

- Youth who are neither in school, nor employed, nor in training (NEET) remain a sizeable and vulnerable group in LAC, especially among female youth.
- This challenge presents long-term effects on labor markets as generations with higher shares of NEETs are more prone to long-lasting declines in productivity, and thus, lower overall economic growth. Additionally, the NEET phenomenon is linked to increased crime, drug use and addiction, disruptive behavior, and social disintegration.
- Contributory factors to dropping out of school and from labor markets are likely to differ across genders. The reasons for why women become NEET are linked to the burden of teenage pregnancy, unpaid care work, early marriage, and the disconnect between the educational system and labor market. Gender norms are powerful in keeping girls from aspiring to economic activity. If young women perceive their roles as that of being spouses or mothers and not to be income earners, they will likely not aspire to do something different.
- For successful school-to-work transitions by young men and women, evidence highlights the importance of cognitive, socio-emotional, and in-demand technical skills as well as vocational trainings, work-study programs targeting youth while they are in school, and internships offered in safe and accessible spaces.
- The WBG is helping LAC countries support young women's school-to-work transition through gender-equal access and quality training opportunities of relevant skills. Especially among vulnerable groups.

¹ This note was prepared by the LCR Regional Gender Coordination in the Poverty and Equity Global Practice. For more information, contact LCR_Gender_Coordination@ worldbankgroup.org

THE CONTEXT

There are 23 million young people in LAC who neither study nor work nor are in training (a status known as "NEET"), and women account for two-thirds of them (ILO, 2020; De Hoyos et al., 2016). While the share of young women (aged 15-24) who are NEET is 27%, the share among young men is 15.5%, although it has increased (WDI, 2021). At the country level, in most LAC countries, the share of NEETs among young women is also significantly larger than among young men (**Figure 1**) and can be as high as 46%. Evidence for LAC suggests that the single most important risk factor associated with women NEETs is early marriage, compounded by teenage pregnancy (de Hoyos et al., 2016).

Generally, large numbers of young people in LAC enter the labor market every year and yet many fail to find work. Youth who drop out before completing secondary school typically lack key skills that formal-sector employment requires. Often, they end up settling for less stable jobs in the informal sector, which impacts their lifetime earnings path (De Hoyos et al., 2016). Eventually, generations with higher shares of NEETs will be more prone to lower productivity, which in turn will slow down overall economic growth (Székely and Karver, 2015). Additionally, the NEET phenomenon has shown to correlate with increases in crime, drug use and addiction, disruptive behavior, and social disintegration (Bussolo et al., 2014; Chioda, 2015; Hoyos et al.,

2016). A sizeable population of these economically excluded youth come from poor households which may also lead to greater intergenerational poverty and limited social mobility (Ferreira et al., 2012; Vakis, Rigolini and Lucchetti, 2016).

Relevant factors that increase the likelihood of young men and women becoming NEETs in LAC relate to labor markets, the educational system, and socioeconomic status. These include the high cost of studying; disconnection between subjects taught in school and youths' lives; uncertainty and lack of information about the future returns of education; scarcity of opportunities in education and work; difficulties in accessing higher education; inability to advance beyond temporary, unstable, informal, and low-paid jobs; constraints to building personal aspirations and internal motivation to return to school or work; inability to take consistent actions towards goals; and discrimination against women in the labor market.2 At the same time, motivators to drop out of school and labor markets are likely to differ across genders. For instance, for women, gender norms are powerful in keeping them from aspiring to economic activity (Machado and Muller, 2018). If young women perceive their roles as being wives and mothers and not working for an income unless there is a physical need for it, they will likely not aspire to do something different.

Figure 1. NEETs in Latin America Make up a Higher Proportion of Young Women Than Young Men

50 Women 45 Men 40 35 30 25 20 15 10 5 0 uatemala Belize rinidad and Tobago Jominican Republic Costa Rica

Share of youth (ages 15-24) not in education, employment or training (% of male and female population), 2019-2021 latest data

Source: World Bank Indicators retrieved from International Labour Organization, ILOSTAT database.

2 Hoyos et al., 2016; Trucco and Ullmann, 2015; Costa and Ulyssea, 2014; Machado and Muller, 2018; Monteiro, 2013; Simões et al., 2013.

