



Notebook of
Proposals of Policies for
**Promotion of Youth
Employment 2005**



Cooperación técnica alemana

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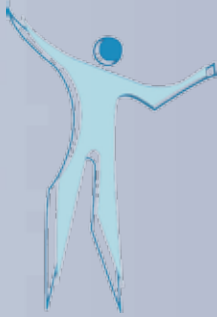


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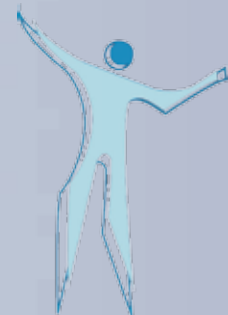
A cronyms

AECI	Spanish International Cooperation Agency
AJE	Young Businessmen Association
AMSS	San Salvador Metropolitan Area
APREMAT	Support to the Secondary Education Reform Process
in the Technical Area	
IADB	Inter-American Development Bank
WB	World Bank
BMI	Multisectoral Investment Bank
C	Short Term (time to carry out an action)
CEPAL	Economic Commission for Latin American and the Caribbean
CONAMYPE	National Micro and Small-Enterprise Commission
CSJ	Supreme Court of Justice
DIGESTYC	General Directorship of Statistics and the Census
EDUCO	Education with Community Participation
EHPM	Multi-Purpose Household Survey
FEDISAL	Salvadorean Integral Education Foundation
FISDL	Social Investment Fund for Local Development
FLACSO	Latin American Faculty of Social Sciences
FUNDAPYME	Small- and Medium-Enterprise Support Foundation
FUNDASALVA	Salvadorean Anti-Drug Foundation
FUSADES	Salvadorean Foundation for Economic and Social Development
FUSAI	Salvadorean Integral Support Foundation
GOES	Government of El Salvador
GTZ	German Technical Cooperation
IED	Direct Foreign Investment
INSAFORP	Salvadorean Professional Formation Institute
ISNA	Salvadorean Institute for Integral Development of Children and Adolescents
IUDOP	University Institute of Public Opinion
L	Long-term (time to carry out an action)
M	Medium term (time to carry out an action)
MAG	Ministry of Agriculture and Livestock



A cronyms

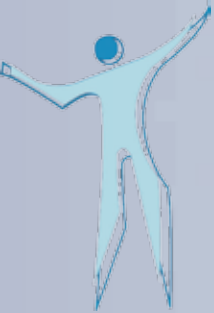
MARN	Ministry of the Environment and National Resources
MH	Ministry of Finance
MINEC	Ministry of Economics
MOP	Ministry of Public Works, Transportation, Housing and Urban Development
MTPS	Ministry of Labor and Social Prevision
MSPAS	Ministry of Public Health and Social Assistance
MDO	Millennium Development Objectives
OIJ	Latin American Youth Organization
OJJ	Youth Justice Office
NGO	Non-governmental institutions
UN	United Nations Organization
EAP	Economically Active Population
GDP	Gross Domestic Product
UNDP	United Nations Development Program
NEON	National Employment Opportunities Network
SJ	Secretariat for the Youth
SNET	National Territorial Studies Service
SNF	National Family Secretariat
STP	The President's Technical Secretariat
ICT	Internet Communications Technology
CAFTA/USA	Free Trade Agreement with the United States of America
UNESCO	United Nations Educational, Scientific and Cultural Organization
USAID	United States Agency for International Development





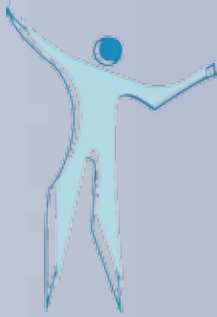
Consultation workshop with youths, San Salvador

Presentation



The current document, Strategic Guidelines of Policies and Programs for the Promotion of Youth Employment 2005, is the final product of the regional “Integration of Youths into the Labor Market” CEPAL/GTZ project, whose main objective was determining, in five Latin American countries, the characteristics of youth labor insertion and the obstacles for its achievement. During two years, studies, workshops and national forums were carried out in Chile, Ecuador, El Salvador, Paraguay and Peru to determine the bases of each country’s proposals. El Salvador stood out for counting on adequate inter-institutional coordination and big political interest in the subject of youth labor insertion. For that, a complete consultation, research and cooperation process was carried out between different instances of government and non-government institutions. The parties involved considered that the process was, as a whole, very positive and there is confidence that it can be replicated in other countries.

Our gratitude to all those institutions which participated in this process, especially to the Advisory Committee, formed by the Ministry of Labor, the Secretariat for the Youth, the German Technical Cooperation, the University Public Opinion Institute (IUDOP), the Salvadorean Anti-Drug Foundation (FUNDASALVA) and the Salvadorean Integral Support Foundation (FUSAI). Special mention is deserved by the thousands of youths that seek to improve their employment situation in this country.



1. Process Description

The proposal of strategic guidelines for policies and programs for the promotion of youth employment 2005 was carried out in three work phases:

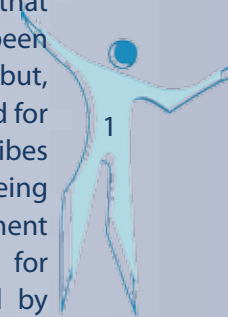
1. Studies about the youth labor market in El Salvador: May-December 2004
2. Consultation workshops with youths and local actors: February-March 2005
3. Preparation and validation of the proposal in a National Forum: April 2005

The first phase considered the carrying out of three investigations around the subject of the labor insertion of youths in El Salvador. The studies contributed to update the information about their situation in the Salvadorean labor market and to detect successful experiences aimed at improving labor insertion processes. A very important worth of the studies was the inclusion of the vision of youths, as well as that one of the business community; therefore, it was possible to establish the possibilities and obstacles of this process from both perspectives.



National Forum of Proposals of Policies for the Promotion of Youth Employment 2005

The first study, carried out by IUDOP, called “Trends of the labor market and experiences in the labor insertion of youths in El Salvador”, was carried out in three parts. The first one summarizes the main theses of two of the main studies carried out in El Salvador in regard to the youth labor market. These investigations prove that the unemployment and underemployment trends of this particular group have remained high for more than five years. The second part analyzes youth labor trends according to the Multi-Purpose Household Survey (EHPM) of the Ministry of Economics. This part emphasizes that the participation of youths has not only been lower in regard to other population groups, but, most of all, the quality of the spaces reserved for this group is poor. And, lastly, the study describes a series of projects which were or are being carried out by government and non-government organizations of the country, which allow for visualization of the strategy implemented by each one.



The “Work expectations and strategies of youths and young adults in El Salvador” study, carried out by FUNDASALVA, allowed to know, through a series of focal groups, the vision of youths about the labor market. The findings proved that youth consider work as highly valuable. However, they recognize that finding a good job is very difficult in the country, especially because there are no formal placement networks established. The only effective networks are those of “friendship”, which, they say, makes work competition unfair.



Gloria Bodnar, FUNDASAL, Consultation workshops with local actors, Los Nonualcos micro-region

In general, there is an enormous dissociation between the work expectations of youths and reality. So, for example, they can't find jobs that they like that are well remunerated. They don't find a possibility of working and studying at the same time either, which would break the vicious circle of the low educational level.



Marlon Carranza, IUDOP-UCA, Consultation workshops with local actors, San Andrés

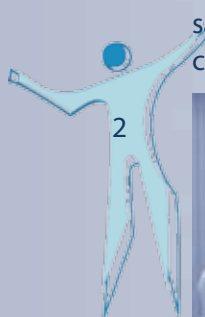
On the other hand, the "Expectations and vision of the business sector about the work insertion of youths in El Salvador" study, carried out by the Department of Economics of UCA and IUDOP, established, through a survey made with 90 businessmen and women of AMSS, and interviews to presidents of business trade associations, that businessmen hire, mostly, youths between 25 and 29 years. That, besides, it is very difficult to find younger population which is working. And although there is no clear policy for hiring youths,

in practice, these work in administrative and service areas, and as sales personnel. Businesswomen, on their part, recognize certain advantages in youths, such as their dynamism, that can be formed, and their capacity for learning. Likewise, they recognize that they can be irresponsible, immature and informal. Now then, from the interviews carried out to those holding positions in trade organizations, it can be seen that the business sector is aware of the work situation of youths, and realizes that the competences that they have are not precisely those that they, businessmen and women, need. For them, there is a problem in the whole labor market system, related to subjects such as the Apprenticeship Law, little promotion to micro- and small-enterprises, lack of incentives for companies which integrate the programs, etc.



Consultation workshops with youths, César Funes, Secretary for the Youth, Los Nonualcos micro-region

At the end of the studies, it was considered, as a second option, that three consultation workshops for youths and adults of the entire region in the municipality of Santiago Nonualco, in the San Andrés Valley and in the metropolitan area of San Salvador would be carried out. The number of participants varied in each place. In the Los Nonualcos micro-region, attendance was of approximately 30 persons, 15 youths and 15 adults, in San Salvador, an average of 60 persons were present, and in San Andrés Valley, around 45 persons attended, 15 adults and 30 youths. All these persons added up to an approximate total of 100 youths and 30 adults.



In general terms, the workshops had two objectives: the first one was presenting the main results of the three studies carried out in the framework of this project, to which they reacted based on their own lives and experience. In second place, a consultation was made about the contents that should be included in a proposal for the promotion of youth employment in the country. Concretely, there was questioning about four subjects, for which four discussion groups were organized: education and training, facilitation of the first job, support to young entrepreneurs, and participation of local businesses and governments.



National Forum of Proposals for Policies for the Promotion of Youth Employment 2005

The three workshops were carried out with the same methodology and applied in the same manner to adults and youths separately. In the Los Nonualcos region, it was applied around noon on February 17, 2005; in San Salvador, on February 24, and in the San Andrés Valley, on March 10. In all regions, the events were carried out successfully, and both objectives were met. The responsibilities of the logistics of the workshops and the invitations served as practice to fine tune the strategy for the National Forum, carried out on April 5 and 6.

After the studies and workshops, the Strategic Guidelines for Policies and Programs for the Promotion of Youth Employment 2005 document was prepared, which was presented to the public on April 5 and 6 in the "Proposals of Policies for the Promotion

of Youth Employment" National Forum. The results of the first investigations were made known on the first day, leaving space for questions and answers, and ended with a panel of commentators. The second day, the draft of document was made known for its discussion and analysis. Many of the suggestions and comments were incorporated in the version that will be published.



National Forum of Proposals for Policies for the Promotion of Youth Employment 2005

An aspect of the National Forum which must be highlighted was the diversity of participating institutions. There were institutions from central and municipal governments; likewise, there was participation of a great number of non-government organizations, national and international, cooperation agencies and embassies; representatives of secondary and higher education centers provided novel contributions in educational subjects; contributions from some trade associations and the private enterprise were also present. The regional vision was presented by Jürgen Weller, of the Economic Commission for Latin America and the Caribbean (CEPAL), who coordinated the regional project as well.

Although the participation from government institutions was varied, it was the representatives of the Ministry of Labor and Social Assistance the ones assuming greater responsibility and providing follow-up to the whole process, through its Department of Social Provision and National Employment, and the Secretariat for the Youth.





Consultation workshop with youths from San Andrés

Walter Palacios, National Employment Director of MINTRAB mentioned at the inauguration ceremony of the second day, that the current world situation makes competition in the international market more difficult and that, therefore, economic activation, a necessary condition for the generation of new employment positions, becomes more difficult either. Added to this are other facts, such as the strong entry of China and India into the international market, that the oil price crisis raises the costs of national and international products and that the textile sector, where high hopes were placed, is vulnerable. According to these circumstances, the National Director considers that changing certain schemes from the past is a must. The first one is the focus on gender, given that the participation of women in the economically active population (EAP) of the country is undeniable. In the second place is the need of having an integrated approach with macro and micro labor and social policies. He concluded indicating that it is necessary to make an appeal for all instances to work side by side for the youths of El Salvador, that it is necessary to emphasize inter-institutional cooperation and collaboration, and above all, to forget about the distrust provoked by youths.

In the same framework, the Secretary for the Youth, César Funes, stated that the effort of the Forum is oriented towards the construction

of a national youth employment policy, which will facilitate their insertion into the workforce. These efforts, besides, fit into the plans of the Secretariat, which is beginning to work in ensuring the wellbeing of the country's youth population. Concretely, the document is an essential input of the strategy which will include, among other points, concrete measures to provide work opportunities, improve the labor formation of youths and create ample employment boards, where youths from the different environments of the country's social life participate. The Secretary made comments on the results of the first National Youth Survey, among whose results it was found out that three fourths of the youths polled work or had worked at the time of the survey. At the same time, 42.5% of those interviewed stated that they were looking for employment.



National Forum of Proposals for Policies for the Promotion of Youth Employment 2005

The country's Vice-President, Ana Vilma de Escobar, was not able to appear at the event, but she sent a virtual message to all participants. The Vice-President mentioned the efforts which have been made to improve the employment situation in the country. She started saying that youths are the present and the immediate future, and that, given that globalization is advancing at a very fast pace, youths ensure a durable human resource if they find a favorable environment for their development.



