



SPOTLIGHT ON PUBLICATIONS: LABOUR MARKET POLICIES IN LATIN AMERICA



The publications presented in this Spotlight represent some of the key resources dealing with issues related to labour market policies in Latin America. The selected publications focus on the following topics: Gender and Labour; Impact Evaluations; Labour Intermediation Services; Active and Passive Labour Market Policies and Programmes; and Labour Market Regulations and Development.

GENDER AND LABOUR

► [The Gender Perspective in Economic and Labour Policies: State of the Art in Latin America and the Caribbean](#)

An integrated approach to development calls for gender equality to be promoted through all government policy and programmes. This diagnostic study evaluates the extent to which Latin American and Caribbean governments have mainstreamed concerns for gender equity into economic and labour market policies, including a review of institutional mechanisms, legal frameworks, programmes, and technical and financial resources made available. The report also highlights the important role of the labour movement and calls into question the level of involvement of women in driving demand for gender equity through trade unions. This publication will be of particular interest to policymakers seeking to improve the integration of gender equity concerns into labour market policy and practice.

Full Citation: Daeren, L. 2001. *The Gender Perspective in Economic and Labour Policies: State of the Art in Latin America and the Caribbean*. ECLAC, Santiago.

► [Occupational Training to Reduce Gender Segregation: The Impacts of ProJoven](#)

This paper provides a discussion of evaluations of the *ProJoven* programme in Peru and shows the differential impacts on men and women, with women enjoying substantially greater benefits in terms of employment and income. In particular, the authors identify two key success factors behind the programme's targeting strategy: the promotion of young women's participation in its training courses and subsidy incentives provided to young women with children. The report is a recommended read for those interested in understanding how a gender-focused training programme can help reduce gender segregation in labour markets.

Full Citation: Ñopo, H., Robles, M., Saavedar, J. 2007. *Occupational Training to Reduce Gender Segregation: The Impacts of ProJoven*. Inter-American Development Bank, Washington, DC.



► [Women, Gender and the Informal Economy: An Assessment of ILO Research and Suggested Ways Forward](#)

This paper provides an overview of ILO research on women, gender and the informal economy undertaken over two decades and covering themes such as productivity, quality employment generation, regulation, skills, market access and area-based development initiatives. Key gaps and areas for future exploration are identified as paid/unpaid work, the informal economy, rights and regulations, improving access to social security, and entrepreneurship, among others. This publication provides an excellent synthesis with abundant references to further reading on related topics.

Full Citation: Chant, S., Pedwell, C. 2008. *Women, Gender and the Informal Economy: An Assessment of ILO Research and Suggested Ways Forward*. London School of Economics, London.

IMPACT EVALUATIONS

► [Does the Quality of Training Programs Matter? Evidence from Bidding Processes Data](#)

This study estimates the effects of training quality on earnings by drawing on evidence from Peru's *ProJoven* programme. The authors use difference-in-differences kernel matching methods and find that individuals attending high-quality training courses have higher average and marginal treatment impacts; that is, training proves to be beneficial. This paper is recommended for researchers interested in understanding the variables that can affect the impacts of training programmes. The evaluation methodology may also be useful to policymakers interested in monitoring existing training programmes or designing new training programmes.

Full Citation: Chong, A., Galdo, J. 2006. *Does the Quality of Training Programs Matter? Evidence from Bidding Processes Data*. IZA Discussion Paper. Bonn.

► [Do We Know What Works? A Systematic Review of Impact Evaluations of Social Programs in Latin America and the Caribbean](#)

This report by the Inter-American Development Bank (IDB) presents a review of diverse impact evaluations of social programmes in Latin America and the Caribbean, including training programmes targeting unskilled youth (6 programmes in 6 countries) and active labour market programmes (11 programmes in 6 countries). The authors of this report extract lessons to support improvements in future programme design and policy reform, and this information in particular may be useful to policymakers interested in designing more effective, pro-poor and financially sustainable initiatives.

Full citation: Buillon, C., Tejerina, L. 2006. *Do We Know What Works? A Systematic Review of Impact Evaluations of Social Programs in Latin America and the Caribbean*. Inter-American Development Bank, Washington, DC.

► [Evaluating the Impact of Job Training Programs in Latin America: Evidence from IDB Funded Operations](#)

This paper provides a review of empirical evidence on training programmes from seven countries in Latin America and the Caribbean. Selected case studies include: Argentina's *Proyecto Joven*; Chile's *Chile Joven*; Colombia's *Jóvenes en Acción*; the Dominican Republic's *Juventud y Empleo*; Mexico's *Probecat*; Panama's *ProCaJove*; and Peru's *ProJoven*. Besides detailed descriptions of the design and impacts of these programmes, the authors also present a framework for



supply and demand-driven training models. This is a highly recommended read for those interested in understanding the relative strengths and weaknesses of different training programmes carried out in the region.

