

## Impact of the Youth to the Work Program on the economic level of the Young Poor in the La Libertad Region

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### Resumen

La determinación del impacto del Programa Jóvenes a la Obra en el nivel socioeconómico de los jóvenes pobres de la Región La Libertad, se inició con un diagnóstico para analizar la situación de los jóvenes pobres de la Región La Libertad. Se determinaron los planes de acción a corto plazo del programa Jóvenes a la Obra, luego se analizó el impacto del Programa Jóvenes a la Obra en los jóvenes pobres y finalmente se establecieron lineamientos de mejoras al programa Jóvenes a la Obra en función a una Propuesta de Acompañamiento y Asesoría a los negocios en funcionamiento, teniendo en cuenta su misión, objetivos y estrategias del programa. Los negocios emprendidos corresponden a 33% a producción (Confecciones, dulcería y piñatería), el 41% a comercio (Bodega y ferretería), y 26% a servicios (Eventos y toldos, Show infantil, restaurant, juguería y peluquería); El 33% de los jóvenes incrementaron la inversión en Educación; El 52% de los jóvenes incrementaron la inversión en Vivienda; El 45% de los jóvenes incrementaron la inversión en Servicios Básicos. De la muestra tomada 27 pequeños negocios se han identificado 38 empleos al inicio de los negocios y después de la evaluación de impacto. Se determinaron 43 empleos, incrementándose en un 42%.

Palabras clave: Programa Jóvenes a la Obra, jóvenes pobres, nivel económico, impacto.

### Abstract

The impact determination of the 'Youth to Work' Program on the socioeconomic level of poor youth in the La Libertad Region began with a diagnosis to analyze the situation of poor youth in the La Libertad Region. The short-term action plans for the 'Youth to Work' Program were determined, and the impact of the 'Youth to Work' Program on the poor youth was analyzed. Finally, guidelines for improvements to the 'Youth to Work' program were established based on a Proposal for Accompaniment and advice to run businesses, taking into account their mission, objectives and strategies of the program. The businesses undertaken correspond to 33% to production (Ready-to-wear clothes, candy- and piñata store), 41% to commerce (Food store and hardware stores), and 26% to services (Events and awnings, children's show, restaurant, juice business and hairdresser); 33% of young people increased investment in Education; 52% of the young people increased the investment in Housing; 45% of young people increased their investment in Basic Services. Of the sample taken 27 small businesses have identified 38 jobs at the beginning of business and after the impact assessment was determined 43 jobs, increasing by 42%.

Keywords: Program Young people to Work, poor young, economical level, Impact.

### 1. Introduction

According to the Global Entrepreneurship Monitor 2011, Peru ranked third in the world, with the highest indexes in early entrepreneurship, behind China and Chile. Peru is considered as the country of entrepreneurs, with an entrepreneurial rate of 22.9% of microenterprises that are born mostly with young people aged 18 to 29 years, but the mortality rate is 90%.

Barriers to formal employment faced by young people are due to lack of experience, the age of their youth and the study level or lack of technical ability; who in their quest to have an opportunity of entrepreneurial self-employment or business, are guided according to statistics of the 'Youth to Work' Program that reports through their training in the elaboration of business plans that present competition for the acquisition of Seed Capital; 45% are focused on commerce, 35% on services and 20% on production.

The problem of youth employment remains a priority in countries with sustained economic growth, because the youth population is one of the driving forces behind economic growth and a key factor in the development of countries with young populations and which generate great demand for labor. Employment remains the main material basis for social inclusion and, therefore, the availability of quality jobs plays a key role for social cohesion. This is very important for young people, because the productive labor insertion allows them to integrate themselves in an increasingly autonomous way into society. In addition, it facilitates interpersonal development, self-esteem and mutual recognition in groups with common characteristics. In order for young people to have access to employment opportunities. On the one hand, these employment opportunities must be created, and on the other hand, young people should be able to take advantage of these opportunities. Young people who leave early education system to enter the labor market with low levels of formal education only have access to the worst jobs, usually in the low-productivity, low-income sector (MTE and SS, 2009)

The difficulties faced by young people in entering the labor market are directly related to their problems of access to adequate preparation for work. They not only do not have the necessary qualifications to compete on an equal footing for the few available jobs, but if they have access to them, they do not have the necessary training to adapt quickly to work and have difficulty acquiring and mastering the specific skills required for the position "(CEPAL, 2001), also present difficulties in working as a team and working under pressure, aspects that in the training received are not deepened. (Saavedra, 2000)

## **2. Materials and Methods**

The research design was non-experimental. The total number of young people trained by the 'Youth to Work' Program in the La Libertad Region was 400 young people living in poverty, of whom 200 young people were trained from August 2012 to February 2013 and then a second 200 young people trained from July to December 2013. 80 young people were benefited with seed capital, who participated in a kind of tools, furniture and equipment, corresponding to the implementation of their business under the guidance of a consultant. This represents 20% of the population trained in the youth entrepreneurship line.

The sample was of 27 poor young people of the 80 young entrepreneurs population belonging to the urban and rural residence. Sampling was random stratified.

