

# EL SALVADOR

The ILO Work4Youth project worked with the Dirección General de Estadísticas y Censos [General Direction of Statistics and Censuses] (DIGESTYC) to implement two rounds of the School-to-work transition survey (SWTS) in 2012 (November–December) and 2014 (October–December). The results of the first survey were published in Georgina Handal (2014): *Transiciones en el mercado de trabajo de las mujeres y hombres jóvenes en El Salvador* [Labour market transitions of young women and men in El Salvador], Work4Youth Publication Series No. 22 (Geneva, ILO). The objective of this country note is to offer a general summary of youth labour market trends in El Salvador based on the SWTS. Youth is defined as 15–29.

## Main findings of the ILO SWTS

### *Human capital and mismatch*

- Nearly all surveyed youth had attended school or a training programme at some point in their lives (98.3 per cent in 2014). About one-third of the youth population (32.6 per cent) was enrolled in school in 2014 with the remaining having either completed school (34.4 per cent) or left school before graduation (33.0 per cent).
- SWTS results showed a strong correlation between the levels of education and a young person's labour market transition: university educated youth were able to complete their transition into stable or satisfactory employment in 5.2 months, whereas those with a general secondary education or a primary education needed 11.6 and 28.9 months, respectively.
- Slightly more than one-third of employed youth in El Salvador were undereducated for the job they were doing (35.0 per cent in 2014). More than one-half of young workers (52.9 per cent) were deemed to have qualifications matching their occupation, and only 9.3 per cent were classified as overeducated for their occupation.
- Young students in El Salvador favour future employment in private companies (45.6 per cent), followed by the government/public sector (34.1 per cent) and future self-employment (13.9 per cent). While the attraction of public sector employment is understandable given concerns with job security, the ability of the sector to absorb a significant number of young workers is limited.

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market.

See the website [www.ilo.org/w4y](http://www.ilo.org/w4y) for more information.

### Underutilization of the youth labour potential remains a top concern

- Both rounds of the survey registered a high share of underutilized youth labour potential. The youth labour underutilization rate was 62.6 per cent in 2012 and 62.2 per cent in 2014. In 2014, the share of underutilized labour potential consisted of 18.1 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract duration less than 12 months), 29.4 per cent unemployed and 14.6 per cent inactive non-students.
- The youth unemployment rate (strict definition)<sup>1</sup> decreased from 19.9 in 2012 to 18.5 per cent in 2014, but remained higher than the regional average for Latin America and the Caribbean of 13.4 per cent for the latter year.<sup>2</sup> The unemployment rate of young women was double that of young men in both years (28.4 and 13.2 per cent, respectively, in 2014).
- The most disadvantaged youth in finding work were those with a general secondary education, with a 23.6 per cent unemployment rate in 2014. Closely following are youth with a university degree for whom the unemployment rate was 22.1 per cent. Youth with only a primary education fared better with an unemployment rate of 13.0 per cent.
- The duration of unemployment is sometimes long, but improved between 2012 and 2014. In 2014, one-quarter (24.2 per cent) of unemployed youth had been looking for work for longer than one year.
- The share of youth neither in employment nor in education or training (NEETs) in El Salvador increased between 2012 and 2014 (from 30.4 to 33.1 per cent). The share of NEETs among the female youth population was three times higher than for the male population (50.3 and 14.3 per cent, respectively), reflecting the expectation that young women attend to family responsibilities.

### Low quality jobs remain a strong hindrance to the country's productive transformation

- Four in ten (42.2 per cent) young Salvadorans were employed in 2014, with young men working to a much greater extent than young women (61.2 and 24.7 per cent, respectively).
- Although two-thirds (65.5 per cent) of employed youth worked as wage or salaried workers, a significant share remained in vulnerable employment as own-account workers (11.3 per cent) or unpaid family workers (21.0 per cent). At the same time, two-thirds (66.1 per cent) of youth in paid employment were engaged without a written contract in 2014.
- The services sector employed nearly one-half (48.9 per cent) of young workers in El Salvador in 2014, followed by agriculture (34.9 per cent) and industry (16.2 per cent). Young women were more likely to work in services than young men (76.2 and 36.9 per cent, respectively), while the inverse was true for agriculture (9.3 and 46.1 per cent, respectively).

## Selection of data tables

**Table 1. Youth population by educational status and sex, 2012 and 2014 (%)**

|   | Total |       | Male  |       | Female |       |
|---|-------|-------|-------|-------|--------|-------|
|   | 2012  | 2014  | 2012  | Total | 2012   | 2014  |
| Never attended school                                 | 1.7   | 1.7   | 1.4   | 1.4   | 2.0    | 2.0   |
| Dropped out before graduation or completion of school | 37.0  | 32.4  | 32.6  | 29.3  | 41.1   | 35.3  |
| Currently attending school                            | 36.2  | 32.0  | 39.5  | 36.1  | 33.2   | 28.3  |
| Education completed                                   | 25.1  | 33.8  | 26.5  | 33.2  | 23.8   | 34.4  |
| Total   | 100.0 | 100.0 | 100.0 | 100.0 | 100.0  | 100.0 |

<sup>1</sup> The “strict” definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The “broad” definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

<sup>2</sup> ILO, *Global Employment Trends for Youth 2015*. Note, the figures are not strictly comparable due to differing age ranges. The regional figure covers youth aged 15–24 while the data on the SWTS refer to youth aged 15–29.