Full Citation: Ibarra, P., Rosas, D. 2009. Evaluating the Impact of Job Training Programmes in Latin America: Evidence from IDB Funded Operations. In: *Journal of Development Effectiveness* 1 (2) 195-216.

► [Evaluation of the Peruvian “Youth Labor Training Program” - PROJoven](#)

This is one of the most complete and up-to-date empirical studies on Peru’s *ProJoven* training programme. Starting with an institutional analysis documenting the origins and rationale of the programme, the authors then explore how and why *ProJoven* was designed by reflecting on the political and economic context in Peru at the time. What is particularly interesting about this study is not only that it includes an assessment of impacts up to the eighth round of the programme, but that it also provides disaggregated data of programme impacts on a number of specific indicators, such as formality, returns on earnings, hours worked and probability of getting paid employment. Finally, the report includes a cost-benefit analysis and an estimation of the internal rate of return.

Full Citation: Díaz, J.J., Jaramillo, M. 2006. *Evaluation of the “Peruvian Youth Labor Training Program” – PROJoven*. GRADE, Lima.

► [Labor Markets and Income Support: What Did We Learn from the Crises?](#)

The author of this paper assesses income support programmes implemented in Latin America between 1995 and 2000 and analyses how these emergency programmes have become a permanent component of social policy across the region. He then presents ideas for building a more comprehensive income support system that assists workers within the on-going dynamics of labour markets. In doing so, the paper provides a useful framework for policymakers interested in incorporating emergency programmes into longer term labour market objectives.

Full Citation: Marquez, G. 2000. *Labor Markets and Income Support: What Did We Learn from the Crises?* Inter-American Development Bank, Washington, DC.

► [Labour Market Policy and Evaluations in Argentina, Brazil and Mexico: Programmes and Impacts](#)

This paper analyses the impacts of labour market policies and regulations implemented in Argentina, Brazil and Mexico during the 1980s and 90s, including the creation of employment protection schemes and impacts on non-wage labour costs. The author concludes that although labour regulations have influenced employer practices – such as the creation of flexible contracts – they do not seem to have impacts on employment generation. On the other hand, labour market policies from this era have been able to provide important support to the unemployed.

Full citation: Marshall, A. 2004. *Labour Market Policies and Regulations in Argentina, Brazil and Mexico: Programmes and Impacts*. International Labour Organization (ILO), Geneva.

► [Preliminary Assessment of Training and Retraining Programs Implemented in Response to the Great Recession](#)

This document compares training and re-training programmes and in particular their performance during the global recession caused by the economic crisis of 2009. Case studies are taken from countries around the world, including Canada, Peru, the Philippines, the Republic of Korea and the United States. Data is drawn from official programme reviews,



and complemented with views collected from employers' organisations, trade unions, bilateral agencies, international organisations and academic institutions. In the case of Peru, the evaluation focuses on the *Vamos Peru* programme, which was designed to stimulate the labour market by retraining workers that had been displaced from export-orientated industries. Finally, the author highlights lessons and good practice which will be particularly useful to policymakers interested in understanding how government training programmes can best respond to crises.

Full citation: Hansen, E. 2012. *Preliminary Assessment of Training and Retraining Programs Implemented in Response to the Great Recession*. ILO, Geneva.

ACTIVE LABOUR MARKET POLICIES AND PROGRAMMES

▶ [Active Labor Market Programs: Employment Gain or Fiscal Drain?](#)

This paper provides a theoretical framework for classifying active labour market policies (ALMPs) according to their objectives, relevance and cost-effectiveness in different phases of the economic cycle. ALMPs are classified according to whether their main objectives are to retain jobs, create jobs, improve job-seeking, enhance human capital or improve matches between supply and demand. Other criteria for classifying ALMPs include operational instruments, intended impacts and target population. This document is highly relevant for readers from any region interested in understanding how ALMPs can be designed and implemented.

Full citation: Brown, A., Köttl, J. 2012. *Active Labor Market Programs: Employment Gain or Fiscal Drain?* Kiel Institute for the World Economy. Kiel.

