in the incomes. These measures were decisively applied between 1992 and 1997.
  
- However, during the period 1996-1998, in the frame of power rebuilding inside the government, the Labour Reform Law NR. 25.013 was passed in September 1998. It took backwards some deregulations and reductions in the labour charges achieved in the previous period. This initiative was supported by the political and official unionist sectors while receiving an open reject from the “establishment” and opponent political and unionist sectors.
  
- On one hand, the content of the new law seemed to stamp an apparent “backward return” to reduce the testing period and to cancel the so-called “promoted contracts” introduced by the Promotion of Employment Law. But, on the other hand, the sharp reduction in the severance payments became an important change with regard to the flexibility of the contracts while favouring a greater labour rotation.
  
- Finally, in 2000, in a complex economic and political context, the new Government introduced a new labour reform (Law 25.250) which put forward a greater reduction in the employers’ contribution, a new extension for the testing period and other measures of flexibility of the contract. This regulation could also introduce aspects which had not been considered by the previous initiatives (decentralization of the parity negotiation and over activity of the Collective Agreement).

But beyond the ruling adjustments and the labour reforms, a “factual” process of flexibility was present during all this period. This was achieved through the individual or informal negotiations in the business world and –in some cases- through the signing of Collective Agreements negotiated at business level. In effect, beyond these measures –many of which were based on the promise to give solution to the crisis of employment and to favour young people’s employment- the signing of the formal sector did not respond by widening the number of workers but by renewing the staff. As long as the Convertibility delayed the exchange rate and increased the cost of money, the companies tended to get rid of the low qualified jobs through the replacement of the oldest workers, who were more structured in the old practices, by others who are younger, qualified and also more flexible to the unregistered labour relations and to lower wages.<sup>14</sup>

In this way, the practices of staff rotation and labour precariousness –as resources that would allow to reduce costs and to win competitiveness- tended to generalize in the formal sector as well as in the informal one. In this sense, the young people –due to their lower contract cost and greater flexibility- became a high vulnerable population with regard to the unemployment. However, they were also the most demanded people during the revitalization phases –as long as they had the proper qualifications and accepted the precarious working conditions. We have to show the extent and impact caused by two central aspects of the measures introduced by the reforms: the reduction in the employers' contributions and the formal application of the promoted forms of contract (see Tables 2 and 3). With regard to this point, it is necessary to clarify that even if a positive impact on the demand for employment can be assumed, it is not possible to estimate and assess such impact in an undebatable way. About the second aspect, we have to stand out that here only the recorded promoted jobs are considered and the informal jobs taken under these forms are left aside.

## **EDUCATIONAL REFORM: MORE YEARS FOR SCHOOLING AND WORK TRAINING.**

For years, the passage through certain educational and labour institutions made up the movement from the youth to the adulthood but these mechanisms weakened and changed without shaping alternative tracks of social inclusion. The productive and technological changes and the new social demands, together with the projected employment crisis, brought to sight the need for facing an integral educational reform at mid 1980's. On the other hand, the previous decentralization of the basic and middle education forced to mobilize regional actors and consensus by imposing a federal character to the reforms and the educational policy as a whole. Aimed at the adaptation to the new economic and social conditions, the National State boosted a global reform of the educational system at the beginning of the decade. This was achieved in 1993 with the Education Federal Law 24.195 and with the Superior Education Law 24.521. These reforms tried to assist the following problems first and foremost:

- The rigidity of a system, which was insensitive to the changes produced worldwide in the last decades, was unable to be more flexible and to adapt to the new situation. This produced a crisis of historic inadequacy characterized by the backwardness and the lack of updating of the contents to the new demands of the working world. This rigidity brought about the dissociation of the local and international context.
- The contents of the curriculum presented an excessive theorization and superficial information, beyond the society claims for a greater deepening and creativity. There was not an adequate technical training to take in the scientific and technological advance as to get a quick entrance to the occupational market.
- The different levels of the educational system (primary, secondary and university) lacked the unity, coherence and integration. While the administrative centralization drowned the capacities of creation and initiatives of the provinces, administratively and technically subordinated to the Nation, it was necessary to put the federal character of the educational function in effect.

