

The ILO Work4Youth project worked with the Instituto Nacional de Estadística e Informática [National Institute of Statistics and Informatics] (INEI) to implement the School-to-work transition survey (SWTS) in urban areas in 2012–2013 (December–February). The results of the survey were published in Rosa Ana Ferrer Guevara (2014): *Transiciones en el mercado de trabajo de las mujeres y hombres jóvenes en el Perú* [Labour market transitions of young women and men in Peru], Work4Youth Publication Series No. 18 (Geneva, ILO). A second report based on the Peru SWTS is Denice Cavero and Claudia Ruiz (2016): *Do working conditions in young people's first jobs affect their employment trajectories? The case of Peru*, Work4Youth Publication Series No. 33 (Geneva, ILO). The objective of this country note is to offer a general summary of youth labour market trends in urban areas of Peru based on the SWTS. Youth is defined as 15–29.

Main findings of the ILO SWTS

Human capital and mismatch

- Nearly all surveyed urban youth had attended school or a training programme at some point in their lives (99.5 per cent in 2013). Close to one-half (45.0 per cent) of Peruvian youth in urban areas were enrolled in school in 2013 with the remaining having either completed school (37.0 per cent) or left school before graduation (18.0 per cent). Young men and women have equal access to education in Peru.
- SWTS results showed a strong correlation between the levels of education and a young person's labour market transition: university-educated youth in urban areas completed their transition to a stable or satisfactory job in 2.8 months, as compared to 6.8 months for secondary-level graduates and 13.3 months for youth with primary education.
- With relatively high levels of educational attainment in the country (less than 7 per cent of urban youth educated below the secondary level), it is not surprising to find that a majority of employed youth are adequately qualified for the job they are doing (51.7 per cent). A significant minority were, however, undereducated for their jobs (29.8 per cent) and a smaller fraction (18.5 per cent) were deemed overeducated for their occupation.
- A majority of Peruvian students hoped to work someday in the private sector (54.7 per cent), although the government/public sector remained the top future job choice for 35.4 per cent of current students. 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 for more information.

Underutilization of the youth labour potential remains a top concern

- The survey registered a high urban youth labour underutilization rate at 63.4 per cent. The share of underutilized labour potential consisted of 39.8 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract duration less than 12 months), 12.5 per cent unemployed and 11.2 per cent inactive non-students. The urban youth unemployment rate (strict definition)¹ stood at 10.6 per cent in 2013 with higher rates for young women than young men (12.6 and 9.0 per cent, respectively).
- The most disadvantaged youth in terms of finding work are those with a secondary education. The unemployment rate of urban youth with general secondary education stood at 11.1 per cent compared to 8.3 and 5.2 per cent, respectively, for youth educated at the tertiary or primary level.
- The duration of unemployment is comparatively short for urban youth. Only 12.7 per cent of unemployed youth had been looking for work for longer than one year in 2013.
- The share of urban youth neither in employment nor in education or training (NEETs) in Peru stood at 17.9 per cent in 2013. The share of NEETs among young women was three times higher than the male share (at 26.2 and 9.4 per cent, respectively).

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

- More than half (54.0 per cent) of young Peruvians in urban areas were employed in 2013, with young men working to a larger extent than young women (61.0 and 47.2 per cent, respectively).
- Although almost three-quarters of employed youth (69.5 per cent) were working as wage and salaried workers, a significant share remained in vulnerable employment as own-account workers (17.4 per cent) or unpaid family workers (10.3 per cent). At the same time, more than half (58.0 per cent) of youth in paid employment were engaged without a written contract.
- The services sector is by far the largest source of urban youth employment in Peru, providing close to three-quarters of jobs (70.7 per cent). Industry is the second source of jobs for youth (24.1 per cent) while only 5.3 per cent of urban youth was working in agriculture.
- One in five (21.5 per cent) employed youth worked less than 30 hours during the reference week in 2013, while 38.3 per cent worked excessively long hours (more than 50 hours per week).

Selection of data tables

Table 1. Urban youth population by educational status and sex, 2013 (%)

Educational status	Total	Male	Female
Never attended school	0.5	0.2	0.8
Dropped out before graduation or completion of school	18.0	17.1	18.8
Currently attending school	44.7	48.6	40.9
Education completed	36.8	34.0	39.5
Total	100.0	100.0	100.0

¹ 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).

