

# Work force training and connections to the world of work for low-income youth in urban Brazil: do the main training systems adequately serve this population?

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## **Work force training and connections to the world of work for low-income youth in urban Brazil: Do the main training systems adequately serve this population?**

### **Introduction:**

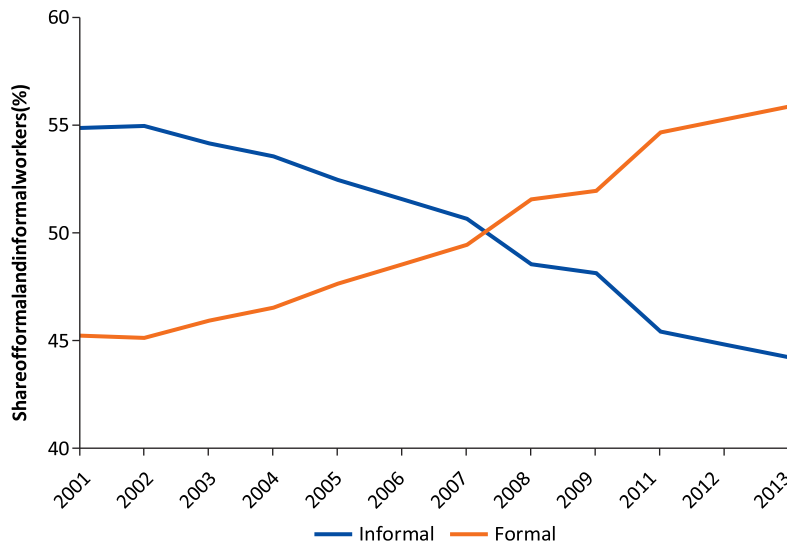
Low-income youth in urban Brazil face many challenges moving to work in the main stream economy. These challenges include lack of qualifications, inappropriate qualifications, lack of family knowledge and connections to main stream jobs, color and gender and physical separation in low-income communities from middle-income and downtown communities. But systems exist to train youth for work in Brazil, some of them aimed at all youth and some at low-income youth. This report raises the question of how well these systems serve low-income urban youth.<sup>1</sup>

The purpose of the report is to engender debate and action to improve the mechanisms to help young people enter the work world. It is important to remember that in contemporary Brazil about 46% of the population work in the so-called informal economy, a declining percent as shown in Figure 1.

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<sup>1</sup> This report is part of a larger study at CIESPI, at the Pontifical Catholic University of Rio de Janeiro, aimed at improving the condition of low-income children aged 0-8. It examines young people's connection to the work place simply because low-income children are better off living in homes where parents and other adults have stable, decent employment. The work was funded in large part by a grant from the Bernard van Leer Foundation, The Hague, the Netherlands.

Figure 1. Workforce Formality and Informality in Brazil, 2001–2013<sup>2</sup>



Source: Based on the National Household Survey (Pesquisa Nacional por Amostra de Domicilio, PNAD), Brazilian Institute of Geography and Statistics, Rio de Janeiro.

Note: “Informal” workers include the self-employed as well as those who lack a signed employment card (carteira assinada) and who therefore do not contribute to social security. The figure omits 2010 data because the PNAD did not collect data for 2010, a year when Census data was collected. However, the PNAD and Census survey data were not compatible in this regard.

Workers in the informal economy lack the protections and benefits of workers in the formal sector. According to a 2017 study, (PNAD, 2017) black and brown<sup>3</sup> youth are at a particular disadvantage in the main stream job market. They are also far more likely to be poor.

Exiting from poverty between 2003 and 2011 was significantly associated with insertion in formal employment along with structural unemployment reduction, increased salaried job opportunities, and increased informal-job wages. Given the value of the minimum wage and the poverty line determined by the Brazilian government, a household is unlikely to be in poverty if at least one member has a formal job.<sup>4</sup>

### The Brazilian context

The current Brazilian fiscal, economic, and political situations add to the challenges facing low-income, young job seekers. In the first half of 2017, there were thirteen million unemployed workers in Brazil. According to the International Labor Organization, in 2017, the unemployment rate among

<sup>2</sup> Brazil Jobs Report World Bank, 2015, <https://openknowledge.worldbank.org/bitstream/handle/10986/15292/multi0page.pdf?sequence=1&isAllowed=y> p. 52

<sup>3</sup> Note that the Brazilian census classifies race/ethnicity by self-declared color and that the vast majority of non-whites classify themselves as brown.

