

OECD Development Centre

Panel 1

Integrated strategies for improving entrance into the labour market

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Head of Unit – Migration and skills



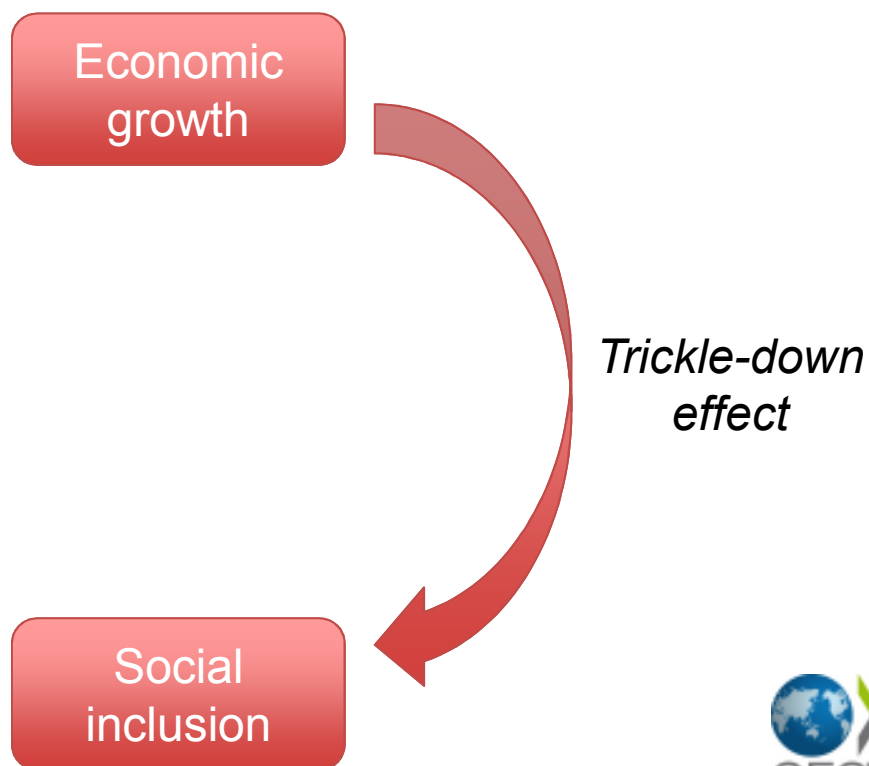
2nd meeting of the Working Groups of the XVIII IACML

28-30 April 2015, Cartagena, Colombia

The link between economic growth and social inclusion



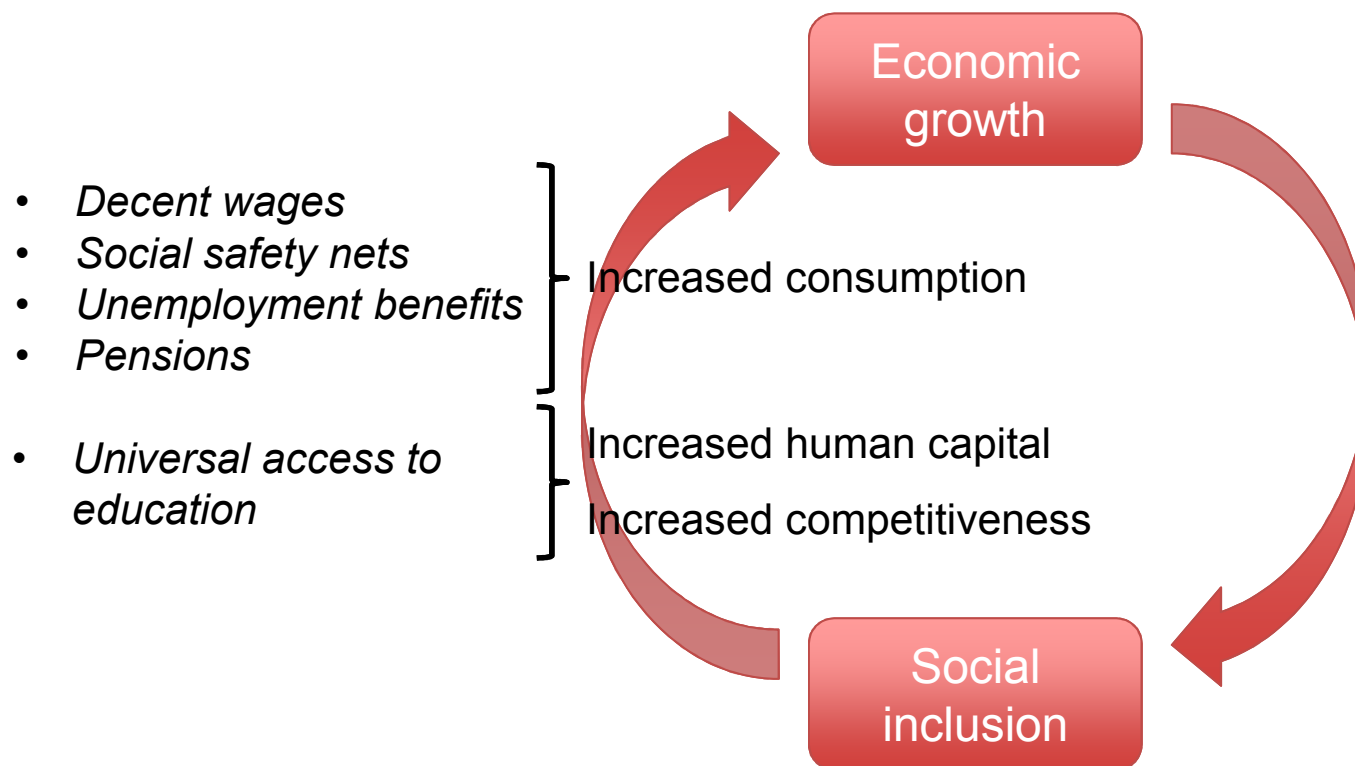
The traditional view
(in particular in Latin America)