National Forum of Proposals for Policies for the Promotion of Youth Employment 2005

She also mentioned that the State has the obligation of providing them with an adequate social structure, hence the great challenge of balancing the labor supply and demand, whose imbalance generates so much migration and economic insecurity. The first efforts in that direction are summarized in the National Youth Plan, which conveys the idea of integral development of the government of the republic. In that respect, the subject of promotion of youth employment is located within the item of youth autonomy specified by the Plan. So, for example, the employment fairs carried out by the Ministry of Labor are but a sample of what is being done.

To improve that situation, a national system of promotion of youth employment is needed; for that, specific policies and programs must be designed, including business social solidarity, which constitutes a fundamental contribution. It must not be forgotten that if youths do not participate in youth networks and do not take leading roles, the expected results will not be obtained.

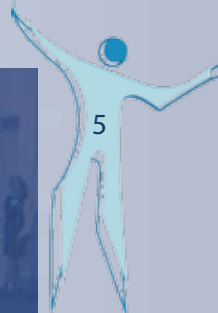
The representative of CEPAL, Jürgen Weller, offered an overview of youth employment promotion policies in Latin America.

He mentioned that the general figures in Latin America show a standstill in participation and a downward trend in labor occupation. For youths, the participation of men has reduced by twelve years, and that of women has increased. The occupation rate shows the same trend by gender, but unemployment has increased for both groups. For both, men and women, there are specific difficulties in what refers to labor insertion, which are classified in four categories: problems in the supply, the demand, intermediation and the productive process. He also highlighted that the process of incidence, the modification or transformation of initiatives to improve the promotion of youth employment goes through two specific fields: the area of labor policy and that one of policies of the employment market. Besides, he summarized the lessons learned from experiences in Latin America.



National Forum of Proposals for Policies for the Promotion of Youth Employment 2005

All lectures and previous words served as an introduction for the presentation of the Strategic Guidelines for Policies and Programs for the Promotion of Youth Employment 2005 document, which was discussed in the eight worktables and generated inputs and approaches which were incorporated into the final document.



INTERVENTION LEVELS

Economic Integration: harmonization in Central America
 National Policies and inter-institutional coordination
 Regional development strategies: Decentralization and autonomy
 Local governments: Inter-institutional coordination at municipal level

TRANSVERSAL SUBJECTS: Gender, Urban-Rural, Vulnerable Youths, Environment, ICT



6

To close the forum, the directors and main responsible persons of the institutions involved in the direction of the project (Ministry of Labor, Secretariat for the Youth, CEPAL, GTZ, IUIDOP, FUSAI, FUNDASALVA) moved to the honor table, as a signal of the commitment undertaken to provide follow-up and monitoring to the proposals, with the purpose of making them concrete and that they do not remain only as good intentions.

To put this proposal into practice, it is necessary to:

- Formulate programs, projects, plans and actions
- Differentiate the levels of intervention: Central American region, national, inter-municipal, local-municipal
- Create a Technical-Financial Committee for the Promotion of Youth Employment
- Create a Technical Commission, capable and knowledgeable of the problem, to provide follow-up to it.

César Funes added that the information obtained, after the discussions with diverse sectors, "reaffirms the need of creating, as soon as possible, a Youth Employment



National Forum of Proposals for Policies for the Promotion of Youth Employment 2005

Policy that guarantees youths the possibilities of access into the employment market, and that this translates into decent and well-remunerated work opportunities".

On his part, Walter Palacios, National Employment Director of MINTRAB, stated that "within the entrepreneurship subject, the promotion of business incubators has been proposed, but not only for entrepreneurship, but for apprenticeship in the country, which should become one of the fundamental instruments to promote the first insertion of youths".

S

trategic guidelines of policies and programs for the “Promotion of Youth Employment” 2005

Introduction

The “Promotion of Youth Employment” 2005 Proposal of Public Policies is the final result of the regional project called Integration of Youths into the Labor Market, CEPAL/GTZ, which had as its main objective, determining in five Latin American countries, the characteristics of youth work insertion and the obstacles to achieve it. In El Salvador, CEPAL and the German Technical Cooperation (GTZ) signed a cooperation agreement with the Ministry of Labor, to coordinate the different actions oriented towards the preparation of such Proposal.

Three phases can be distinguished in the process. The first one was the carrying out of three investigations on the subject of work insertion of youths in El Salvador¹⁵. The studies contributed to the updating of the information about their situation in the Salvadorean employment market and, at the same time, to detect successful experiences aimed at improving work insertion processes. A very important worth of the studies was the inclusion of the youths’ vision, as well as that one of the business community, which allowed to establish, from both perspectives, the possibilities and obstacles for integration into the current national employment market.

Three consultation workshops were carried out in the second phase, with the purpose of making the results of the studies known to a selected group of youths and local adult actors, and to gather their comments and reflections, which would help orient the Proposal. The workshops for consultation and diffusion of information were carried out in the department of La Paz, in San Andrés

Valley and in the metropolitan area of San Salvador. Total participation was of approximately one hundred youths and thirty adults.

Finally, other proposals which in a direct or indirect manner sought to improve the work situation of youths in the country were considered. A key document in the process of preparation of this proposal has been the “National Youth Plan”, prepared by the Secretariat for the Youth of El Salvador. After the document of the Proposals was discussed in the National Forum, it was presented in the Regional Forum in Santiago, Chile, on July 6 and 7, 2005.

1. Context and justification of a national policy for the promotion of youth employment

El Salvador is a young country. Two thirds of its population is younger than 30 years; 20% is comprised between 15 and 24 years, which coincides with the world trends for developing countries, according to the United Nations. This demographic aspect is also reflected in economic terms: in 2003, Salvadorean youths represented one fourth of the economically active population (EAP), which constitutes the most important labor supply, according to age groups. The young EAP, formed by employed and unemployed persons, faces a series of work disadvantages in relation to adult persons.



Among employed youths, 40% has an invisible sub-employment and works the same time as an adult for less money. Likewise, 13% of the 15 to 24 year old population is currently unemployed (15 in the case of men, 10 in the case of females), a percentage that doubles in comparison to that one of adults (25 to 45 years) and triples if compared to that one of adults older than 45 years.

This indicates that in order to optimize the use of the human resource, it is required that the disadvantages just mentioned be overcome. Nowadays, the youth population has skills which can be exploited, if channeled in a productive manner. Although only 12% has more than 12 years of education, or that 40% quits school before finishing the corresponding cycle, which shows the severe problems in educational quality that they must face in the near future (CEPAL 2004), the youth generation doubles the average of school years of the adult population of the whole country, has more capacity of adaptation to the flexibilization of the requirements of the new competitive companies, and is more familiar with state-of-the-art technology and with modern information systems. Therefore, it is not strange that, in 2000, FUSADES and IADB organized the "Demographic opportunity and how to make the most of it" seminar in the country, a motto which helps prove that youths are a big opportunity for El Salvador, if conditions are favorable.

Visualizing the context surrounding Salvadorean youths, in the first place, it is important to understand that this population group, in contrast to other generations, has lived in a country which has undergone radical transformation, especially during the last decade, and which has improved its economic, social and political dynamics in several aspects. Therefore, poverty, child malnutrition rates and fertility have decreased in the last years, as has the housing deficit.

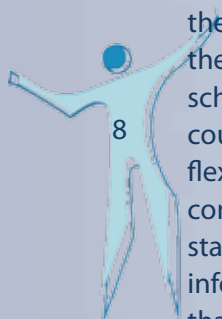
The coverage of basic social services has also increased, income has recovered and work opportunities for women have expanded. However, there are still problems in all environments. According to the Report on Human Development 2003 of UNDP, poverty is still high, there is still lack of access to basic services for a great proportion of the population and the rural-urban gap is still gigantic (UNDP, 2003).

Facing this situation, it must be highlighted that El Salvador (along with Honduras and Nicaragua) is one of the countries with lower social investment (only 82 dollars per capita, in comparison to 1,500 dollars invested by Argentina and Uruguay, at the other extreme). In terms of percentage of the gross domestic product, social expense in El Salvador is the lowest of the whole region (only 4.2%, in contrast to 25% of Panama and Uruguay, at the other extreme). The same can be seen about the percentage of public social expense: overall public expense in El Salvador is only 31%, when it is 75% in Uruguay (CEPAL, 2004).

In this respect, a national youth labor development policy must orient actions towards the integration of this population sector to the labor market and to the creation of an economic basis for the retirement of the current productive generation. The objective of this Proposal is to prepare the guidelines for a National Policy for the Promotion of Youth Labor which serves as the basis for the National Plan for developing active policies aimed at facilitating the insertion of youths into the labor market.

2. Legal and institutional framework of the Proposal

In El Salvador, the "youth" category appeared only shortly ago with the creation of the Secretariat for the Youth, in 2003. Before, the terms "minor" and "adult" were used, and the division criterion was legal age, that is, 18 years.

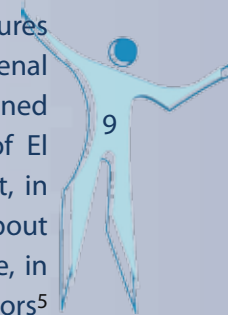


Although the definition of “youth” is complex and debatable, the age range more commonly used by some international organizations is 15 to 24 years. So, for example, in the Millennium Development Objectives document, agreed in 2000 by 189 countries of the United Nations Organization (UN), among them El Salvador, with a deadline for 2015, as a definitive strategy against poverty, inequality and contamination, they speak about youths taking those ages into consideration. The proposal presented here has also considered that age range.

The current legislation in El Salvador provides a legal framework to support the Proposal of Policies for the Promotion of Youth Employment. The Political Constitution of the Republic of El Salvador of 1983² establishes that the political system (pluralist, democratic and representative) considers the participation of all citizens in all areas of the dynamics of Salvadorean society, and demands the implementation of actions to ensure the wellbeing of adolescents and youths. Article 1 establishes that the State recognizes the human person from her conception, as the origin and end of her activity; at the same time, article 3 establishes the equality of all persons before the law. On its part, article 34 establishes the obligation of the State to provide protection to children and adolescents, at the same time that article 35 establishes that the State will protect the

physical, mental and moral health of minors and will guarantee their right to education and assistance. Article 37 commits the State to provide work to all those persons with social limitations, and article 38 establishes a special work regime for those which are under legal age; likewise, it mentions a series of restrictions to guarantee that abuses do not occur against this population group³.

On its part, the Family Code establishes the entities forming the national childhood and adolescence protection system (includes government and non-government organizations), and the Labor Code establishes the regulatory framework for childhood, adolescence and youth labor. In a complementary manner, the Penal Procedural Code establishes the types of crimes related to childhood and adolescence, and the procedures for investigation and punishment of penal infractions. It should also be mentioned that in the Labor Code of the Republic of El Salvador, minors appear in two places: first, in the recommendations that are made about apprentice work⁴; and, in the second place, in a specific reference about the work of minors⁵. It must not be forgotten that the Labor Code includes those Agreements established with ILO which have been signed by El Salvador. Among them:



² Updated up to the reform introduced by DL no. 56 of July 6, 2000. The second section on work and social security is mentioned, which comprises articles 37 to 52.

³ Minors below 14 years and those which at that age are still submitted to mandatory education by virtue of the law, cannot be employed in any sort of work. Their employment can be authorized when it is considered essential for their subsistence or that one of their family, provided that does not prevent them from complying with the minimum mandatory education. The working day of minors below 16 years of age cannot be greater than six hours per day, and of thirty four hours per week, in any kind of work. Work is forbidden to minors under eighteen years. The law will determine what is dangerous or unhealthy work.

⁴ In book 1 of individual labor right, paragraph two about work subject to special regimes, Chapter 1.

⁵ In Chapter 5 of the work of women and minors, section three.

- C77 Agreement on the Medical Examination of Minors (industry), 1946
- C78 Agreement on the Medical Examination of Minors (Non-industrial work), 1946
- C138 Agreement on Minimum Age, 1973
- C142 Agreement on the Development of Human Resources, 1975
- C182 Agreement on the Worst Forms of Child Labor, 1999

Additionally, the Law of the Salvadorean Institute of Childhood and Adolescence, along with the Law of Offending Minors, the Family Protection Law, the Law Against Intra-Familial Violence, the Law of Vigilance and Control of Measures for Offending Minors, the Law for the Commercialization of Substances and Products of Industrial or Traditional Use containing Liquid Solvents and Inhalable Products, the Law for Equal Opportunities for Persons with Handicaps and the General Sports Law, provide regulations to complement that general framework.

Finally, it must be highlighted that article 144 of the Constitution establishes that the International Treaties signed by El Salvador constitute laws of the Republic, and they are binding to all inhabitants. The International Convention on Children Rights and the Convention on the Elimination of all Forms of Discrimination against Women are within this framework.

In the same line, El Salvador has adhered to the Latin American Charter on Youths Rights, promoted by the Latin American Youth Organization (OIJ), which provides a harmonic set of regulations related to youths and youth policies, in whose framework the National Youth Plans – with more relevance and strict grounds

can be developed. Although due to its own character and by virtue of the current state of ratification on the part of the member governments of OIJ, this Charter is still not binding; however, it orients in good measure towards the formulation of this Plan.