<sup>4</sup> Ibid., p. 60

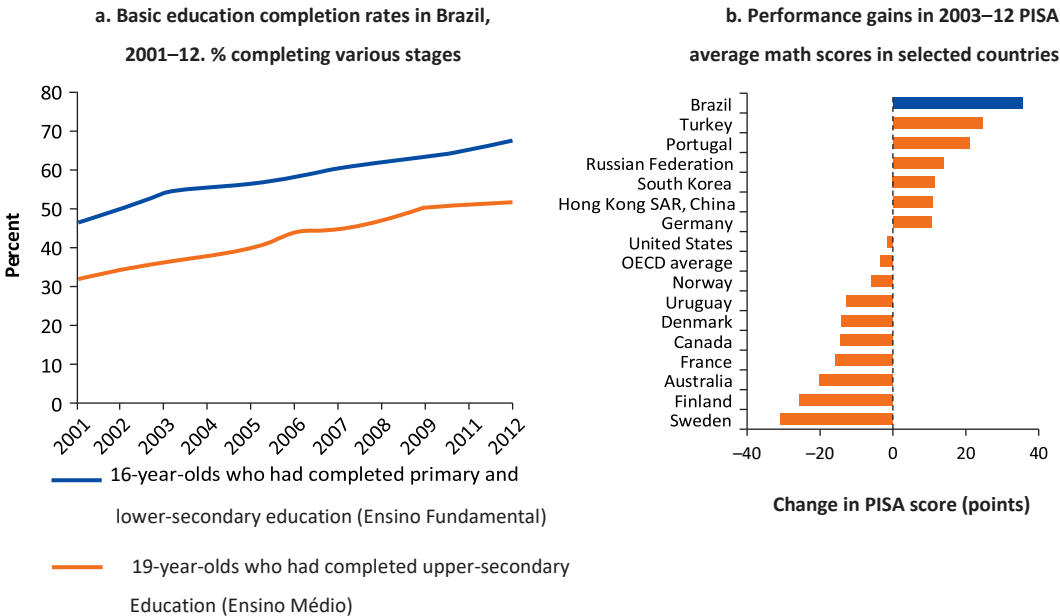
youth 14 to 17 (i.e., among young people out of school and looking for work), was 39.7% and among those 18 to 24 years of age, 25.9%. The fiscal crisis, present at all levels of government, has resulted in lay-offs, cancellation of projects and programs, non- or very slow-payment of wages of public officials, and the consequent loss of job opportunities. The political crisis caused by massive corruption scandals in the public and private sectors make it hard to launch any policy initiatives as senior public and private sector officials are indicted weekly.

Brazil’s post-dictatorship constitution prohibits child labor for young people under the age of 16 (Brazil, 1988), with the exception of apprenticeships which youth as young as 14 may undertake. The federal Statute of the Child and the Adolescent (ECA, Brazil, 1990), reaffirms this prohibition and also contains provisions about professionalization and protections for young workers (Chapter 5, ECA).

A key precursor of labor market success is the education level of job entrants. Adequate education of young people is still a major challenge in Brazil as this report will show. So, for example, in 2012 two-thirds of Brazilian fifteen-year-olds were low achievers in math.<sup>5</sup> The share of students enrolled in technical education at the upper-secondary level is low by international standards (13.5 percent of total upper-secondary enrollment, which is substantially below the 46 percent OECD average in 2011) (OECD 2012).

However, it is important to note improvements over time.

Figure 2. Basic Education Completion and Student Math Performance in Brazil and Selected Countries<sup>6</sup>



<sup>5</sup> Ibid., p. 56

<sup>6</sup> Ibid., p. 55

Sources: OECD 2012; Todos Pela Educação 2012.

Note: The figure omits 2010 data because the National Sample Survey of Households (Pesquisa Nacional por Amostra de Domicílio, PNAD) did not collect data for 2010, a year when Census data were collected. However, the PNAD and Census survey data were not compatible in this regard.

Sources: OECD 2005, 2014.

Note: PISA = Program for International Student Assessment; OECD = Organization for Economic Co-operation and Development; SAR = special administrative region.

Continued improvement in education is also a critical factor in improving Brazil's comparatively low labor productivity which is vital to future growth in the economy and to preventing rising labor costs from hurting competitiveness and job creation. However, low-income people face other barriers to work. As with low-income people in other countries, they lack the informal connections to mainstream jobs and particularly low-income women face the challenge of the paucity and the cost of child care.

Since 2015, Brazil has experienced massive economic and political turmoil with lay-offs in all sectors. But before then, the condition of the poorest Brazilians improved. It is important to note the reasons for those improvements.

### **Improved labor market outcomes have been the main driver of reductions in poverty and inequality**

Not only did average labor market outcomes improve, but they improved the most among the poor. Real earnings also grew at a higher rate among the poor (Maciente, Silva, and Gukovas 2015). And so did formal labor market insertion, with gains among the poor driven by a particular group of workers: young workers who completed high school (Leichsenring, Silva, and Proença 2015). These pro-poor labor markets were the main driver of reduction in inequality and poverty.<sup>7</sup>

For the lowest income group, government income redistribution policy was vital. Earnings increases at the bottom of the wage distribution were highly influenced by a minimum-wage policy that links its annual change to gross domestic product (GDP) growth. In the current context of lower growth, earning increases through this channel might be more difficult.<sup>8</sup>

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<sup>7</sup> Brazil Jobs Report World Bank, 2015, <https://openknowledge.worldbank.org/bitstream/handle/10986/15292/multi0page.pdf?sequence=1&isAllowed=y>, p. 21.