EVIDENCE OF WHAT WORKS

The <u>review</u> of youth employment programs targeting NEET young women, as part of the World Bank's *Adolescent Girls Initiative*, identified the following features that made programs effective in reaching adolescent girls and young women, successfully imparting the skills that they needed, and helping them access employment and earnings opportunities over the long run:

- Using recruitment strategies that reached the groups most in need of labor market assistance.
- Providing the right incentives for participants while also training providers and employers. For example, programs offered benefits such as childcare, food and transport allowances, and literacy training. Providers adjusted their programs' hours to accommodate trainees' other commitments, including schooling and household chores.
- Conducting a preliminary labor market assessment to identify the skills most in demand, including nontraditional jobs, to offer more suitable or employable skills training.
- Strengthening trainees' resilience by offering appropriate supplementary skills such as business skills, life skills, or both. For example, life-skills training provides the tools and confidence for adolescent girls and young women to take advantage of new economic opportunities and to reimagine their futures.
- Building social and financial capital, which help young girls to build financial assets and agency. Many pilots paired instruction in financial management and business development skills with an opportunity to develop savings. Building financial assets may include assistance with starting savings accounts or joining credit cooperatives. The contribution of savings to young women's economic agency cannot be understated.
- Offering safe places for girls and young women to expand their social and professional networks.

More recent evidence for LAC suggests that **work-study programs** can be a powerful tool to smooth the school-to-work transition. These programs can target youth before they drop out and give them incentives to continue their studies while acquiring relevant skills. They can increase youth formal earnings, particularly among women (Le Barbanchon et al., 2023; LACGIL, 2022).

Impact evaluations of youth employment or upskilling programs in LAC is limited. However, the following provides a description of rigorously tested interventions in the region that were successful in helping young NEET women access employment.

 Supplementing job training with life- and socio-emotional skills training. In Dominican Republic, a <u>randomized</u> control trial found that the Juventud y Empleo program had positively increased women's earnings and perceptions of themselves and attitude towards a change in their future outcomes. This is an active labor market program aimed at improving labor market entry of young people (ages 16-29), many of whom did not complete their education. The program offers job, life-skills training (2250 hours), and technical training (150 hours) in areas such as administrative assistance, personal services (such as barbering and hairstyling), auto mechanics, and bartending. For persons who were employed, monthly earnings were 7% higher than those in the control group. Impact was the strongest among women. In terms of life skills and perceptions, larger results were also observed among women, including feelings of positivity about their abilities to start their own business and afford a better quality of life for themselves and their children.

- Providing training in in-demand skills. Findings from a randomized control trial in Argentina and Colombia revealed that an intensive coding bootcamp increased job prospects for women seeking digital employment. The ready-to-work bootcamps were conducted with two well-known coding schools. The program enlisted the help of gender specialists to target the program to women and secure a majority female-applicant pool. All participants engaged in 16 weeks of high-quality, rapid skills training which included mandatory computational training in in-demand programming skills as well as an optional soft-skill and career-development module. The program showed a strong and positive impact on participants' coding skills which increased their probability of landing a technology job by 9.2 percentage points or 38% above the control group. After comparing employment status before and during the first phase of the COVID-19 pandemic, results showed that the newly acquired skills increased participants' resilience to downturns in labor market conditions.
- Work-study programs that are compatible with schooling and offer youth first time paid employment. In Uruguay, a study found that the national work-study program Yo Estudio y Trabajo reduced the share of NEET youth who participated in the program by raising time spent working and future formal earnings for both boys and girls (ages 16-20). The program selected its youth beneficiaries through a yearly lottery system and offered them a first-time, well-paid, formal work experience in a main state-owned company. Overall, both boys and girls significantly benefited. They saw positive effects on earnings without seeing their schooling outcomes affected. Two years after the program ended, the positive effect on formal earnings persisted among female and male beneficiaries. Importantly, girls participating in the