The link between economic growth and social inclusion



The dynamic view



The link between economic growth and social inclusion



Central role of the labour market



The long period of economic growth has enabled LAC countries to make significant progress in the labour field

However, many challenges remain in the region

The challenges of inclusion into the labour market



The youth



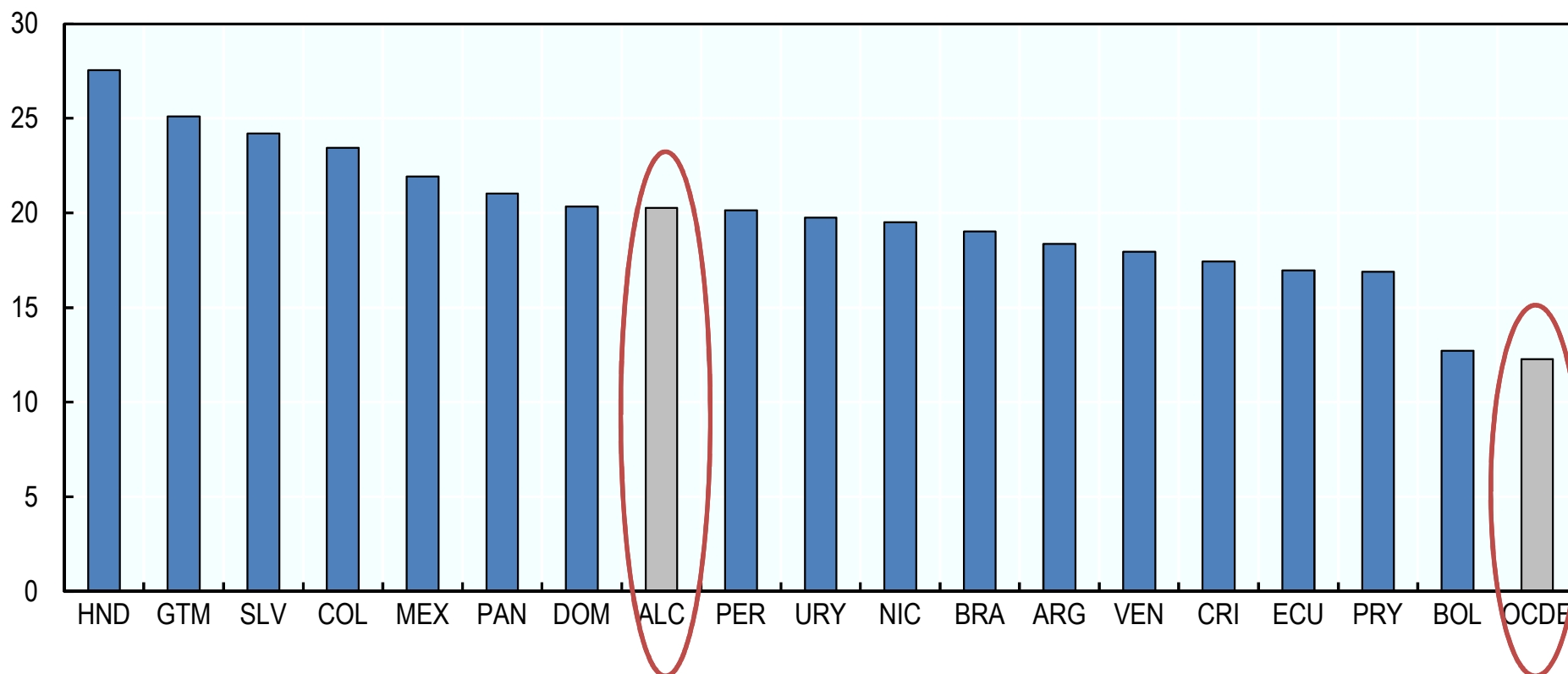
Labour market

In Latin America, 20% of the youth are neither in employment, education, nor training



Youth neither in employment, education, nor training (NEET)

(Share of the population between 15 and 24 years, 2011)