▶ [How Can Job Opportunities for Young People in Latin America be Improved?](#)

This document provides a classification of youth training programmes in Latin America and the Caribbean according to key features such as design characteristics and empirical evidence on impacts. It focuses on programmes in six countries (Colombia, the Dominican Republic, Honduras, Mexico, Panama and Peru), detailing key strengths and weaknesses in the provision of training and other labour intermediation services. Cost-benefit analyses and possible crowding out effects (additional effects that affect the desired impact of programmes) are also explored for each programme, with the conclusion that more evidence is required to fully understand the financial returns of youth training programmes.

Full citation: González-Velosa, C., Ripani, L., Rosas-Shady, D. 2012. *How Can Job Opportunities for Young People in Latin America be improved?* Labor Markets and Social Security Unit, Inter-American Development Bank. Washington, DC.

▶ [International Experience of Youth Employment Interventions: The Youth Employment Inventory](#)

This paper draws from the Youth Employment Inventory, created by the World Bank, to provide an overview of interventions designed to integrate young people into the labour market. Sixty eight case studies are included from around the world, including Argentina, Brazil, Chile and Peru from Latin America. In particular, the author highlights success stories and failures in order to provide substantial evidence-based recommendations for policy and practice. The paper therefore represents valuable reference material for policymakers interested in improving youth employment initiatives in terms of targeting, cost, efficiency and sustainability, as well as risk and mitigation strategies.

Full Citation: Puerto, O. *International Experience of Youth Employment Interventions: The Youth Employment Inventory*. World Bank, Washington, DC.



▶ [Regulation, Worker Protection and Active Labour-Market Policies in Latin America](#)

This report presents a detailed description of the state of labour market institutions and an overview of informality in Latin America. It focuses on an analysis of the dynamics of labour markets in Argentina, Brazil, Chile and Peru, including a description of active labour market policies and various training programmes, as well as detailing challenges and recommendations. One important conclusion of the study is that there can be no unique approach to increasing competitiveness while protecting working conditions in Latin America, and that instead there is a need for adapting strategies to the requirements and conditions of each country.

Full Citation: Weller, J. (ed.) 2009. *Regulation, Worker Protection and Active Labour-Market Policies in Latin America*. Economic Commission for Latin America and the Caribbean, Santiago.

LABOUR INTERMEDIATION SERVICES

▶ [Fast Tracking Jobs: Advances and Next Steps for Labor Intermediation Services in Latin America and the Caribbean](#)

Jacqueline Mazza is one of the few authors that has written extensively about Labour Market Policies (LMPs) in Latin America and the Caribbean. This paper is the latest version of the theoretical framework she herself developed on the subject, in which she classifies LMPs depending on the goal they aim to achieve. In particular, this publication focuses on what the author identifies as “labour intermediation services”. Drawing on different country examples, Mazza provides a detailed explanation of different stages of development of labour intermediation services in the region.

Full citation: Mazza, J. 2011. *Fast Tracking Jobs: Advances and Next Steps for Labor Intermediation Services in Latin America and the Caribbean*. Inter-American Development Bank. Washington, DC.

▶ [Labour Intermediation Services: A Review for Latin America and Caribbean Countries](#)

Though published back in 2002, this paper remains a useful reference as it is the first publication from Jacqueline Mazza on the topic of labour intermediation services, in which she presents the economic rationale for the implementation of these services in Latin American and Caribbean. What is unique about this paper is the analysis of different institutional models for labour intermediation services, as well as the author’s clear recommendations for Latin American and Caribbean countries. Mazza also presents trends from labour intermediation systems in OECD countries, which provide a useful comparison to initiatives in Latin America.

Full Citation: Mazza, J. 2002. *Labour Intermediation Services: A Review for Latin America and Caribbean Countries*. Inter-American Development Bank. Washington, DC.



LABOUR MARKET DEVELOPMENTS

► [Job Creation in Latin America and the Caribbean: Recent Trends and Policy Challenges](#)

This book provides a comprehensive discussion of how Latin American countries are attempting to create jobs. It provides a review of labour market developments in the region over the past 15 years and identifies factors behind poor performance in job creation. The authors conclude that it is important to address structural issues in order to stimulate economic growth across different population groups in labour markets. Some specific topics covered include: long-term growth and employment; improving investment climate; job-quality; active labour market programmes; protection for the unemployed; and demand conditions.

Full Citation: Pagés, C., Pierre, G., Scarpetta, S. 2009. *Job Creation in Latin America and the Caribbean: Recent Trends and Policy Challenges*. World Bank, Washington, DC.

► [Global Employment Trends 2013](#)

This report from the International Labour Organization describes the global state of employment and also differentiates trends across world regions. Chapters cover macroeconomic challenges, global labour market trends and prospects, regional economic and labour market developments, structural change for decent work, and recovering from the second jobs dip. Key indicators from Latin America and the Caribbean demonstrate that the region has shown considerable resilience to the economic crisis over the last three years, while at the same time driving forward improvements in labour market conditions. Prospects for the region include an overall drop in unemployment, thanks in large part to anticipated expansions in the industry and service sectors. This report is a recommended read for those interested in comparing advances in Latin America and the Caribbean with the rest of the world.

