



# UNEQUAL YOUTH

A Challenge for the Development  
of the Southern Cone

**Executive summary**

Virginia Queijo  
Marisol Rodríguez Chatruc  
Belén Sotto

# **UNEQUAL YOUTH**

**A Challenge for the  
Development of the Southern  
Cone**

**Executive summary**

Virginia Queijo, Marisol Rodríguez Chatruc  
and Belén Sotto

Copyright © 2025 Inter-American Development Bank (“IDB”). This work is subject to a Creative Commons license CC BY 3.0 IGO (<https://creativecommons.org/licenses/by/3.0/igo/legalcode>). The terms and conditions indicated in the URL link must be met and the respective recognition must be granted to the IDB.

Further to section 8 of the above license, any mediation relating to disputes arising under such license shall be conducted in accordance with the WIPO Mediation Rules. Any dispute related to the use of the works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the United Nations Commission on International Trade Law (UNCITRAL) rules. The use of the IDB’s name for any purpose other than for attribution, and the use of IDB’s logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this license.

Note that the URL link includes terms and conditions that are an integral part of this license.

The opinions expressed in this work are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.



<http://www.iadb.org>

# Executive summary

Find the complete report in Spanish here



**Y**oung people are a crucial asset for the economic growth of the Southern Cone. In a context of insufficient human capital accumulation and rapid population aging—a situation faced by several countries in the Southern Cone (Argentina, Brazil, Chile, Paraguay, and Uruguay)—the contribution of each young person to future growth becomes increasingly important. Although many studies emphasize the importance of intervening in early childhood, adolescence and youth are also critical stages where decisive life choices are made and individual identities are formed. Therefore, interventions at this stage are key because a lack of educational and employment opportunities during this critical period can have significant and lasting repercussions both individually and for the human capital accumulation of the countries.

**More than half of the 44 million young people aged 15 to 24 in the Southern Cone face challenges such as unemployment, informality, poverty, or lack of engagement in educational or work activities.** Of the 44 million young people living in the Southern Cone, 18 million are employed in the labor market (12 million work exclusively and 6 million work and study), 17 million are exclusively dedicated to studying, and 9 million neither study nor work. Almost 21 million young people are not part of the educational system. Unemployment affects 5 million young people, 9 million are in the informal sector, and 2 million are underemployed. Additionally, more than 8.5 million young people live in poor households with incomes below USD 5 per capita per day (PPP 2011).

**Young people in the Southern Cone experience greater socioeconomic gaps than those in other regions, highlighting the need for pro-equity policies.** Inequality among young people is manifested in multiple dimensions, from unequal access to educational resources and job opportunities to marked differences in living conditions and exposure to social risks. Young people from disadvantaged backgrounds face systematic barriers that restrict their access to quality education, thus widening a gap that increasingly separates them from their peers from higher-income groups. This disparity not only perpetuates inequality of opportunity but also reinforces cycles of poverty and exclusion. In the Southern Cone, socioeconomic segregation translates into significant educational and labor inequalities that affect young people's ability to reach their potential and improve their living conditions. This reality underscores the urgent need for policies that comprehensively address

disparities and promote a more equitable environment for all young people in the region.

**Despite significant advances in educational access, the Southern Cone lags in quality and equity, with high dropout and repetition rates and low achievement in basic competencies.** Currently, more students are accessing education compared both to the past and the rest of the region, although coverage remains below the OECD average. The net enrollment rate for the second cycle of secondary education in the Southern Cone has increased, averaging 89% in 2021-22. However, the secondary education completion rate among people aged 21 to 23 is only 71% on average. Dropout rates before completing secondary education and repetition are both high, especially in Uruguay and Paraguay.

**Although young people stay in the education system longer than in the past, achievements in basic competencies such as mathematics, reading, and science remain low compared to the OECD.** Three out of four students in the Southern Cone do not reach basic levels in mathematics. Additionally, there is a significant digital divide, particularly in rural areas and among lower-income students. Many young people lack adequate cognitive and technical skills for the labor market. While enrollment in higher education has increased in the region, the graduation rate remains low (around 15% in Argentina, Chile, and Uruguay, compared to 48% in the OECD). Gender differences also exist: the proportion of young women completing secondary education in the Southern Cone is on average between 2 and 13 percentage points higher than that of young men, leading to a higher tertiary education enrollment rate for women. However, women remain a minority in access to education in the fields of science, technology, engineering, and mathematics (STEM): of the higher education graduates in STEM, 37% are women in Brazil, 44% in Uruguay, and only 19% in Chile.