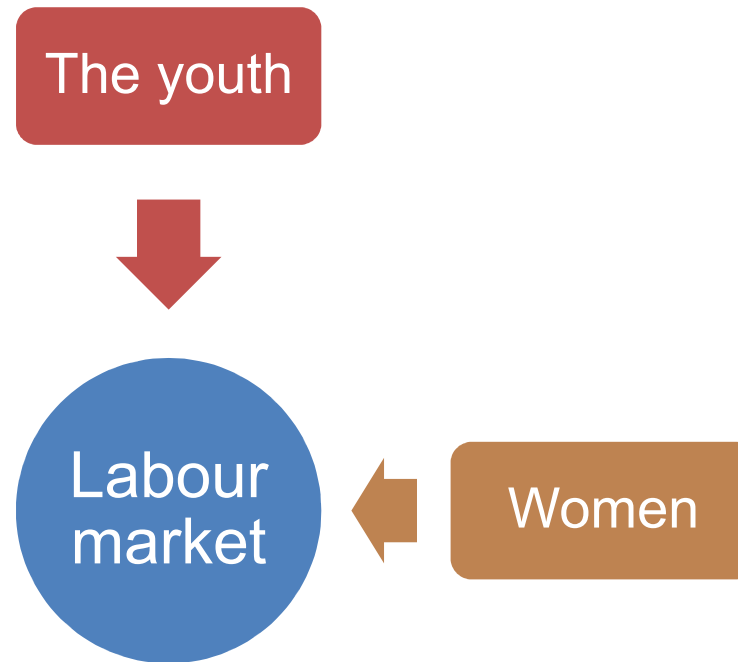


Nota: ALC es el promedio de Argentina, Bolivia, Brasil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Rep. Dominicana, Uruguay y Venezuela.

Promedio OCDE sin Canadá, Chile, Japón, México y Nueva Zelanda.

Fuente: OIT, (2013) "Trabajo decente y juventud en América Latina. Políticas para la acción", disponible en <http://www.ilo.org>; y ILOSTAT