It is the duty of the Ministry of Labor and Social Prevision, according to the “Law of organization and functions of the labor and social prevision sector”⁶, approved by the Legislative Assembly in 1996, “promoting the employment and professional formation of human resources, assisting and controlling migratory labor flows”, therefore, it is its duty to “formulate, execute and supervise the social-labor policy of the country”, which includes the design of “employment policies”. Within the Ministry, the instance which must comply with this function, by law, is the General Directorship of Social Prevision, among whose functions are:

Promoting, orienting and evaluating human resources and employment; contributing to the establishment of the national salary and employment policy and stimulating programs and projects for employment promotion aimed at the population in general and to groups with special insertion difficulties, such as the handicapped, persons of advanced age, those long-unemployed, youths searching for their first job, and others assigned to it by law (Law of organization and functions of the labor and social prevision sector)

The National Directorship of Social Prevision must, by law, offer a free-of-charge placement service for workers (especially if these are youths) through the National Employment Department, its permanent offices, and activities such as employment fairs. In the last years, given that “reality needs of efficient

⁶Legislative Decree No. 682, of April 19, 1996, published in the Official Newspaper no. 81, volume 331 of May 3, 1996



public policies and new management instruments”⁷ , MINTRAB has launched the intermediation model known as NEON (National Employment Opportunity Network), following a strategy of de-concentration and strengthening of the public employment service in El Salvador. The formal definition of NEON is:

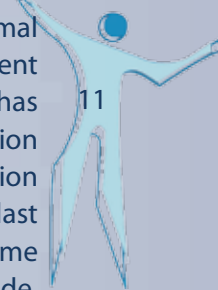
We call National Employment Opportunity Network, the set of public and private institutions offering employment intermediation services and services of work information in the country, institutions connected and integrated through the Ministry of Labor and Social Prevision (MINTRAB/AECI, 2003, p. 6).

Within the institutions assigned to the Ministry of Labor is the Salvadorean Institute of Professional Formation (INSAFORP), whose objective is “satisfying the needs of qualified human resources required by the country’s economic and social development”⁸ . Through formation at the different initial and complementary levels in the agricultural, industrial, commercial, service, agro-industrial and other sectors is regulated through professional formation, understood as “any action or program, public or private, designed for training in trades or techniques, which provides or increases the practical necessary occupational knowledge or skills for the carrying out of productive labor, as a function of the socioeconomic development of the country and of the dignification of persons”, to finally incorporate this population into the national employment market.

The decree that created INSAFORP says that

“what is established in this law will not apply to authorized regular technical education programs under the responsibility of the Ministry of Education, nor to college-level teaching institutions, military, physical rehabilitation, arts and sports institutions”, that is, INSAFORP is in charge of non-formal professional formation and its function does not apply to formal education, which is the responsibility of MINED. Despite that, within its attributions is “Formulating the regulatory project for complementation and cooperation between formal and non-formal education systems, including criteria to establish coordination mechanisms”, and, at the same time, “regulating and coordinating the link between institutionalized professional formation and practice in companies” is also its responsibility.

The responsibility of the Ministry of Education (MINED), according to the “General Law of Education”¹⁰ is the administration of formal education in the country. In the current educational system, secondary education has two aspects: general secondary education and technical-vocational secondary education (subdivided into nine different types). This last one has duration of three years, in the daytime mode, and four years in the night-time mode. Its objective is training students to be able to continue their higher studies or to incorporate into the work environment. In this framework, the Program for Support to the Reform Process in Secondary Education of the European Union (APREMAT) hoped to improve the quality of the Technical Secondary Education system and its level of equality, especially gender equality. APREMAT initiated activities on February 3, 1999 and ended in January, 2005.



⁷ MINTRAB/AECI (2003) Strategy for deconcentration and strengthening of public employment service in El Salvador, San Salvador.

⁸ Legislative Decree No. 554 of June 2, 1993, published in Official Newspaper no. 143, volume 320 of July 29, 1993.

¹⁰ Legislative Decree No. 917 of December 12, 1996, published in Official Newspaper no. 242, volume 333 of December 21, 1996.

Table 1. Salvadorean Education system according to International Standardized Classification of Education (CINE, 1997) of UNESCO

Pre-school education, level 0: Assistance to children, ages 4, 5, and 6 (Kindergarten)	
Primary school. First cycle of basic education, level 1: Grades 1 to 6 (first and second cycles of basic education)	
First cycle of secondary education. Second cycle of basic education, level 2. 7th to 9th grades (third cycle, without any specialization). Level 1 plus level 2 is called basic education, it is mandatory and "free".	
Second cycle of secondary education, level 3. Academic high school (or secondary education) degrees, studies with duration of 2 years, and technical high school degree, studies with duration of 3 years. It should be mandatory and free as of this year 2005.	
Post-high school education, not tertiary, level 4. Technicians, or higher non-university technicians, with duration of 2 to 3 years, after level 3.	
First cycle of tertiary education, level 5. College careers or higher education (including PhD in Medicine), college degrees and engineering, and also master's degrees.	
Second cycle of tertiary education, level 6. Advanced research and highly specialized positions.	

Source: General Law of Education (2003).



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Formal education comprises the higher education system, which has three approaches: college education, technological institutes, and specialized institutes. The system is regulated by the Higher Education Law created by the Higher Education Council, defined as a consultative and proposing organ of the Ministry of Education (MINED), which is formed by two representatives of the Ministry of Education, a representative of the University of El Salvador, three representatives of private universities, a representative of technological institutes, a representative of trade associations of the private enterprise, and a representative of professional trade associations. The Law also created the System for Supervision and Improvement of the Quality of Higher Education in El Salvador, which includes

the Qualification, Evaluation and Accreditation Sub-systems.

After more than eight years of validity of the referred law, and taking into account the experience obtained during its application and the technological changes at the international level, punctual reforms and additions were made to the general framework of the law to determine new conditions in the national educational field, with the purpose of promoting quality, strengthening higher education institutions and encouraging the formation of professionals capable of competing in a globalized environment.

¹⁰ There are currently 26 universities (1 public and 25 private), 9 technological institutes of higher education (5 public and 4 private) and 5 specialized institutes (1 public and 4 private)

¹¹ The first version was approved on November 30, 1995, Legislative Decree 522, and published in the Official Newspaper of December 20, 1995.

The academic degrees of technician and technologist appear in the new Higher Education Law , oriented towards Technical Superior Formation. These are defined in the following manner:

Art. 8. The degree of Technician is granted to the student which has approved a study program comprising all essential aspects for the practice of knowledge and skills in a scientific or humanistic area, specific art or technique.

The academic study plan to obtain the Technician degree will last no less than two years, and has a minimum requirement of sixty-four credit units

Art. 10. The degree of Technologist will be granted to the student which studies and approves a study plan which goes more in-depth than the Technician's plan; it will have a minimum duration of four years and an academic requirement of no less than one hundred twenty-eight credit units.

The legal framework supporting the Proposal forces the acknowledgement that the National Micro and Small Enterprise Commission (CONAMYPE) is an institution created in 1996 by Executive Decree no. 48, and was assigned to the Vice-Presidency of the Republic. As of July 1999, through Executive Decree no. 12, CONAMYPE forms part of the Ministry of Economics. This institutional change was given the intention that CONAMYPE contributed, in an efficient manner, to the development of the micro and small enterprise, as part of the economic development plans of the country. It represents several organizations from the business, government and civil society sectors.

According to the framework of the 1999-2004 Government Plan, CONAMYPE is in charge of carrying out a strategy to integrate efforts which yield as a result, in the short, medium and long

term, the development of micro and small enterprises, considered by the Government as one of the main axis for the development of the country. This objective requires institutional reconsideration, a vision to integrate efforts within the work of CONAMYPE.

Lastly, the Secretariat for the Youth emerges in the framework of the 2004-2009 "Safe Country" Government Plan, which establishes ten priority presidential programs, among which is, in a highlighted manner, one specifically centered on youths. "The objective of this Program is coordinating the institutional efforts carried out by youth programs, including those of municipalities". Such framework highlights that "the main work areas will include: art and culture, computers, scholarship program, sports and recreation, volunteer work, prevention for health and sex education, prevention of addictions, prevention of conflict and violence, alternate education programs, professional formation, work insertion and business bases, education for life and strengthening of self-esteem and values". In operational terms, the Government Plan establishes that "this Program will be presided by a Presidential Commissioner which will be called the National Secretary for the Youth". And, in harmony with the strong priority assigned to the subject, the National Secretary for the Youth assumed office on the same date as the current Government did so, and immediately started with the formation of the National Secretariat for the Youth.



As a whole, the elements indicated clearly show the relevance that “youths” have for the Government.

The National Youth Plan, presented in January 2005, provides a response to the Government Plan. For its effective design, the National Secretariat for the Youth carried out ample consultation with youths and adults throughout

the country, including the different public and private institutions, national and international, which operate in this sector, with the purpose of collecting all those proposals which could nourish this Plan with program and operational content, an objective which has been fully achieved. In that sense, the National Youth Plan tries to obtain three great objectives:

1. Improvement of the quality of life of youths
2. Promotion of youth development at all levels
3. Attention to all vulnerable and excluded youth groups

To attain such objectives, concrete actions are carried out around five great action axes:

1. Promotion of youth autonomy
2. Promotion of youth wellbeing
3. Development of citizenship in youths
4. Support to the development of creativity in youths

In matters of promotion of youth autonomy, the following actions areas are foreseen:

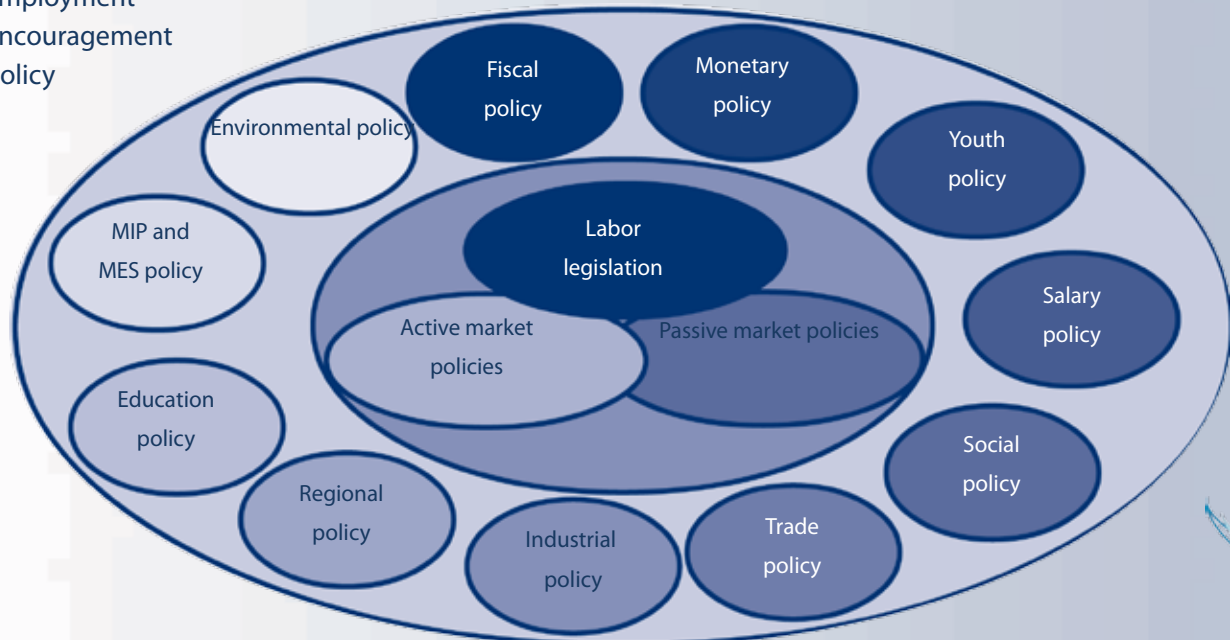
- Promotion of education and training
- Facilitation of incorporation into work and of the first job
- Support to initiatives of youth entrepreneurs
- Encouragement to the acquisition of housing by youths



3. Conditions for a balanced youth labor market

A policy for the encouragement of (youth) employment comprises all areas of political intervention with direct or indirect impact on employment.

Employment
encouragement
policy



Source: Trömmershäuser / Kausch 2002.

The strategies and measures aimed at the improvement of the labor market can only but flank (youth) employment promotion interventions. The areas of intervention with the greatest impact at the employment level are:

1. Fiscal policy (taxes, grants, public investment)
2. Salary and social policy
3. Educational policy
4. Economic policy

In the long term, sectoral policies, such as education, health, agriculture, industry and trade, are relevant. While these policies have, in the first place, another objective, the labor market policy is primarily aimed at employment. It includes aspects of regulation and of coordination of the labor market.