<sup>8</sup> Ibid., p 24

**The study:**

This study examines the major public and private sector programs that train people for the job market to ask the question whether those systems adequately provide for the training of low-income youth. While many of those systems are federal, we ask this question specifically of how those programs operate in Rio de Janeiro. In addition, to obtain the perspective of the young people themselves we focus attention on the large low-income community of Rocinha in the southern zone of the city of Rio de Janeiro.<sup>9</sup> CIESPI has a long relationship with that community and, as in other studies, engaged this community to get a street level perspective of the problem. The estimates for the population of Rocinha vary between 70,000 and 200,000, the disparity caused both by the difficulties of getting an accurate count and by the very transitory nature of a section of the population.

The character of Rocinha, like many other low-income communities in urban Brazil, makes more difficult young people's passage to work. The community is massively overcrowded, has housing and infrastructure conditions that promote high rates of disease, particularly respiratory diseases, and suffers from high levels of violence much of it related to the drug trade and the inadequate and violent police responses. These conditions inhibit such basic life processes as attending school on a regular basis. Rocinha does have the advantage of having a lively small business retail economy and being situated in the southern zone is close to a range of job opportunities. According to an earlier CIESPI report (Soares et al. 2010) there are opportunities in the community for young people to take job related courses, but these courses, in general, provide very inadequate training and make no connection to actual job opportunities. Indeed the 2010 report commented on the negative aspects of a "culture of courses" by which it meant the practice of an almost desperate attempt to notch up a large number of courses none of which were adequate to facilitate entry into the mainstream job market.

We conducted this study through a bibliographical search, individual interviews with young people in Rocinha, professionals in the main private sector job training system, *Sistema S*, and human resource professional, and two focus group of youth residents of Rocinha. The interviews were conducted with both structured and open-ended questions.

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<sup>9</sup> The city of Rio de Janeiro is located in the state of the same name.

## **The major job training programs in Brazil**

Since the 1940s Brazil has had a system of vocational training funded by legally mandatory contributions from the private sector and run through a series of non-profit organizations known as *Sistema S* or the Service System.<sup>10</sup> The S system is the training arm of the Confederation of Industry (CNI). The S system has nine separate services organized by type of training and sector. Among the most important for our purposes are SENCA which supports the goods, services, and tourism industries; SENAC which supports commerce, SENAI which supports industry through training and technical services, SESI which supports the transportation and telecommunications industries through apprenticeship programs and SEBRAE which supports micro-enterprise. SEBRAE, it should be noted, does not provide loans, but technical advice and training. In many countries, the major advantage of a private sector directed program is the higher possibility that the training and the tools are more likely to fit the current skill needs of the private sector than in government managed programs. The individual parts of the System determine the training programs to be offered and apparently balance the number of training slots with industry demands.

The S system interacts with government programs by means of the latter providing financial support for workforce development through the component parts of the S system for certain defined purposes. In 2011, Brazil enacted a major revision of its poverty and workforce development programs called PRONATEC. That legislation aimed to foster economic opportunity for all, especially the poorest and most vulnerable people many of whom drop out of formal education.<sup>11</sup> Between 2011 and 2014, for example, PRONATEC funding created 8.8 million training slots and 5 million new slots for vocational training of the existing workforce. Forty percent of these slots are supposed to be filled by poor and disadvantaged populations found through the Ministry of Social Development's *Cadastro Unico* registration system of the disadvantaged.<sup>12</sup>

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<sup>10</sup> For a general introduction to the S System see Rebecca Duran, Introduction to the Sistema S, The Brazil Business, <http://thebrazilbusiness.com/article/introduction-to-sistema-s>, downloaded 1/5/2018. Covered businesses pay 2.5% of their total payroll into the system.

<sup>11</sup> Much of the information about Brazil's government programs in this report and their interaction with the S system comes from World Bank 2015.

<sup>12</sup> See World Bank, 2015, p.27.

<sup>13</sup> See Carlos Henrique Corseuil, Gustavo Maurício Gonzaga, Miguel Nathan Fogel 2015, Department of Economics, the Pontifical Catholic University of Rio de Janeiro.

### Other government initiatives aimed at lower-income job entrants

A key government program in support of workforce development for low-income youth is the Apprenticeship Law or Lei de Aprendiz. Enacted in 2000, the statute requires medium and large firms to employ five percent of their workforces as apprentices. The law provides opportunities for young people aged 14-23 and mandates payments of at least the mandatory minimum hourly wage. (Employers get a reduced unemployment payment rate.) The apprenticeship contracts are temporary with a maximum term of two years and the employers are freed from the usual unemployment insurance costs if they fire an apprentice.

