

# POVERTY AND INEQUALITY

LATIN AMERICAN REPORT  
2019



## Rural youth and territory

SUMMARY

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## RURAL YOUTH AND TERRITORY LATIN AMERICAN REPORT 2019

### Summary

**E**ight years after the publication of the first Latin American Report on Poverty and Inequality by Rimisp - Latin American Center for Rural Development, inequality remains a critical issue for the region. In spite of the significant economic and social progress that has been made, the gaps between those who have benefited from these improvements and those who remain in a situation of marginalization, disadvantage and exclusion have stubbornly persisted over time.



Concern about inequality is particularly relevant to the adoption of the 2030 Agenda for Sustainable Development, which offers a plan of action that favors people, the planet and prosperity and incorporates the economic, social and environmental dimensions of development. Rimisp forms part of this discussion from the perspective of territorial inequality, which is one of the least addressed aspects of the issues at hand and one that particularly impacts Latin America's rural sectors.

In this its fifth edition, the Latin American Report draws attention to the issue of rural youth. The importance of young people for the development of Latin American countries, along with the specific challenges that this sector encounters in the process of economic and social inclusion, has been recognized by experts and international organizations, which have indicated that the region is now being presented with a demographic bonus that must be exploited in different ways. One of these is related to the productive force of this demographic sector as a driver of development and growth of countries, which is reason enough to promote the full inclusion of young people within the region's respective societies (ECLAC, OIJ,

IMJUVE, 2014; OECD, ECLAC, CAF, 2016; Espejo and Espíndola, 2015).

Taking advantage of the potential contribution of young people in the development of territories is a critical challenge, particularly given that this is a more educated generation with a greater capacity for innovation and symbolic resources (Pardo, 2017; Urrutia, 2017; Cazzuffi, Díaz, Fernández and Torres, 2018). However, young people are still unable to locate opportunities for economic inclusion in rural areas. The latter we understand as their ability to generate an autonomous income, either through formal or self-employment, and to form part of the structure of opportunities that exists within their respective territories (Fernández, 2014). And this is an understanding in a broader sense, given that to obtain the economic inclusion of young people, it is necessary to address education, employability, healthcare and gender, as well as the opportunities and restrictions that arise in each dimension.

Nevertheless, opportunities for economic inclusion depend both on individual characteristics such as the educational level achieved, their home environment and the assets they own and on the contexts in which they conduct their daily lives, i.e., the labor market, structures of production and the public policies that are implemented in these respects, among other aspects. **The characteristics of a given territory, its dynamics and its condition of disadvantage or advantage can boost or limit the ability of young people to generate an autonomous income and take advantage of the structure of opportunities in their territory.** The *2019 Latin American Report on Poverty and Inequality. Rural Youth and Territory* investigates the characteristics of territorial dynamics or configurations that may represent an opportunity to

reverse the situation of vulnerability faced by rural youth, both with respect to their urban peers and rural adults.

These territorial configurations are the result of a particular interaction between structures, institutions and human agency, which provides the local structure of opportunities and limitations in which individuals inhabit. The factors of the dynamics that produce certain territorial configurations include the local agrarian structure and the natural resources governance, the existence of social coalitions, the type and diversity of economic opportunities, links with cities and dynamic markets, and the provision of public goods and services (Berdegué et al., 2015).