The challenges of inclusion into the labour market

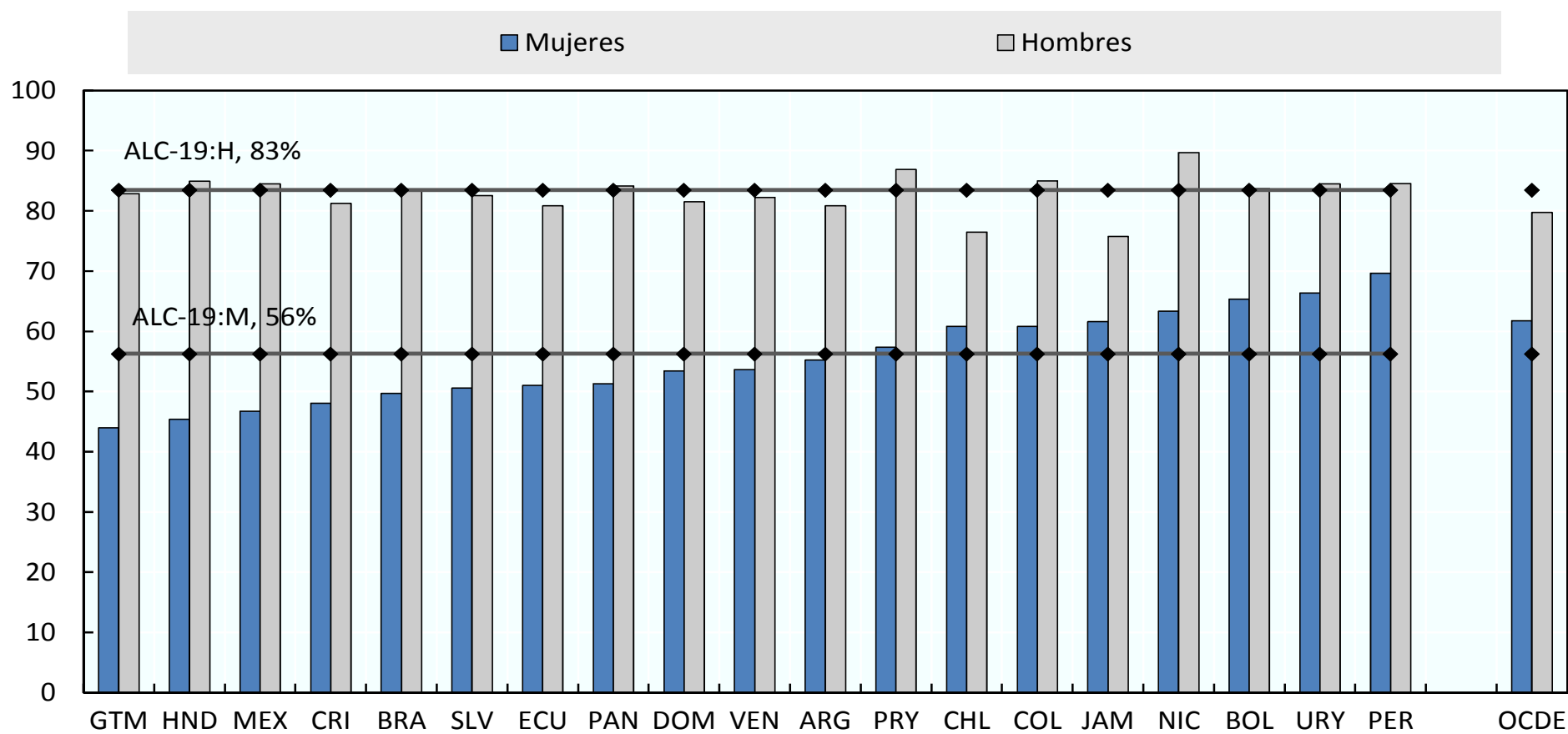


Progress of women integration into the labour market should continue



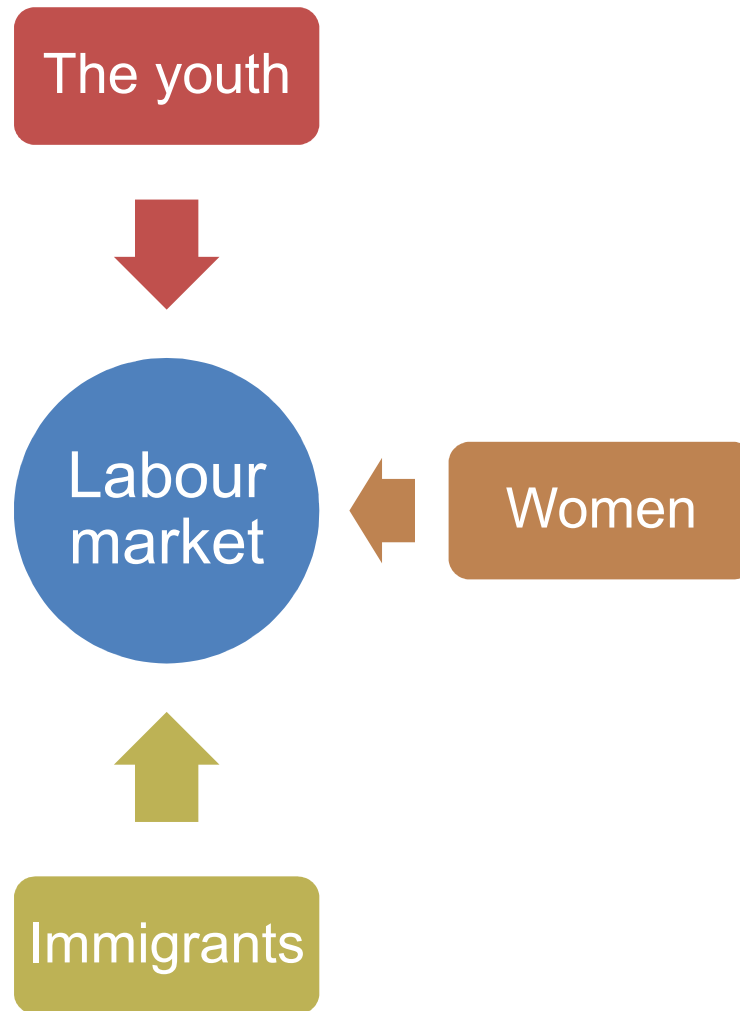
Male and female labour market participation in Latin America and the OECD

(Share of population by sex between 15 and 64 years, circa 2010)



Fuente: Banco Interamericano de Desarrollo, IDB Labor Markets and Social Security Information System (SIMS), sobre la base de encuestas de horas nacionales