- program broke the gender earning gap and achieved boys' earnings levels in the control group four years after the program.³ Jobs were offered in the main state-owned companies in Uruguay suggesting that scaling-up this program requires engaging private sector firms as well.
- Offering technical training in non-traditional areas plus teaching of soft skills. In Haiti, a pilot of the Adolescent Girls Initiative4 aimed to ease the schoolto-work transition of vulnerable Haitian women aged 17-21 years in the Port-au-Prince area between 2012 and 2014. The program provided technical and softskills training to over 1,000 young women. The technical skills trainings were in sectors not traditionally held by women such as mechanics and computer sciences. The soft-skills training included classes on selfesteem, gender-based violence, disaster preparedness, and financial literacy, among others. Evidence from a randomized impact evaluation suggests that the program increased beneficiaries' employability as well as their capacity to make decisions and pursue desired actions. Beneficiaries were more likely to transition into higher-skilled jobs, linked to the technical training they received, and pursued further education. Cost-wise, for every dollar spent in technical training, 30 cents were
- spent in soft skills development, making the latter worthy of consideration for future similar programs.
- Vocational training and follow-up internships raise young women's economic outcomes. In Colombia, the Jóvenes en Acción project provided 3-month, in-classroom vocational skills training and a 3-month unpaid internship with on-the-job training. The program targeted lowincome urban youth aged 18-25. Trainees received a daily stipend for transportation and lunch costs (a higher amount was given to women with children to assist with childcare). A randomized controlled trial found large and significant effects for young women. Female participants had a 7% higher probability of paid employment with 3 additional work hours per week on average. Earnings of participants also grew as they were nearly 20% higher than the control group. No statistically significant effects on employment and earnings were found for men. However, the program did significantly increase the probability of working in the formal sector (as opposed to the informal economy) for both women and men. Female youth were 8% more likely to have a formal contract and 7% more likely to get formal employment; the figures for male youth were 6% and 5%, respectively. Formal wages also grew by 33% for women and 23% for men.

HOW ARE WBG PROJECTS ADDRESSING THIS ISSUE?

Cognitive, socio-emotional, and technical skills are important for successful school-to-work transitions by both young women and men. The WBG is helping LAC countries improve gender-equal access, quality, and relevance of skills and training opportunities, especially among vulnerable groups. Improving these skills—and employers' ability to find people who have them—can reduce unemployment, raise incomes, and improve standards of living.

- In Argentina, a program of the Argentina Youth Employment Support Project (P133129) helped Government employment offices to increase vulnerable female youth' access to labor markets. To this end, the program included (i) inclusive language and mechanisms to promote internships and jobs; (ii) trainings of government officials on job interviews and the revision of interview templates; (iii) a new tailoring of orientation courses that consider the experiences of excluded
- groups; and (iv) providing on-site childcare for children of mothers attending the training and transport coverage for participants living far away.
- In **Dominican Republic**, the Integrated Social Protection and Promotion Project (P147213) provided initiatives to increase human capital and employability among young people. One of its objectives was to strengthen productive opportunities among users of its CCT program. Acknowledging high rates of youth unemployment, activities included the offering of technical, vocational, and life skills training to 4,000 young people. Apprenticeships or internships in private businesses were offered for 2-month, on-the-job training. Workshops and trainings were based on in-demand skills as evidenced by employers' needs.

³ However, the gender gap persists when comparing girls to boys who participated in the program, which suggests that social norms or other factors, in addition to differences in early work experience, also contribute to the gender gap in earnings.

⁴ Between 2008-2015, the World Bank supported the Adolescent Girls Initiative (AGI), a public-private partnership to promote the transition of adolescent girls from school to productive employment through innovative interventions that are tested, and then scaled-up or replicated if successful. The initiative was being piloted in eight countries including Afghanistan, Jordan, Lao PDR, Liberia, Haiti, Nepal, Rwanda, and South Sudan. Each program was individually tailored to the country context, and the menu of interventions included business development skills training, technical and vocational training targeting skills in high demand, as well as life-skills training. For more information, see: https://www.worldbank.org/en/programs/adolescent-girls-initiative

- In Saint Vincent and the Grenadines, the <u>Human Development Service Delivery Project</u> (P154253) is helping to expand and improve Technical Vocational Education and Training (TVET) for poor and unemployed persons. The project set a target of 50% women participants and provides a childcare stipend to at least 400 (in school) parents of young children to help prevent school dropout.
- In Saint Lucia, the <u>Human Capital Resilience Project</u>
 (P170445) seeks to attract more females into
 traditionally "male" fields through awareness campaigns
 and TVET training. The project also addresses potential
 participation barriers including the cost of childcare,
 through targeted subsidies for participants.

RELEVANT RESOURCES

WORLD BANK RESEARCH ON THE TOPIC

- de Hoyos, Rafael, Popova, Anna, Rogers, Halsey. 2016. Out of School and Out of Work A Diagnostic of Ninis in Latin America, Policy Research Working Paper 7548, Washington, D.C.: World Bank Group.
- Machado, Ana Luiza and Muller, Miriam. 2018. "If it's already tough, imagine for me..." a qualitative perspective on youth out of school and out of work in Brazil. Policy Research working paper; No. WPS 8358, Washington, D.C.: World Bank.
- Schady, Norbert; Holla, Alaka; Sabarwal, Shwetlena; Silva, Joana; Yi Chang, Andres. 2023. <u>Collapse and Recovery: How the COVID-19 Pandemic Eroded Human Capital and What to Doabout It</u>. Washington, DC: World Bank.
- Székely, Miguel, Karver, Jonathan. 2015. "Youth Out of School and Out of Work in Latin America: A Cohort Approach." Policy Research Working Paper; No. 7421, Washington, DC: World Bank.
- Ufdal, Diego. 2022. Facilitating the School to Work Transition of Young Women (English). LAC Gender Notes. Washington, D.C.: World Bank Group.