Since the Educational Reform, as broad range initiative, the length of compulsory schooling was extended. The contents of the syllabi were opened to the the regional particular characteristics; it was aimed to redraw the curriculum according to the functions of the new technological imperatives and labour demands.<sup>15</sup>

In this way, the period of compulsory schooling has been increased from 7 to 10 years; in such way the pupil was forced to remain compulsorily within the scholar system from the age of 5 to 14. At the end of the third cycle of Basic General Education (EGB 3), the level of "Polimodal" was opened, with a duration of three non compulsory years (from the ages of 15 to 17).

This level foresees technical training through the Professional Technical Tracks (TTP), which are technical courses adopted to the new demands of the market.

In the frame of the Reform of the Superior, Professional and Academic Education, people over the age of 25 without a secondary level degree were enabled to enter the superior training as long as they show to have the preparation and/or the labour experience according to the studies they want to follow. Another important advance was the recognition of the University Schools as Tertiary Institutes with participation of social actors and links to the local development through the offer of technical-technological courses of study, programs of professional training, labour training and other services related to labour fields to be developed in the community.

Even if the reform has been strongly criticised by some academic and unionist circles<sup>16</sup>, its application has been extended to the Provincial States, with positive results with regard to the increase in the scholar registration in the pre-school and middle levels. In effect, within the reform there was a significant growth of the middle and superior schooling registration during the late 90's. Thanks to this, there was a sharp increase in the average of study years of the active population. These achievements have to be made relative in terms of their effects on the effective labour inclusion of the young. As regards, it is appropriate to put some evidence that shows the limits of this initiative into consideration:

- The impact of the extension of the compulsory characteristics to 10 years of basic education, foreseen by the Educational Reform, worked as a containment mechanism of the expansion of the young people's exclusion. However, the expansion produced by the impact of this educational policy does not mean a recovery of the phenomena of scholar repeat and abandonment. In some cases such expansion deepened the segmentation that has characterized the system for the last two decades.
- Since the reform, there has been an important growth of the public investment in education although such investment is still inferior to other countries (4.3% of GNP against 5.3% in Mexico). However, within a context of scarce resources, the important expansion of the educational registration generated a deepening of the segmentation processes of the educational system, with its correlate in the creation of differentiating access nets to different educational qualities.<sup>17</sup>
- Despite the reform, it is observed an early scholar abandonment –although at less extent. Only 72% out of 95% children who start the primary school complete this level. 37% of the young people who register in the secondary level fulfilled it; the most outstanding date is that only 12% of students graduate at the University. It is here where one of the main problems of employment arises. As regards, a complementary date can be added: 57% of the young people between 20 and 24 years old do not surpass their parent's level of education, reaching an average of 9.5 years of schooling.
- In this sense, it seems that the middle school has lost its traditional capacity to contribute to the upward social mobility. The secondary education has become necessary to be able to access to good jobs but at the same time it turns out to be insufficient in front of the restrictions arisen in the labour market and in the social structure. While the sectors that have access to superior education are favoured by the polarization process of the labour market –as they monopolized the best jobs- graduates from secondary school have

remained in between and neither market trends nor government strategies, which would enable to solve this labour and educational segmentation, can be visualized.<sup>18</sup>

- In this way, beyond the evident improvement achieved with regard to the extension and quality of the education, it is clear that the reform turned out to be insufficient to face the problems of labour insertion which affect the young. The crisis of work demand and the worsening of the labour market set limits to the equalizing possibilities generated by the educational expansion. In this sense, it is confirmed that any educational reform needs to be accompanied by policies which consider the most structural social-economic factors in order to be successful.

## **FOCUSED TRAINING PROGRAMS FOR YOUNG PEOPLE. THE YOUNG PROJECT**

Having the National Employment Law (1991) as the reference frame, during the 90's the National Government executed a set of important focused programs of public employment and training aimed at the assistance of the unemployment problem and the employing capacity of the sectors which were more affected by the structural reforms.<sup>19</sup> It was sought to give an answer to the defined temporary problem from these programs as it was expected that the economic growth by itself would generate the greatest and best job opportunities. Such programs meant to provide the unemployed -who require it- with a temporary economic aid in exchange of labour -within the frame of a public work or service under the responsibility of a public organization-, or training -inside the context of a professional training course in private institutions-. Most of these actions could not avoid being affected by the introduction of "client" ("client" as being subject of a relationship in which votes are exchanged for government promises, such as posts, extra benefits, etc.) forms of resource distribution and benefit assignment, which were little transparent and illegal at times.