The challenges of inclusion into the labour market

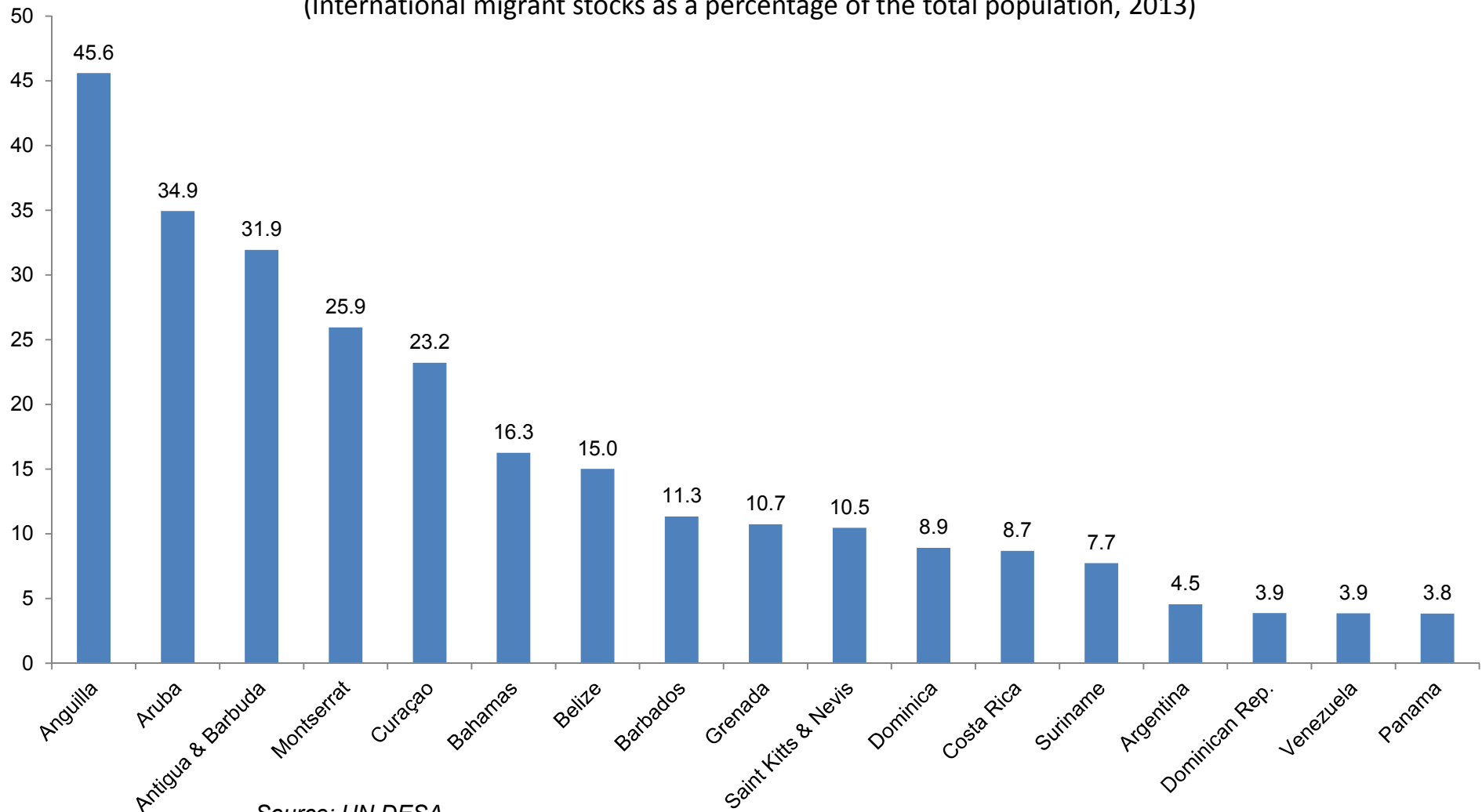


LAC countries are not only countries of origin, but also of destination



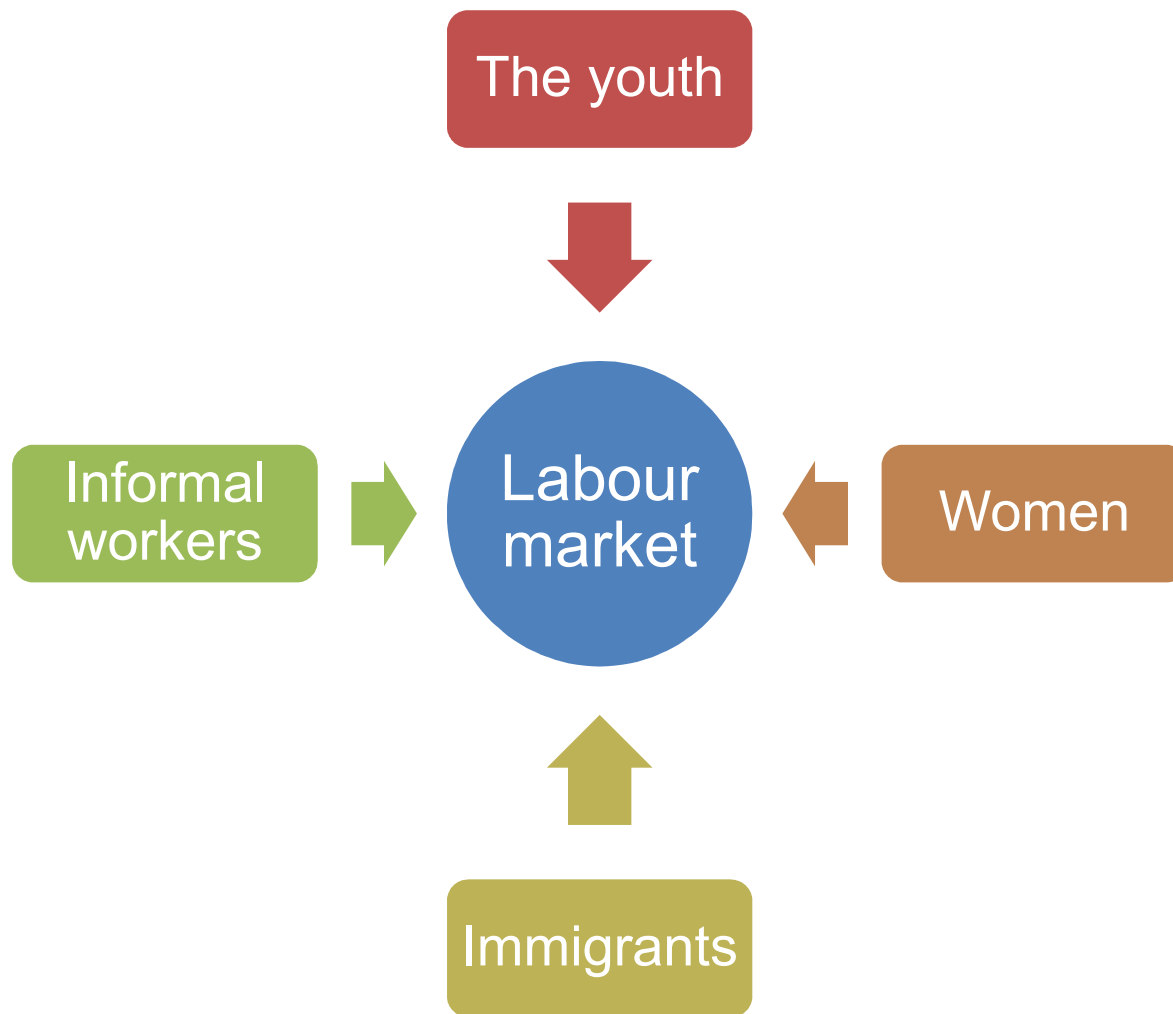
Immigration rates in selected LAC countries

(International migrant stocks as a percentage of the total population, 2013)