OTHER RECENT KEY REPORTS

- Alvarado, Alfredo; Conde, Belén; Novella, Rafael; Repetto, Andrea. 2020. NEETs in Latin America and the Caribbean: Skills, Aspirations, and Information. Journal of International Development 32(8): 1273-1307.
- Andaleeb, Alam and de Diego, Maria Eugenia. 2019. <u>Unpacking School to Work Transition: Data and Evidence Synthesis.</u>
 <u>OGIP-Office of Global Insight and Policy</u>, HQ, UNICEF.
- Busso, Matias; Bassi, Marina; Urzúa, Sergio; Vargas, Jaime. 2012. <u>Disconnected: Skills, education, and employment in Latin America</u>. Washington, DC: IDB.
- https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_737648.
 pdf International Labor Organization (ILO). 2020. Global Employment Trends for Youth 2020: Technology and the future of jobs, Geneva: ILO.
- Novella, Rafael; Repetto, Andre; Robino, Carolina; Rucci, Graciana. 2018. Millennials en América Latina y el Caribe: ¿trabajar o estudiar?, Washington, DC: IDB.
- Stavropoulou, Maria. 2018. <u>Interventions promoting adolescent girls' economic capabilities: what works? A rapid evidence review</u>. London: Gender and Adolescence: Global Evidence (GAGE).

- United Nations Children's Fund (UNICEF). 2019. <u>Transitions from School to Work</u>. UNICEF Technical Note. New York: UNICEF.
- UNICEF, 2019. <u>Unpacking School to Work Transition: Data and Evidence Synthesis</u>. New York: UNICEF.

GENDER STATISTICS, INDICES, AND MEASUREMENT TOOLS

- UNDP Human Development Gender Inequality Index
- UNDP Human Development Gender Development Index
- World Economic Forum Global Gender Gap Report
- OECD Social Institutions and Gender Index
- World Bank Gender Data Portal
- World Bank World Development Indicators
- World Bank Women Business and the Law
- World Bank Global Findex
- World Bank Group Enterprise Survey
- UIS Database
- UN Women
- Inter-American Development Bank Gender Portal
- UNESCO Institute for Statistics

REFERENCES

- Aedo, C. and Nuñez, S.. 2011. The Impact of Training Policies in Latin America and the Caribbean: The Case of Programa Joven. IDB Working Paper No. 188. World Bank.
- Alvarado, A.; Conde, B.; Novella, R.; Repetto, A. 2020. NEETs in Latin America and the Caribbean: Skills, Aspirations, and Information. Journal of International Development 32(8): 1273-1307.
- Andaleeb, A., and de Diego, M. E.. 2019. Unpacking School to Work Transition: Data and Evidence Synthesis. OGIP- Office of Global Insight and Policy/HQ, UNICEF.
- Aramburu, J.; Goicoechea, A. 2021. Coding Bootcamps for Female Digital Employment: Evidence from a Randomized Control Trial in Argentina and Colombia. Finance, Competitiveness, and Innovation in Focus. World Bank, Washington, DC.
- Attanasio, O., Kugler, A.; Meghir, C. r. 2011. 'Subsidizing vocational training for disadvantaged youth in Colombia: evidence from a randomized trial,' American Economic Journal: Applied Economics 3(3): 188–220.