A very careful statistical analysis of the Apprenticeship Law, which controlled for the possible selection artifacts of youth entering the program, shows that youth who went through the program as opposed to youth who did not had higher wages two and five years out of the program and had a higher probability of being employed.<sup>13</sup> The program, in short, is an answer to the problem of “scarring” of youth entering the job market through a series of short term, informal sector work with the recurring problem of offering the next employer no formal sector work place employment experience.

The following table summarizes other programs both governmental and in the S System or a combination of both that are aimed at vulnerable populations.

Table 1: Summary of S System programs for low-income youth

Name of program	Characteristics 1	Characteristics 2
<i>Jovem Aprendiz</i> (Youth apprentices)	For youth 14-24 with family income per capita no more than half a minimum salary; Requires graduation from middle school and several documents for registration.	Includes stipend, meals, transit subsidies; requires either attendance at school or regular study at courses offered by SENAI or SENAC. Those courses include soft job skills. Total work and study for 6 hours a day.
<i>Sem Limite S</i> without limits	Offers professional qualifications for persons with handicaps. Works with programs for the handicapped.	Goal is to help such persons enter the formal job market,
<i>SENAC na Comunidade</i> SENAC in the community	Provides professional training courses to the socially excluded. Courses provided in association with organizations of the third sector.	Goal is to provide access to the formal economy or help the discovery of opportunities in micro-enterprises.
<i>SENAC Movei</i> Circulating SENAC	A truck which circulates throughout the state of Rio and offers basic skills in the areas of management and information, hospitality, and cosmetology.	
<i>SESI Cidadania</i> SESI for citizenship	Created in 2010, takes educational, cultural, sports and leisure opportunities to residents in their communities.	Services offered free or at discount.



<i>Portal do future</i> Gateway to the future	Trains youth 16-21 in three competencies: personal basics, citizenship, and professionalism in order to prepare their entry to the job market.	Includes 316 hours plus 30 hours of experience.
<i>Vira Vida</i> Turning life around	Offered by SESI to cultivate a social and educational process aimed at young people aged 16 to 21 who live in socially vulnerable situations especially victims of sexual abuse. To help the young people through skill development to develop their potential and self-management	In Rio, the program operates in conjunction with five of the S's. It offers courses in fashion, cosmetology, tourism and hospitality, gastronomy, information technology, and management. The young people must be enrolled in sixth grade or have finished middle-school. They must have either a low-level or no dependence on chemical substances.

The programs have very useful elements. These include targeting to vulnerable populations, additional supports such as varied financial assistance, the combination of work experience and education, access to a range of System S training, and the goal of entry into the formal workforce. Some businesses taking apprentices go beyond the support requirements in the law and also offer shoes, backpacks, health insurance and life insurance. Because of the financial crisis, SESI is offering discounted tuition in some communities. Doubtless, some low-income youth can access and therefore benefit from these important elements. But how many? It turns out that question proved impossible to answer because of either the lack of information or the reluctance to provide it. The World Bank report repeats in a number of places the recommendation that the system cannot improve without much better data collection and monitoring. We can, however, assess how the System appears to low-income youth.<sup>13</sup>

But before we turn to that question we should note the applause some of these programs got, particularly “Vira-Vida” and “Jovens Aprendiz”.

*I am doing Jovens Aprendiz. I am enjoying it and it is widening my knowledge. I am very satisfied. I have been learning many things though my dream is to enter university for physical education.*

*In SENAI (Jovens Aprendiz) there is a teacher who comes to talk to us and to ask us if we need anything. She asks us about our motives and always asks is there is any way she can help.*

*In Vira-Vida they teach us how we should dress, how we should speak and behave at an interview.*

## The local study

The local study in Rio and in the community of Rocinha was driven by the following questions:

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<sup>13</sup> Brazil Jobs Report World Bank, 2015, <https://openknowledge.worldbank.org/bitstream/handle/10986/15292/multi0page.pdf?sequence=1&isAllowed=y> p. 134

- What are the main difficulties for low-income youth to enter and complete professional courses offered by the S system?
- What does the S system offer to support entry and completion of courses for low-income youth?
- What courses are least accessible to low-income youth and why?

For those who get into courses and complete them, the opportunities are very important and life changing. Young people may experience the private sector for the first time. They may get vital financial supports for themselves and indeed for their families. Many experience the vitally useful combination of formal sector work experience and relevant course work. The course work is likely to be designed by the private sector and hence up to date for the demands of the contemporary job market. We now examine some of the problems for low-income youth interested in improving their labor market potential.