Table 2. Key urban youth labour market indicators – traditional distribution by sex, 2013 (%)

	Total	Male	Female
Employed	54.0	61.0	47.2
Unemployed	6.4	6.0	6.8
Inactive	39.6	33.0	46.0
Total youth population	100.0	100.0	100.0
Youth labour force participation rate	60.4	67.0	54.0
Youth unemployment rate (strict definition)	10.6	9.0	12.6

Table 3. Key urban youth labour market indicators – alternative distribution by sex, 2013 (%)

	Total	Male	Female
In regular employment	14.3	16.0	12.6
In irregular employment	39.8	45.0	34.6
Unemployed (broad definition)	12.5	10.4	14.5
Inactive students	22.3	23.1	21.5
Inactive non-students	11.2	5.4	16.7
Total youth population	100.0	100.0	100.0
Youth labour force participation rate (broad definition)	66.5	71.4	61.7
Youth unemployment rate (broad definition)	18.8	14.6	23.5
Youth labour underutilization rate	63.4	60.9	65.9

Table 4. Urban youth neither in employment nor in education or training (NEETs) by sex and composition, 2013 (%)

Sex	NEET rate	of which:	
		Inactive non-students	Unemployed non-students
Total	17.9	14.4	3.5
Male	9.4	6.5	2.8
Female	26.2	22.0	4.1

Table 5. Employed urban youth by status in employment and sex, 2013 (%)

Status in employment	Total	Male	Female
Wage and salaried workers (employees)	69.5	68.6	70.6
Employers	2.6	3.0	2.0
Own-account workers	17.4	20.0	14.1
Contributing (unpaid) family workers	10.3	8.2	13.1
Other	0.2	0.2	0.2
Total employed youth	100.0	100.0	100.0

Table 6. Young wage and salaried workers in urban areas by type of contract and sex, 2013 (%)

Type of contract	Total	Male	Female
Written agreement	42.0	41.0	43.4
Oral agreement	58.0	59.0	56.6
Unlimited duration	15.4	15.6	15.2
Limited duration	84.6	84.4	84.8
<i>Of which:</i>			
– Less than 12 months	77.5	78.2	76.6
– 12 months to less than 36 months	15.7	14.0	17.7
– 36 months or more	6.9	7.8	5.7
Total young wage and salaried workers	100.0	100.0	100.0

Table 7. Distribution of urban youth employment by sector, aggregate and 1-digit level, and sex, 2013 (%)

Sector	Total	Male	Female
Agriculture	5.3	5.1	5.5
Industry	24.1	30.8	15.6
Services	70.7	64.1	78.9
Agriculture, forestry and fishing	5.3	5.1	5.5
Mining	1.1	1.4	0.8
Manufacturing	14.5	14.8	14.1
Electricity, gas, steam	0.2	0.3	0.0
Water supply	0.2	0.3	0.0
Construction	8.1	14.1	0.7
Wholesale and retail trade	25.1	20.5	31.0
Transport	7.4	12.0	1.6
Accommodation	7.8	6.5	9.4
Information and communications	3.3	3.6	2.9
Financial activities	2.1	1.9	2.4
Real estate	0.2	0.1	0.2
Professional scientific activities	3.5	3.9	3.1
Administrative and support activities	2.7	2.2	3.3
Public administration	4.3	4.2	4.4
Education	3.7	2.2	5.7
Health and social work	1.9	0.2	4.0
Arts and entertainment	3.6	4.0	3.2
Other services	2.3	2.5	2.0
Private households	2.8	0.4	5.8

Table 8. Employed urban youth by overeducation, undereducation or matching qualifications and sex, 2013 (%)

Qualifications match	Total	Male	Female
Undereducated	18.5	20.5	16.0
Overeducated	29.8	26.7	33.6
Matching qualifications	51.7	52.8	50.4
Total employed youth	100.0	100.0	100.0

Table 9. Urban youth unemployment rates by level of completed educational attainment and sex, 2013 (%)

Educational attainment	Total	Male	Female
Primary	5.2	11.3	-
Secondary general	11.1	6.2	18.2
Post-secondary vocational	5.1	5.1	5.1
University and postgraduate studies	8.3	7.8	8.7

Table 10. Unemployed urban youth by duration of job search and sex, 2013 (%)

Duration of job search	Total	Male	Female
Less than one week	8.8	13.0	5.2
1 week to less than 1 month	38.2	35.9	40.3
1 month to less than 3 months	28.0	32.8	23.9
3 months to less than 6 months	3.1	1.4	4.6
6 months to less than 1 year	8.0	4.0	11.4
More than a year	12.7	10.5	14.6
Not classifiable	1.2	2.5	0.0
Total unemployed youth	100.0	100.0	100.0

Table 11. Urban youth population by stages and subcategories of transition and sex, 2013 (%)

Stage of transitions	Total	Male	Female
Transition completed	20.4	24.0	16.9
Transited to stable employment	11.1	12.5	9.8
Transited to satisfactory temporary employment	4.7	6.0	3.5
Transited to satisfactory self-employment	4.6	5.5	3.7
In transition	53.9	50.0	57.6
Unemployed (broad definition)	6.7	3.9	9.4
In non-satisfactory temporary employment	10.7	11.1	10.3
In non-satisfactory self-employment	6.2	6.9	5.6
Active students	22.4	25.5	19.4
Inactive non-students with aim to work in the future	7.8	2.6	12.8
Transition not yet started	25.7	26.0	25.4
Inactive students	22.3	23.1	21.5
Inactive non-students with no plans to work in the future	3.4	2.9	3.9
Total youth population	100.0	100.0	100.0

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