In developing countries, the potential of an active policy of the labor market, focused on the reduction and prevention of unemployment, centers on the compensatory effect, through the reduction of frictional unemployment,

the increase in individual employability and placement efficiency (IAB Werkstattbericht Nr. 11/2002). An active labor market policy comprises information, orientation and labor advice (a reference system) for technical vocational formation and training, labor intermediation, programs for the creation of new enterprises (self-employment), as well as consultancy to companies for the definition of profiles and selection of personnel, including incentives (tax reduction or subsidies). On their part, passive policies seek to reduce the economic and social impacts of unemployment; in that respect, they are less feasible in development countries, due to their high requirement of public investment, salary redistribution and indemnification; also because a great percentage of the informal sector is excluded from the formal system of social security and protection and, therefore, would not benefit from the measures.



3.1 Links to the economic and social development framework of the country

A. Economic development

As in all countries, changes associated to globalization – work organization, rapid technological change, economic liberalization in general – affect the traditional economic structure, especially in countries like El Salvador, whose insertion into international economic circles and levels of technological adequacy and productivity are deficient.

In the last years, the expansion of the informal sector has been evident, with the subsequent precarization of average employment conditions, given that formal companies do not have the capacity of absorbing the increase in the EAP. For the younger population, this is a more problematic situation, since sub-employment and unemployment levels are higher than the average for the EAP (IUDOP, 2004).

On the other hand, since the beginning of the decade of the nineties, especially after the signature of the peace agreements, the different governments of El Salvador have implemented a series of structural reforms which had an incidence in fundamental aspects of the country's economy. Although the structural reforms pursued the adequate insertion of the country into the globalized world, the results do not agree with that. On the other hand, the faults in these programs have not allowed competitive or sustainable growth, nor have they been able to revert the huge social deficit that the country has historically accumulated. That is, the bases on which the country's new economic organization rests are weak, since they show lack of capacity to encourage the accumulation of productive factors and, therefore, to generate high rates of growth and quality employment in the long term.

The main characteristics of this economic restructuring are the decline of the agricultural

sector and the structural modification of exports (even then, their importance in the percentage of the GDP is still strong). Indeed, there is an expansion in maquila (apparel manufacturing, assembly plants), non-traditional exports, and remittances become new currency sources, substituting the traditional exports (coffee, cotton, shrimp and sugar), which were agricultural exports. Therefore, at the beginning of the nineties, traditional exports constituted 45% of the total exports, while for 2004, they only represented 5%. At the same time, maquila exports reached 81 million dollars (1.7% of the GDP) in 1990 and 1,821 million dollars (11.8% of the GDP) in 2004. On their part, remittances went from 321.9 million dollars in 1990, to 2,547.6 millions in 2004. However, the percentage represented by total exports has hovered around 12% since 1990.

In regard to the decrease experienced by agriculture, the almost disappearance of the cotton crop and the decline in coffee exports are notorious. Although poultry and livestock productions have increased, the participation of the agricultural and livestock sector in the GDP dropped from 25% in 1978 to 11.3% in 2003.

Now then, the basis for insertion into the world economy has been the process of economic liberalization and, particularly, commercial aperture, promoted since 1989. This process includes: a) a program of tax reduction, agreed in the framework of the Central American Common Market; b) elimination of all non-tax-related barriers;

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¹³ To calculate the % of GDP represented by maquila exports, the calculation has been carried out under the following assumptions: a deflator of GDP of 2.014% for 2004, result of the deflator of average GDP for the 1997-2003 period, and a real growth of 1.5%

¹⁴ Using net maquila instead of gross maquila

c) the promotion of standardization in trade rules and of taxes at the Central American level and d) an export promotion policy. As a result, the external aperture of the economy has increased in almost 16 percentage points of the GDP between 1990 and 2002. However, the anticipated effects have not been achieved, in terms of strengthening the export sector and of generating a greater attraction of currency to finance the dynamism of long-term growth.

Another drastic structural change is the internationalization of the financial system, which enjoyed certain preferences, among which are the support to the liberalization of the capital account, during the decade of the nineties, and several reforms supporting the strengthening of financial intermediation services (liberalization of interest rates, elimination of most directed-credit programs, privatization of the banking system, creation of the capital market through the Stock Market, reform in the retirement fund system, which gave way to the creation of private pension funds, and dollarization of the economy). This support has allowed the Salvadorean banking system to be the leader in Central America and to expand throughout the region, including Panama. The country enjoys the lowest interest and inflation rates in the region, and the lowest difference between what banks pay for savings and what they charge for loans (spread).

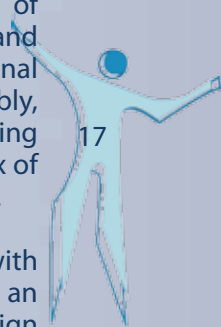
Another one of the government's efforts carried out through the execution of economic policy measures has been the attraction of direct foreign investment (DFI); however, the results have not been as expected. Among the measures in support of the attraction of foreign investment, the following stand out: a) enactment of the Investment Law (Legislative Decree no. 732, of October 14, 1999), which guarantees freedom of investment and treatment as nationals for

foreign investors; b) aperture of a single window (National Investment Office) to speed up the procedure of necessary formalities required for investment; c) the creation, in February 2000, of the National Investment Promotion Commission (PROESA) and d) the signature of several free-trade agreements (Mexico, Dominican Republic, Panama and United States).

These efforts are carried out thanks to the key role of the DFI, which contributes to growth in the measure in which the availability of financial resources increases, and increases the total productivity of the factors. The scarce results obtained are related to the poor international perception about the institutional strength of the country. For example, between 1997 and 2001, the rating of El Salvador in the International Country Risk Guide (ICRG) decreased noticeably, and between 1998 and 2002, its rating according to the Corruption Perception Index of International Transparency decreased as well.

On its part, the Free Trade Agreement with the United States (CAFTA) could represent an important encouragement for direct foreign investment, but since it is a regional agreement, El Salvador must compete with other countries of the region for that investment.

Next, there is a schematic summary showing the reforms carried out, their objectives, strategy, positive results or achievements, and negative results.



¹⁵To The Export Promotion Policy includes the Export Reactivation Law, the Law of Industrial Free-Trade Zones and Commercialization, the Investment Law, modernization, legal regulations in matters of investments, the environment and intellectual property, besides carrying out an aggressive agenda of international commercial negotiations.

¹⁴A third of the total assets of Central American banks belong to Salvadorean banks. On the other hand, the four largest banks in El Salvador correspond to the four largest private banks in Central America (not including Panama).

- Objectives of structural reforms
 - High and sustainable growth rates
 - Generation of quality employment
 - Reduction of poverty levels

- Strategy
 - Market-based economy
 - Insertion in global economy, through diversified exports of a high added value and quality

- Achievements
 - Price stability
 - Reduction in interest rates
 - Modernization of certain economic sectors (banks, communications)
 - Emergence of new activities (maquila, certain non-traditional export products) and of new companies

- Negative results
 - Lack of capacity to achieve high and sustained growth rates
 - Difficulties in the creation of enough quality employment positions
 - Intensification of the agricultural sector crisis
 - Lack of initiatives to improve the distribution of wealth
 - Growing deterioration of fiscal accounts

Many causes have had incidence in these results. The first one is insufficient response of private investment, both national and foreign. Another cause is the lack of an effective fiscal reform, which allows an increase in state income to levels adequate to the country's social and economic needs. Although the effort of the current administration is recognized, the need of a deeper reform which allows for more collection in order to reach at least 14% of the GDP must be highlighted.

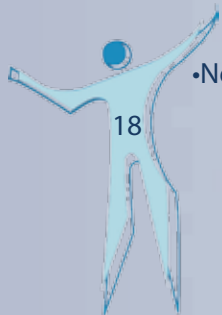
On their part, downward productivity levels have also influenced these results. Besides, the fact that the competitiveness of a great number of companies is based on salaries, more than on productivity, provokes that the accumulation

of production factors is not the adequate and discourages direct foreign investment. This is another reason to insist on the need of technical education and labor training, especially youth training, because they have the greatest capacity to respond effectively to the challenge of productivity.

At the level of companies, the deficient rule of law of the country and the difficulty of the State to comply with the regulation and fiscalization functions of the markets constitute obstacles. On this issue, it must be mentioned that the Law of Free Competition (Decree no. 528, published in the Official Newspaper, volume 365, no. 204, of December 23, 2004) was only approved after more than nine drafts or law projects, the first of which was submitted during the administration of former president Cristiani.

This means that the reforms gave rise to a sustained growth process, but were not enough to take advantage of the opportunities offered by globalization, to achieve a sustained growth rate and, finally, to count on an economy which allows to generate quality employment, according to the increase in the annual supply of youth labor. Therefore, to overcome the main obstacles of Salvadorean economy, it is necessary to take the improvements in the quality of the physical infrastructure, the accumulation level of human capital (mainly education and health), environmental protection, and the establishment of an institutional and legal environment which guarantees a more efficient allocation of resources in a framework of social equity into account.

The demand of labor is directly related to the creation of employment and,



at the same time, this is related to the existence of a climate of competition among companies. It must be remembered that the existence of a competitive environment is a factor associated, among many others, to economic growth. The link is established through investment: an economic environment where conditions of competition exist for businessmen and women, national and foreign. In that respect, there would be more probability of creation of companies which, at the same time, would generate more employment positions. On the other hand, the State could participate in this challenge, in the creation of youth employment, to the extent that public investment hires economically active youth population to improve the labor situation of youths. Based on this, FISDL and MOP have a great potential to generate youth employment.

In this context, the insertion of the country into the globalized world is a reality; as a matter of fact, one of the main objectives of governments has been achieving a successful insertion into global economy. In that direction, El Salvador is a country which signed the General Agreement on Tariffs and Trade (GATT) and forms part of the countries belonging to the World Trade Organization (WTO); likewise, it is within the area of influence of the FTAA project (Free Trade Area of the Americas, promoted mainly by the United States). Within the WTO, the subject of labor markets and competition has taken relevance as of the mid-1990s.

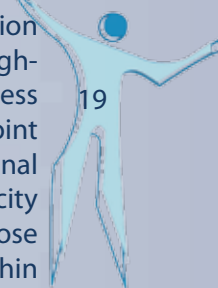
The new international trade regulations are increasingly incorporating aspects related to free competition and labor markets. There is a general trend to state that economic and commercial aperture needs, through competition and market regulation, a security mechanism, in order to avoid abuses and to be able to maximize the benefits of globalization and minimize its damages. Therefore, with all that has been said, some challenges or proposals are presented, with the purpose of improving youth labor insertion through the creation of quality employment coming from private, national and foreign investment.

General-type proposals initiate with the exposure

of the need to consolidate macroeconomic stability in those areas where the country has achieved advances. This means that it is necessary to approach and underpin the growing imbalances generated in the fiscal sector (growing fiscal deficit and lack of flexibility of expense) and external (growing deficit in the balance of trade). Likewise, it has been proposed that a negotiation process be carried out, among all social sectors of the country, by virtue of which commitments are defined by consensus for a fiscal pact, which should include a basic framework and the objectives of fiscal policy and the definition of the necessary specific mechanisms to comply with the commitments agreed in matters of State income and expenses.

From the macroeconomic point of view, which encourages the generation of employment, it is proposed: a) that a technological policy be encouraged, through incentives for research and development, and to promote the collaboration of national and multi-national companies in high-technology sectors; b) to increase the awareness and encourage the private sector to carry out joint efforts with the government and educational institutions to improve managerial capacity and to generate incentives, with the purpose that the best talent in the country stays within national borders, and does not migrate towards more developed economies; c) to strengthen the investment climate; d) to achieve connectivity with other markets through the transportation and communications infrastructure.

With the purpose of creating enough quality employment positions, it is necessary to count on a policy for the promotion of productiveness and productive employment, with emphasis on MSMEs, as well as



to design and promote a policy of conversion and modernization of productive sectors, with emphasis on the agricultural sector. Likewise, it is essential to improve the capacity of regulation and fiscalization of the State, especially on strategic sectors. Besides, to achieve a better labor insertion in a globalized environment, constant labor training is required for qualified workers, with emphasis on technical knowledge.

The world economic reality also demands the integration of small countries, such as ours. But this integration does not only refer to trade, but to the promotion of quality work among the countries. On the other hand, the requirements in matter of adaptation to the changing demands of the market, of the necessary competitiveness and technological development, need of a different type of policies, such as those mentioned below.

- a. Policies which allow a reduction of the costs and asymmetry of information. In other words, obtaining updated information with respect to the demand of all types of employers, of all types of qualifications required on one hand and of the labor needs and training profiles on the offer side. This information should be made available to employers and persons seeking employment.
- b. Achieve a technical, professional and practical, flexible and efficient formation system. This includes the combination of formal education and practice in companies. This will allow for a more immediate link between youths and companies, and will promote the adaptation of knowledge and education to the realities faced by companies.
- c. Promote governance in work relationships, based on the joint participation of the State and democratic and representative workers and employers associations.
- d. Increase the coverage of social security to avoid the precarization of labor.
- e. Create a policy for the promotion and safekeeping of free and real competition.

