

# Youth Labor Market Insertion: A Review for Latin America and Mexico

## Inserción laboral juvenil: Una revisión para América Latina y México

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### Abstract

The paper has a two-fold objective: first, to discuss the social programs related to the labor insertion of youth in Latin America and Mexico, and second, to characterize the eligibility of the population of the Youth Building the Future Program in Mexico. Chile ranks first place with 26 insertion programs, followed by Argentina with 18, Uruguay with 14, and Mexico with 12, along with Colombia and Brazil with 11. There is wide evidence confirming that most programs have a positive effect on labor insertion in Latin American countries, and in the case of Mexico, the success rate is up to 60%. The results of the characterization show that eligibility for women is greater than in men as they are more impacted by this condition, and when they have children, a higher share (62.4%) is included, while eligibility for men eligible with children is impacted to a lesser extent (4.1%).

**Keywords:** Youth unemployment; Capabilities; Labor Insertion: Training, Social programs

**JEL Codes:** E24 - Employment; Unemployment; Wages and J64 - Unemployment: models, duration, incidence, and job search.

### Resumen

El artículo tiene un doble objetivo, realizar una revisión sobre los programas sociales relacionados con la inserción laboral de los jóvenes de América Latina y México, y caracterizar la población elegible del Programa Jóvenes Construyendo el Futuro en México. Se encuentra que Chile se ubica en primer lugar con 26 programas de inserción, seguido por Argentina con 18, Uruguay con 14 y México con 12 junto a Colombia y Brasil con 11. Existe evidencia variada en la que se confirma que la mayoría de los programas tienen un efecto positivo en la inserción laboral en América Latina y, en el caso de México la tasa de éxito es de hasta un 60%. Los resultados de la caracterización exponen que las mujeres elegibles se ven mayormente impactadas en esta condición, y cuando tienen hijos la mayor parte de ellas (62.4%)



se ven afectadas en tanto que los hombres elegibles con hijos se ven impactados en menor medida (4.1%).

**Palabras clave:** Desempleo juvenil; Capacidades; Inserción laboral, Entrenamiento; Programas sociales.

**Código JEL:** E24 - Empleo; Desempleo; Salarios y J64 - Desempleo: modelos, duración, incidencia y búsqueda de empleo.

## Introduction

Youth unemployment is a significant challenge worldwide, which worsened in 2020 due to the COVID-19 pandemic. On one hand, the closure of economic activities not only led companies to reduce labor demand but also focused on retaining their more experienced workers. On the other hand, the closure of educational institutions and the shift to distance learning had a negative impact on both the incorporation of young people into the educational system and the continuity of their studies. As a result, unemployed young people not studying in 2020 represented 23.3% of the population aged 15 to 24, an increase of 1.5 percentage points compared to 2019 (ILO, 2022).

Although rates vary by region and economic situation, youth unemployment remains a persistent problem in many countries. This situation affects the personal development of these young people, as they face significant disadvantages in the labor market due to the lack of work experience and job-related skills. Concerns about the long-term economic and social consequences have led to a greater push for social programs aimed at reducing this vulnerability, through policies promoting job creation, training, skill development, and support for young entrepreneurs.

In Latin America, before the pandemic, the region already faced significant challenges in terms of youth employment due to factors such as the lack of job opportunities, a high percentage of short-term contracts, low returns on human capital, and labor market informality (Weller, 2006; Castro & Huesca, 2007). The United Nations set a target for 2020 for

nations to substantially reduce the proportion of young people who neither study, work, nor receive training, as part of Goal Eight of the 2030 Agenda for Sustainable Development (UN, 2024).

In 2020, youth unemployment worsened, as the average labor force participation rate dropped by 3.1 percentage points (pp) in the region (from 45.8% to 42.7% from 2019 to 2020), with heterogeneous impacts at the country level. According to Vezza (2021), the largest drop in the youth labor force was observed in Peru (11.4 pp), the Dominican Republic (7.1 pp), Argentina (6.8 pp), Colombia (6.2 pp), Chile (6 pp), and Brazil (5.9 pp); while Paraguay, Ecuador, and Mexico showed reductions of 5.9, 4, 3.7, and 3.2, respectively (ILO, 2022).

While global economies began to recover gradually from 2021, figures for 2022 indicate that one in four young people lacked education, employment, or training (i.e., 23.5% of young people aged 15 to 24). In Latin America and the Caribbean, one in five young people were in this situation (with a rate of 20.3%), and women faced twice the likelihood of being unemployed, not studying, or not receiving training (26.9% versus 13.9%, respectively) (UN, 2023).

Youth unemployment affects women, young people with low incomes, and those with lower levels of education to a greater extent. Therefore, in Latin America, public policies must not only promote labor market insertion, training, and skill development for this population group but also face the challenge of achieving greater labor inclusion for vulnerable groups such as women, people with disabilities, and young people from marginalized communities.

In Mexico, according to data from the National Occupation and Employment Survey, the unemployed population represented 2.9% of the economically active population in January 2024, of which 12.9% had not completed basic education (i.e., less than 9 years of schooling). Young people aged 15 to 24 represented 32.4% of the unemployed population (561,146 people), and as in the rest of the Latin American region, women faced higher unemployment rates (INEGI, 2024).

Although these figures reflect an improvement

compared to 2023, young people still face challenges for labor market insertion, especially during times of crisis. Phenomena such as the COVID-19 pandemic in 2020 and 2021 and Hurricane Otis in 2023 have impacted both labor market insertion and school retention at the national level and across federal entities.

Given the vulnerability of the youth population and the potential social repercussions of lacking education and/or work experience, this paper aims to characterize the unemployed population that is not pursuing education in Mexico and at the regional level, as well as the social programs designed to support this group. To this end, a preliminary analysis and reflection on the success of these social programs is conducted based on a review of recent national and international empirical evidence.