Schooling:

It is clear why work force development programs have educational pre-requisites. Such programs determine that they will gear their offerings to young people with a certain level of skills thus allowing the programs to start at a certain skill level and train up from there. But many low-income youth in Brazil lack decent high school education so the question becomes who or what institutions should be given current realities responsible for making up the gap in skill levels.

Vira Vida requires a six year of schooling level but many low-income young people do not attain that level. UNESCO data shows that in the years 2008-2012, 74% of young males in Brazil were attending in secondary education and 80% of young females.<sup>14</sup> (School attendance is a much more useful indicator than school enrollment which can exist without actual attendance.) An OECD report shows that Brazilian students have one of the highest rates of grade repetition amongst students in countries who participate in the PSISA (Programme for International Student Assessment) tests. Over eight million Brazilian youth did not finish their elementary education. Over a third of 20- to 24-year-olds leave school without reaching upper secondary education. This is twice the average rate observed by the OECD. The above percentages are for all youth in Brazil. The percentages for attendance by low-income and minority youth will be much higher.

Some of the programs also permit enrollment in the sixth year but while that increases the number of potential enrollees it also has problems.

One nineteen year old woman said:

*My friend was not studying but gained an entrance into Vira Vida for the middle of the year. But she couldn't get a place to continue at school and you have to be studying to participate in Vira Vida. She gave up Vira Vida. I think the school was on*

*strike. Sometimes you can't change your shift at school, or they don't have an opening at night to study, and the time of school is incompatible with the the course at Vira Vida or Joven Aprendiz. Changing your time at school in the middle of the year is not easy. I lost one semester at school because they did not have an opening in the afternoon for the class I had already started.<sup>14</sup>*

Cost:

The programs that provide subsidies to low-income youth or are free partly deal with the opportunity costs of a young person not having a regular job while studying. But the majority of System S's programs, those are the professional programs not aimed at low-income youth, cost money. This is a huge barrier in a country where over 20% of the population or 45.5 million people live on less than US\$5.5 a day.<sup>15</sup> The cost of the non-free System S programs range from US\$46 to US\$2,800.<sup>16</sup>

Table 2: Example of cost of System S courses in 2017

Course	Classes	Starting date	Locale	Period	Pre-requisites	Cost in US\$
Basic notions of electricity and electronics for the auto industry.	Number of places: 7	03/04/17	SENAI Jacarepaguá	Afternoon	Must have completed the 5th year of elementary education.	Single payment only: \$183
Industrial automation technician	Number of places: 37	01/08/17	SENAI Jacarepaguá	Evening	Must be at a minimum attending the second year of middle school. Estar cursando	Installments: 24 months x \$167 or 12 months x \$334. In full: \$4,008.

A twenty-one year old youth who was also a father put these costs in perspective.

*At the end of the month, residents climb the hill on foot because they do not have the R\$3 (US\$1) to pay the motor-bike taxi. How can they pay for a course? Never mind the cost of a motor-bike taxi or a course, a person must have money to eat on the street.*

<sup>14</sup> Note that while federal educational policy now demands full time schooling, many students continue the long-term practice of being at school for only part of the day to permit other shifts to accommodate the difference between the number of students and the number of classroom places.

<sup>15</sup> World Bank Poverty Brief, Latin America and the Caribbean, Brazil, October 2017, [http://databank.worldbank.org/data/download/poverty/B2A3A7F5-706A-4522-AF99-5B1800FA3357/9FE8B43A-5EAE-4F36-8838-E9F58200CF49/60C691C8-EAD0-47BE-9C8A-B56D672A29F7/Global\\_POV\\_SP\\_CPB\\_BRA.pdf](http://databank.worldbank.org/data/download/poverty/B2A3A7F5-706A-4522-AF99-5B1800FA3357/9FE8B43A-5EAE-4F36-8838-E9F58200CF49/60C691C8-EAD0-47BE-9C8A-B56D672A29F7/Global_POV_SP_CPB_BRA.pdf), downloaded 1/26/2018.

<sup>16</sup> This dollar cost is at the exchange rate as of this writing of US\$1 = R\$3.2

The cost of transit is amplified by the distance between low-income communities and the professional courses. Many of the bus routes are full and come infrequently. So, for example, the professional course offered for Rocinha youth in Jovem Aprendiz is offered in the middle-class community of Laranjeiras. Generally, the professional course ends at 5:00 p.m. and the regular middle school course starts at 6:00 p.m. in Rocinha. That one hour interval is simply not sufficient for a youth who have to take a bus, the metro and then another bus or motor-bike taxi to get to class.

Access:

By access, we mean all the processes that are necessary to get into a course.

As can be seen from Table 2, enrollment in the courses for low-income youth as indeed enrollment in regular System S courses require a good deal of documentation from the applicant. These requirements are somewhat ironic given the paucity of data available about who enrolls in the courses. Note that obtaining documentation can be difficult in Brazil. It was only fairly recently that most low-income people had birth certificates.