The techniques of information gathering at each phase of the research were as follows:

Phase I: Diagnosis of the situation of the poor young people of the city of Trujillo, January to December of the year 2013.

Phase II: Short-term Action Plans for the 'Youth to Work' program.

Phase III: Analysis of the impact of the 'Youth to Work' Program on the Poor Youth in the city of Trujillo.

Phase IV: Guidelines for improvements to the 'Youth to Work' Program.

### 3. Results

#### Diagnosis

The population of poor youth in the region of La Libertad during the period January to December of 2013 meets the requirements of the program that the State offers to generate employment and income.

As for housing, young people live in houses with adobe walls, roof of eternit and in a small amount of calamine, this represents 90% in the urban area and 10% in the rural area, in which the same the saw, the material of the walls are also of adobe and in the roof with tiles.

In education, 100% of young people have complete high education in urban areas, 90% of them complete and 10% incomplete in rural areas.

In basic services, 85% of young people have access to basic services and 15% have limited access to water, drainage and electricity services, the latter corresponding to the Libertad mountain range: Chugay, Curgos hamlet, Sinsicap and San Ignacio.

They are members of families with parents who work independently 40% as: street vendors, motorbike taxis, small farmers and in the dedication of raising small animals. In their work on a dependent basis, 60% are dedicated to work in the field and as workers in agro-industrial enterprises.

Their monthly labor income is according to the work they perform reaching up to the minimum living wage of S / . 750. The average income of the labor force amounts to S / .869.00 greater than the basic salary of S/.750.00.

As for the civil status, there is more emphasis in rural areas than women, 70% are single mothers, 30% are cohabiting and have an average of two children. In the urban area 50% are single women and 50% are cohabiting and have an average of one child.

In the urban area the unskilled labor (at the most poor youth finished high school) predominates to the qualified (professional and technical). The employed EAP focuses on services (32.4%), followed by commerce (20.4%) and Industry (16.3%). The enterprises mainly prioritize the people hiring with experience as the adults (54.5%) and Youth 19.7%. The group of independents in the urban area developed activities related to commerce (35.5%), services (26.4%) and Transport (16.8%).

#### 4.1. Short-term Action Plan for the 'Youth to Work' Program

Table 2. Short-Term Action Plan

Training Events	Trainer Institution	Headquarters	Province	Sessions	Students with enterprises	Resources	Cost S/.	Time limit
Training workshops GIN-ISUN	Universidad Nacional	Trujillo	Trujillo	5	25	'Youth to Work' Program	150,000	August 2012 to February 2013
	Mayor de San Marcos	Laredo	Trujillo	1	5		30,000	
		Chepén	Chepén	1	5		30,000	
		Chocope	Ascope	1	5		30,000	

Training workshops GIN-ISUN	Universidad Nacional de Piura	Curgos	Sánchez Carrión	1	5	30,000	'Youth to Work' Program	July to December 2013
		Huamachuco	Sánchez Carrión	1	5	30,000		
		Chugay	Sánchez Carrión	2	10	60,000		
		San Ignacio	Otuzco	1	5	30,000		
		Sinsicap	Otuzco	1	5	30,000		
		Sausal	Ascope	1	5	30,000		
		Puerto Malabrigo	Ascope	1	5	30,000		
<b>Total</b>				<b>16</b>	<b>80</b>	<b>480,000</b>	<b>13 months</b>	

Source: Report of the 'Youth to Work' Program, 2014

As indicated in the above table, the costs for the realization of the workshops by the training entities (Universidad Nacional Mayor de San Marcos and Universidad Nacional de Piura) amounted to S /. 480,000.

One of its weaknesses of the Program is that monitoring was not carried out after having formalized and installed the businesses

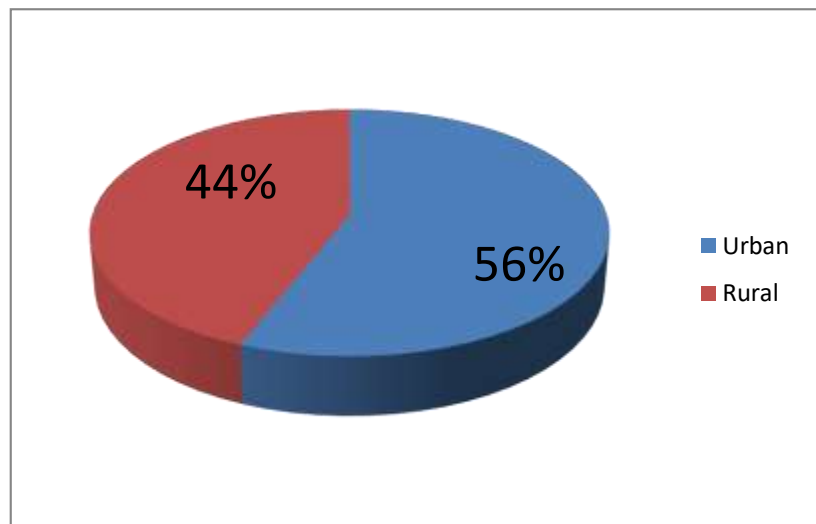


Figure 3. Percentage Participation of Young People Benefited with Seed Capital, Freedom, 2013 (Rural and Urban Environment)

Source: Report of the 'Youth to Work' Program 2014.