This introductory section is complemented by four additional sections. The second section briefly outlines the issue of youth unemployment at the global level, while the third section inventories the social programs implemented in Latin America aimed at promoting youth labor market insertion. The fourth section identifies the social programs that have existed in Mexico, particularly those targeting young people who neither study nor work, and the fifth section discusses the main characteristics of this subpopulation. Finally, conclusions and possible lines of research on the topic are presented.

### **The challenge of labor market integration for young people who are not in education, employment, or training (NEETs)**

Undoubtedly, crises have a negative impact on the labor market, regardless of the type of economy or even geographic boundaries. Kahn's (2010) study reveals that in the United States, young people who graduate from university during periods of adverse local and national economic conditions experience negative and persistent effects on their earned wages and the quality of employment obtained. Similarly, Ghoshray, Ordóñez, and Sala (2016) show that youth unemployment in the European Union is sensitive to economic cycle fluctuations during times of crisis. They suggest strengthening policies

aimed at promoting youth employment, particularly by consolidating the educational system as a tool to help restore youth employment rates.

Between 2013 and 2019, youth unemployment rates steadily declined in Canada, Germany, Ireland, and the United Kingdom. However, this trend was reversed in 2020, reaching peak levels in the summer of that year (Deng et al., 2022). In Canada, for example, the youth unemployment rate increased by 11.7 percentage points (rising from 17.1% to 28.8%) from March to May 2020.

Although youth unemployment rates largely recovered by mid-2021, they remained above 2019 levels in most OECD countries. The increase in youth unemployment rates (in percentage points) was 2.6 in Canada, 2.2 in Ireland, 1.5 in the United Kingdom, and 1.2 in Germany. The COVID-19 crisis led to an increase in long-term unemployment risks for young people, as the proportion of youth unemployed for more than 12 months rose in Canada, Germany, and the United Kingdom (Deng et al., 2022).

One strategy that supports labor market integration is vocational training, work experience, or involvement in research. In Thailand, there is concern about the transition of young people aged 15 to 29 into adulthood, as those who are not in education or employment face difficulties in obtaining a job due to a lack of negotiation skills, vulnerability to discriminatory practices, limited work experience, and weak social protection (ILO, 2022). In fact, during the second half of 2022, the youth unemployment rate in Thailand was ten times higher than that of adults, representing 1.2 million NEETs (mostly women, with a high proportion of widows) (ILO, 2022).

The International Labour Organization (ILO, 2022) states that the lack of effective policy implementation—both before and after the pandemic—has negatively affected real incomes, exacerbating inequalities among workers and their families. It is crucial for governments, businesses, and other stakeholders to work together to address youth unemployment through policies that promote job creation, training, skills development, and support for young entrepreneurs. Additionally, it is



necessary to evaluate and monitor these programs. In this regard, Yeomans et al. (2023) argue that there is a lack of research in this area and urge scholars to develop studies that evaluate labor market integration mechanisms.

Below are some programs that have been implemented in different countries to support this population group. In Spain, the National Youth Guarantee System (SNGJ) is a program that aims to provide training and job intermediation for young people who are not currently working or participating in full-time education or training. The SNGJ establishes four lines of action (training, intermediation, hiring, and entrepreneurship promotion), which are implemented simultaneously. Beneficiaries are young people aged 16 to 24 who are unemployed, as well as those aged 25 to 30 when the unemployment rate exceeds 20% (Taléns, 2017).

De la Rica, Lizárraga, and Martínez (2022) analyze the impact of the “Lehen Aukera” wage subsidy program aimed at young people in the Basque Country, Spain. The program targets individuals under 30 with less than six months of experience in any field, providing them with training and practical work experience. The authors found that acquiring work experience through the program favors labor market integration.

Between 2007 and 2014, Italy experienced a 1.2-fold increase in unemployment. The European Union mandated the implementation of the “European Youth Guarantee” policy, which offers support in employment, training, or education to young people within four months of becoming unemployed. Pastore’s (2015) study reviewed the context in which the program was developed and found that the job vacancies promoted were poorly defined, and the funds allocated for education investment were very limited; as a result, participation in the program by NEETs was below 1%. The author calls for macroeconomic priorities focused on a tripartite restructuring among governments to improve coordination between policies, training, education, and labor market integration.

In Thailand, the “Young Futurmakers Thailand” project aims to increase employment at the provincial level, especially in regions with lower

employment rates. Its objective is to promote employment through training in technical skills and job-seeking skills based on labor market demand. However, these efforts were unsuccessful due to limited program promotion, public uncertainty about its effectiveness, and other factors that hindered participation by the most disadvantaged (ILO, 2023). The program faces several challenges: the lack of career guidance for future work, the mismatch between education supply and labor market demand, limited collaboration in youth engagement strategies, and poor coordination between public and private employment offices in implementing effective labor market programs.

In Canada, Yeomans et al. (2023) examine the support provided to NEETs to facilitate their labor market integration and identify mentoring and tutoring as effective measures for this purpose. They also conclude that youth unemployment should be analyzed from multiple perspectives to identify other barriers to integration, such as employers’ lack of flexibility toward young people who are parents.

In 2014, the U.S. Department of Labor launched a youth employment program targeting individuals aged 14 to 24 facing barriers in education, training, and employment. Local programs offer services to young people in partnership with American Job Centers under the guidance of local workforce development boards (DOL, 2024).

After reviewing the recent international context, there is a clear and sustained interest in promoting labor market integration programs focused on training and skill development. However, external factors remain major obstacles that prevent these programs from achieving their goals. In other words, the impact of economic crises and fluctuations creates structural disruptions that interrupt the normal cycle of labor integration, prompting economic agents to implement support measures to promote full employment. Barriers such as long-term unemployment or the mismatch between labor market demand and available skill profiles—especially due to new practices emerging from events like the 2020 pandemic—are among the most significant. Additionally, economic recessions that transform traditional productive factors leave young people, women, and people with



disabilities particularly vulnerable, highlighting the urgent need for adaptive strategies to support their integration into the labor market.