A twenty-year old man described some of the problems:

*Documentation is another burden. Previously you could get a work certificate [to enter for example, [Jovem Aprendiz] immediately but now you have to make an appointment and that is a nuisance. There are people who know the system and you pay to get them to get the stamp for you. There are folk who have no identity documents and no CPF (roughly the equivalent of a Social Security number in the U.S.)*

Documents take time to obtain and vacancies in the various training schemes are announced from one day to the next and generally there is not enough time for a young person to get the necessary documentation. Our respondents reported difficulties obtaining documents on line which meant long journeys to get the documents in person.

*Young people don't know the importance of having documents or when they will need them, and don't always have a reasonable time to get the documents needed for a particular opening.*

It is also difficult to access information about openings in the various schemes. A twenty-year old woman said:

*What is most difficult is just to get information. You get most through friends and acquaintances who are knowledgeable about courses. You have to go backstage because if you only search on the internet you won't achieve anything. It took me*

*three years to find a place. I made a number of applications online and nothing happened.*

Seeking access presumes knowledge about the System and that cannot be assumed:

*But people don't know what SENAI and SENAC are. There are few who know. It's a cultural question.*

A seventeen-year old young man said:

*The openings are few and the lines are long. Families arrive at dawn to try to register their young people for the selection procedure.*

Another young man said:

*I applied on ten different sites and was not called on any of them.*

For SESI's program 'citizenship' the following documents are required:

- Work card
- Copy of CPF
- Proof of residence
- Identity card
- Copy of birth certificate
- Marriage certificate if relevant
- For men, proof of military service registration
- History of school courses taken
- Copy of medical history with health conditions

This would appear to be a difficult task given the chaotic condition of some low-income communities and the amount of time needed to get a replacement if a document is lost.

Supports:

A young person from a low-income community may well lack family or friends in the formal market, knowledge of that market or knowledge of appropriate training, the energy or confidence to discover a path for him or herself. A young mother has the added task of finding someone to care for her child while she trains or goes to work. A basic problem is that of limited expectations.

*The people in Rocinha are interested in finishing elementary or middle school and looking for a job. Folk here do not have this culture of professionalization.*

But there are more serious barriers:

*An offer from the [drug] traffickers is very tempting because there is a rapid return...work-earn. The state violence [from police] makes the trafficker a hero.*

The problem of interest can be even more basic:

*For Vira-Vida the biggest difficulties are the lack of desire on the part of the young person and the level of schooling. Some young people sign up because the responsible adults in their lives make them and this makes it difficult for them to remain [in the program].*

The same young man said that if the problem was level of schooling, Vira-Vida staff went out of their way to solve that problem.

The need for these basic sources of advice and resources are acknowledged in the special programs for low-income youth. Jovem Aprendiz offers teachers who support young people who need help. Vira Vida uses coaching to help students think about their goals and how they are going to get there. But such help is needed for all low-income youth on a regular and easily accessible basis.

Low-income young mothers simply do not have the resources necessary to attend professional courses. There are not enough places in public creches, the young mothers' mothers may well be working, and the mothers' themselves often do not have the resources to pay an individual to care for their children or to place them in a private creche.

Gaining access to a program is just a first step. The same need for resources and help are required to stay in and finish a program. The reported incidence of drop-outs from Vira-Vida is from 10 to 15% a class. Vira-Vida reports that the primary reasons for dropping out are finding a job that offers more than the program stipend, problems in the home, and the need to attend a different school. Dropping out has consequences. A staff person at SESI Cidadania explained that someone dropping out would have to wait for two years to reapply. Then there are particular problems attached to being in a formal work situation for the first time. Conflicts between the young workers and their supervisors are common particularly when the supervisors are not skilled in training and when the young people feel lost or humiliated in particular situations or do not have the experience to deal with conflict.

Our respondents said that career counselling was not a common function in the S System.

**What needs to be done:**

While the World Bank report pulled its punches as to the degree that System S does not adequately service lower-income youth, it did not pull its punches as to recommendations for change. The report was particularly strong on the need for monitoring to see the employment outcomes of the programs.

**Although all of these reforms are important, promoting evidence-based policy making through better M&E systems [monitoring and evaluation] is an essential first step to begin adjusting**

**resources and program content depending on labor market needs.** While the existing M&E systems (for example, SISTEC) represent an important first step, they do not focus on trainees' employability or earnings increases upon training completion. Without strong M&E systems that trace the impacts of TVET on trainees' labor market outcomes and knowledge acquired—and without using this information to inform policy making—PRONATEC will lack a solid mechanism for ensuring internal efficiency and of aligning course content with actual labor market needs.<sup>17</sup>

The same report emphasized the need to stress actual job placement. Without that service, many youth particularly low-income youth would fall into a void between the end of a training program and actual arrival in a formal sector job. In international comparisons, Brazil fell short on this vital component as is seen by an examination of the job placement component of the national employment system or SINE.