**Table 9. Youth unemployment rates by level of completed educational attainment and sex, 2012 and 2014 (%)**

| Educational attainment                     | Total |      | Male |      | Female |      |
|--|-------|------|------|------|--------|------|
|  | 2012  | 2014 | 2012 | 2014 | 2012   | 2014 |
| Less than primary (including no schooling) | 8.8   | 4.0  | 5.8  | -    | 14.4   | 11.6 |
| Primary                                    | 13.7  | 13.0 | 11.6 | 9.4  | 17.6   | 22.0 |
| Secondary general                          | 26.4  | 23.6 | 21.0 | 16.3 | 8.8    | 33.3 |
| Post-secondary vocational                  | 11.2  | 42.0 | 12.8 | 6.2  | 8.8    | 70.5 |
| University and postgraduate studies        | 18.4  | 22.1 | -    | 20.0 | 30.2   | 23.5 |

**Table 10. Unemployed youth by duration of job search and sex, 2012 and 2014 (%)**

| Duration of job search         | Total |       | Male  |       | Female |       |
|--------------------------------|-------|-------|-------|-------|--------|-------|
|                                | 2012  | 2014  | 2012  | 2014  | 2012   | 2014  |
| Less than a week               | 10.4  | 13.5  | 12.9  | 11.5  | 7.4    | 15.3  |
| 1 week to less than 1 month    | 20.3  | 19.7  | 21.8  | 10.1  | 18.5   | 28.1  |
| 1 month to less than 3 months  | 15.2  | 14.5  | 17.2  | 19.0  | 12.8   | 10.5  |
| 3 months to less than 6 months | 12.4  | 6.9   | 14.4  | 8.6   | 10.1   | 5.5   |
| 6 months to less than 1 year   | 9.7   | 21.2  | 4.2   | 22.3  | 16.2   | 20.3  |
| More than a year               | 32.0  | 24.2  | 29.4  | 28.5  | 35.0   | 20.4  |
| Not classifiable               | 0.1   | 0.0   | 0.1   | 0.0   | 0.0    | 0.0   |
| Total unemployed youth         | 100.0 | 100.0 | 100.0 | 100.0 | 100.0  | 100.0 |

**Table 11. Youth by stages and subcategories of transition and sex, 2012 and 2014 (%)**

| Stage of transitions                                      | Total        |              | Male         |              | Female       |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2012         | 2014         | 2012         | 2014         | 2012         | 2014         |
| <b>Transition completed</b>                               | <b>18.9</b>  | <b>24.5</b>  | <b>25.6</b>  | <b>34.6</b>  | <b>12.7</b>  | <b>15.2</b>  |
| Transited to stable employment                            | 11.4         | 18.7         | 16.3         | 26.2         | 6.8          | 11.7         |
| Transited to satisfactory temporary employment            | 1.7          | 1.4          | 2.5          | 1.4          | 1.0          | 1.4          |
| Transited to satisfactory self-employment                 | 5.8          | 4.5          | 6.7          | 7.0          | 4.9          | 2.1          |
| <b>In transition</b>                                      | <b>60.8</b>  | <b>58.7</b>  | <b>57.2</b>  | <b>52.2</b>  | <b>64.1</b>  | <b>64.6</b>  |
| Unemployed (broad definition)                             | 16.3         | 18.5         | 11.4         | 11.1         | 20.8         | 25.2         |
| In non-satisfactory temporary employment                  | 6.5          | 3.9          | 8.7          | 5.8          | 4.5          | 2.1          |
| In non-satisfactory self-employment                       | 8.0          | 6.5          | 11.2         | 9.1          | 5.1          | 4.0          |
| Active students   | 18.1         | 18.3         | 22.6         | 23.5         | 14.0         | 13.5         |
| Inactive non-students with aim to work in the future      | 11.9         | 11.6         | 3.3          | 2.7          | 19.8         | 19.8         |
| <b>Transition not yet started</b>                         | <b>20.3</b>  | <b>16.8</b>  | <b>17.2</b>  | <b>13.2</b>  | <b>23.1</b>  | <b>20.2</b>  |
| Inactive students   | 18.1         | 13.8         | 16.9         | 12.6         | 19.2         | 14.8         |
| Inactive non-students with no plans to work in the future | 2.2          | 3.0          | 0.3          | 0.5          | 4.0          | 5.4          |
| <b>Total youth population</b>                             | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

Note: Unless other specified, the categories exclude current students.