- Barbanchon, L.; Ubfal, D.; and Araya, F. 2023. 'The Effects of Working while in School: Evidence from Employment Lotteries. American Economic Journal: Applied Economics 15(1): 383-410.
- Busso, M.; Bassi, M.; Urzúa, S.; Vargas, J. 2012. Disconnected: Skills, education, and employment in Latin America. Washington, DC: IDB.
- Bussolo, M., de Hoyos, R.,Dixon, P., Rimmer, M.; and Verikos, G. 2014. "Brazil and Mexico Facing the 2008–09 Financial Crisis: Still Fragile or Becoming Stronger?" In Understanding the Poverty Impact of the Global Financial Crisis in Latin America and the Caribbean, Margaret Grosh, Maurizio Bussolo, and Samuel Freije (eds). Washington, DC: World Bank.
- Cassaday, K. A.; Chakravarty, S.; Fox, L.; Haddock, S. E. 2015. The spirit of boldness: lessons from the World Bank's adolescent girls initiative. Adolescent Girls Initiative (AGI) Washington, D.C.: World Bank.
- Chioda, L. 2016. "Work and Family: Latin American and Caribbean Women in Search of a New Balance." Latin American Development Forum. Washington, DC: World Bank.
- Costa, J.; and Ulyssea, G. 2014. O esafíos dos jovens nem-nem. Corseuil CH, Botelho RU, organizadores. esafíos à trajetória profissional dos jovens brasileiros. Ipea, 115-137, Rio de Janeiro.
- De Hoyos, R., Popova, A.; Rogers, H. 2016. Out of School and Out of Work: A Diagnostic of Ninis in Latin America, Policy Research Working Paper 7548, Washington, D.C.: World Bank.
- de Hoyos, R; Rogers, H.; and Székely, M. 2016. Out of School and Out of Work: Risk and Opportunities for Latin America's Ninis. Washington, DC: World Bank.
- Diaz, J. J. and Rosas, D. 2016. Impact evaluation of the job youth training program Projoven. IDB Working Paper 693. Washington DC: Inter-American Development Bank.
- Diaz, J. J. And Jaramillo, M. 2006. An evaluation of the Peruvian 'Youth Labor Training Program' -ProJoven. Working Paper: OVE/WP-10/06. Washington DC: Inter-American Development Bank.
- Ferreira, F.H; Messina, J., Rigolini, J.; López-Calva, L.F.; Lugo, M.A.; Vakis, R.; and Ló, L.F. 2012. "Economic Mobility and the Rise of the Latin American Middle Class." Washington, DC: World Bank.
- FUSADES. 2014. "Evaluación de Impacto del Programa de Apoyo Temporal al Ingreso (PATI)." El Salvador.

- FUSADES. 2015. "Complemento Cualitativo: Evaluación de Impacto del Programa PATI." El Salvador.
- Nopo, H., Robles, M.; Saavedra, J.. 2007. Occupational training to reduce gender segregation: the impacts of ProJoven. Washington DC: Inter-American Development Bank.
- Ibarraran, P.; Garcia, B.; Ripani, L.; Taboada, B.; and Villa, J. M. 2014. Life Skills, Employability and Training for Disadvantaged youth: Evidence from a Randomized Evaluation Design. IZA Journal of Labor and Development. Inter-American Development Bank (IDB) Washington DC.
- International Labor Organization (ILO). 2020. Global Employment Trends for Youth 2020: Technology and the future of jobs, Geneva: ILO.
- Machado, A. L., and Muller, M. 2018. "If It's Already Tough, Imagine for Me...": A Qualitative Perspective on Youth Out of School and Out of Work in Brazil." Policy Research Working Paper; No. 8358. Washington, DC: World Bank.
- Monteiro, J. 2013. Quem são os jovens nem-nem. Uma análise sobre os jovens que não estudam e não participam do mercado de trabalho. Rio de Janeiro: FGV/IBRE, 40 Texto para Discussão n. 34. Rio de Janeiro.
- Novella, R., Repetto, A., Robino, C., Rucci, G. 2018. Millennials en América Latina y el Caribe: ¿trabajar o estudiar?, Washington, DC: IDB.
- Rodella, A-S., Cuevas, F.; Atuesta, B.; Ferrer-Rincon, C.; Scot, T.. 2015. Haiti Adolescent Girl Initiative (AGI): project report. Washington DC: World Bank.
- Simoes, A.; Santos, M.F.P.D.; Vaz, A.C. 2013. Estudo Técnico n. 03/2013. Os Jovens que não estudam nem trabalham no Brasil: discussão conceitual, caracterização e evolução de 2001 a 2011. Estudos Técnicos do SAGI, MDS n.03.
- Stavropoulou, M. 2018. Interventions promoting adolescent girls' economic capabilities: what works? A rapid evidence review. London: Gender and Adolescence: Global Evidence (GAGE).
- Székely, M., and Karver, J. 2015. "Youth Out of School and Out of Work in Latin America: A Cohort Approach." World Bank Policy Research Working Paper No. 7421, Washington, DC: World Bank.
- Trucco, D., and Ullman, H. 2015. Juventud: realidades y retos para un desarrollo con igualdad. Libros de la CEPAL, N° 137 (LC/G.2647-P), Comisión Económica para América Latina y el Caribe (CEPAL), Santiago.