Session 6: Promoting green youth entrepreneurship and small and medium-sized enterprises for green jobs: lessons from the Peruvian case

Prof. Janina León C – PUCP, Dept. Economics

CONTENIDO

- 1. Importance of green jobs for youth now
- 2. Peru as (any) developing country: economic issues
- 3. Labor markets, ME and SME, and youth: Poverty dimensions
- 4. Environmental issues (by areas)
- 5. Policy makers and the green agenda
- 6. Two Peruvian government programs for youth
- 7. Non-Public programs about environmental sustainability – role of cooperation
- 8. Lessons and reformulations for the green job agenda
1. Importance of green jobs for youth

- Follow up to the Rio+20, the TUNZA Youth Conference (Bandung), and the Asia and Pacific Labor conference (Kyoto),

- Increasingly importance of climate change and (mis)use/exploitation of natural resources, with sustainability problems worldwide,

- Increasing sustainability problems associated mostly to poor people and their life conditions: poverty is crucial

- .....

2. Peru as (any) developing country: economic issues

- Economic growth and dynamism

- Largely relying on exports of natural resources

- Slow employment generation

- Rural – urban labor migration ➔ Geographical changes

- Institutional problems & others...
Exports by Type

Índice de Precios de Exportación según Sector: Enero 2005 - Septiembre 2002
(Base año 2002 = 100)

Population

PERÚ: GRADO DE URBANIZACIÓN, 2007
(Porcentaje)

<table>
<thead>
<tr>
<th></th>
<th>1993</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Población Urbana</td>
<td>70.1%</td>
<td>75.9%</td>
</tr>
<tr>
<td>Población Rural</td>
<td>29.9%</td>
<td>24.1%</td>
</tr>
</tbody>
</table>

3. Labor markets, ME and SME, and youth: Poverty dimensions

- Low unemployment
- Large proportion of underemployed workers,
- More than 50% have been working in microenterprises (ME) and in small enterprises (SM), mostly in urban areas
- Hard labor conditions with long hours, low payments and almost null access to social protection
INCREASING YOUTH: Demographic transition

(Porcentaje respecto de la población en edad de trabajar)

At-age of work Population by employment condition - Total

PERÚ URBANO: POBLACIÓN DE 14 Y MÁS AÑOS DE EDAD, SEGÚN CONDICIÓN DE ACTIVIDAD, 2010
(En miles de personas)


* Porcentaje respecto del total de la población urbana.
LARGE UNEMPLOYMENT FOR YOUTH

PERÚ URBANO: TASA DE DESEmPLEO DE HOMBRES Y MUJERES DE 14 A 24 AÑOS
DE EDAD, 2005-2010
(Porcentaje del total de PEA de 14 a 24 años de edad de cada sexo)

EMPLOYED WORKERS BY FIRM SIZE

PERÚ URBANO: PEA OCUPADA POR TAMÁÑO DE EMPRESA, SEGÚN SEXO,
2005 Y 2010
(Porcentaje del total de PEA ocupada de cada sexo)

BY OCCUPATION AND ECON ACTIVITY

- By Occupation: non-qualified and street-vendors + health workers and large commercial shops + peasants & fishermen + professionals

- By economic activity: primary activities (agriculture, etc.) + commerce + public transportation + manufacture

Result from Recent Youth Survey 2009 with ILO

- 1990s: drastic effects after the Labor Reform

- Increasing rotation and labor transitions

- Increasing labor-intensive activities (agroindustry) still insufficient for all labor available

- While many say they want to be entrepreneur, only 50% have entrepreneurship characteristics and attitude
Main Problems and Solutions for Young Labor:

- Low qualification and skills
- Slow increase of well paid waged positions, despite the economic growth
- Increasing rotation and temporary positions
- More employment far from the capital city
- Knowledge of technologies of information
- Differentiated transition and labor opportunities by gender: roles on the economics of care and the family
- Self-generation of ME with no capacity to run the firm + increasing of NI-NIs + International Migration
4. Environmental issues by regional areas