On this intervention line it is possible to recognize throughout the decade the application of different types of actions, some of which had the low qualified young people as their main target. The most important of these initiatives was the Young Project (Proyecto Joven) whose original pattern was a copy of a similar program executed in Chile some time before; then, it was extended to other countries of the area. In all the cases, it was a program designed and financed by the Development Interamerican Bank.<sup>20</sup>

The main objective of the program was to improve the possibilities of labour insertion of the young people, who did not have an adequate training or specialization for work, by giving them intensive and integral training for jobs demanded by the public sector and by offering them the opportunity to go on a labour practice in business environments. The design of this tool assumed the diagnosis of the existence of new requirements in the worker's qualifications and an increase in the risk of unemployment of the less qualified young population. Consequently, the target population of the Program was the young people of both sexes, who came from households with scarce resources, low educational level, no or little professional experience, and that were unemployed, under-employed or inactive. The selection criteria of the beneficiaries to be included in these courses were: minimum age of 16, educational level preferably not superior to incomplete secondary school up to complete secondary level, belonging to households with low resources and in a situation of labour marginalization.

The program offered its beneficiaries the possibility to reach a labour training at semi-qualified level through training courses and internships according to the requirements of the formal labour market. The project paid for the training cost, labour accidents, medical checks, scholarships and subsidies received by the beneficiaries. The courses varied from 14 to 20 weeks. They were intensive and essentially practical. They had two phases: Training Courses and Internships in companies (training). To carry out these courses, Training Institutions (ICAP) were contracted through International Public Tenders. The distribution of the courses is determined proportionally to the number of inhabitants of the focused geographical population.

The selection criteria of the training projects were based on the kind of offered internships. They considered the features of the companies, the tasks the internship holders had to carry out, the number of staff occupied in positions similar to the profile of the offered graduate, etc. From the technical pedagogical aspect, other items were considered: profile of the graduate, labour competence required in the labour market, practical nature of the training, requirements for registration, teaching profile, equipment, materials and facilities.

During the 5 years of work, the program developed more than 8,000 courses in which over 130,000 young people participated as beneficiaries (see Table 4). From the government reports<sup>21</sup> and assessments of the results and impact of the program<sup>22</sup>, some relevant aspects have to be pointed:

- 70% of the beneficiaries were under the age of 24 and 40% were women. 7% had not finished the primary school while 41% had; 45% had fulfilled the secondary level.
- 20% of the beneficiaries restarted studying. 55% decided to complete the secondary level, 47% the tertiary studies and the remaining the primary school.
- 51% of the people who attended this course could enter the labour market. 83% in the activity they were trained for.
- The benefit of the employment and registration to participate in the program is greater in the case of women and younger people. In any case, the benefit is low and significative with regard to those who did not participate in it.
- 46% of the courses were related with the service sector, 35% with the industrial sector while 18% with the forest, mining and agricultural and livestock sectors. This distribution varied according to the regional productive profiles. More than 20,000 companies offered and received at least one internship holder per time.

Among the critical aspects of the development of this program, some fundamental and operational ones have to be highlighted:

- In general, the Project put in effect standard training proposals which could not answer neither to the heterogeneous needs identified in the population-target nor to the possibilities of labour insertion with adequate perspectives in the local and regional contexts.
  
- Also in this case, the expansion of qualified labour offer, together with the scarce working demand, promoted a loss of the relative value of the degrees granted by the Project.
  
- The program delegated the function of demand detection on the training institutions. In many cases, this strategy proved to be inadequate.
  
- An important number of training institutions was registered. They were specially made up from the resources to carry out the courses. There was scarce participation of social and community entities with integral projects for the people for whom training was a necessary resource in the consolidation of their social projects.
  
- Even if the project tried to develop strategies to reduce the costs of the courses, they continued being high specially by the incidence of aspects linked to the equipment and administration.
  
- The complexity of the mechanisms applied to contract the actions of labour training prevented from answering on due time and form to the appropriately detected labour demand in some cases (see Table 5).