**The educational gaps between the poorest and richest quintiles are wider than in the rest of the region, perpetuating wage inequalities.** For a series of educational indicators, the gaps in the Southern Cone between the poorest and richest quintiles are wider than the average for Latin America and the Caribbean. While young people in the richest quintile complete secondary education at a rate similar to OECD countries, young people from lower-income backgrounds have low completion rates. Additionally, young people from the richest quintile are three times more likely to access higher education than those from the poorest. Given that education is an important determinant of future income, high educational inequality is likely to translate into high wage and income inequality. The lack of access to technology and necessary digital skills further exacerbate educational inequalities.

**In the labor market, young people in the Southern Cone face high unemployment rates and precarious working conditions, with women, indigenous and Afro-descendant youth, and those from low-income households being more**

**affected.** The educational advantages that young people in the Southern Cone have over the rest of the region do not translate to the labor market. Compared to OECD countries, young people in the Southern Cone are less likely to study, more likely to work exclusively, and more likely to be unemployed or NEETs (neither studying nor working). The youth unemployment rate in the Southern Cone (21%) and the gap between youth and adult unemployment are significantly higher than both Latin America and the Caribbean and the OECD. Women, indigenous and Afro-descendant youth, and those from low-income households are disproportionately affected. Although young women typically outperform men in educational achievements, they face higher unemployment rates and lower labor force participation and employment rates, dedicating approximately twice as much time to unpaid domestic and caregiving tasks. Among young people who manage to find employment, an average of 60% work in informal or underemployment conditions. This leads to low productivity and lower wages, as well as reduced access to labor benefits and social protection. Additionally, it makes them more vulnerable to economic crises, which can have lasting effects on their future career paths (scarring effects). Regarding socio-emotional skills, positive results are found in some skills, but there are deficiencies in key competencies such as leadership and teamwork. In general, the aspirations of young people in the Southern Cone are optimistic, creating a gap with the opportunities offered by the labor market and exposing them to the risk of frustration.

**In the Southern Cone, there are more than 8.5 million NEETs, of which almost 6 million are NEETs who also do not seek employment; most of them are in the lowest income quintiles.** The high proportion of young people who neither study nor work (NEETs), including those NEETs who do not seek employment, contributes to the intergenerational transmission of poverty and represents a persistent challenge. The rates vary by country: in 2022, Argentina had a rate of 15% NEETs, Brazil 21%, Chile 15%, Paraguay 17%, and Uruguay 16%. In the last decade, the proportion of NEETs has decreased in Argentina, Chile, and Uruguay and increased in Brazil and Paraguay. While the proportion of female NEETs remains higher than that of males in all five countries, the gender gap has almost closed (less than 4 percentage points in all cases) in Argentina, Chile, and Uruguay. This could be associated with the decline in teenage pregnancy observed in these countries and the reduction in caregiving tasks that this implies. In Brazil and Uruguay, 30% of young Afro-descendant and indigenous women are NEETs. On average in the Southern Cone countries, the proportion of NEETs in the lowest income quintile is almost three times higher than in the highest quintile, and this gap is greater than in Latin America and the Caribbean. Most NEETs are engaged in domestic tasks and caring for family members, with marked gender differences.

**Nearly 6 out of 10 young people in the Southern Cone live in poor or vulnerable households.** In the Southern Cone, about 25 million young people live in poor or vulnerable households. Of these, more than 8.5 million live in households in poverty with incomes below USD 5 per capita per day in 2011 PPP dollars. More than 16

million live in vulnerable households with incomes between USD 5 and 12.4 per capita per day; while these young people are not in poverty, they do have a high probability of falling into it. Of the more than 8.5 million young people who are poor, about 4 million live in extreme poverty with incomes below USD 3.1 per capita per day in 2011 PPP dollars. This means that out of every 10 young people in the Southern Cone, 1 lives in an extremely poor household, 1 in a poor household, and 4 in vulnerable households. Considering the average of the five countries, 15% of young people in the Southern Cone are poor, while 37% are vulnerable. Brazil and Paraguay have the highest youth poverty rates, exceeding 20%. Poverty affects young people more than adults, especially in the 15 to 19 age group, with poverty rates double that of adults. Young women and indigenous and Afro-descendant youth have higher poverty rates. Poor young people are twice as likely to be unemployed or NEETs as the non-poor, and most work in informal jobs. Poverty also affects their health, especially their mental health, exacerbated by stress and limited access to healthcare.