Stronger focus on job placement is a necessary avenue to improve SINE's effectiveness in connecting job seekers to jobs. OECD experience shows that well-functioning PES [Professional Employment Skills Training] can be cost-efficient at facilitating job searches and matches (Betcherman, Olivas, and Dar 2004).<sup>9</sup> In Brazil, however, SINE plays a relatively small role: only a minority of job seekers use its services, and the placement rates for registered job seekers remain relatively low by international standards: 12 percent in Brazil, compared with 36 percent in Mexico and 48 percent in the United States.<sup>10</sup> In 2012, although the number of SINE-registered unemployed had increased, only 23 percent of SINE's vacancies were filled, and fewer than 11 percent of those referred to jobs were placed.<sup>18</sup>

Imagine the greater loss to low-income youth of the lack of actual job placement services than to middle-class youth who have family connections to the formal economy.

We have hinted above about the need that low-income youth have for soft skills, those skills that enable people to interact and work with other people effectively in formal work settings. In the past several years there has been increasing evidence of the importance of soft skills in various areas of life. Nobel prize winning economist James Heckman, who demonstrated the role soft skills play in the importance of pre-school programs, puts the case strongly:

....soft skills predict success in life, they produce that success, and ....programs that enhance soft skills have an important place in an effective portfolio of public policies.<sup>19</sup>

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<sup>17</sup> Brazil Jobs Report World Bank, 2015,

<https://openknowledge.worldbank.org/bitstream/handle/10986/15292/multi0page.pdf?sequence=1&isAllowed=y> p. 134.

<sup>18</sup> Ibid p. 136.

<sup>19</sup> Heckman, James J. and Tim Kautz, Hard Evidence for Soft Skills, 2012, U.S. National Library of Medicine, National Institutes of Health, Washington, D.C. p. 1. [www.ncbi.nlm.nih.gov/pmc/articles/PMC3612993/](http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3612993/), downloaded 2/1/2018.

Our study focuses on low-income youth in low-income communities and interestingly the World Bank report included a very brief summary of a qualitative study of workforce development issues in three Rio low-income communities including Rocinha. The conclusions of this briefly reported work sum up the special challenges facing low-income youth.<sup>20</sup>

Program outreach and awareness efforts. The challenge of locating, reaching, and informing potential and past program participants looms large as a key barrier for both program uptake and monitoring and evaluation (M&E).

*Program enrollment challenges and successes.* The highly mobile, dynamic nature of slum livelihoods makes it challenging to ensure proper documentation for program enrollment. For example, the provision of school certificates (grades 5 or 6) might prove difficult for migrants, hence preventing them from participating in training and other activities.<sup>21</sup>

*Institutional presence and effectiveness.* The continuous physical presence of actors on the ground is a key ingredient for success of program implementation. Institutions physically present in the community were perceived as significantly more effective than institutions located remotely or adopting a time-bound approach.

The last point bears amplification. The larger problem is that in overcrowded, dangerous communities such as Rocinha there is little physical room for program buildings and program staff who live elsewhere are reluctant to make the long and dangerous commute to a program site. As with so many aspects of the lives of young people in urban Brazil, violence is a constant and without more effective strategies and greater political will for tackling that violence any other initiatives face an uphill struggle. On a more prosaic note, the World Bank report specifically recommended for Rocinha coaching programs, guidance counseling, and databases of the best pupils who could serve as role models or mentors.<sup>22</sup>

Not surprisingly, the World Bank recommendations are at the system level. The young people in our Rocinha focus groups had a more grounded set of recommendations.

Several young people emphasized the importance of concrete experiences in worlds they did not know as a prelude to decisions about training.

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<sup>20</sup> Brazil Jobs Report World Bank, 2015, <https://openknowledge.worldbank.org/bitstream/handle/10986/15292/multi0page.pdf?sequence=1&isAllowed=y> p. 157. The authors requested the World Bank to direct them to the full report on the low-income communities in Rio, but the Bank did not respond.

<sup>21</sup> Migrants here refers to within country migration. Many of the resident families in Rio's low-income communities originally migrated from the impoverished north-east of the country.

<sup>22</sup> Brazil Jobs Report World Bank, 2015, <https://openknowledge.worldbank.org/bitstream/handle/10986/15292/multi0page.pdf?sequence=1&isAllowed=y> p. 23.



They could offer something like PUC (the major private university in Rio) for a day. They could offer talks in middle-school explaining the benefits, duration, locale [of courses] the value of the investment, the possibilities of scholarships. Explain everything before a person enrolls so that they have an idea of what the course will be like as a whole.

People should talk to us in a language we understand. It doesn't help to talk in complicated language.