### Social programs for labor market inclusions in Latin America

Social programs aimed at labor market inclusion can be classified into five categories according to ECLAC (2019). First, labor supply support programs, which seek to facilitate labor market insertion through the development of skills that meet labor market demands, by means of technical and vocational training, academic leveling, and school retention. Second, labor demand support programs, which provide tools to promote self-employment and job creation—either directly or indirectly. The remaining three categories correspond to labor intermediation services, youth labor inclusion programs, and the labor and productive inclusion of people with disabilities.

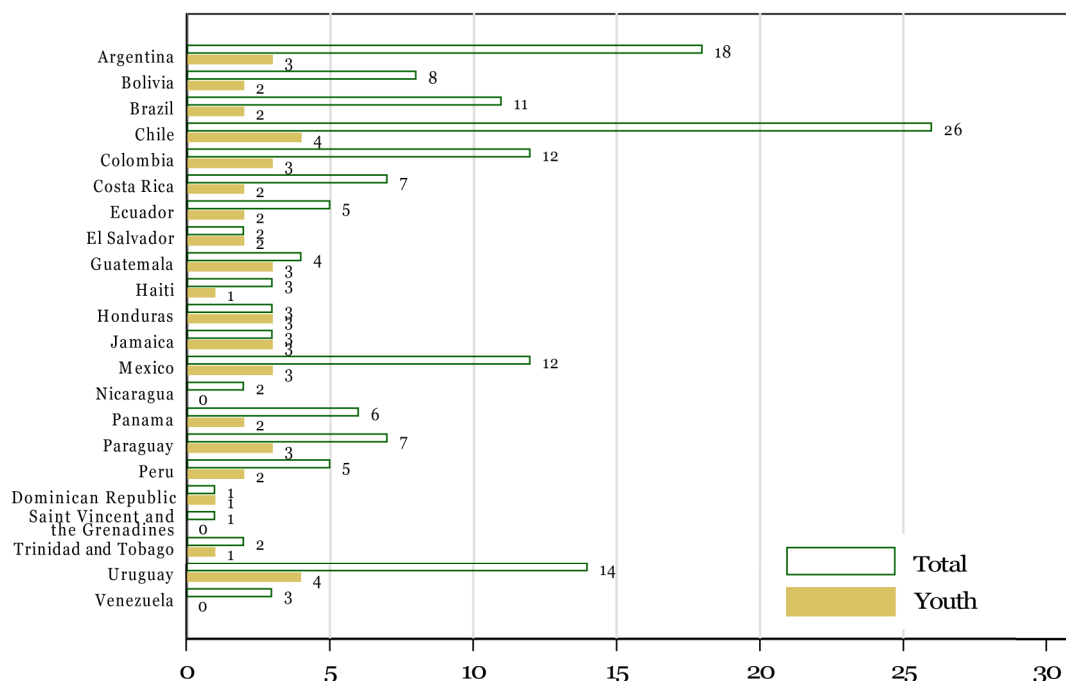
During the 1990s, Chile was a pioneer in promoting this type of initiative with the implementation of the Chile Joven program, which ran from 1991 to 1998 (ECLAC, 2019). By the early 2000s, other Latin American countries had also implemented

labor market inclusion programs for young people. In general, the definition of the target population differs in terms of age range (although most define youth as individuals between 15 and 30 years old), and in some cases, prioritization criteria are established based on conditions of vulnerability: educational gaps, limited work experience, income below a poverty threshold, among others.

Graph 1 shows a count of social programs focused on labor market inclusion in various Latin American countries, as well as those exclusively aimed at reducing youth unemployment. It is observed that 155 social programs focused on labor market inclusion have operated in Latin America, 46 of which are focused on young people (ECLAC, 2024). Chile, Argentina, Uruguay, Colombia, and Mexico are the countries that have implemented the largest number of social programs.

Recently created programs include “Mi Primer Empleo” in Costa Rica (2015), “Jóvenes con Más y Mejor Trabajo” in Argentina (2017), “Jóvenes Construyendo el Futuro” in Mexico (2019), and “Temporary Social Security and Skills Network” in Haiti (2020) (ECLAC, 2023). Usually, the operation of these programs is delegated to the Ministries of Labor of the respective countries. The goal is to link this subpopulation group to companies

**Graph 1.** Number of social programs focused on labor market inclusion in Latin America.



Source: Own elaboration based on CEPAL (2024).



to promote labor market inclusion through training and/or on-the-job employment programs..

Table 1 summarizes social programs in Latin America exclusively aimed at youth. Most of these programs are currently active (34 in total), and the predominant area of support is technical and professional training for young people. On the other hand, the programs that aim for a more comprehensive strategy by including at least four types of support are: Jóvenes con Más y Mejor Trabajo (Argentina), Programa de Mejora de la Empleabilidad y los Ingresos Laborales de los Jóvenes (Bolivia), Programa Jóvenes Con Todo (El Salvador), and Programa Beca Social (Guatemala).

One of the longest-standing policies is Brazil's Jovem Aprendiz program, which implements a dual training model—in the classroom and in the workplace. The government subsidizes wages based on the participant's level of education, as long as the on-the-job training lasts at least six hours a day for up to two years. This apprenticeship contract model, supported by company subsidies, is also implemented by other programs such as Formación en el puesto de trabajo – Aprendices para jóvenes in Chile, Mi Primer Empleo in Costa Rica, Jóvenes Construyendo el Futuro in Mexico, Aprender Haciendo in Panama, Mi Primer Empleo in Ecuador, and Jóvenes in Argentina (Vezza, 2021).

Among the active programs, those targeting youth in poverty include: Mi Primer Empleo Digno (Bolivia), YoTrabajo-Jóvenes (Chile), Jóvenes en Acción (Colombia), Programa Beca Social (Guatemala), Red Temporal de Seguridad Social y Competencia (Haiti), Programa Nacional para la Empleabilidad and Trabaja Perú (Peru), and Programa Juventud y Empleo (Dominican Republic). Moreover, programs that include prioritization criteria for youth with disabilities are: Empléate and Mi Primer Empleo (Costa Rica), Jamaica Youth Employment Network (Jamaica), and Trabaja Perú (Peru).