The objective is not only improving labor insertion from the quantitative but from the qualitative point of view. This implies that the policies promoting business competitiveness must not forget about the quality of life of workers. It is necessary that a strategy of raised and sustained growth be articulated, which counts on mechanisms which allow the transference of the fruits of growth to those which have less. This aims to reduce existing levels of poverty and inequality and, above all, to contribute to the wellbeing of workers. Besides, policies are suggested which guarantee the satisfaction of basic needs, which correct the inequality in the distribution of assets, income and power, and which prevent the expansion of insecurity and social exclusion.

To make the coordination of all necessary actions operational, it is recommended that an instance be created, such as a Planning Secretariat, a National Planning Commission, or an inter-ministry office, provided with visibility, power, flexibility, specialized technical knowledge and political capacity to take charge of subjects regarding globalization, and that is able to channel this force in favor of human development in the country.

B. Social development

Although social expense in El Salvador is the lowest of the whole region (only 4.2%, compared to 25% of Panama and Uruguay, at the other end) and the percentage of public social expense, in the overall public expense, is also low, since it is 31% in El Salvador, compared to 75% in Uruguay (CEPAL 2004), a series of programs and government initiatives have been carried out in the last years, seeking the social development of the citizenship.

The 2004-2009 Government Plan mentions the challenge of transforming El Salvador into a modern society with high human capital, whose aim is to significantly reduce poverty. To achieve this, it will be necessary to strengthen social solidarity, to raise the dignity of persons, especially of the poorest, to offer security in all aspects of human life, and to promote an equality of opportunities for everyone.

Therefore, the Plan comprises four action areas, which are focused in the following manner:

a. The first one is aimed at improving the quality and coverage of health services in the country. There has been advances in some indicators, among them, infant mortality, global fertility and immunization coverage. Currently, certain steps are being taken to count on an efficient and consolidated national health system, operating in a decentralized manner at the national level, which has national coverage and guarantees its free-of-charge nature, especially for persons of scarce resources and those living in rural areas of the country.

Now then, one of the purposes is the expansion of the programs of integral attention to adolescents, with emphasis in the prevention of disease, the practice of healthy living, prevention of accidents, mental health and productive use of spare time.

Another important program consists of raising the awareness of youth about the importance of prevention of infectious-contagious diseases, such as HIV/AIDS. Likewise, attention service must be provided in an ample manner to all persons infected with this disease.

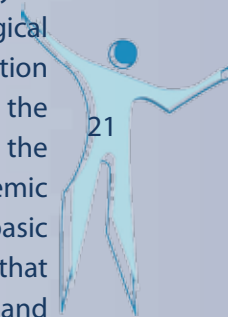
b. The second one consists of making the transition towards modernization and the construction of the society of knowledge. What

is sought is offering quality education and total coverage. The 2021 National Education Plan, being launched this year, will be the base instrument for this transformation.

In this effort, it is important that the educational system offers a variety of educational offers with distance-learning programs, radio programs, programs with semi-present tutorship, accelerated education, etc. This, without a doubt, will benefit both, youths from the rural sector and those that are working and that, besides, want to finish their studies, in such a way that they can adapt their working schedule to the educational offer.

The creation of technical education centers (MEGATEC), which articulate the third basic cycle and secondary, technical and technological education, as well as professional formation programs, is fundamental to expand the educational offer in the country. Besides, the creation of an effective system of academic credit based on proficiency for all levels of basic and high school has an enormous value, that is, knowledge testing for previous studies and skills which allow students to enter any level of basic and secondary school. Likewise, the efforts for the social prevention of violence, through the "Extension of Educational Opportunities" for children and youths at social risk living in suburban areas, can help, among other things, to prevent the entry of this population into gangs.

The coordination of efforts of higher education institutions with the productive sector is also of great importance, so that the offer and demand of educational resources has an interception point, and that universities are instruments for research and transference of technology to the productive sector.



Lastly, at the cultural level, it is necessary to create diffusion spaces, such as toy libraries and cultural houses (casas de cultura), to strengthen the National Library and create workshops for arts and trades which include disciplines as different as painting, dance, music, theater, literature, history, sculpture, etc. as well as the promotion of national artistic productions.

c. The third one is aimed at considering the household as the basis of the family patrimony. In the past, there were no housing policies leading to favor different sectors of the population. Nowadays, it is hoped that all, including those persons in the informal sector of the economy, can do it. The actions seek to create alternatives which facilitate access to housing, especially in what refers to financing. In that case, the Social Housing Fund must adapt its operation in such a way that its operations are more efficient and that the benefits of its financing reach more people, including those that do not contribute to the PFAs and those belonging to the informal sector.

Another pending project is the titling of the SHF portfolio, with the purpose of multiplying the resources existing for housing financing.

d. The fourth action, called "Social and family strengthening: social cohesion", seeks to provide support for the poorest and most vulnerable members of society. The Opportunities Plan, recently launched by the Executive, and aimed at this sector, is a social protection network. Among its objectives are ensuring that the population satisfies their basic needs, the creation of a youth program which helps break the barriers faced by this specific group, so that they can integrate into society; a program for single mothers, to help many young girls to improve their quality of life. These are some examples of what can be done to achieve a social development favorable for the whole population, especially for youths.

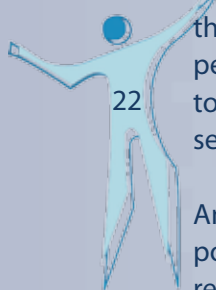
3.2 Transversal subjects

The Proposal suggests that strategic actions integrate the following subjects: gender equality, residence (urban-rural), vulnerable youth groups, environment, innovation and new ICTs.

A gender strategy must be transversal to all policies, projects and programs. That means that the equality of opportunities between men and women must be present in any plan, design or action. This includes, for example, the promotion of training for men and women.

Now then, the concentration of economic activities in SSMA (San Salvador metropolitan area) has provoked that economic and social development is configured in a center-periphery situation. The labor market does not escape this situation, since the greatest number of formal work positions are offered by companies established in SSMA. However, with the current Cutuco port project in the department of La Unión, a step has been taken to de-concentrate economic activity, which indicates the creation of development centers. It is of great importance then, that government institutions promoting the development or creation of companies have an active policy of generation of productive work in zones whose commercial density is low and that, besides, focus strategic actions on youths living in urban and rural sectors, trying to differentiate their specific needs.

On their part, vulnerable groups need special rehabilitation and social inclusion programs, connecting the same strategic intervention areas, but with other mechanisms for attraction and follow-up of young beneficiaries.



In regard to environmental subjects, innovation and new technologies, these must be specially considered in the formation for employment and the creation of new youth companies, taking advantage of the potential of youths as a strategic actor of economic and social development.

3.3 Links of international Movements

In the Declaration of the Millennium Development Objectives, chiefs of State and of governments indicated their firm political commitment of carrying out and implementing strategies to facilitate decent and productive work to youths, promoting the impact of public work promotion policies towards young men and women and reassuming a full employment level as general goal and objective of the social and economic world and national policies.

The Youth Employment Network, created by the United Nations, along with the World Bank and the International Labor Organization (ILO), presents as strategic intervention areas for national plan, the so-called "4E's":

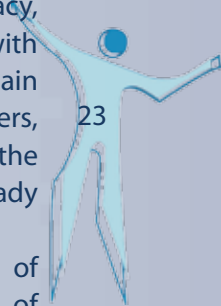
- **Employability:** investing in education and professional and vocational technical formation, as well as improving the impact of these interventions
- **Equal opportunities:** promoting the same opportunities to young women and men
- **Entrepreneurship:** facilitating the creation and implementation of new companies to promote more and better employment for youths
- **Employment creation:** center macroeconomic policies on employment creation

Today, the outstanding subjects when speaking about globalization are related to a better and

more fair governance of the world's economy, and highlighting the fundamental role of national and local institutions in the distribution of those benefits (costs) of globalization, that is, that these are spread among everybody (or at least among the majority).

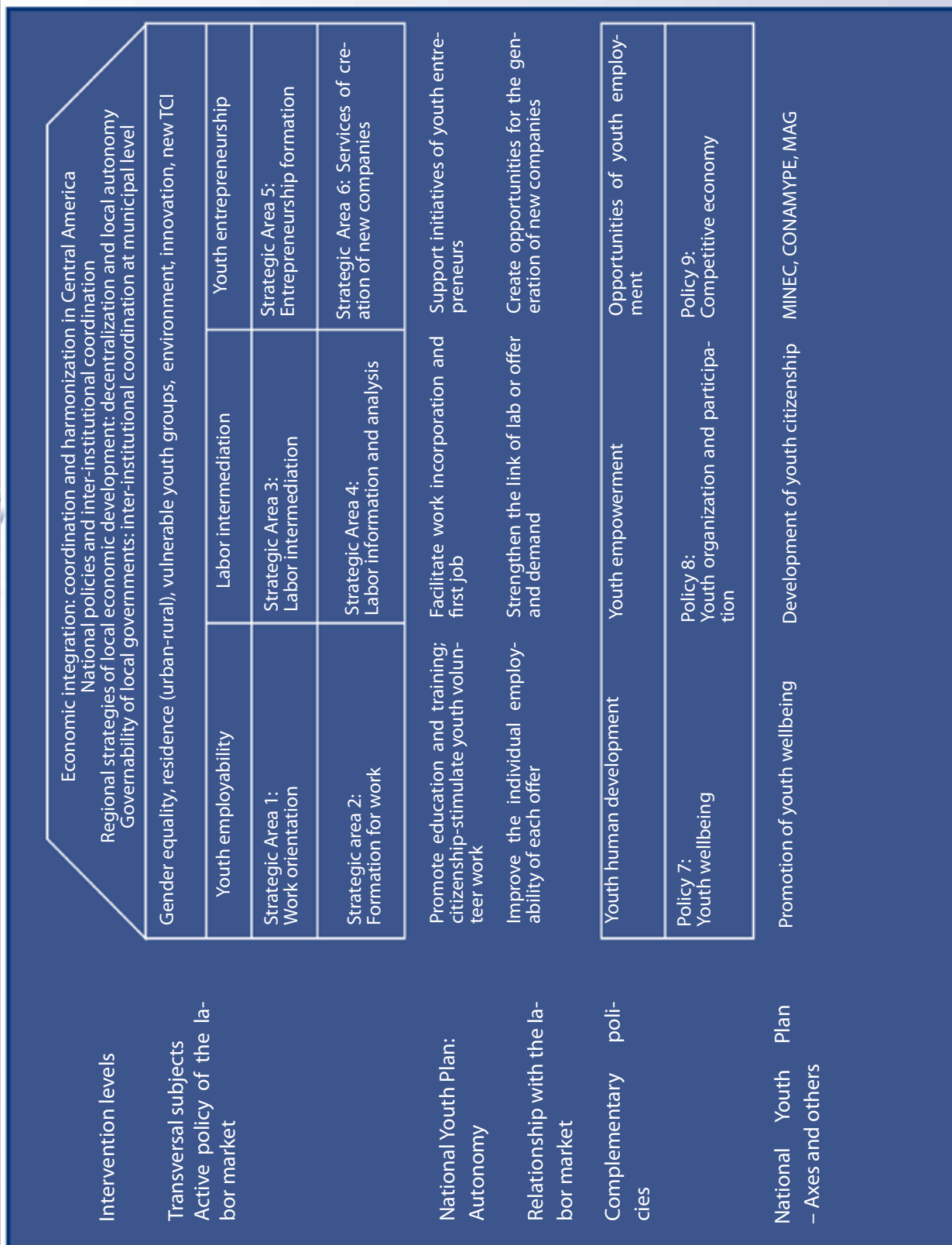
In this line, ILO presents the characteristics that programs must have in order for globalization to be a positive development force. The elements indicated next, according to this organization, must be taken into account when designing any youth insertion policy or program.

- a. The focus must be based on the people, in satisfying their needs and in respecting their cultural identity, autonomy, gender equality and training of the local communities where they are located.
- b. Promoting governance based on democracy, social justice, rule of law, human rights, with participation and representation of the main interest groups, including workers, employers, civil society institutions. The improvement of the capacity of micro and small enterprises (already mentioned) is a main subject of governance.
- c. Improving the capacity of the State, of the people, of the production system and of society¹⁷



17 The capacity of the State refers mostly to the provision of public goods and to the capability of designing and executing public policies. The benefit for the people is oriented mainly, but not exclusively, towards education, training and health. The production system refers, particularly, to business development, use and adaptation of technology. When there is a mention about "society", it is about the existence of institutions for dialogue, participation and protection.

4. Proposal of policies and strategies for the promotion of youth employment



4.1 Active labor market policies aimed at youths

4.1.1 Active policy for the promotion of youth employability

This policy has as its objective, improving the individual employability of the labor offer. The carrying out of this policy is centered on two big strategic areas. The first one comprises programs and projects which help youths develop a system of “labor orientation”, that is, specific actions which facilitate self-knowledge and self-evaluation of their skills, dexterities, interests and personal work motivations, including entrepreneurship ones, and which also allow them an efficient work search. The second strategic area is “work formation”. This includes all proposals which connect, in an opportune manner, the requirements or competences demanded by the companies with the national educational offer. Programs of theoretical-practical formation must be promoted in a simultaneous manner, including professional practices in companies, and other models which allow a combination of work and study. This policy establishes the need of reviewing offers of formal and non-formal technical formation for the youth population.