## **SUPPORT SCHOLARS FOR ADOLESCENT AND YOUNG SCHOOL WITHHOLDING**

The objective of the program School Scholarships was to motivate –through a scholarship granted to the families- the school withholding of teenagers from poor households with high risk of not completing the Basic General Education Level or the impossibility to continue the Polimodal Level. Scholarships is to improve the future conditions of the employment of the young people by increasing the years of permanence of the adolescents from the most vulnerable families. In this way, it was expected to improve the future employing capacity of the young from the sectors which were more vulnerable to the unemployment and poverty. At the same time, it is sought to strengthen the positive attitude of the family group towards the obligatory school training and the continuity in the level of technical-labour specialization by the young people.

This is a National program of provincial application which was started as a test in 1999 and considered the executions of 450,000 school withholding scholarships all over the country (including Buenos Aires Province that holds 110,000 scholarships) for the period 2002-2003. It involves funds for 164.5 million dollars. The requirements to get them are to be between 13 and 19 years old, to be attending 8<sup>th</sup> or 9<sup>th</sup> years of the third cycle of Basic General Education, “Polimodal” level or their equivalent and finally, to be member of a family in a precarious social economic situation. To keep the benefit during the class year, the student has to attend classes

regularly and can not have unjustified absences.

The beneficiaries that fulfil the conditions of permanence in the program receive a monthly income during the 8 months of the class period. But, provided the scarce tax resources, the program has established fundamental and operational criteria to identify and select the beneficiaries according to the social economic situation of the family:

- The priority is given to the unemployed head of household or families with monthly income under poverty line. These labour components and family incomes are set in connection with the number of members under the age of each family. In all cases, it is specially considered if the head of the household is a woman.
- Data about dwelling, overcrowding, conditions of hygiene, health, disability are also considered to identify the level of precariousness in order to determine the priority of each one of the registered young people. It is a marker of preference if the potential beneficiary is pregnant or is in charge of children.

An additional component of this program is called “To study is to work”. This component is executed in agreement with the Ministry of Labour and Social Security and the Ministry of Education, with DIB and is aimed at young people between 18 and 25 years old.

This design includes the application of actions that offer the benefited population the possibility to fulfil the “polimodal” education and to improve their employment opportunities. Its specific objectives are:

- To enable the unemployed and inactive young people between 18 and 25 years old to finish the secondary education (Third Cycle of Basic General Education and “Polimodal”).
- To improve the employment opportunities for the population-target through the technical-professional training oriented to the demands of the local and regional economies.
- To promote the labour insertion of the population-target through strategies of orientation, assistance and follow up.

Aimed at that, it is proposed the development of a curricular, modular and flexible structure which integrates training on general competence (“polimodal” education) and on basic, practical and technological competence required by an occupational profile linked to the productive and cultural life of the town, province and/or region. The program is oriented to general and technical professional training of sectors of inactive, unemployed, young people with incomplete secondary education who had been excluded from the formal educational system in

different moments of their lives. Within this universe, it is a special interest the attention to the heads of households.

For the population-target it is proposed an offer of General Training to complement and certify studies at middle or “polimodal” level and the technical professional training through the accreditation of Professional Technical Tracks. The offer is inscribed in the regime of Adulthood Education, with forms of curricular, modular and flexible organization which agrees with the target.

The definition of the training sense and of the contents of the Tracks is carried out based on the identification and analysis of the needs and potentiality of local and regional economic development. The analysis will have to indicate –for the short and medium term- the trends of local and regional development, possible focuses of employment opportunities and areas where there are not proposals of technical professional training. Like the case of School Scholarship, the beneficiaries that fulfilled the conditions to remain in the program receive a monthly income of \$100 during the 8 months of the class period.

The “Program of School Withholding Scholarships” as well as “To Study is to Work” have had a high impact in terms of expanding the schooling years. The family groups have positively answered to the economic incentive by keeping the adolescent from the poor household in the schooling systems and the young household head with incomplete middle level within the modular training program to finish the cycle and train for work. However, its impact in occupational terms is still uncertain. As far as it has been assessed, those who fulfil these programs and live in marginal social areas face difficulties and employment deficit as their young peers with incomplete middle level.

## **CONCLUSION: THE PRESENT CHALLENGES OF THE YOUTH MATTER**

These serious problems of social integration in Argentina have been expanding among the young without the interference of policies able to revert the situation. The lack of defence of these sectors have been worsened by the persistence of the unfavourable economic conditions and the lack of corrective actions, which could solve the accumulated deficits during the decade of economic instability, and the absence of policies whose attention was centred on this sector of the population. Within this frame, during the last decade, the Government was particularly disposed to assist the most urgent problems of the young people in the fields of education and labour.