Source: UN DESA

The challenges of inclusion into the labour market

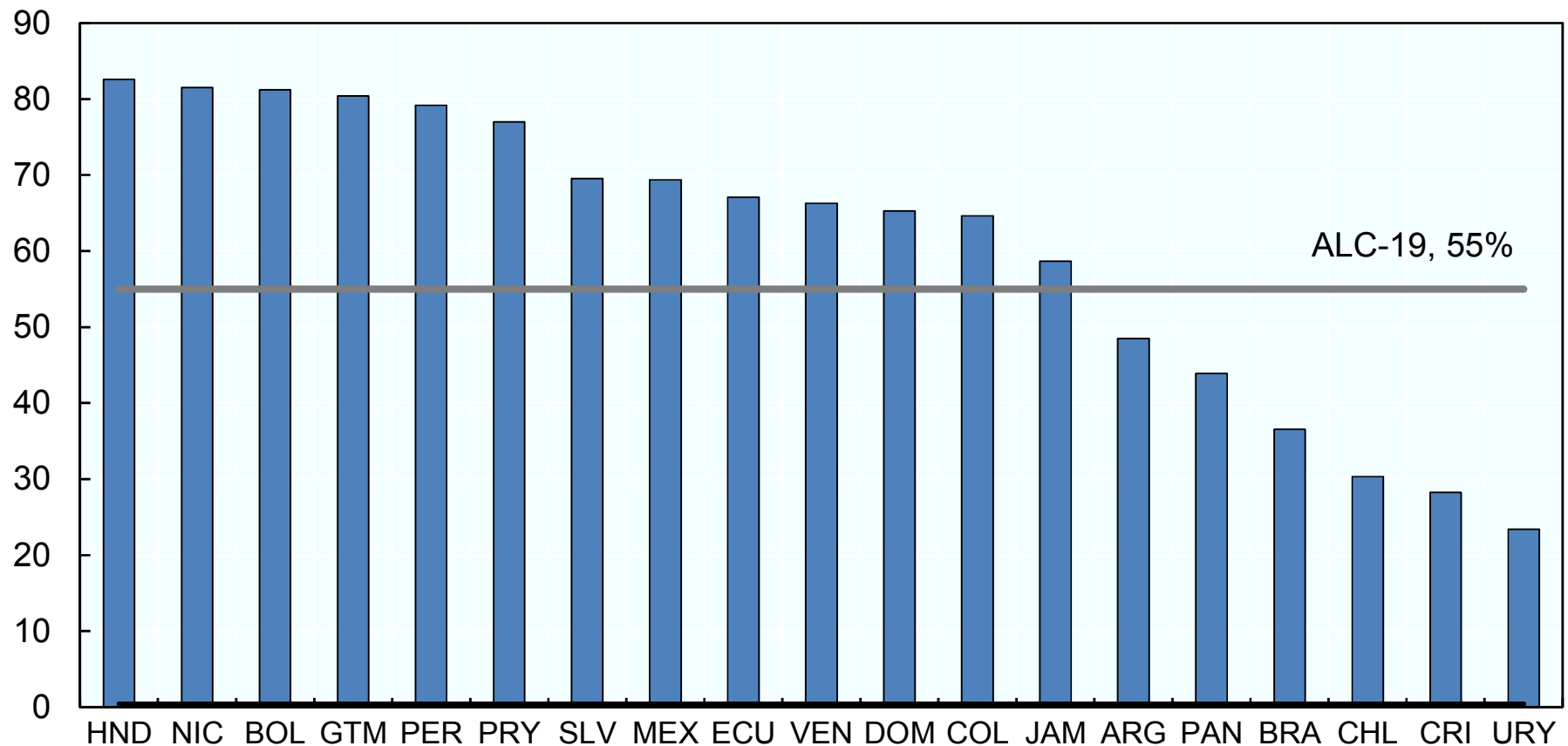


High levels of informality reflect the existence of low-productive and unprotected jobs



Labour informality in Latin America

(Share of workers between 15-64 years who do not contribute to the social security system, circa 2013)



Fuente: Banco Interamericano de Desarrollo, IDB Labor Markets and Social Security Information System (SIMS), sobre la base de encuestas de horages nacionales