The effectiveness of this type of program remains a topic of academic interest. For example, a study by Pontoni and Radiciotti (2010) analyzed the effectiveness of the Seguro de Capacitación y Empleo (SCyE) program as a labor reintegration strategy in Argentina. The authors found that in the presence of market failures, economic agents such as the state, employers, and employees use training and professional development as strategies to align

labor supply with demand. They highlight that factors such as age, gender, selection criteria, and recruitment processes carry significant weight in hiring decisions, which hinders the reintegration of unemployed workers into the formal labor market.

Another crucial factor in youth labor market integration is the attitude of young people during their job search. Roberti's (2021) research analyzes students' interest in job placement programs in Argentina. He interviewed 40 participants from the Jóvenes con Más y Mejor Trabajo program and the Programa de Respaldo a Estudiantes Argentinos. He found that youth share the same moral value of work in relation to active employment policies, often using terms like "sacrifice," "effort," and "merit" in their narratives (Roberti, 2021).

A study conducted by Abramo, Cecchini, and Morales (2019) analyzes the effectiveness of social programs in labor market insertion across eight Latin American countries (Argentina, Brazil, Chile, Colombia, El Salvador, Mexico, Peru, and the Dominican Republic).

The results of the meta-analysis indicate that the effect of labor inclusion programs on labor supply and job placement is positive in 41% of the studies and negative in 15%; the remaining percentage corresponds to non-significant effects (42%) or mixed results (2%). However, the authors found that the positive effects vary significantly between men and women (61% and 84%, respectively). They also report that the evidence shows positive impacts of labor inclusion programs on formal employment (39%), with more favorable impacts for men (78%) than for women (73%).

Regarding the effect of technical and vocational training on labor inclusion, 40% of the studies also showed positive results, and 15% indicated a negative impact. In this regard, the authors' review of various evaluation studies highlights that in Argentina, the Seguro de Capacitación y Empleo program increased participants' labor income and reduced the likelihood of holding informal jobs by 2.1%, as well as the chances of working excessive hours or being underemployed. The best outcomes were observed among the youth population. In Brazil, the PRONATEC/Bolsa Formação program led to an 11.8% increase in formal employment rates among participants, while the PlanSeq program increased the likelihood of finding a job by between

**Table 1.** Inventory of social programs for youth labor market inclusion in Latin America by Type of Support

Country / Social Program	Academic Remediation	Technical and Vocational Training	Support for Self- Employment	Job Placement Services	Direct Job Creation	Indirect Job Creation
<b>Argentina</b>						
Jóvenes con Más y Mejor Trabajo (2008-)	X	X	X	X		X
Programa Jóvenes con Futuro (PICF) (2007-2012)	X	X				
Programa Jóvenes y MIPYMES -Te Sumo (2021-)				X		X
<b>Bolivia</b>						
Mi Primer Empleo Digno (2008-)		X	X			X
Programa de Mejora de la Empleabilidad y los Ingresos Laborales de los Jóvenes (2017 - 2021)		X		X	X	X
<b>Brazil</b>						
Programa Nacional de Estímulo al Primer Empleo (PNPE) (2003-2007)						X
Programa Nacional de Inclusión de Jóvenes - Projovem (2005-)	X	X				
<b>Chile</b>						
Justicia Juvenil – Intermediación Laboral para Jóvenes Sancionados (2015-)		X		X		
Programa Aprendices (2006-)		X				X
Subsidio al Empleo Joven (SEJ) (2009-)						X
Yo Trabajo – Jóvenes (2007-)		X				
<b>Colombia</b>						
Camello Sí Hay (2021 - 2023)			X			X
Jóvenes en Acción (2001-)		X				
Jóvenes Rurales Emprendedores (2003-2015)			X			
Sacúdete (2019-)		X				
<b>Costa Rica</b>						
Empléate (2011-)		X		X		
Mi Primer Empleo (2015-)		X				
<b>Ecuador</b>						
Mi Futuro es Hoy (ex Empleo Joven) (2018 - 2021)		X		X		
Mi Primer Empleo (2007 - )		X				
<b>El Salvador</b>						
Programa JóvenES Con Todo (2014-)	X	X	X	X		
Programa de Apoyo Temporal al Ingreso (PATI) (2009-2016)		X			X	
<b>Guatemala</b>						
Beca Primer Empleo (2013-2018)		X				
Programa Beca Social (2018-)	X	X	X			X
Programa de generación de empleo y educación vocacional para jóvenes en Guatemala (2013- )		X		X		
<b>Haiti</b>						
Red temporal de Seguridad Social y Competencia para los Jóvenes (2020-)		X		X	X	
<b>Honduras</b>						
Con Chamba Vivís Mejor (2014-): Chamba Joven		X			X	X
Formación profesional para jóvenes en riesgo de exclusión social (ProJoven) (2014- )		X				
Programa de Promoción al Empleo -PROEMPLO (2004-2011)		X		X		
<b>Jamaica</b>						
Construyendo juventud para un desarrollo nacional (2002-)		X				
Red jamaicana de empleo juvenil (Jamaica Youth Employment Network) (2005- )		X		X		
<b>Mexico</b>						
Jóvenes con Prospera (Ex Jóvenes con Oportunidades 2003-2014) (2003-2019)	X					
Jóvenes construyendo el futuro (2019-)		X				
Red de Estrategias de Economía Social (REDES) (2021 - )		X	X			