Strategic Area 1: Youth work orientation

Strategic Actions:

Aimed at the offer:

- Diffusion, through the networks of youth organizations, of the “Orientation and Skills for Employment” program, promoted by the Secretariat for the Youth, to assist youths in the preparation of a personal strategy and an action plan of employability and productive insertion. The Program orients youths in decision making, to choose between searching for employment or setting up their own business or cooperative. (C.)

- It is recommended that the scholarship program offered by the Office for Youth Justice (OYJ) of the Supreme Court of Justice (SCJ), destined to offending minors or in a social risk situation, be aimed towards vocational orientation of youths at risk to establish a connection with occupational formation programs according to their skills. (C.)
- The possibility of integrating vocational orientation into the national educational system, through the curriculum and tutorship with the objective that students develop strategies of vocational self-orientation, is under study. It is recommended that it be carried out as of the 9th grade or before, if possible. (C, M, L.)
- That higher education institutes find the most adequate manners of teaching work searching strategies to youths, (some options can be using class hours in college courses, conference cycles on the subject, academic tutors, etc.). (C, M.)
- Invest, in an adequate manner, in the diffusion of all occupational orientation diffusion programs existing in the country, to achieve adequate knowledge by the population in general. (C, M.)

Aimed at the demand:

- Coordinate with businessmen and women that management personnel of the companies, in coordination with educational institutions, provide talks about business activities that they are carrying out, promote visits to their facilities and encourage youths to participate. This can motivate them to aim towards a specific work option. (C, M.)



Strategic Area 2: Formation for employment

Institutionality:

- The Secretariat for the Youth, in coordination with other instances involves, such as MINED, establishes contact with networks of youth organizations for diffusion of their "Orientation and Skills for Employment" program. It will be a challenge to promote these programs towards less favored zones, urban marginal zones and the rural sector of the country, guaranteeing good follow-up and impact monitoring at the same time.
- MINED studies the manner of integrating and supporting vocational orientation programs in the national system, such as it has been done in the APREMAT program from the European Union.
- Secondary and higher education centers, encouraged by MINED, carry out annually, the pedagogic and administrative teaching strategies for work orientation, and work in a coordinate manner with the local business community.
- The Office for Youth Justice, in coordination with institutions carrying out vocational orientation and occupational formation programs, seeks that youths in trouble with the Law are able to have a better orientation about the options provided by the work market.
- MINTRAB offers agreements with municipalities, to make co-participation agreements in the orientation service from local offices concrete.
- At the same time, follow-up agreements are established, and the evaluation of the actions carried out.

Strategic actions:

Aimed at the offer:

- Make the youth population aware of the importance of technical careers in this country. It is necessary to provide orientation to youths ending the ninth grade for them to choose with more clarity between the options of non-formal and formal education of medium level (General and diversified), as well as between the options of higher education (university and technical institutes) (C.).
- It should not be forgotten that an important option for better employment is to continue studying. Youths should clearly understand that their best option is not abandoning the educational system, but getting more and more specialized (C.).
- Expand the offer of formal and non-formal technical formation for the young population. In this moment, there is an imbalance in the educational offer. For example, there are more general high school degrees than diversified ones, and more universities than higher technical institutes (M, L.)
- Support the normalization and certification of work skills of youths. This will allow for official acknowledgement of their skills, independently of where these were acquired, and will facilitate the transferability from one job to another and from one educational level to another one (C.)
- The fast technological advances require that the Program for Support of the Higher Education Reform Process in the Technical Area (APREMAT) is adapted in such a way that it can be used as a mechanism of periodical evaluation of the secondary education in the area (C, M.).

- Strengthen the work formation and insertion program carried out by INSAFORP, called Empresa-Centro, with the purpose of expanding the coverage and to facilitate the integration of youths into the work market (C, M.)
- Adapt the Empresa-Centro program so that it can be aimed at youths which have not finished their basic education studies and are in a situation of poverty. It must not be forgotten that there must be a balance in the participation of men and women (C, M).
- Study the proposal of "Apprenticeship Law" so that it does not become an obstacle for learning and for the development of the skills of youths. For that, it is necessary to make a balance between social security and effective apprenticeship, as well as incentives for businessmen and women (M.)
- Strengthen and adapt the Work Habilitation Program carried out by INSAFORP, with the purpose of making it adequate to the particular needs of youths. This program seeks the generation of rapid employment for youths of scarce economic resources which have abandoned the formal educational system, as a response to the specific needs of the productive sectors of the country (C, M)
- Carry out volunteer work programs which help youths in their process of creation of a life project and personal employability strategy (C, M.)
- Develop an "apprenticeship" program so that all students from college and higher technical education carry out their practice in the different private businesses and state-owned institutions, so that, at the end of their volunteer service period, they can count on certain experience levels. The apprenticeship or volunteer work program can take advantage of the "social hours" required by higher and secondary education institutes before graduation. The objective is

that apprentices participate in organizational programs which promote the development of specific labor skills; in that manner, the technical academic formation is complemented and work insertion becomes easier. Apprenticeships can also strengthen other types of programs, such as Empresa-Centro (C, M.).

- The Empresa-Centro program, along with the "apprenticeship" program, would be aimed at the youth population which has finished its secondary education studies, or at those which have finished or are about to finish their higher education studies (C, M, L.)
- Bring "Internet Communications Technology" (ICT) closer to the youth population of the country, through distance-learning programs, or merely by making it an integral part of formation in all educational centers, etc.

Aimed at the demand:

- Companies must consider re-training and re-qualification of the youth workers, so that they are not phased out by the continuous technological change in the work market (C.)
- Develop a methodology that guarantees the relaying of information about demands in the different productive sectors. A possibility is that the representatives of the business sector participating in the Higher Education Council of MINED as in the Directive Council of INSAFORP periodically transmit to these institutions, the technical requirements and skills that their companies need the most (C.)

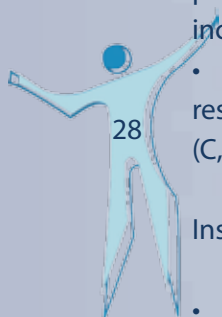


- Promote corporate social responsibility programs in such a way that all trade organizations participate in the implementation and coordination of these programs (C, M.)
- Favor businessmen and women which participate in youth first-employment programs with a series of incentives (fiscal or prestige recognition programs) to spare them an additional economic cost, and where there is rather mutual benefit (C, M.)
- Calculate the number of youths that could participate in the apprenticeship or in the Empresa-Centro program, which would be under the responsibility of the trade associations of the country. The estimation of youth human resources would allow to propose, every year, a specific number of youths and to know the profile that would be needed so that they could incorporate into these programs (C, M.)
- Evaluate the possibility that companies reserve a percentage of work positions for youths (C, M, L)

Institutionality:

- Include in the schedules of educational centers having third cycle and high school degrees, a preparatory seminar for students of the ninth grade and of last grade of high school. The idea is that the students learn, in a clear manner, about work opportunities, for them to choose one or another educational option, in any case.
- Set the goals and the necessary times to achieve a balance between technical and non-technical formation offers, which would be under the responsibility of MINED. Besides, the development of technical careers and access to these must be strengthened.
- Initiate efforts to change the APREMAT program into a permanent evaluation instrument of secondary education in the technical area, which would be under MINED's responsibility.
- Continue with Empresa-Centro programs

- carried out by INSAFORP, promoting the integration of more companies to achieve greater coverage throughout the country, especially in the areas of economic development. To recruit youths and for the later intermediation of the persons so formed, the necessary links with the employment boards of MINED must be ensured.
- MINTRAB is the institution responsible for labor intermediation, which must contribute attracting youths through their offices and employment fairs for youth formation (both of Empresa-Centro and of Habilitation), and include youths formed by INSAFORP in employment boards.
 - The Secretariat for the Youth would be the instance coordinating the "apprentice system", whose responsibility would be the evaluation of projects along with the technical assistance of international cooperation. Likewise, it must make sure that youths attracted integrate into MINTRAB's employment boards.
 - The educational institutions which participate in the "apprentice system" must assign tutors to accompany the youths in these processes and ensure that an educational complement is provided to the students.
 - To attract student population interested in participating in the programs mentioned, secondary and higher education institutions must motivate their students to do it. Promotion is a key element of these programs.



4.1.2 Active policy for the consolidation of the labor intermediation system

The policy to consolidate the labor intermediation system pretends to facilitate the incorporation of Salvadorean youths into work, especially of those searching for their first employment and facing greater integration barriers. Two strategic areas are also developed for this purpose. The first one is the consolidation of a youth "labor intermediation" system, which helps link, in an efficient manner, the work demand and offer. The second area is formed by "labor analysis and information". Improvement of the local, sectoral and regional knowledge of the geographical zones of the country is expected through this area, in order to know the different existing work opportunities, and to be able to orient the formation of business demand. In that manner, any effort focused on improving local employability or business strengthening will have a scientific or informative basis behind it.

Strategic Area 3: Labor intermediation

Strategic actions:

Aimed at the offer:

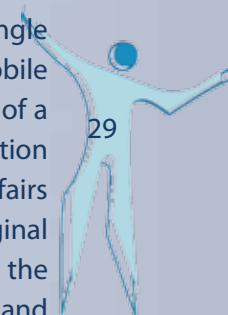
- Establishing agreements between higher education institutions and MINED to promote, periodically, youth employment fairs, oriented both towards employment and towards self-employment. Likewise, labor intermediation mechanisms should be established within the educational system (C, M, L)
- Creating a unified "Employment Board" system, at the same time that labor intermediation becomes an efficient and updated system, watching over the quality and permanence of youths in work positions (M)
- Completing the decentralization of the national labor intermediation system, known

as NEON (National Employment Opportunity Network), establishing regional offices, branch offices and mobile services which help providing orientation, information and labor intermediation services (C)

- That municipal governments consider the possibility of establishing, permanently, the labor orientation service for the youth population, implementing labor intermediation services and linking these initiatives to NEON (M)
- The labor intermediation system must establish "labor standards" to improve the productivity and quality of life of the youths using this service, specially with a view to the competitiveness existing in a globalized world (C, M)
- A greater effort must be made to consolidate the labor intermediation system. The actions must be oriented towards the creation of a single database, to the implementation of mobile labor intermediation services, to the design of a flexible and active methodology for its operation and to the establishment of employment fairs in less protected areas, such as in the marginal rural and urban areas. In certain zones, the relevance of the creation of local orientation and intermediation offices for employment searching must be studied.

Aimed at the demand:

- Promoting an efficient and high quality intermediation service, in such a way that private companies see the benefits of using the labor intermediation service. The final goal would be increasing the demand of intermediation services and, thus improving the system (C)
- Encourage private companies to use, besides labor intermediation services, other formal personnel recruiting networks, such as newspaper ads, agreements with schools or with other formation centers, etc. (C)



- That companies recognize and use the incentive system which each zone has created for companies which appropriately use the information system (M,L)

Institutionality

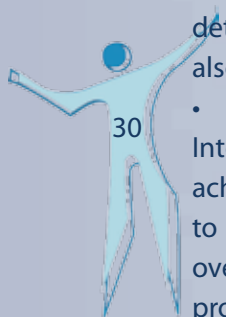
- MINTRAB establishes permanent agreements with educational institutions to carry out youth employment fairs, and seeks to expand the quantity and quality of these services in urban and rural zones of the country
- MINTRAB establishes agreements with municipal offices, establishing concrete co-participation agreements to offer orientation and labor intermediation systems in local offices. Agreements to provide follow-up, monitoring and evaluation of the actions carried out to determine the effectiveness of the system are also established.
- MINTRAB and the Foundation for Salvadorean Integral Education (FEDISAL) can broadcast the achievements and need of the NEON project, to consider the system installation process as over, and to give way to the project execution process.
- INSAFORP must adapt its programs to the local existing intermediation mechanisms.

- The variables to measure the impact of intermediation programs must be very clear. Besides, it must be kept in mind that more in-depth studies about the needs identified in the region might be required.
- Business development must be hand in hand with periodic studies to identify potentially successful sectors and economic tendencies in different geographic regions, promoted by MINEC, CONAMYPE, DIGESTYC and other public and private entities. In that sense, municipal offices must update their knowledge about the economic opportunities of each region (C, M, L)
- Strengthening of the Labor Market Observatory of INSAFORP and of the annual reports from DIGESTYC to be able to analyze, constantly, the offer and demand of the labor market, and the needs of formation, as well as to be able to identify strategic points at the national level. It is suggested that there be more periodicity in their studies, constant updating, more agile instruments and a more ample diffusion of results (C)
- Efforts must be made, especially, to obtain information about the informal market, since the knowledge of the obstacles for formalization will help, undoubtedly, improve the quality of Salvadorean youth work (C, M)

Strategic Area 4: Labor analysis and information

Strategic actions:

- Implementing the Youth Observatory, proposed by the Secretariat for the Youth, to monitor in a constant manner, the demographic and work situation of youths in the country, and other subjects related to youths. It aims to evaluate, periodically, if Youth Employment Promotion programs have had impact at the national, regional and local levels (C).



