



United Nations
Educational, Scientific and
Cultural Organization



International Centre
for Technical and Vocational
Education and Training

Chile Joven, Job Training Programs in Latin America

PROGRAMME OVERVIEW

Implementing Organization: Governments, Inter-American Development Bank (IDB)

Funding Organizations: The Inter-American Development Bank (IDB)

CONTEXT AND BACKGROUND

The increase of low-income low skilled youth in the labour market is a major concern in Latin America. In this region, the unemployment rate among young people is up to three times higher than the adult rate. Whereas one in three employed adults have an informal job employment, the informality rate for young people reaches 50%. The poor quality of basic education and early school dropouts have resulted in a large group of poorly educated youth with poor labour market perspectives. The Chile Joven program, which started in 1991, was targeted at a group of urban youth considered to be “at risk”. The Chilean authorities envisioned the model behind this program and the Inter-American Development Bank (IDB) contributed to its definition and implementation. Other countries in the region faced similar challenges, and given the attractiveness of the Chilean Joven, the model has been replicated throughout the region.

DESCRIPTION AND AIMS OF THE PROGRAMME

New training programmes in Latin America are aimed at short-term semi-skill training in specific occupations demanded by the private sector. The short training programmes provided basic job readiness skills and some trade-specific abilities. The programs Probecat in Mexico and Chile Joven in Chile, launched in 1984 and 1991 respectively, established the basis for this new kind of intervention. The Chilean authorities envisioned the model behind this program and the Inter-American Development Bank (IDB) contributed to its definition and implementation. Other countries in the region faced similar challenges, and given the attractiveness of Chile Joven, the model has been replicated throughout the region, with the support of the IDB and the International Labour Organisation (ILO).

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The Chile Joven program was targeted at a group of urban youth considered to be “at risk”. The initiatives that were replicated from this program targeted to the youth and disadvantaged population with low chances of insertion into the formal labour market. They were demand-driven so that the market was expected to reveal the demand for training. The programs provide both classroom and on-the-job training. After a three-month classroom learning, the participants continue their training by making an internship at a firm that has been previously located and contacted by the training center. The internships usually last for one to three months. The labour ministries are mostly responsible for program implementation, but fundamental aspects of the operation are delegated to the private vocational training centers.

Chilean government created a new program that was under the supervision of the national agency (National Training and Employment Service (SENCE)). Chilean policymakers envisioned a programme that would train disadvantaged young people and would provide them with a practical experience in the formal labour market, thus helping them to improve their labour market insertion. The objective of these training models is to increase the employability of the young and/or disadvantaged population and to improve the quality of employment. Target population is usually composed of young people with few years of education, either unemployed or under-employed, with a middle or low socioeconomic status. The programs can improve employability for young people in the medium or short term. The programs can also reduce the costs of job-seeking for the youngsters and reduce the costs for firms of gathering information about potential employees.

IMPLEMENTATION: APPROACHES AND METHODOLOGIES

Funding

These Latin America initiatives represent low-coverage and low-cost programs that are administered by executive units of consultants who are overseen by the ministries. These units are commonly financed with resources from multilateral organisms such as the IDB, and their budget is usually greater than the budgets of other programs within the ministries. The programmes and training are financed with public funds but training is delegated also to firms or to private sector vocational training centers. In most cases, the firms do not have the obligation to pay salaries to the interns or give them a job once the training is over, but program administrators provide the trainees with a stipend to cover the costs of travel, food, medical insurance and insurance against accidents in the workplace.

Participants

The program in Chile was targeted to the young, low-income, poorly educated population (hence in many countries the name Joven – “young” is used, such as Argentina, Peru, Colombia, Uruguay and the Dominican Republic). In Chile the target population was identified as a stock, while in other countries there is a continuous flow of people with these characteristics. In most cases, the programs introduce targeting tools or eligibility criteria that limit service provision to the more disadvantaged youth. The eligibility criteria included age (usually from 16 to 24), being unemployed or underemployed, and not being enrolled in the formal school system. Selection of participants was carried out either by the agency running the program, directly by the training institution, or by a combination of these two. The selection process of training providers is competitive. It's done through public calls where firms can submit offers to be evaluated by the program. The training centers are responsible for attracting the participants, designing and administering the training courses, and identifying the firms in which the trainees will do the internships.

Learning and Training

The programs provide training services and also labor intermediation services through which participants are matched to firms that have vacancies or provide internships. These include technical training courses in lower-skilled trades, one-to-three months' long classroom- training in socio-emotional skills and on-the-job training. In an initial stage,

vocational training courses are provided in the classroom at private training centers. Courses offer professional formation in low skill occupations, such as waiters, auxiliary accountants, beauty stylists or make-up artists for one to three months, and also courses in the so-called “soft” skills. The government does not set what the content of the courses. Social-skills or job readiness module is followed by an internship in a firm to complement the training and gain experience in a formal sector job.

Chile Joven had four training modalities. The training was offered in two successive stages: a stage of working training lectures conducted by a training institution (about 200 hours); and a stage involving on-the-job-learning in business (a full time internship in a firm for a period of 3-6 months). To guarantee that the content of the course was effectively demanded by the private sector, the course proposals submitted for this subprogram must be accompanied by letters of intent or written commitments with businesses or business associations that cover at least 80 percent of the course enrolment. This indicated a contact between the institution and one or more businesses and identified those where students could be placed for their on-the-job learning experience.

MONITORING AND EVALUATION

The job training programs described above have been evaluated e.g., (González-Velosa, Ripan, & Rosas-Shady, 2012; Ibararán, & Shady, 2009). These have concentrated on the impacts of the programs on the relevant indicators and participants and whether the programs meet the core objectives to increase the employability of trainees. Evaluations provide evidence that the Chilean programs can generate positive impacts on the labor insertion conditions of their participants. The results suggest that employment effects range from modest to meaningful –increasing the employment rate by about 0 to 5 percentage points with impact of 6 to 12 percentage points in the employment rate. In most cases there is a larger and significant impact on job quality, measured by getting a formal job, having a contract and/or receiving health insurance as a benefit. However, the effect of job training on employment varies by age, gender and region. For example, higher employment rates are obtained among women and younger people. Furthermore, there is little information on the medium and long-term effects of the programs. Participation of the private sector was considered critical to the success of the programs.

IMPACT

The original Chile Joven model has been replicated throughout the Latin America region. The programs can improve employability for young people in the medium or short term. The programs can also reduce the costs of job-seeking for the youngsters and reduce the costs for firms of gathering information about potential employees. Results show that the programs can generate positive impacts on the labor insertion conditions of their participants. They are assessed to have significant positive impacts in terms of employment for women, and overall the impacts range from null to positive. They increase the employment rate of participants and enhance the quality of jobs (measured by wages, social security and/or formality). The results of these programs in Latin America also are slightly better than the impacts of similar job training projects in the US and Europe.

CONTACT

More information: www.iadb.org

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