Country / Social Program	Academic Remediation	Technical and Vocational Training	Support for Self- Employment	Job Placement Services	Direct Job Creation	Indirect Job Creation
<b>Panama</b>						
Aprender Haciendo (Ex Panamá Pro Joven) (2014- )		X		X		
Programa Padrino Empresario (2000- )		X				X
<b>Paraguay</b>						
Programa Conjunto Oportunidades (PCO) “Juventud: capacidades y oportunidades económicas para la inclusión social” (2009 - 2013)		X		X		
Programa de Formación Profesional con Metodología Dual (Mopadual) (2018 - )		X				X
Programa Primer Empleo (2021 - )		X		X		X
<b>Peru</b>						
Programa Nacional para la Empleabilidad (2011-)		X	X			
Programa para la Generación de Empleo Social Inclusivo “Trabaja Perú” (Ex Construyendo Perú) (2006-)					X	
<b>Dominican Republic</b>						
Programa Juventud y Empleo (PJE) (2003- )		X				
<b>Trinidad and Tobago</b>						
On the job training (2022 - )		X				X
<b>Uruguay</b>						
Compromiso Educativo (2010- )	X					
Empleo Juvenil (2013 - )		X				X
Jóvenes en Red (2012 - 2021)		X		X		
Yo Estudio y Trabajo (2012 - )		X		X		

Source: Own elaboration based on CEPAL (2024)

11.1% and 19.6%. In Colombia, the Más Jóvenes en Acción program increased women's income and employment by 18% to 20%. Other programs that also had positive effects on participants' income include: Jóvenes Rurales Emprendedores (Colombia), the Apoyo Temporal al Ingreso program (El Salvador), the Programa de Apoyo al Empleo (Mexico), and the Programa de Capacitación Laboral Juvenil-Projoven (Peru) (Abramo, Cecchini, & Morales, 2019).

The typology of labor and productive inclusion programs proposed by Abramo, Cecchini, and Morales (2019) helps highlight differences and similarities that allow us to categorize these programs in Latin America. This typology is based on five types of programs and narrows down three aspects: 1. Supply, 2. Demand, and 3. Intermediation. The first type focuses on supply. These are the most common in Latin America, as most are programs aimed at training or educating individuals seeking job placement. Another similarity is the target age range, typically between 15 and 30 years old, along with an emphasis on learning a technical skill or trade during the support period. In contrast, the second and third groups differ more clearly, as they address the demand side and labor intermediation. These programs do not necessarily target a specific age group and often involve employer engagement

to balance the interests of both sides of the labor market.

Complementary strategies also help balance the typology and its variations, such as including health insurance, childcare, or transportation subsidies. These benefits especially support women in supply-side programs, making women the most benefited group in this type of labor inclusion initiative.

### Labor insertion Social Programs in Mexico

In Mexico, several social and governmental programs have aimed to support labor market integration and skill development. From 2003 to 2019, the “Jóvenes con Prospera” program (formerly “Jóvenes con Oportunidades”) operated with the objective of encouraging youth in poverty to complete upper secondary education before turning 22 years old. That is, this program supported labor insertion through an educational training strategy (academic leveling). Another program that ran from 2014 to 2018 was the Programa de Inclusión Laboral de Personas con Discapacidad (PIL), aimed at facilitating the labor inclusion of people with disabilities through training, education, and employer support and awareness.



Other mechanisms that have been implemented over the past decades and are still in operation include: a) Programa de Apoyo al Empleo which promotes job placement for unemployed or underemployed individuals through labor intermediation and mobility. It targets vulnerable groups such as youth, women, agricultural workers, and repatriated persons.; b) el Servicio Nacional de Empleo, which offers job counseling, training, and labor linkage services to help people find employment and supports companies in their talent search, and, c) Programa de Empleo Temporal, which provides temporary financial support to workers aged 16 and over who are affected by emergencies (natural, economic, or social).

Since 2019, the Jóvenes Construyendo el Futuro (JCF) program has been in operation. It provides vocational training to youth aged 18 to 29 who are not studying or working. As shown, this program adds to a long list of similar labor inclusion initiatives in Latin America and is not, as some have argued, an improvised policy with no foundation or potential as an active public policy.

Participants receive a monthly stipend and gain work experience in companies, social organizations, or government institutions. In 2022, female participation in the program was higher than male participation (58% and 42%, respectively). The program is run by the Ministry of Labor and Social Welfare (STPS), which conducted an evaluation and found that 62% of former participants successfully entered the labor market, while only 23% of non-participants did so. After completing the program, young men were more likely to find a job (STPS, 2021). That is, even though fewer men participated, they benefitted more in terms of employment outcomes (Castro, Huesca & Zamarrón, 2017; Llamas & Huesca, 2019, 2020).

Nah, Olmedo, and May (2021) evaluated two youth programs in the state of Campeche: the U008 Program: Subsidies for Youth Programs (2012–2018) under the Mexican Youth Institute (IMJUVE), and the JCF Program launched in 2019. Interviews with 10 former beneficiaries revealed that two participants found a job within two weeks of completing the program, four within a month, three within two months, and one after four months. In short, most found employment within one to two months after finishing the program.

The authors mention that, despite the success of the

program, jobs are scarce and difficult to obtain, so it is also necessary to promote the creation of more jobs. They also warn that these programs must establish mechanisms to identify ghost companies, in order to avoid negatively impacting the achievement of the program's objectives (Nah, Olmedo, and May, 2021).

Another important skill that is sought to be developed among young people is the socio-emotional behaviors derived from this learning, as these skills are necessary for labor insertion (such as emotional self-control, adherence to rules, or business belonging, etc.) (STPS, 2021). For their part, Betanzos, Altamira, and Paz (2022) conducted a study analyzing the relationship between socio-emotional competencies and employability, with self-perception (the idea that the student has about themselves in terms of obtaining a job).

The result showed that when a person is effective in job searching, commitment, the desire to belong to the employed society, and coping with frustration predict the socio-emotional competencies of students (Betanzos, Altamira, and Paz, 2022). According to this, the student's self-perception is reflected in the confidence they present to potential employers. This is a characteristic that can be linked to the individual's ability to perform tasks. For this reason, transfer programs focused on insertion through training programs create confidence in young people to belong to the employability sector. According to a recent report (STPS, 2023), the labor insertion rate for participants in the JCF program is close to 60%, meaning 6 out of 10 participants who completed the program have found work after their training.