The costs of the lack of inclusion



The lack of inclusion into the labour market generates social costs

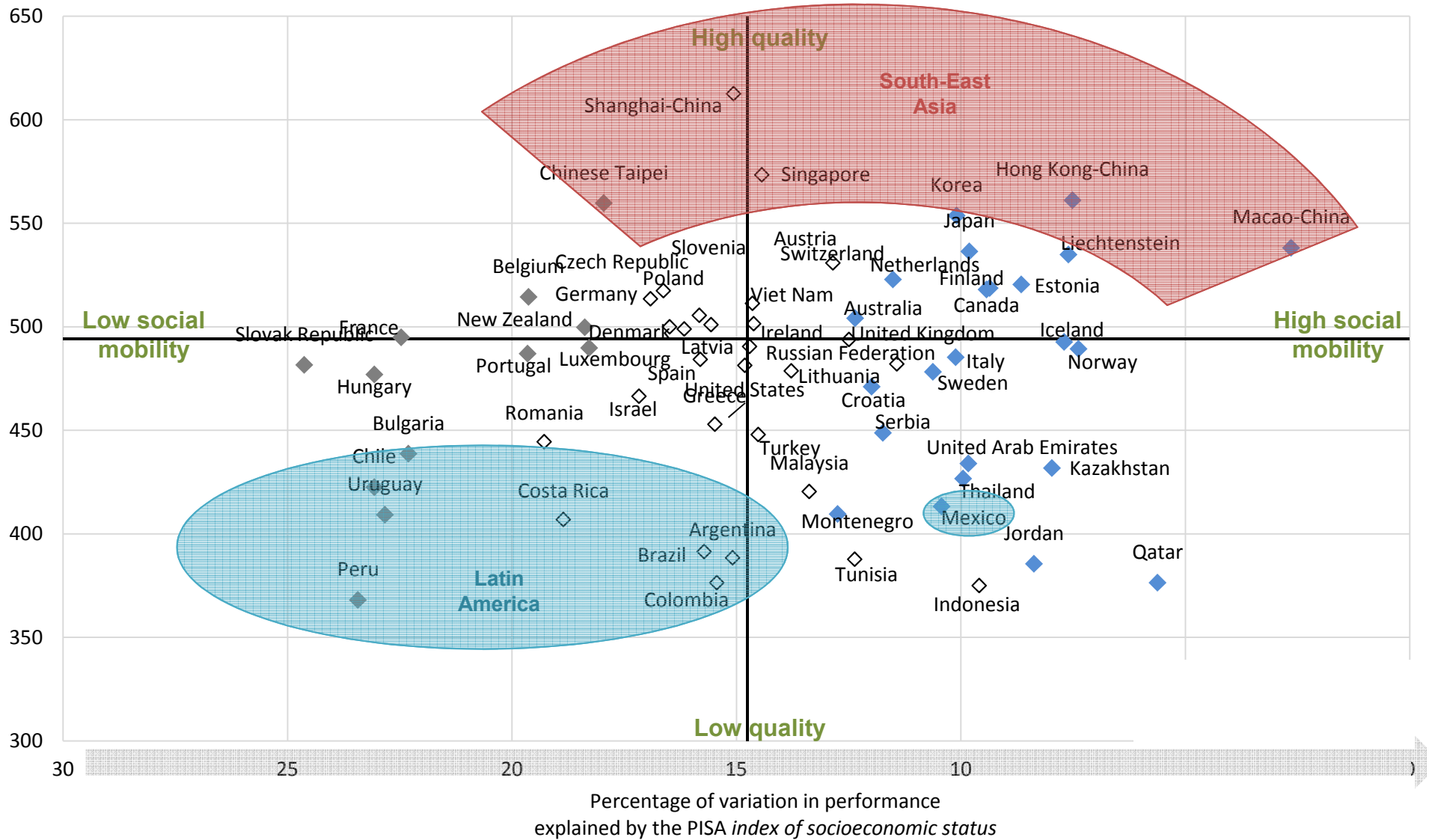
But also economic costs

- Insufficient demand (in particular in periods of economic slowdown)
- Lack of fiscal resources
- Lack of human capital

PISA performance: social mobility vs. education quality, 2013



Mean PISA score



The costs of the lack of inclusion



The lack of inclusion into the labour market generates social costs

But also economic costs

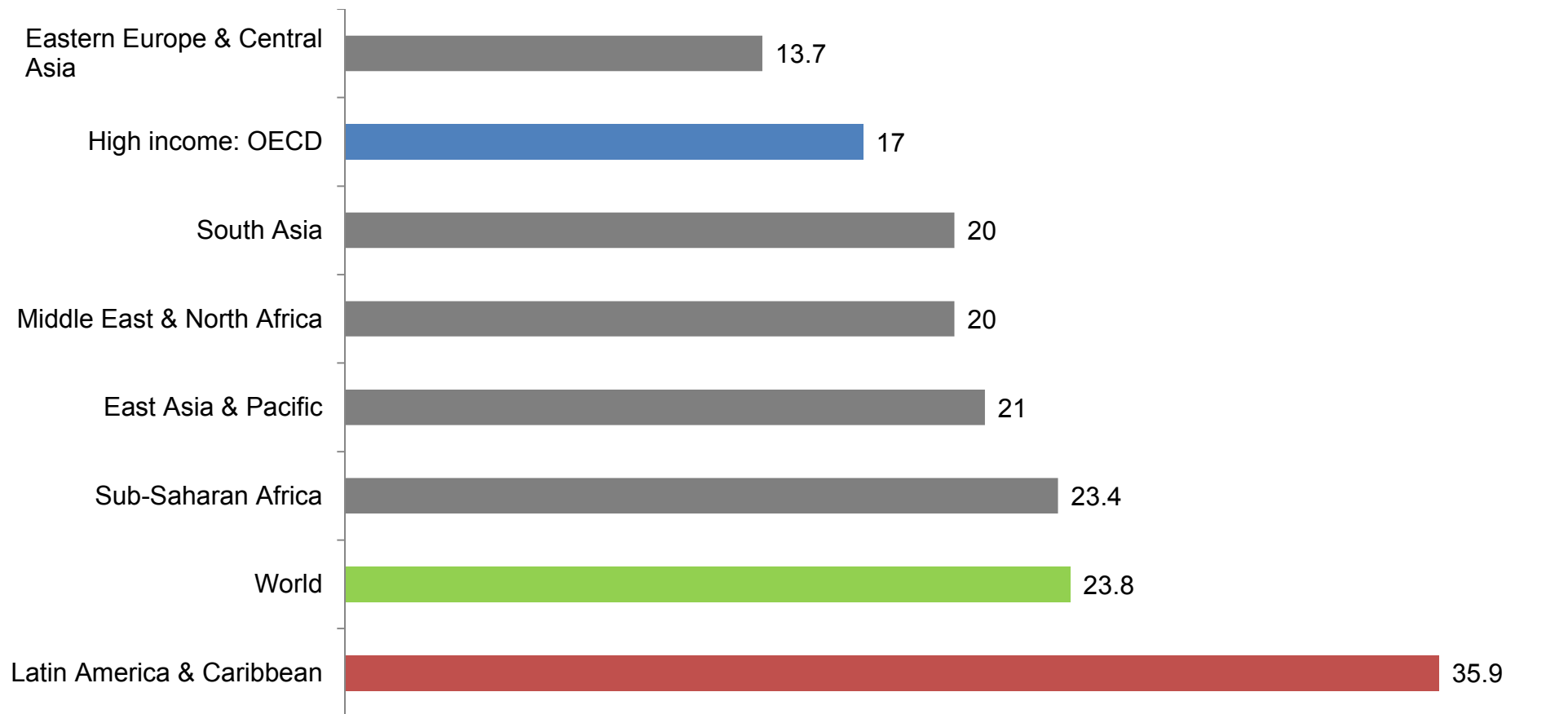
- Insufficient demand (in particular in periods of economic slowdown)
- Lack of fiscal resources
- Lack of human capital
- Skills mismatches