Full Citation: International Labour Organization (ILO). 2013. *Global Employment Trends 2013*. ILO, Geneva.

► [Employment in Latin America: Cornerstone of Social Policy](#)

It was not until labour market reforms of the 1990s that a new market-based economic model was adopted across Latin America. This document presents an analysis of labour market trends in Latin America and the Caribbean by comparing the anticipated impacts of reforms with performance indicators on participation rates, employment generation, unemployment and wages. The authors conclude that in reality the reforms were far from meeting expectations and explore reasons for this. The article is recommended reading for those wishing to understand the context in which labour market policies were developed in Latin America, as well as successes and failures of this new model.

Full citation: Stallings, B., Weller, J. 2001. *Employment in Latin America: Cornerstone of Social Policy*. ECLAC, Santiago.

► [Informality in Latin America and the Caribbean](#)

The authors of this paper analyse the main determinants of informality in Latin America, arguing that “informality is not single-caused but results from the combination of poor public services, a burdensome regulatory regime, and weak monitoring and enforcement capacity by the state”. The influence of low educational achievement and demographic pressures are highlighted as two factors that tend to increase levels of informality. This paper presents case studies that illustrate the causes and consequences of informality in different Latin American countries, and draws out useful lessons for policymakers.

Full Citation: Loayza, N., Servén, N., Sugawara, N. 2009. *Informality in Latin America and the Caribbean*. World Bank, Washington, DC.



▶ [Labor Informality in Latin America and the Caribbean: Patterns and Trends from Household Survey Microdata](#)

This paper provides a synthesis of evidence on the patterns and trends of informality in Latin America and the Caribbean. Data is drawn from the [Socioeconomic Database for Latin America and the Caribbean](#) (SEDLAC), which contains more than 100 household surveys from over 21 countries in the region. This is a recommended read for those interested in understanding one of the key characteristics of labour markets in Latin America and the Caribbean.

Full Citation: Gasparini, L., Tornarolli, L. 2007. *Labor Informality in Latin America and the Caribbean: Patterns and Trends from Household Survey Microdata*. Centro de Estudios Distributivos, Laborales y Sociales (CEDLAS), La Plata.

▶ [Labour Market Policies and Rural Poverty in Latin America](#)

This study provides a detailed analysis of rural labour markets in Latin America. In the first section, the authors compare levels of poverty and employment, informality and social protection across different groups and countries, and how these impact on country labour market dynamics and government/public-private responses. The publication also explores the situation more deeply in Brazil, Mexico and Uruguay. Finally, it presents the key challenges facing Latin American countries in terms of improving the employability of people living in rural areas.

Full Citation: Soto, F., Klein, E. 2012. *Labour Market Policies and Rural Poverty in Latin America*. Food and Agriculture Organization, Rome.

▶ [Labour Overview 2012: Latin America and the Caribbean](#)

This report from the ILO presents an overview of employment trends and other key indicators related to labour market development in Latin America and the Caribbean, such as economic growth, GDP, social security and real wages. It describes general improvements in labour market conditions over recent years including reductions in unemployment and higher average minimum wages, and points to on-going challenges such as achieving decent work and social cohesion. This publication will be useful to those wanting to understand the current and likely future context of labour markets in the region.

Full Citation: International Labour Organization Regional Office for Latin America and the Caribbean. 2012. *Labour Overview 2012: Latin America and the Caribbean*. ILO, Lima.

▶ [The Employment Situation in Latin America and the Caribbean: Advances and Challenges in Measuring Decent Work](#)

This report provides an overview of the state of employment in Latin America and the Caribbean in 2012, including statistics and trends relating to the performance of labour markets and decent work indicators (such as employment opportunities, hours, job stability and security, and equal opportunities). The report draws attention to regional progress, such as lower unemployment rates, the narrowing of gender gaps and rises in average wages, among others. The authors also stress that creating employment does not necessarily result in quality jobs, and that countries must develop strategies for integrating decent work opportunities into labour market programme objectives.

Full Citation: International Labour Organization. 2013. *The Employment Situation in Latin America and the Caribbean: Advances and Challenges in Measuring Decent Work*. ILO, Santiago.