Institutionality

- MINTRAB coordinates a network of institutions which participate in the labor information system. It establishes the system of indicators and promotes the analysis of data to evaluate the impact of the active policies of the labor market.
- The institutions with access to labor market information, such as INSAFORP-OML, MINEC, DIGESTYC, CONAMYPE, universities, public and private institutions, business trade associations and others, have established a labor information system which is coordinated by MINTRAB.
- Municipal offices update their local data and complement the information about labor for the regions. For that, they must work hand in hand with health units, non-government organizations and other municipal entities which regularly control the local and regional situation.
- Local institutions establish an inter-institutional board to provide follow-up to the evaluations, studies and impact of the system.

4.1.3 Active policy for integral development of youth entrepreneurship

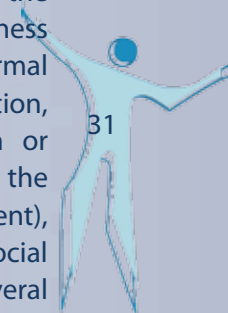
The integral development policy of youth entrepreneurship seeks to provide support to the initiatives of youth entrepreneurs through the generation of new companies and new positions of youth work. Strategic areas must focus on “entrepreneur formation”, whose challenge is creating an entrepreneur culture in youths, which awakens entrepreneur skills and values, such as creativeness and responsibility, both necessary for the formation of a company, and that, besides, transfers the necessary knowledge of business management. The second strategic area focuses in “specific services for the creation of new youth companies”, which comprises technical advice, accompaniment for the start-up of the new companies, and financial services, adapted to the social and economic reality of youths to develop a real entrepreneurship movement in the country.

Strategic Area 5: Entrepreneur formation

Strategic actions:

Aimed at the offer :

- That the National Directorship for the Youth and the Directorship of Educational Planning of the Ministry of Education study the possibility of integrating in the curricular syllabus of all secondary education of the national educational system, a subject to promote entrepreneur spirit. This must be accompanied by extra-curricular activities for the youths to develop creativity and business initiatives. For this proposal to have a greater range, it is restricted to young people. It is not a bad idea to consider the importance of this strategy in basic education (M)
- Creating an offer of formation for the formulation of business plans and basic business management, under a modality of non-formal education, which immediately sets in motion, economic initiatives and those of urban or rural self-employment (depending on the advantages offered by the local environment), focused on poor youths and on those in a social risk situation. There are, in El Salvador, several successful experiences of self-employment for youths in risk situations; among them, those of Polígono Industrial Don Bosco and Granjas de Rehabilitación (C, M)
- Entrepreneur formation must promote innovations in services and products, as well as production technologies through student research programs in national and technological institutes and in universities. An additional incentive could be achieved through creativity contests with access to the reservation of rights (patents) and potential financing (C, M)



- An integral entrepreneur formation must raise the awareness about the importance of environmental protection. The subjects of cleaner production and renewable energy are fundamental as well. Besides, it must limit its actions respecting the business vocation of the zone (C, M)

Aimed at the demand:

- Business trade associations must provide support to youths, through specific spaces and financing, with training programs for the development of youth companies (C, M)
- Broadcast the business guides developed by the Chamber of Commerce and Industry and other networks of support to young entrepreneurs, to know about the basic forms of development of a productive company (C)
- Establish agreements between international cooperation agencies, training institutions, business promotion institutions, and secondary education centers to teach diploma degrees (diplomados) about entrepreneur formation. The programs carried out by FUNDAPYME, INSAFORP and BMI in private schools of San Salvador and San Miguel in 2003, could be taken as a basis (C)

Institutionality:

- MINED evaluates and plans, through strategic actions, the need of developing an entrepreneur culture in the country.
- MINEC accompanies this process, so that these initiatives can be capitalized as part of the development of local and national economies (M)
- The Secretariat for the Youth establishes agreements with successful institutions promoting entrepreneur development in the country, to provide technical advice and to encourage the permanent participation of a "young entrepreneurs board" (for example,

Asociación de Jóvenes Empresarios (AJE), Empresarios Juveniles de El Salvador (EJ) and CONAMYPE) and, if they consider it relevant, to reproduce these experiences in other zones.

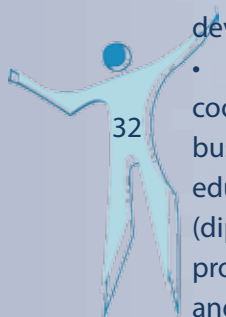
Strategic Area 6:

Services for the creation of new youth companies

Strategic actions:

Aimed at the offer:

- Awaken in authorities and in members of universities and higher education technological schools, the interest for implementing experiences of "business incubators" (virtual and sectoral incubator networks) as part of programs of assistance and training in business, for the development and start-up of companies (C, M)
- Raise the awareness of, and develop, a system of financing opportunities for young entrepreneurs. For that, the creation of capital is required. This would be channeled through institutions offering seed capital at low interest for youths initiating their companies (M)
- Make the requirements for the legalization of associative companies formed mainly by youths more flexible. Specially, in the required condition of obtaining a minimum economic capital to legalize the company. For the guarantee required by financial institutions, other alternatives can be considered, such as business sponsoring systems, sponsors associated to youth companies, institutions serving as business "guarantors". This flexibilization must not become, at any time, an opportunity to encourage irresponsibility or lack of compliance; therefore, it must have very clear mechanisms (M, L)



- Establish “grace periods” for the payment of taxes, for youth enterprises which have not been able to consolidate themselves. For that, technical verification mechanisms must be established (M, L)
- Design and implement advanced programs of business administration, accounting, computers and others that help the development of youth enterprises. Besides, provide follow-up to the training through human or material resources which accompany youths in the communities (C, M)
- Stimulate initiatives to carry out cooperative projects, based on self-management, which imply the use of intensive labor (C).
- Carry out exchanges between Salvadorean young businessmen and women and international business organizations, to enrich from other experiences (C).
- Use other international youth business networks to formulate cooperation agreements (C).
- Stimulate initiatives of young entrepreneurs through the granting of a prize for enterprises which are innovative and responsible with the environment and society. (C).
- Start programs for promotion and support to rural enterprises, from the local governments (C, M)

Aimed at the demand:

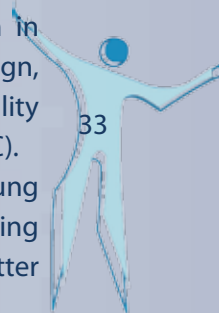
- That national companies can work in a transparent manner as “sponsors” of fledgling youth companies. In that sense, agreements can be established for technical support, advice, accompaniment and, most of all, as business reference for the financial system, in regard to loans for the new youth enterprises (C, M, L)
- Create a network of young entrepreneurs which can be “mentors” of new projects (M).
- To support the technical advice and accompaniment of entrepreneur initiatives,

the participation of businessmen, cooperative organizations and labor societies committed to the development of a social economy must be sought (C, M).

- Link the initiatives of youth cooperative organizations with the support of Instituto Salvadoreño de Fomento Cooperativo of the country (C).

Institutionality :

- The country’s MINEC makes an economic proposal to BMI for them to create financing programs aimed at young entrepreneurs.
- The Legislative Assembly studies the possibility of proposing a legal reform in matters of legation of associative enterprises to youths and grace periods, as mentioned before.
- A concrete proposal is the participation in the Youth Employment Summit (YES) campaign, which promotes an improvement in the quality of youth employment, among other things (C).
- INSAFORP counts on programs for young businessmen requiring advanced training in technical areas important for a better performance of the companies.



- CONAMYPE, along with the Secretariat for the Youth, carries out annual technical advice and accompaniment plans for young entrepreneurs.
- The Secretariat for the Youth, along with CONAMYPE, has a directory of volunteer businessmen willing to accompany and provide technical advice to youths which are starting with their small companies.
- The central government and local governments must promote the dynamic concept of youth entrepreneurship, through the stimulation of individual initiatives and support networks which involve the business sector (SMEs), businessmen and women with social responsibility, business trade associations (financial and non-financial) and the public sector and youth organizations.

4.2 Complementary policies for the promotion of youth employment

4.2.1 Complementary policy of the youth human development necessary for employability

The objective of this policy is ensuring socio/labor-related skills, as well as the physical and mental conditions necessary for youths to improve their employability and their work performance. In that sense, one strategic complementary area is guaranteeing the “youth wellbeing” of young workers and entrepreneurs.

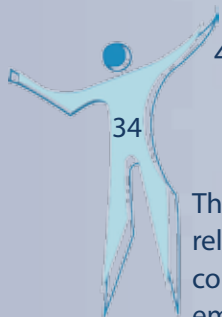
A young working person needs, in order to reach full human fulfillment, to have certain skills in his/her life, such as developing a personal employability strategy. In other words, he/she will have to decide what he/she wants to be and when. Besides, he/she must count on strong self-esteem, be able to work in teams, be able to communicate, to solve conflicts, to control his/her emotions and to be responsible in regard to his/her sexuality; he/she also needs good physical and mental capacity. This will only be achieved if the social, educational, health and social protection policies are at the service of the healthy development of youths.

In the first place, the policies must promote expansion of the coverage of the basic and intermediate levels of education, both special programs for educational balancing or combat of illiteracy, and the results which arise from MINED's 2021 National Education Plan. Special projects, such as the ILO-IPEC program for the eradication of the worst forms of child labor of MINTRAB and the programs for the prevention of youth violence, contribute to the integral development from a perspective of rehabilitation and prevention.

It is also important that educational programs for the youth population be developed, referring to how to live an adolescence and youth maturely and responsibly, to prevent multiple factors affecting their development, such as early pregnancy, transmission of HIV/AIDS, drug addiction, etc. That is why the initiative of MSPAS is very important, since, through its Basic Integral Health Systems (SIBASI) organizes committees of young volunteers around the different health units. The youth-to-youth focus also contributes to a higher level of employability, especially of young multipliers.

Besides health and education, sports and culture contribute doubly to the integral development of youths, that is, both physically and mentally. One example is sports formation based on programs such as the plan for a high performance soccer school, where the Secretariat for the Youth, INDES, and the Educando a un Salvadoreño Foundation are committed to recruiting soccer players of certain age.

Now then, to serve the high percentage of youths living in extreme poverty, the “Opportunities” Plan,



developed by the Presidency of the Republic, stimulates the integral development of youths, opening participation spaces for them, and seeks opportunities for them to develop and to reach prosperity. This is a purposeful bet to build leadership, develop talent and build a new environment of youth autonomy, to establish the bases of future productive adults which will change the country's face in the future.

4.2.2. Complementary policy for youth empowerment

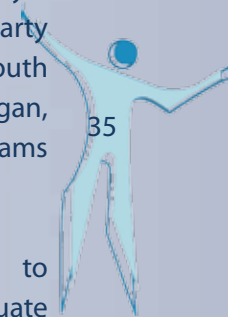
For any policy aimed at youths to be successful, it needs active participation from that sector. The "Development of Youth Citizenship" strategic axis, promoted by the Secretariat for the Youth to increase the possibilities of leadership and participation of youths, is of vital importance. Taking them as recipients of services and as strategic actors of development, and assuming that both dimensions are important (and totally complementary) at the time of designing and implementing concrete responses to the worrisome work situation, adapting this strategic axis to the demand of programs and services for the promotion of youth employment becomes essential, ensuring their usefulness.

The youth population must assume its key role, that is, they must represent their own interests; they must watch over their own rights. This means that state programs must have as a priority, making youths aware of their labor rights and of the importance of counting on decent work. Likewise, it is fundamental that youths, as citizens, know about the National Youth Policy, so that they can add their efforts to these initiatives.

The scope and representativity of any program promoted by youth citizenship will be greater if it is carried out through "youth networks".

The promotion of youth organization and their participation in intermediation services, the transmission of knowledge and the diffusion of opportunities for youths is an important strategy which must be implemented. Local actors, at the municipal and regional level, must pay attention to link these programs with the networks with the purpose of promoting initiatives. It is important to clarify that youths must participate in the whole process, that is, in the planning, implementation and evaluation of programs and projects, in the different instances of inter-institutional coordination. It is only in this manner that real participation can be guaranteed, what is known as social dialogue. There has been no tradition of social dialogue in the country, but when it has occurred, the consultative organs have not been very active or have concluded it quickly¹⁸. Because of this, there is a need of a three-party negotiation (companies, government, youth workers), which operates as a consultative organ, to plan and establish specific plans or programs for youth work insertion.

State actions must be aimed not just to generate plans which promote an adequate youth work insertion, but also to contribute to the self-organization of these youths and to devise appropriate mechanisms for dialogue and negotiation. This assumes permanent accompaniment of youth networks and determined support to their initiatives, whose results can be measured in the short term. If this is achieved, direct and precise knowledge of the problems would be available (beyond academic investigation which, although good, is punctual and loses currency with the passing of time), which could improve the formulation of policies which would allow to effectively face the problems.