These actions have generated positive effects to extend the years of schooling and scholar withholding, to modernize and regionalize the syllabi of the middle level, to favour the insertion to a first job and to stimulate the technical-professional training among the young. However, within the ruling social-economic and institutional context, their real achievements about the labour inclusion are scarce while the number of young that can get to those benefits remain limited. On one hand, it is necessary to mention critically the fact that a greater labour precariousness has been favoured without the adequate regulations and controls. On the other hand, the dissolution of the traditional national system of technical education (CONET) and its replacement by the Professional Technical Tracks (TTP) have not still generated the expected impact in terms of teaching cover

and quality. Finally, the programs focused on training and scholarships -held by the National Government to assist the emergency- showed to be little effective to generate a significative improvement of the labour situation of the young from poor sectors.

The theories applied to the research on young people point out the positive role placed by the education as means of access to better labour and income opportunities in the individual world and to guarantee an equal growth at general level. It is emphasized that improving the education of the young is the guarantee of their social integration. But in the Argentinian case, the empirical evidence forces to refuse the mentioned supposition, at least with regard to the education as the main determining factor of social mobility. It is a more generalized idea that education has stopped being an institution able to offer equal and high-quality opportunities for all to become a means of social progress for a few privileged. The problems of young inclusion are not explained by the new requirements introduced by the technical changes but by the general economic, political-institutional and social conditions. This situation is expressed in a social segmentation of the training experiences and opportunities of access to information nets and link with the labour markets. In this scenery, the young seem to be the most affected while they are the ones who have better educational conditions and flexibility to the technical changes.

Within this framework of this compressed conclusion on the problem, it is necessary to locate at least two fundamental challenges in order to favour an effective educational and labour inclusion of the young and mainly, of the young of the poorest and vulnerable sectors:

A) Firstly, the problem of the young social integration requires a general context of economic development with greater distributive equality in order to get possibilities of success. Without growth, greater demand for employment and better distribution of the income in favour of the most backward groups, there will not be social inclusion for these young. But, although the growth with employment is a necessary condition, it is not enough. In any case, it is essential to face the specific social conditions that determine that the opportunities are not equally distributed among the same young people. In this sense, the inclusion of the young has to be taken on within the frame of active policies of growth promotion and labour reforms which favour young people's first job. Both are necessary pre-conditions for an integral policy of social inversion and strengthening of the community thread that allow a significative improvement of the young participation and integration.

B) Secondly, the problem of young inclusion has to be analysed within the frame of a further reform of the educational system which provides the National State with the adequate mechanisms to interfere at federal level in order to guarantee an integral and proficient training for all the young; specially to compensate the deficits suffered by the most backward sectors. In the humanist as well as in the technical-professional fields, the educational system has a central and undeleagating role with regard to the socialization process of the young and to favour their transition to the labour market. In such sense, we should consider a new type of educational and professional training policies aimed to guarantee greater and better schooling to the most vulnerable young. At the same time, it is necessary to generate a more integral training linked to human development for all and not only a series of practical abilities and general knowledge. Learning to think and to exchange ideas is more useful than learning to do a routine task individually. Without denying the importance of the labour training, this has to be reached as a result from a completely different pedagogical and political perspective. Only in this way, will education become a "moral alternative to the street".

The young status is a moment of definition and training of personal capacities that allow to forecast the future progress of a society. In the Argentinian case, the present of the young only allows to project a country with greater poverty and inequality. Up to now, the problem seems to have broadly overcome the capacities of the public policies with regard to the achievement of satisfactory alternatives to the problems analysed above. In Argentina, it seems impossible a direction change that breaks the increasing polarization which affects the social system without structural reforms in the field of social investment, income redistribution and more and better education for the ones who have less.

## TABLES AND FRAMES

**Table 1: Educational and Labour Indicators. Argentina, Total Urban Areas, 1991-2001.**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Young people between 15 and 24 years old that study	47.7	47.5	48.4	48.2	48.4	48.2	51.0	53.3	55.5	56.5	57.0
Rate of open unemployment in young people between 15 and 24	13.4	14.7	20.0	23.4	29.8	32.4	25.4	23.8	25.7	27.4	32.5
Rate of open unemployment between 25 and 64 years old	4.1	5	6.5	9.1	12.8	13.2	10.6	9.7	11.1	11.6	15.2
Rate of open unemployment	6.0	7.0	9.3	12.2	16.6	17.3	13.7	12.4	13.8	14.7	18.3

Source: Own analysis based on Permanent Survey of Household by the National Institute of Statistics and Census (Encuesta Permanente de Hogares –EPH- del Instituto Nacional de Estadística y Censos –INDEC-). Argentina. From October 1991 to 2001.