► [The ILO in Latin America and the Caribbean: Advances and Perspectives](#)

This report provides an account of progress made by the International Labour Organization in Latin America and the Caribbean between 2012 and early 2013 in relation to its priority areas, which include labour administration and legislation, decent work and jobs for youth, and poverty, inequality and gender. The report also considers the future role of the ILO in the region, and in particular signals informality as one major issue requiring further attention in order to tackle one of the region's most important challenges – inequality. Finally, the report concludes with a presentation of the ILO's Regional Programme for the Promotion of Formalization in Latin America and the Caribbean (FORLAC), which is due to be launched during the second half of 2013. This report is highly recommended for readers interested in understanding ILO strategy and operations in the region.

Full Citation: International Labour Organization Regional Office for Latin America and the Caribbean. 2013. *The ILO in Latin America and the Caribbean: Advances and Perspectives*. ILO, Lima.

PASSIVE LABOUR MARKET POLICIES AND PROGRAMMES

► [Unemployment Insurance and Emergency Employment Programs in Latin America and the Caribbean: An Overview](#)

This report is one of the first attempts to synthesise available knowledge on the limited experience of passive labour market programmes in Latin America and the Caribbean. It begins by explaining the economic context and institutional history framing the implementation of unemployment insurance and emergency employment programmes in Argentina, Barbados, Brazil, Chile, Ecuador, Mexico, Uruguay and Venezuela, before going on to describe the key characteristics of different models of implementation. Finally, the author provides a critical assessment of the effectiveness of these programmes for supporting the most vulnerable people to ride out economy-wide shocks.

Full Citation: Márquez, G. 1999. *Unemployment Insurance and Emergency Employment Programs in Latin America and the Caribbean: An Overview*. Inter-American Development Bank. Washington, DC.

► [Unemployment Insurance: Case Studies and Lessons for Latin America and the Caribbean](#)

This document presents the rationale behind unemployment insurance, as well as a typology of programmes according to key design features. The author focuses on three case studies from Argentina, Barbados and Brazil and draws out key strengths and weaknesses, such as institutional enabling factors and barriers, cost-benefit analysis and degree of integration with other labour market initiatives. One important conclusion of the study is that Latin American and Caribbean economies should not repeat OECD mistakes by rapidly installing unemployment insurance systems at the expense of active labour market policies.

Full Citation: Mazza, J. 2000. *Unemployment Insurance: Case Studies and Lessons for Latin America and the Caribbean*. Inter-American Development Bank. Washington, DC.

► [Unemployment Insurance in High Informality Countries](#)

The authors of this paper argue that high levels of informality represent a key challenge to the sustainability of unemployment insurance in Latin America, since workers can claim benefits and continue working at the same time. By



developing a mathematical model for assessing the potential impacts of unemployment insurance in countries with high levels of informality, the authors assess the effectiveness of the design of such programmes in this context. This paper will be useful to researchers wishing to understand the potential impacts of unemployment insurance in countries with similar contexts.

Full Citation: Espino, E., Sánchez, J. 2013. *Unemployment Insurance in High Informality Countries*. Inter American Development Bank. Washington, DC.

LABOUR MARKET REGULATIONS

► [Labour Regulations in Developing Countries: A Review of the Evidence and Directions for Future Research](#)

This report provides a critical review of the role of labour market regulations related to active and passive policies (such as minimum wages, employment protection and unemployment insurance) on the economies of developing countries. Most of the evidence discussed comes from countries in Latin America, notably Brazil, Chile, Colombia, Costa Rica and Mexico. In particular, the authors draw attention to how regulations attempt to address particular characteristics of labour markets in developing countries, such as weak law enforcement, a large informal sector, underdeveloped capital markets, and informal credit and insurance networks.

Full Citation: Boeri, T., Helppie, B., Macis, M. 2008. *Labour Regulations in Developing Countries: A Review of the Evidence and Directions for Future Research*. World Bank, Washington, DC.

► [Minimum Wages and Earning Inequality in Urban Mexico: Revisiting the Evidence](#)

The authors of this paper attempt to estimate the effect of the minimum wage on the distribution of earnings across individual municipalities in Mexico, where wage inequalities were on the increase up until the mid-1990s. Building on previous studies, the authors use household data to show that minimum wages in Mexico are an important institutional feature of the labour market and the economy as a whole. Wages of a large proportion of the Mexican population are indexed to the minimum wage, which consequently has a direct impact on the median of earnings distribution. This paper provides an important contribution to the debate on the effectiveness of minimum wages in Latin America and the Caribbean.

Full Citation: Bosch, M., Manacorda, M. 2008. *Minimum Wages and Earning Inequality in Urban Mexico: Revisiting the Evidence*. Centre for Economic Performance, London.

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