Of the total number of young people benefiting from seed capital, 56% (45) are in the urban area and 44% (35) in rural areas.

By the end of 2012 and in 2013 the program benefited a treatment group of 400 poor young people, leaving a control group (young people who did not participate in the training) of 20% in the La Libertad region. The trainings were given in Trujillo, Laredo, Chepén, Chocope, Curgos, Huamachuco, Chugay, San Ignacio, Sinsicap, Sausal and Puerto Malabrigo

#### 4.2. Analysis of the impact of the 'Youth to Work' Program on the Poor Youth in the La Libertad Region.

##### Analysis of the process and results

After having determined the number of samples, the people in charge of the Zonal Unit of the National Program 'Young to Work' of the La Libertad Region were given the corresponding information. The interviews and surveys were applied to young with seed capital in their places of origin, where they own their business. Twenty-seven interviews were conducted simultaneously with a socioeconomic record. The information processing was done in a detailed way to analyze their socioeconomic situation of young entrepreneurs after 3 months who received seed capital with installation of their business and 3 last months before the socio-economic impact assessment.

Although the youngsters finished their training workshops in the elaboration of their Business Plan, they were also given accompaniment for the implementation of their business.

In relation to the Indicators considered and the objective of measuring the impact that the 'Youth to Work' Program has had through the Youth Entrepreneurship Line in the created businesses and the life of the young people; The following results were obtained:

The rate of entrepreneurship in the young people who have participated in the Program; referred to the number of young people who have developed entrepreneurial initiatives and received the funding kid, among the total number of participants of the Program is 20%.

Table 8. Percentage distribution of the Young people that improve their quality of life

Process of research	Investment in Education		Investment in house improvement		Investment in installation of basic services		Investment in furniture and teaches	
	%	N°	%	N°	%	N°	%	N°
At the beginning of business	4	1	7	2	19	5	26	7
To evaluation	15	4	33	9	26	7	30	8
Between at the beginning and evaluation	15	4	11	3	0	0	7	2
Invest	33	9	52	14	44	12	63	17
Not invest	67	18	48	13	56	15	37	10
Total	100	27	100	27	100	27	100	27

33% of young entrepreneurs invest in education and 67% remain indifferent.

52% of young people invest in improving their homes and 48% remain indifferent.  
44% of young people invest in basic services such as water and 56% of young people do not invest after a year of running their business.  
The investment in furniture and household goods is reflected in 63% of the young people who invest in this area, while 37% of young people do not invest for this item.

#### Guidelines for improvement to the 'Youth to Work' Program

The 'Youth to Work' Program should include within its policy the monitoring of the businesses undertaken and continuous support of advice on market issues, business management, economic and financial management and customer service to motivate the enterprise and ensure its sustainability in the time in order to know the level of progress, identify the difficulties and critical means in the process of business operation in order to be resolved and progress in their business.

An entrepreneurial education that generates income, jobs and life quality, with emphasis on topics such as: Efficient management of capital, technology used to produce or provide a quality service, implementing and meeting the needs of customers, attending to strategies of positioning in the market together with the abilities, knowledge and aptitudes of the young entrepreneurs.

Developing their skills and abilities of the young people with the objective that they are inserted and inserted in a more adequate way to the labor field contributing to the local economic development of the Region.

#### 4. Conclusions

The following conclusions are presented according to the objectives of research.

1. From the diagnosis it is concluded that the businesses undertaken corresponded to 33% to production (Ready-to-wear clothes, candy- and piñata store), 41% to commerce (Food store and hardware stores), and 26% to services (Events and awnings, children's show, restaurant, juice business and hairdresser). The main problems to implement enterprises are the capital and contacts network, as well as the experience in the field, therefore it is necessary to deepen and advise during the monitoring in the businesses.
2. Within the action plans the 'Youth to Work' Program met its goal of 400 poor young people trained and 80 young winners of an entrepreneurial kid implemented in their business. Of the total number of poor young people evaluated, 24 were women and 3 were men.
3. Analyzing the impact of the 'Youth to Work' Program, the changes generated in the lives of poor young participants after a teaching-learning process were visualized through the methodology used by the program. Further demonstrating that improving their life quality in the sample of the 27 young people surveyed, the level of entrepreneurship was 100%.
4. With regard to the impact on improving the life quality (education, health, improvement of housing with furniture and household goods) of the beneficiary population, 13 small businesses have been identified, representing 48% of the sample. Of which: (a) 33% of young people increased investment in Education, referring to the comparison between investment in education at the beginning and at the time of the evaluation of the business plan, by young entrepreneur. (b) 52% of the young people increased their investment in housing, referring to the comparison between the investment in housing infrastructure improvements at the beginning and at the time of the evaluation of the business plan, by young entrepreneurs. and (c) 45% of the young people increased their investment in Basic Services, referring to the comparison between the investment in basic services of light, water and drainage at the beginning and at the time of evaluation of the plan.

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