**Young people in the Southern Cone face higher health risks from preventable causes than other age groups, mental health problems, and inequalities in sexual and reproductive health.** Looking at deaths of young people aged 15 to 29 in 2019, 80% occurred among males and more than 60% due to preventable causes. Interpersonal violence, traffic accidents, and self-inflicted harm are the three leading causes of death among young people in the Southern Cone. In Brazil and Paraguay, suicide is the third leading cause of death in this age group; in Argentina and Chile, it is the second, and in Uruguay, it is the first. The COVID-19 pandemic exacerbated youth mental health issues, leading to increasing stress and anxiety. There are also concerns about the impact of technology use on academic performance and mental health. Equitable access to sexual and reproductive health is another challenge. Although teenage pregnancy has notably decreased since 2010 in most Southern Cone countries, it remains higher than in the OECD, especially among the most vulnerable sectors.

**Young people in the Southern Cone face disproportionate exposure to crime and violence, both as victims and perpetrators.** Interpersonal violence is responsible for 4 out of 10 deaths of young people aged 15 to 29 in the Southern Cone, compared to 1 out of 10 globally, making it the leading cause of death among young people. The existence of gangs and organized crime along with socioeconomic exclusion exacerbate the situation; men are more affected by homicides, and women suffer more from sexual and partner violence. Violence in schools, the impact of internet use, and the dissemination of intimate images without consent are also emerging issues.

**The significant differences in young people's achievements based on socioeconomic level, gender, and ethnic-racial background highlight the urgent need to implement policies focused on improving the conditions of the most disadvantaged youth groups.** Educational and employment policies should be

accompanied by comprehensive initiatives that focus on the youth that are farthest behind, addressing their living conditions, physical and mental health, and exposure to violence. The high returns on education, which translate into higher wages for those who complete secondary and tertiary levels, are generally concentrated among young people from more advantaged backgrounds, perpetuating the intergenerational transmission of inequality. At the same time, high levels of returns show that education is one of the most powerful tools to combat poverty and inequality in the region. Moreover, education has shown positive impacts on young people in other areas such as health and the willingness to engage in criminal behavior.

**Overall, the future development of the region largely depends on the interventions made today to improve the prospects of young people.** The opportunity to invest in young people is crucial for both making them less vulnerable and driving the region's development.

### **Impact of interventions: What does the evidence say?**

**The data presented in this report highlight the importance of developing targeted policies that improve the education and training of the most disadvantaged youth groups.** Efforts should address the causes of secondary school dropout, which in the Southern Cone are related to opportunity costs (primarily work for men and caregiving tasks for women), as well as lack of interest. Financial support policies, such as scholarships and transfers, have shown positive effects on enrollment and retention. Policies for more equitable access to higher education, such as affirmative actions and quotas, contribute to a more equitable redistribution of educational opportunities, improving the social mobility of young people from vulnerable backgrounds.

**In response to labor challenges, successful programs should align with labor market demands and combine training, intermediation, and mentorship.** Dual training programs—which combine classroom and workplace learning—and tools such as e-learning have shown positive effects on youth employability, especially when technical and socio-emotional skills are integrated. Policies should align education and training with employer needs, fostering collaboration between the public and private sectors to prepare workers with the skills required today and in the future. Integrated approaches that combine education, employment, and psychological support are key to addressing the situation of young NEETs.

**Transfer programs and those aimed at improving young people's mental and reproductive health complement interventions aimed at strengthening education and labor integration.** Conditional transfer programs have had a positive impact on poverty and the use of health and education services, although the effects on young people are less strong than in childhood. Regarding mental

health, preventive actions and the use of technology represent an opportunity. In addition, there is evidence in the Southern Cone of the positive impacts of public health policies on reproductive health and access to contraceptives.

**Crime and violence can be prevented, and youth-focused interventions can be particularly effective.** In addition to socially and cognitively transitioning to adulthood, young people are also in a stage of plasticity, presenting opportunities for intervention. There is evidence that purely punitive approaches without treatment and rehabilitation services are not effective and that programs addressing risk and protective factors associated with participation in crime and violence are the most effective. The most promising interventions include cognitive-behavioral therapy and programs that strengthen the family and educational environment, among others.

[Find the complete report in Spanish here](#)