### Frame 1: The young Status in Argentina

- The structural unemployment, the labour discouragement and the partial employment of the indigence punish the young -that compose the economically active population (54%)- more than the rest of the population (30%). If we add the precarious or unstable employment, more than 70% of the active young between 15 and 24 suffer serious labour deficits.
- Provided the deficit of labour incomes that affect the families formed or made up by young, the probability that they are affected by the poverty (62%) is much greater than for the rest of the adult population (40%).
- Alcoholism, drug addiction and night violence have the marginal young tribes as well as the young as a whole as their main victims. At the same time, the young are the main protagonist of crimes and their main victims, including police abuse, too.
- It is the young who distrust more and participate less in political, social and religious institutions. At the same time, the male young are the ones who have the highest rates of deaths from accidents and the poor adolescent mothers the ones who are more prone to suffer death by abortion or deliveries in unhealthy conditions.

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## Frame 2: Regime of Internships and Contracts for Young People

1991. National Employment Law NR. 24.013. Creates the contracts of *labour practice for youngs and training work*: under the age of 24, without severance payment but with 50% of social security. It is sought to promote the entrance to the young people's first job without generating unprotection.

1992. Decree 340/92. Internships for students and teachers over the age of 16. Duration up to 4 years. Working hours a day up to 8 hours. Labour bond is not considered and the internship holder does not receive a salary but travel allowance

1995. Promotion of Employment Law NR. 24.465. It keeps the already existing promoted conditions and adds the *testing period* that allows the entrance of unemployed to a job. Learning contracts for people between the ages of 14 and 25, with a minimum duration of 3 months and a maximum of 24. The daily maximum is 6 hours and the weekly maximum is 36 hours. A labour contract is not considered so there are not labour charges.

1998. Labour Reform Law NR. 25.013. Abolishes the promoted forms *launch of new activity and employment promotion*. Internships are reduced to 6 months but can be renewed. The learning contract is limited to unemployed young people from the age of 15 to 28; it has a minimum duration of 3 months and a maximum of 1 year and can not be renewed.

2000. Decree 487/00. Internships extend from a minimum of 2 months to a maximum of 4 years, with a weekly activity inferior to 5 days, with a working day of 6 hours.

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**TABLE 2: Tax Impact of the Measures of Reduction in the Employers' Contributions to Social Security – Millions of dollars**

	1994	1995	1996	1997	1998	1999	2000
Tax impact by the reduction in the employees' contributions <sup>a/</sup>	1.377	1.639	3.439	3.606	3.762	5.075	5.793

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**TABLE 3: Recorded Jobs created by the Promoted Forms directed to Young People. Thousands of Jobs Considered.**

	1994	1995	1996	1997	1998	1999	2000
RECORDED jobs by promoted forms of contract <sup>b/</sup>	47.194	58.035	127.571	199.002	228.747	83.284	-

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Source: Structural Change and Social Inequality Program – Gino Germani Research Institute – base SIJP-AFIP data prepared by DNPSS, Ministry of Labour, Employment and Preparation of Human Resources.

<sup>a/</sup> Prepared by DNPSS of the Social Security Secretary-MTSS on the base of SIJP-AFIP data. This reduction exclusively refers to deduction by areas of contracts for an undetermined time. It includes neither reduction in social services nor by promoted contracts for a testing period. The currently in force proportions were applied according to the decrees 1520/98 and 96/99.

<sup>b/</sup> Forms of promoted contracts according to National Employment Law NR. 23.013 (1991) and Promotion of Employment Law NR. 24465 (1995). Testing period is not included.