As for other incentives, take a young student inside the four walls. In the area of hairdressing, take them to know how a large saloon works. Teach the student more about the reality of the work.

Value the young people by giving them some sort of prize. A bag of make up for example for doing well in a course in the case of beauty treatments. Show that other people who did the course are working in the field.

Encouragement was everything:

A young person is much more eager to give up than to persist.

We have never taken a course but this focus group has already stimulated us (laughter).

You have already roused my interest. Do you know of a course for waiters?

Knowledge was also key:

The community must be brought closer in this matter of announcing courses. If everyone had the same information it would be more just. The courses must be announced to everyone.

What is both sad and at the same time hopeful in these fresh, heartfelt responses is that they are so simple, practical and seemingly with any real effort, implementable.

#### **A concluding story of one low-income youth:**

We could end this report with the story of a young person who tried and failed to get decent employment but we decided instead to report the story of a young person who seems to be on his way. We wish to emphasize the extraordinary personal supports the young person received in order to emphasize the supports low-income young people need to succeed in the passage to work.

Pedro<sup>23</sup> is a young man aged 19 who has grown up in one of metropolitan Rio's poorest community, Duque de Caxias in the low-income Baixada Fluminense region of the state. His mother, for many years a single parent, has earned her living as a domestic worker. She is a woman of great character and strength who has watched over her two sons' development with the greatest care. The family

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<sup>23</sup> Pedro is not his real name and other identifying details including names have been altered to protect his identity.

(Family X) that has employed Pedro's mother for many years has provided significant supports some of which are detailed below. Pedro's family is active in the Pentecostal church which has been a significant source of moral support.

Pedro has always been entrepreneurial. At the age of 13 for example he managed to buy some equipment from a local carwash that was closing down and started washing cars on weekends while studying on weekdays and nights. Meanwhile Family X continued to be in constant contact with both boys with one of the children in that family, Maria, taking particular care to encourage them in their school work and provide advice and tutoring on all sorts of matters. Pedro, after completing high school, obtained a solid training position which he had to leave through no fault of his own. He hoped to enter university, in part thanks to the President Lula Administration creating quotas for public universities to take a certain percent of lower-income minority youth and due to the encouragement from childhood by Family X. High school training, however, was not sufficient to take the demanding university entrance exams so he opted for the training course.

On leaving the training program, he found work in the informal sector delivering building supplies for a relative. Reflecting on his future with the help of Family X he decided not to pursue university entrance exams which would take several years to prepare for and take, but to apply to SENAC to start training in accounting. He had always dreamed of a white-collar job in a management position. SENAC had the great advantage of providing a timely course and the great disadvantage of costing RS4,800 (US\$1,5400) a sum completely beyond his family's means. Pedro inquired about bursary options and he was told that students might get a 25% discount on tuition if they meet certain requirements especially family income levels. He was, in fact, income-qualified for the bursary but was told that there was a high demand for them, that few students get them and he would only know a few days before classes started. If denied a bursary he would have to apply for a place again by which time all the classes might be full.

Family X, seeing the great potential for Pedro of such training, decided to fully subsidize the tuition and Pedro decided to apply for a position and not a bursary.

Pedro and Maria researched the possible SENAC courses and found one across Guanabara Bay in the city of Niteroi. The website indicated that this course was offered in 17 places in the state of Rio de Janeiro and Niteroi was the closest with a slot open. With his full year's tuition in his pocket, Pedro and a friend who knows his way around Niteroi took the Niteroi bus to register. Meanwhile, Maria, after worrying all night about the long journey Pedro would have to take to his classes, got up early before work and re-checked online the accounting courses offered by SENAC. To her great

relief, she found that a course had just opened up in Centro or downtown Rio. She called Pedro on his mobile, told him to turn around and head to the SENAC office in Centro.

As she explained, going to Niteroi at night would take two and half or three hours to get there and the same time to get home. It would also cost him RS38 (US\$12) a day or RS190 (US\$60) an enormous expenditure for a low-income youth. In contrast, travelling from the Baixada to Centro would reduce the journey each way to one and half hours and the cost to RS10 a day or US16 a month.

Pedro's plan, if he successfully completes the one-year SENAC course, is find a junior accountant position and start an accountant's degree at night.

Pedro is a young man of exceptional discipline, and he is supported by an extraordinary mother and very concerned family friends. A SENAC professional course is an important option for him but out of his financial range and living where he does in an extensive low-income area of Rio far from such courses. The challenge to the S System or indeed any other workforce development program for lower-income youth is how to assist those of them who, while determined to succeed, lack the resources Pedro possesses. The current system could fairly be said to be an inadequate, undersized, and an under-monitored hit or miss. The World Bank recommendations cited above and our young respondents' ideas, if implemented, would make a significant difference, but there is no sign that anyone is paying attention. Brazil's lower-income young people are too important in and of themselves and for the country's future for this inattention to continue.