Therefore, the actions aimed at articulating youth organizations in the local and national environments are very important. In the same line, the directories of those youth organizations and the creation of a ruling entity of those organizations, national and local, are of extreme importance for them to be recognized and taken into account at the time of channeling national proposals.

Finally, in the globalized world where we live, it must be considered that the participation of youth networks goes beyond our borders, and includes alliances with international youth organizations, from a diversity of subjects and activities, and for that the new information and communications techniques have been taken advantage of, for a greater connectivity and exchange in Central America, Latin America and the rest of the world. The participation, coordination and communication of the networks contributes, besides, to youth employment in a very competitive and variable work market

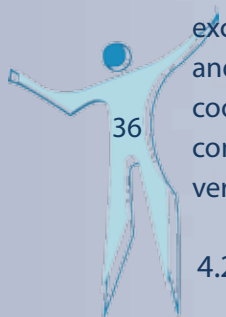
4.2.3 Complementary policy to improve the opportunities of youth employment

For active policies promoting youth entrepreneurship to have an impact, it is necessary to develop complementary policies that improve the opportunities of youth employment. The subject of economic activation leads to consider the possibility of creating a national development bank, which integrates the subject of youths and their proposals. That bank could propose the recovery of FODES funds, with the idea that local governments encourage occupational formation, or it could be suggested that the different churches destined funds for this type of projects. The starting point will be the existence of a true business social responsibility, dedicated to the promotion of youth employment.

In that sense, it is important to rescue the statements which appear in the 2004-2009 Government Plan. The document states that the country's vision of economic development is building a human and including system, based on solidarity, corporate social responsibility and state subsidiarity, which generates the necessary income at the individual and national level, to bring higher wellbeing levels to all corners of the country.

To carry out the 2004-2009 Government Plan, five action areas are presented, seeking to increase productivity and to facilitate connectivity to enable their integration to world productive and commercial processes, inter-relating these processes with measures based on the national productive sectors, with special emphasis on the MSMEs, the agricultural sector, and Salvadoreans abroad. These actions areas are:

- Competitiveness:
 - a. Creation of the "Discovering Productive Potentials" presidential program, which forms an Advisory Council, with participation from the private sector, which promotes the productive transformation of El Salvador through the identification of new activities with success potential.
 - b. Definition of a technological development policy, of which the creation of the National Technological Innovation System will derive: establishment of the Technological Research Fund, establishment of the statistical system for the measurement of productivity, strengthening of co-investment funds for innovation in companies, revision of the institutional scheme of support to innovation (CONACYT), etc.
 - c. Design and implementation of a technological formation policy for human resources, including the strengthening of scholarship programs for masters and PhDs;



strengthening of INSAFORP, so that its policies respond to the needs of the productive sector; revision of syllabuses to adapt the offer and demand between academic and productive sectors.

- Aperture to integration: a country united to the world

- a. Strengthening of the Commercial Policy Directorship of the Ministry of Economics and of other government instances involved in commercial negotiations, also seeking their coordination and efficiency in new negotiations and in the administration of commercial agreements in force.

- b. Creation of an autonomous instance with private participation, and support from the external service network, whose purpose will be the promotion of exports through the promotion of Salvadorean products in external markets, the dissemination of information about commercial opportunities in the business community, participation in fairs and commercial missions abroad, market intelligence, training and technical assistance to current or potential exporters, etc. with emphasis on support for SMEs and for the agricultural sector.

- Salvadoreans abroad: strategic partners for progress

- a. The need of channeling family remittances for youth employment can be seen here.

- b. At the same time, youths living abroad can create national incentives.

- Micro, small and medium enterprise: wealth generation from the base

- a. Design and implementation of an integral support policy for MSMEs, including the revision of the institutional framework that assists them,

in such a way that support actions for the sector are better coordinated and are more effective.

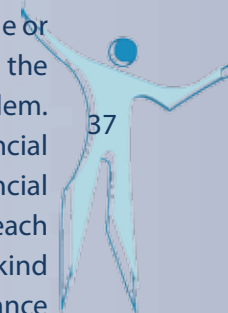
- b. Development of the financial services market which serves MSMEs, through the strengthening of non-banking brokers, expansion of micro-credit schemes, especially in rural zones.

- c. The initiative of transforming Banco de Fomento Agropecuario (BFA) into a bank for direct support to small farmers is of vital importance for this country. An important task of this bank is the development of specific programs for young men and women in the area of agriculture and livestock farming.

- Development of the agricultural and livestock sector: expansion of the value chain

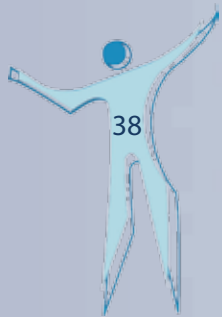
- a. Total restructuring of the Ministry of Agriculture and Livestock, considering the creation of one or more Vice-Ministries, to provide attention to the requirements of the agricultural debt problem. Through the risk regulations of the financial system, create the conditions for financial institutions to negotiate, in the short term, each loan, trying to solve through payment in kind and other mechanisms, the outstanding balance and to favor future financing for new crops.

- b. Identify strategies of reactivation of the business web, according to the size of companies and sector which they belong to. Special attention must be provided to micro and small enterprises, which in most cases are more affected by the variations of the national economic market. Some initiatives are also necessary for MSMEs to be able to maintain their business stability such as, for example, the establishment of a financial policy with credits and interests adapted to their economic reality.



Employment opportunities for youths are directly related to the success of these programs and to the aperture of the business community in the formation and hiring of youths. To guarantee these youth employment opportunities, the action areas must include, as a transversal subject, the inclusion of youths and women and the promotion of technological development in urban and rural sectors. Besides, it is necessary that incentives be created for the business community (fiscal incentives or prestige recognition) for them to train youths in the workplace, and to provide both, opportunities

of professional practice, oriented towards better employability, and work positions which allow for a combination of work and study. That aperture requires of coordination with the educational sector, from the design of curricula to the transference of practical contents.



5. Implementation and follow-up

For a national policy to have impact, the formulation of programs, projects and plans is technically necessary. Having an agenda for these actions to be carried out is also fundamental.

This agenda must contain the following intervention levels:

- Coordination and harmonization in Central America towards economic integration at the level of national governments
- Inter-institutional coordination in regard to national development policies
- Regional strategies of local economic development: decentralization and local autonomy
- Governability of local governments: inter-institutional coordination at the municipal level (dialogue and citizen participation spaces).

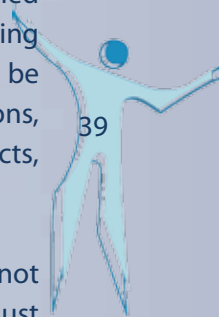
The establishment of permanent “employment boards”, as it is being done at the national level, is important. These coordination and negotiation spaces must be replicated as regional platforms, where all relevant sectors for youth-employment promotion programs participate: public instances, private enterprises, and the civil society. An important challenge of those boards is the local and national articulation of an economic system which strengthens the existing sources of employment and human resources and that, at the same time, promotes the creation and support of new economic initiatives in the country, and promotes programs of orientation, formation and intermediation linked to the business web of the territory.

These regional initiatives can promote their range and impact, if coordinated with the international cooperation intervening in Salvadorean territory and if there is self-procurement of

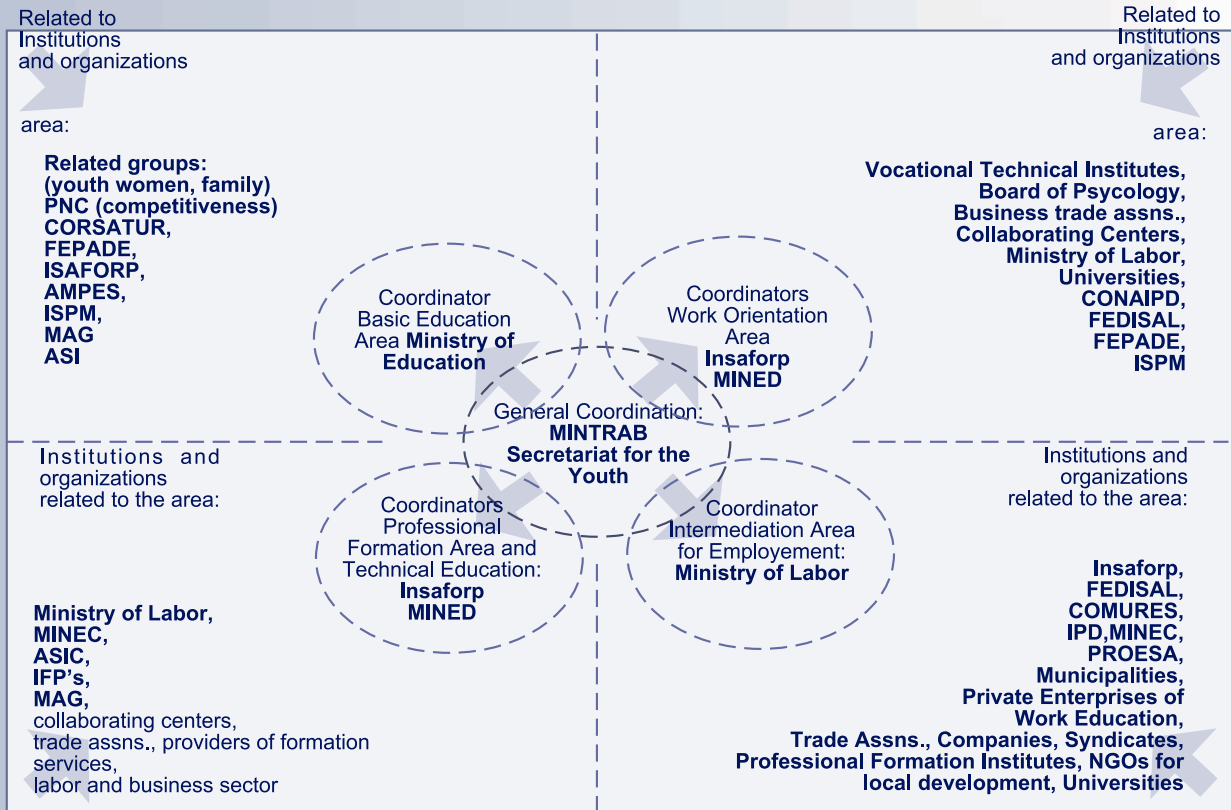
support additional to the financial and technical cooperation, in the framework of their own strategies of local economic development.

In financial matters, the creation of a technical-financial committee for the promotion of youth employment is necessary, with participation of institutions related to public work, mainly the Ministry of Labor, the Secretariat for the Youth and the Ministry of Finance. The tasks that the committee must carry out are the following: a) evaluating how much the public sector spends in promoting youth employment in the different ministries and, b) evaluating what it would cost to implement the different proposals and the terms. The possibility of creating a fund called “youth savings opportunities” and a revolving fund must also be evaluated, which could be granted for different uses: housing, educations, own businesses, youth-to-youth projects, research.

The existence of one single forum does not guarantee functionality, coordination must be ensured between the different levels of the central government and between the central and local government. Coordination is not only between government institutions, ministries, municipal offices, etc. but also between sectoral policies. This coordination requires of a “technical commission”, capable and knowledgeable of the problem, at least in socio-economic, legal, and technical aspects affecting the labor market in general, and the youth market, in particular. The organizational location of this species of secretariat could be the Ministry of Labor or, alternatively, the Secretariat for the Youth.



Model of Inter-Institutional Coordination for the Linking of Youth Formation and Employment Systems in El Salvador



Source: Own preparation, based on GTZ/OEI(2000)



6. Conclusions

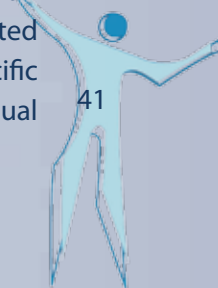
The strategic areas and actions expect to create more employment opportunities for youths and, above all, improve the quality of their work positions. In other words, reduce the percentage of underemployment (invisible) of the youth population of El Salvador. Now then, the subject of youth employment is directly linked to other national programs, such as that one of the national economic directorship and that one of the educational system. This is about the existence of coherence and balance between what some need and what others offer, which is fundamental to enrich the initiatives which have been proposed.

It could be mentioned that the success of these initiatives lies in the meticulous follow-up and monitoring of the proposed programs, which is why it is necessary that the instances directly related to the subject take responsibility for it. The Secretariat for the Youth and the Ministry of Labor must make a special alliance to carry out this task.

Making this initiatives work requires of a lot of communication between institutions – local,

regional and international – between youths and adults, and between government instances, international cooperation agencies, the private enterprise and educational institutions; a lot of will is required to achieve this. Therefore, the terms and goals established must be very realistic. Too ambitious a handling of the goals can thwart the attempts; likewise, too simple and reduced proposals will not change the situation of youths, which can translate into a waste of resources in programs which will not have an impact.

It must not be forgotten that these initiatives are based on the conviction that employment for the youth human resource in this country is an opportunity for everybody. It is never expected that these initiatives overload any specific sector; to the contrary, an agreement of mutual cooperation must exist.



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