**Table 4: Indicators of Cover Degree of “Young Project” (Proyecto Joven): 1993-2000**

	<b>1993-1996</b>	<b>1997-2000</b>	<b>Total</b>
Cover target	100.000 beneficiaries	180.000 beneficiaries	280.0000 beneficiaries
Real Cover	115.575 beneficiaries	15.313 beneficiaries	130.888 beneficiaries
Degree of fulfilment	115.58%	8.5%	46.74%

Source: Devia, S. (2003): “Success or failure of the public policies of young labour training? Assessment of witness program: “Young Project” from Argentina: 1993-2003. Master Thesis (UBA) “¿Éxito o fracaso de las políticas públicas de capacitación laboral de jóvenes? Evaluación del programa testigo: ‘Proyecto Joven’ de Argentina (1993-2003). Tesis de Maestría –UBA-).

**Table 5: Effectualness, Effectiveness and efficiency indicators of Young Project ( Proyecto Joven): 1993-2000**

<b>Indicators</b>	<b>1993 - 1996</b>	<b>1997-2000</b>	<b>Total</b>
Effectualness a/	115.6%	8.5%	46.7%
Effectiveness b/	69.4%	8.5%	35.1%
Efficiency c/	71.3%	12.3%	37.4%

a/ Effectualness: degree of target fulfilment. b/ Effectiveness: achievement of goal within the foreseen period. c/ Efficiency: degree of suitability considering the budget execution, the application times and the reached results.

Source: Devia, S. (2003): “Success or failure of the public policies of young labour training? Assessment of witness program: “Young Project” from Argentina: 1993-2003. Master Thesis (UBA) “¿Éxito o fracaso de las políticas públicas de capacitación laboral de jóvenes? Evaluación del programa testigo: ‘Proyecto Joven’ de Argentina (1993-2003). Tesis de Maestría (UBA).

## NOTES AND REFERENCES

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<sup>1</sup> All these neoclassical-rooted arguments tend to point that the technical change – induced by the globalization- would be causing a bias in the demand for more educated workforce.

<sup>2</sup> Tokman, V., *Desempleo Juvenil en el Cono Sur*, (Santiago de Chile, Serie Pro Sur, Fundación Friedrich Ebert, 2003). Huneus, C., *Demand and supply of teenage labor in the presence of the Minimum Wage*, (Stanford University Press, Stanford, 2003). Weller, J., *La problemática inserción laboral de los y las jóvenes*, (Santiago de Chile, División De Desarrollo Económico, CEPAL, 2003).

<sup>3</sup> To confirm this thesis, it is necessary to add that for the last decades, the differences between the young and adult employment rates have not suffered significant changes but absolute variations specially dependant on the macro economical development. Two social processes of contrary sense have to be added: on one hand, the increasing incorporation of young women to the labour market; on the other hand, the trend to postpone the young people's entrance to the labour market while extending their continuity at school or university. Weller (*Op. cit.* p 62)

<sup>4</sup> The school is not prepared from the point of view of its organization or its economic and pedagogical resources to face a new production paradigm base on knowledge. See Tedesco, J.C., *Educación en la sociedad del conocimiento*, (Bs. As. Argentina Fondo de Cultura Económica, 2002), and Gallart. M., *Educación y trabajo: desafíos y perspectivas de investigación y políticas para la década de los noventa*. (Montevideo, Uruguay, CIID/CENEP / Cinterfor/OIT, 1992).

<sup>5</sup> Salvia, A. and I. Tuñón, “Los jóvenes trabajadores frente a la educación, el desempleo y el deterioro social en la Argentina”. *Serie Temas*. (Friedrich Ebert Stiftung Argentina. Bs As, Argentina, 2003). Filmus D., Miranda, A. and Zelarrayán, J, “La transición entre la escuela secundarias y el empleo: los recorridos de los jóvenes en el Gran Buenos Aires”, en *Estudios del trabajo* N°26, (Bs. As. Argentina, Segundo Semestre del 2003).

<sup>6</sup> Schkolnik M., *Inserción Laboral de los jóvenes*, (Santiago de Chile, Fundación Chile 21, Documento de trabajo No 3, 2003). CEPAL, *Juventud, población y desarrollo en América Latina y el Caribe. Problemas, oportunidades y desafíos*, (CELADE, 2000).

<sup>7</sup> The new jobs in the service sector and in the new industries require mobile and changeable workforce while the fitting processes of individual expectations have slower assimilation.

<sup>8</sup> BID, *Protección social para la equidad y el crecimiento*, (México, 2000). Weller, *Op. cit.*

<sup>9</sup> In this sense, the unemployment rates of the young people tend to under estimate the problems of labour marginality of those who can not afford to be unemployed. OIT, *Informe sobre el empleo en el mundo 1998-1999*. (Oficina Internacional del Trabajo, Ginebra, 1999:16).