Thus, the scope and limitations of such programs in Mexico, particularly the JCF program, are that it could lead to employment sources tailored to the needs of the employer, since they would receive free labor during the first year of the scholarship. Without the necessary experience, skills, or training, this becomes an "open book" for understanding the needs, values, and goals that a company requires as a key advantage.

Regarding its scope, it is a nationwide program, where any physical or moral business person can participate to be selected for a candidate, with a monthly salary of 7,572 pesos as well as medical expense insurance at no cost to the company, which is adjusted to the minimum wage each year.



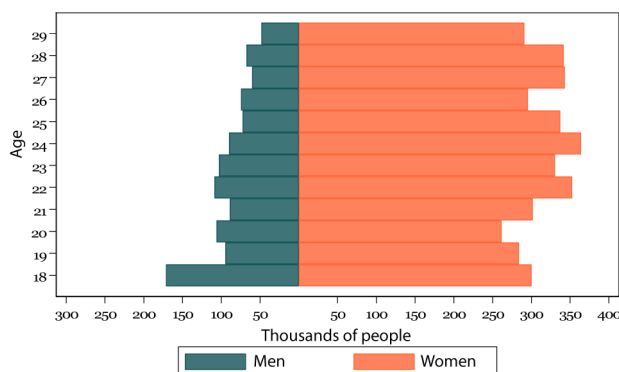
On the other hand, the limitations include vague dissemination of the program, which may be due to a lack of governmental resources for true nationwide coverage. An additional restriction would be the lack of a tracking register, at least one that is visible to the public, as well as the involvement of questionable practices with resources, such as using the scholarship as a salary in ghost companies.

### Characterization of the population that neither studies nor works in Mexico

The JCF program seeks to be an active labor public policy, where young people can successfully integrate into the job market and feel confident that they are capable of developing a productive activity in labor terms. With this objective in mind, it is important to mention that, when looking at the program's eligibility criteria, no specific characterization has been found that allows understanding the magnitude of the labor issue this public policy addresses. Therefore, in this section, we contribute to defining this characterization at a national level, which is one of the contributions of this research.

In this regard, Graph 2 precisely indicates that the challenge for greater program effectiveness lies with females. Women, by age cohort, show a higher incidence of this labor phenomenon, with slight peaks at ages 22, 24, 27, and 28. However, the absolute levels within all ages that make up the eligibility criteria are high, exceeding 300,000 women.

**Graph 2.** Young people who neither study nor work by age: Mexico, 2022.



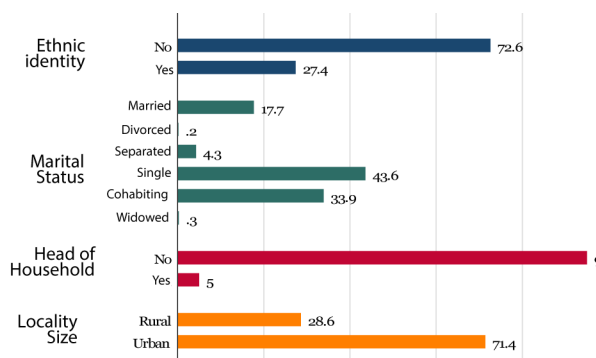
Source: Own elaboration based on ENIGH, 2022.

On the other hand, men make up less than half of the target coverage need in the program, with

the youngest, 18-year-olds, being the ones who require the most support, with nearly 175,000 individuals. For the following age groups, between 19 and 24 years, the average is 100,000, and the need reduces by about 50,000 in the 25-29 age groups. It is concluded that young women face more labor restrictions, either due to access conditions or the lack of training or support, which the JCF program focuses on, and therefore, it should give higher priority to women.

Next, in Graphs 3 and 4, a more detailed characterization is made to understand the specific conditions that may lead the supported individuals to (or not) have greater success as a result of being beneficiaries. First, the attributes related to the ethnicity of the potential beneficiary are presented, where the majority are non-indigenous (72.6%) and indigenous (27.4%), due to the fact that most young people with potential to be supported are located in urban areas (71.4%), leaving only 28.6% to.

**Graph 3.** Characterization of young people who neither study nor work (percentage distribution)



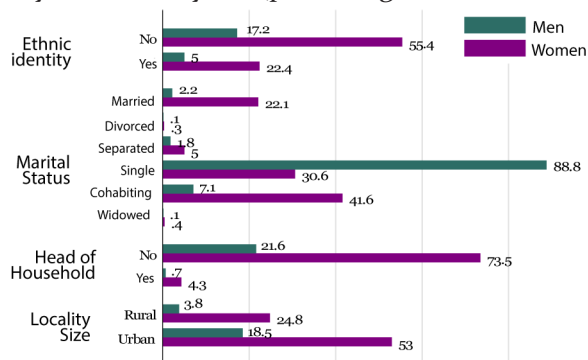
Source: Own elaboration based on ENIGH, 2022.

A larger proportion are also single (43.6%), but another significant portion are already living with a partner in a consensual union (33.9%). Another notable portion are married (17.7%), and the rest are separated (4.3%), with a residual 0.5% being divorced or widowed. This information highlights the potential for program improvement, as it allows for a more precise understanding of the types of attributes that could enhance support and, consequently, improve outcomes across the country. Most of the potential program beneficiaries are not heads of household, accounting for 95%, leaving only 5% as heads of family who may also be eligible.

Graph 4 breaks down the attributes of eligible individuals by sex. It is relevant here to address the question: What characteristic has the greatest impact on the labor inactivity of young women in the country?

From this, it is easy to observe that ethnic background has a greater impact on females, with 22.4% compared to only 5% for males. Similarly, among the non-ethnic eligible group, women are also much more affected, accounting for 55.4% versus 17.2% for men.