The lack of skills represents a significant restriction to employment and competitiveness

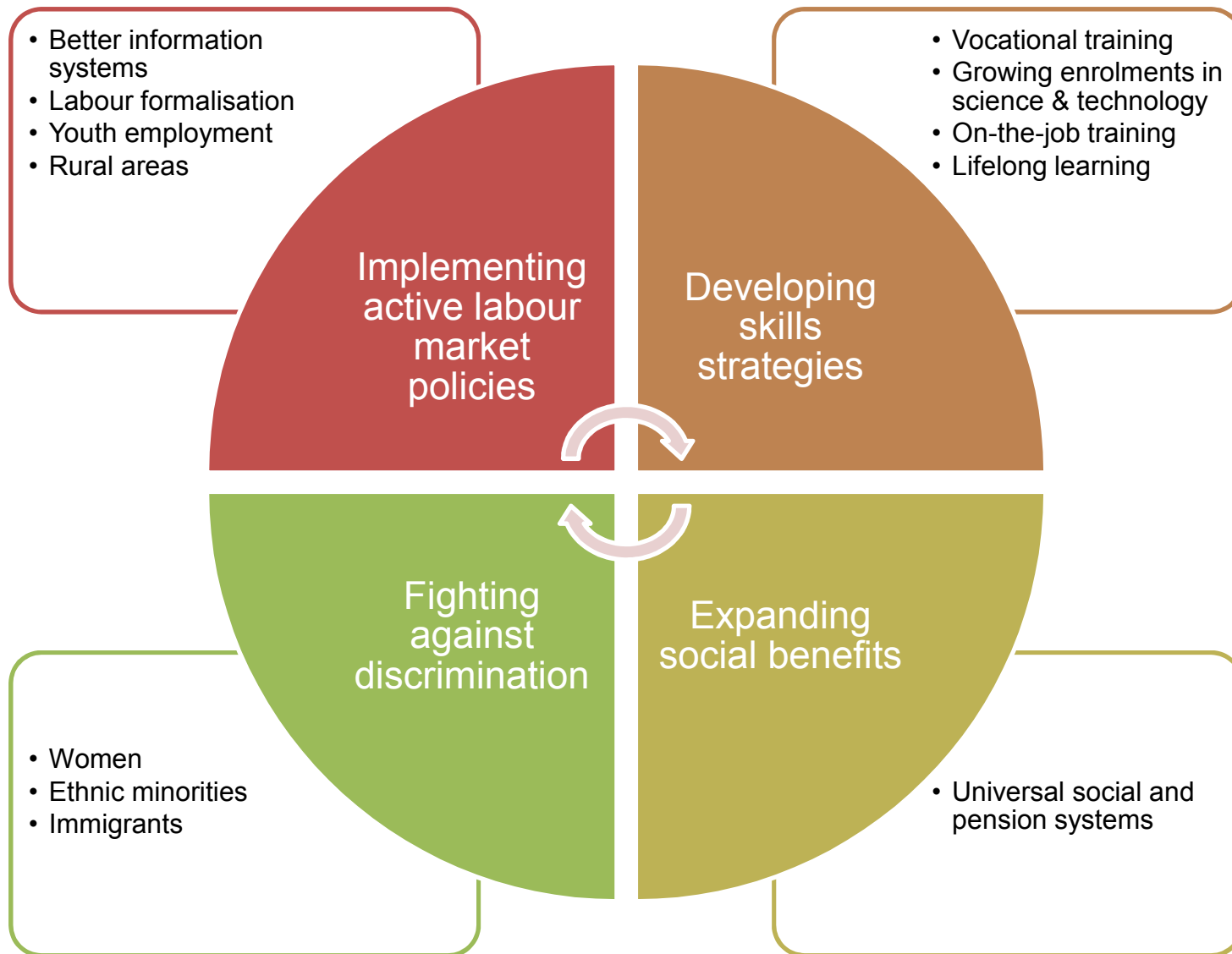


Firms identifying an inadequately educated workforce as a major constraint

(Percentage of formal firms, circa 2012)



Increasing the inclusion into the labour market: policy recommendations



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Thank you!



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