<sup>10</sup> Jacinto, C., “Jóvenes vulnerables y políticas públicas de formación y empleo”, en Mayo. *Revista de Estudios de Juventud*. N° 1, (Bs. As. Argentina, DINAJU, 2000). Lasida, J., “Educación y trabajo: Aprendizaje de la “Ultima Generación” de proyectos y políticas en América Latina, en Mayo. Revista de Estudios de Juventud. N° 1, (Bs. As. Argentina, DINAJU, 2000). Salvia, A. and I. Tuñón, “Los jóvenes trabajadores frente a la educación, el desempleo y el deterioro social en la Argentina”. *Serie Temas*. (Friedrich Ebert Stiftung Argentina. Bs As, Argentina, 2003).

<sup>11</sup> Even if the decadence of the Argentinian society is a complex problem with multiple dimensions, the main cause associated has been the unskilfulness the leading class has had to imagine and carry out a successful pattern of sustainable economic growth which could offer the present and new generations a certain horizon of progress.

<sup>12</sup> Figueroa, C., “Las Políticas Públicas: Empleo y Reforma Laboral”, en *Encrucijadas*, UBA, Año 2, No. 4, (Bs As, Argentina, 1996).

<sup>13</sup> In the content of the Employment Law at least three fundamental lines were introduced. Firstly, promoted and flexible forms of contract were created –specially linked to young people's employment-, together with a set of measures aimed at controlling and normalizing the unrecorded work; secondly, mechanisms of intervention and tripartite deregulation for situations of crisis and productive restructuring; thirdly, a National Employment Fund was created –from the employers' contribution-, aimed at financing a system to protect the unemployed worker (Integral System of Unemployment Benefit) and programs of Employment and Labour Training.

<sup>14</sup> To the disciplinary effect of the unemployment in the market another feature is added –specially in the case of the small and medium companies: the difficulties of finance and competitiveness generated by the openness and the exchange rate which made –in many cases- the business people's and workers' objectives tally in terms of avoiding the closure and maintaining the jobs in return for adjustments in the wages and/or agreements of labour non record.

<sup>15</sup> Llach, J., Montoya, E. and Roldán, F., *Educación para Todos*, (Bs As, Argentina, IERAL, 1999). Decibe, S., “Una reforma estructural y sistémica de la Educación”, (Bs As, Argentina Asociación de Administradores Gubernamentales, *Revista Aportes* Año 7, No. 15, 2000).

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<sup>16</sup> Puiggrós, A., "La Educación Básica y Media en la Argentina de comienzos del siglo XXI", Asociación de Administradores Gubernamentales, *Revista Aportes*, Año 7, No. 15, (Otoño, 2000, Bs As, Argentina).

<sup>17</sup> Filmus, D. and A. Miranda, "El impacto de la crisis del mercado de trabajo entre los egresados de la escuela media", en *Revista de Estudios sobre Juventud*, Dirección Nacional de Juventud, EUDEBA, (Bs As, Argentina, 2000). Rosas M. and Cimillo E., "Juventud: educación y trabajo", en *Serie Encuesta de Desarrollo Social y Condiciones de vida n° 5*. (Bs As, Argentina, SIEMPRO y Ministerio de Desarrollo Social y Medio Ambiente, 2001).

<sup>18</sup> Filmus, D. and A. Miranda, *Op. cit.*

<sup>19</sup> Throughout the decade, the focused employment training and employment programs experienced an important growth with regard to the cover. This specially took place with the financial support of the Development Interamerican Bank and the World Bank.

<sup>20</sup> Young Project was a program executed by the National Government between 1995 and 2000 through the Ministry of Labour and Social Security with the finance of the Development Interamerican Bank and the National Treasure.

<sup>21</sup> MTySS, *Revista de Trabajo*, Año 5, No. 13, (Bs As, Argentina, Noviembre 2000).

<sup>22</sup> MTySS, Young Project, (Bs As, Argentina, Noviembre 1999). Núñez, S., "Evaluación de impacto de un programa de entrenamiento laboral a través de modelos econométricos. El caso proyecto Joven, República Argentina". (Monografía de Graduación de Master of Arts in Economics, Georgetown University, Mayo 2002).