- Problems in urban areas are different from those in rural areas and other locations
- In urban areas: mix of pollution, lack of access to basic services and poverty
- In urban areas: use of pesticides and other substances in agriculture, livestock technologies and so
- Natural resource exploration and exploitation (e.g., mining, water, fishing) with questioned technologies from environmental view
- Different environmental problems and population involved → different solutions and policies
Population with no access to water and sewer services

5. Policy makers and the green agenda

- Issues of green agenda overlapped with issues about poverty reduction ➔ even more important to have green agenda issues in top consideration

- Will policy makers give priority to the green agenda? ➔ Important to educate policy makers + have information, data, measures about its direct and economic and social consequences, at short and long term

- Still minimum engagement of policy makers and legislators with the green agenda ➔ challenge for the cooperation & organizations
6. Two Peruvian government programs for Youth -1

- Projoven = Program for Youth → Jovenes a la obra = Youth to work: [http://www.jovenesalaobra.gob.pe/](http://www.jovenesalaobra.gob.pe/)
- Successful program to increase skills for young labor to meet labor demand requirements
- Training courses designed according to the young people’s interests, abilities and preferences
- Training provided by selected educational and vocational private centers
- Recent agreements with private firms to hire the students at least for a short period
- Mostly in urban areas. Even in these cases, no environmental concerns or criteria have been involved, despite possible to do so.

6. Two Peruvian government programs for Youth -2

- A Trabajar Urbano = Urban-To work → Trabaja Peru = Let’s work, Peru:
  - 50% of participants were women
  - Priority: people with no job at all, parents or household heads, and so, with large dependency rate and poor life conditions, most of them organized in groups/communities
  - No training, just transfers for performing local infrastructure (roads or other “socially useful works”)
  - Selection problems with outreach
  - Minimum/Null concern of environmental effects
7. Non-Public experiences – role of the cooperation and the society

- **MDGIF-ILO Program for Peru Youth, Employment and Migration:**
  - **Motivation:** increasing challenge for the youth employment, with increasing Norwegian young population
  - **Goals:** build-up a Youth employment policy + strength the public service information for the youth + public sector engagement in the labor migration of youth + promotion of entrepreneurship
  - Since its inception, it has worked with the Ministry of Labor, facilitating a new National Policy for Youth Employment, public sector information services for youth, provision of child care services for younger single mothers, and so.

---

Non-Public experiences – role of the cooperation and the society

- **Ciudad Saludable = “Healthy City” Peruvian NGO (2002)**
- From the waste, they change minds and hearts through their recycling activities
- New model of integral solid waste management combined with social governance – Large public recognition
- They operate in almost 100 Peruvian cities, as well as other cities in Africa, Asia and Latin America, according to themselves; also they have a representative office in New York
- Actions include educational programs of environmental management, education materials, advice to education institutions, and so.
Non-Public experiences – role of the cooperation and the society

- USAID Initiative for Conservation in the Andean Amazon
- Mostly located in the Peruvian Jungle,
- Main concern: generate economic incentives for the people to reach objectives of conservation while controlling the natural resources “by themselves”,
- Payments are for environmental services to lower deforestation and degradation, to improve the management of woods, natural water fountains and animals
- Although not delimited just for youth, significant proportion of their beneficiaries are local young people
- An interesting video-camera and radio Program to involve school students to make their local population more sensitive

8. Lessons and reformulations for the green job agenda

- Key: teach/ explain/ create sensitivity in the society about the importance of the green agenda for the whole population in developing countries as well
- Identify complementarity in goals, tools and evaluation of policies focusing in the youth labor and income generation
- Economic growth is not enough \( \rightarrow \) cooperation and others may request policy leaders to be more active to put resources for such green-oriented programs
- Resources for generating right information and evaluation of programs are important as well
For YOUTH: Environmental issues matter for their economic and social development, at least for their labor and income requirements.