**Graph 4.** Characterization of youth who neither study nor work by sex (percentage distribution)



Source: Own elaboration based on ENIGH, 2022.

It is of great importance to identify, in the characterization absent from the JCF program, the group of married individuals who require support. Here, women are by far the most affected, accounting for 22.1%, compared to only 2.2% of men in this marital status. Also significant are those in common-law unions, where again women are more impacted, representing 41.6%, while their male counterparts make up only 7.1%. Single status is more commonly associated with men, who make up a high percentage (88.8%), compared to only 30.6% of women.

Likewise, in terms of household headship, women have a higher incidence as potential eligible participants, with 4.3%, versus only 1.7% for men. Among those who are not heads of household, women again show higher relative presence (73.5%), while men account for a lower share (21.6%).

Finally, Graphs 5 and 6 present an additional, highly important breakdown by sex, focusing on the relevance of having children. This is a particularly

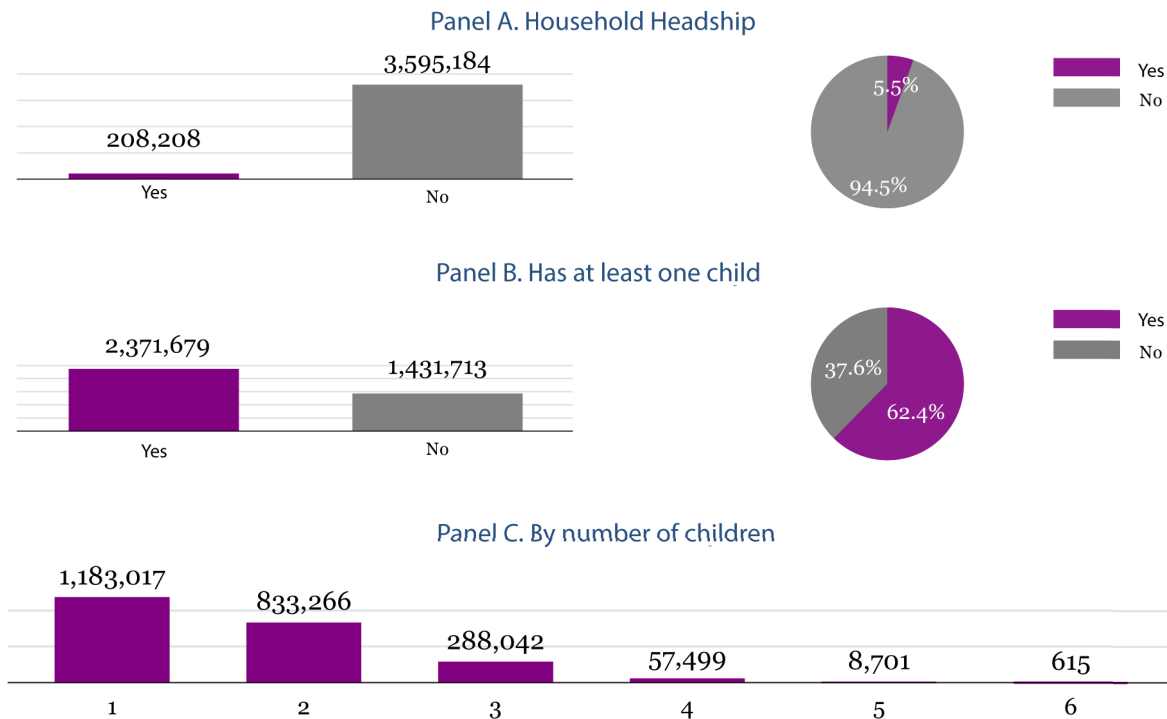
fertile age range, which often prevents both sexes from continuing their studies, though it impacts women more due to pregnancy, childbirth, and the time required for childcare. As shown in Graph 5, women are significantly more impacted by having children. The majority (62.4%) have at least one child, amounting to a total of 2,371.6 thousand women in this condition. These women are the most vulnerable and should be prioritized by this kind of active public policy. Most eligible women are those with one child, totaling 1,183 thousand; those with two children amount to 833.2 thousand; and those with three or more children make up the remaining group, totaling 354.8 thousand highly vulnerable women in need of support.

On the other hand, it is noted that this condition also makes men vulnerable, as it prevents them from continuing their studies and accessing better employment opportunities. However, it is observed that most are not heads of household, with only 33,234 men in that role, in contrast to a significantly larger number of 208,208 women who are heads of household. This is largely since women have children and bear greater responsibility in this issue.

A smaller proportion of men (54.7%) have at least one child, totaling 52,180 eligible individuals in this condition. As the number of children increases, there is a decreasing trend in the number of men: 12,734 have two children and only 2,889 have three. Clearly, women are more vulnerable and should be a priority and essential focus of this type of labor insertion program. These programs should even be strengthened with childcare support included in the monthly monetary aid provided.

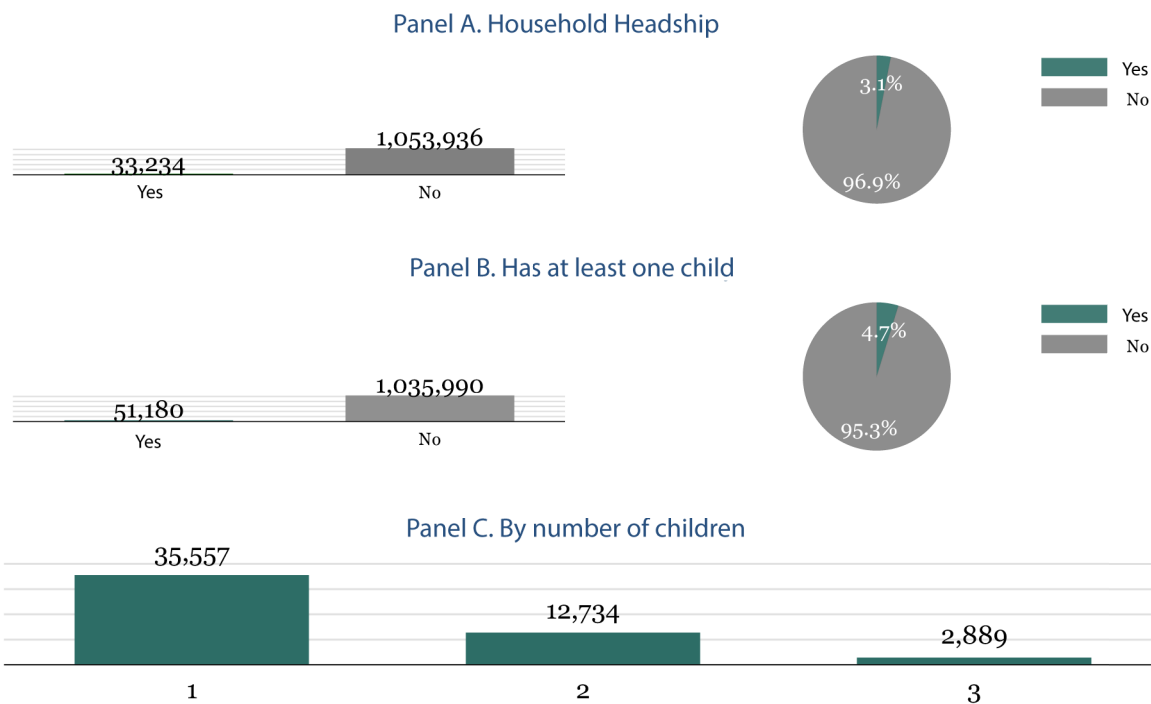
Finally, and no less important, in the characterization, the spatial distribution of those eligible for the program was mapped. As seen in Map 1, in relative terms, the majority of young people who neither study nor work are concentrated in the center of the country, with special emphasis on Estado de Mexico (15%), the states of Veracruz, Jalisco, and Mexico City (between 6% and 7% each), while the remaining states present a concentration of less than 6% each. A key point is that there is not a single state where the JCF program should not reach in order to cover all the eligible individuals described in this study.

**Graph 5.** Characterization of women who neither study nor work.



Source: Own elaboration based on ENIGH, 2022.

**Graph 6.** Characterization of men who neither study nor work.



Source: Own elaboration based on ENIGH, 2022.



**Map 1.** Distribution of youth who neither study nor work.

Source: Own elaboration based on ENIGH, 2022.

## Discussion

A central point is to ensure continuity for these types of programs and initiatives, as practical experience has shown that they are useful and their application is of great importance in the labor economy, as well as in correcting negative externalities that can result from having a large number of vulnerable groups, such as young inactive individuals, within a society. There are elements that provide the necessary requirements, such as the amount of resources in a scheme where the JCF program is elevated to a constitutional level (Martínez, 2024; and Santos, 2024). Both studies emphasize this need for continuity to ensure the long-term existence of this support initiative. Santos (2024: 177) states that the objective of the initiative is to achieve “the right of people between the ages of eighteen and twenty-nine to receive a monthly financial support, as long as they are unemployed and not enrolled in any form of study.”

With a current amount of \$7,572 pesos per month, and incorporating them into the Mexican Institute of Social Security (IMSS) medical insurance for the time they are beneficiaries, and considering the total number of eligible people across the country, it is estimated that the annual resources required would be around \$115 billion MXN if they

remained constant. Therefore, a fiscal reform is needed to secure the sufficient resources to sustain the initiative. However, as the author argues, the target population in the long term is not expected to remain constant, which would require higher amounts of resources.

In summary, despite the positive results, the main criticism raised by Martínez (2024) and Santos (2024) is the very limited and unclear publicity of the program's indicators to measure its impact. There are also probable errors in its design and a high degree of overestimation in the population served, at least in 2019, resulting in a significant underspending of 40% (Santos, 2024: 179). On the other hand, a study conducted in Campeche (Nah, Olmedo, and May, 2021) showed the program was successful in integrating 90% of interviewed former beneficiaries into the workforce in less than 3 months. It was observed that despite the success of the program, jobs were scarce and difficult to obtain, and that the regulation of the program's use had to be periodic since fictitious companies could take advantage of the program's benefits. These are precisely the aspects the literature invites to study with more scientific rigor, and they represent future research lines emerging from this review, as this work is only a first approximation to the subject of study.



## Conclusions

Labor insertion programs are not entirely new in this millennium and have existed as support for active labor policies in Europe since the 1980s, with greater prominence in the 1990s with the formation of the European Economic Community, now the European Union.

In Latin America, the country with the most labor support programs is Chile, which has shown success in their designs, achieving positive labor insertion rates. In the case of Mexico, the effectiveness of the JCF program is 60%. This is followed by Argentina, with lower effectiveness in insertion achievements, and Uruguay, placing Mexico and Colombia in the same ranking with the same number of labor support programs, followed by Brazil.

The JCF program is innovative for Mexico, as it addresses a group that had been displaced by employment schemes, either due to lack of a university degree or the required specialization for the job, or also due to labor segregation of positions, which has favored men over women in the labor market. Women should definitely be a priority in the eligibility rules for the JCF program in future improvements.

It is important to note that this work is a review article that aims to characterize the population and provide an empirical exposition of other programs managed internationally, leaving the exploration of appropriate techniques to verify the viability of such programs regarding employment insertion as future work.

There is a need for more regional studies to determine the impacts of these programs across the country. In general, the impacts appear to be of a high level in comparison with the results obtained in other countries. Even for Mexico, the effects could be three times higher in terms of improved insertion. The research agenda for these types of labor programs is open, inviting interested parties to conduct impact research using innovative econometric methods, such as statistical matching techniques. This would allow the success rates to be inferred at both the subnational level and by integrating Mexican regions, thereby continuing improvements as the economic dynamics remain positive, with the private sector investing more in human capital for Mexicans

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