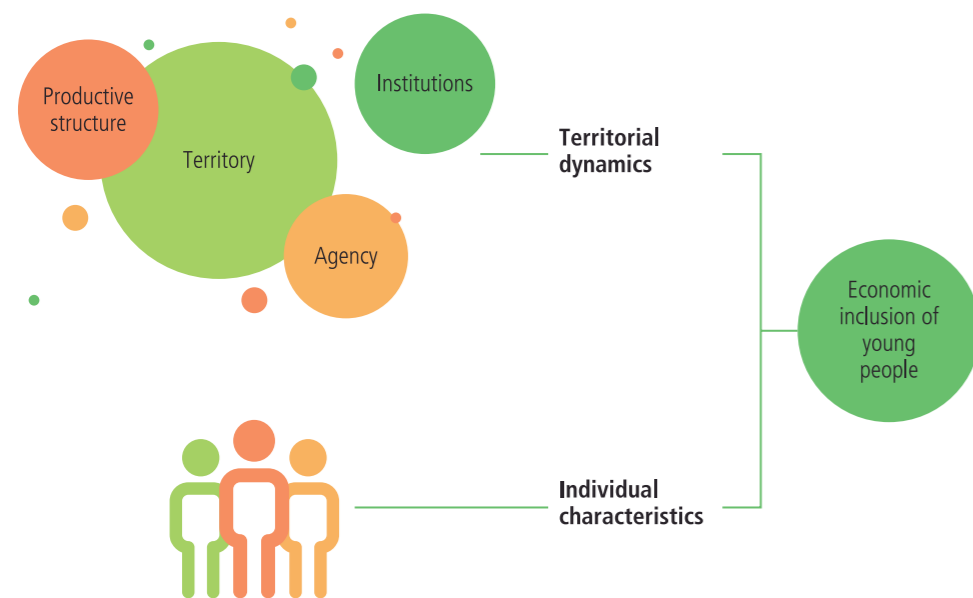
However, not just any dynamic or territorial configuration has the potential to promote opportunities for young people, nor to contribute to closing the gaps between advantaged and disadvantaged territories. In this sense, **we propose that rural territories in the process of productive transformation, linked to intermediate or large urban centers, where there are territorially relevant public policies**

**to support education and employability, and where people deploy their capacity for agency,** have a high potential to generate opportunities for the local youth.

In the development of this argument, the *2019 Latin American Report on Poverty and Inequality* vigorously promotes the need to combine strategies, policies and programs aimed at strengthening the capacities, assets and rights of young people, with others aimed at promoting adequate territorial conditions for the deployment of these capacities. Thus such territories do not become a restriction from the point of view of young people in order to embark on the life project that each has chosen.

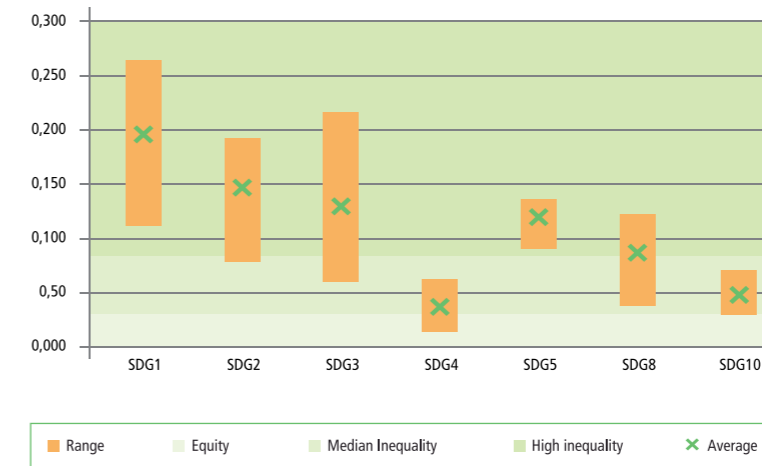
And it is not just that policies, strategies and programs are more relevant to different territorial contexts. This is a necessary step, but more needs to be done. For it is also necessary to invest in territories, increase their endowment of public goods, promote the diversity of their productive alternatives, and strengthen their social capital, among many other possible areas of action such as those explored throughout this report.

#### Hypothesis of the Report



Source: Compiled by authors.

Range and average of the TEI by SDG



Source: Compiled by authors.

### The challenges of territorial equality facing the 2030 Agenda for Sustainable Development

#### Territorial Equality Index (TEI) 2019

Since the adoption of the 2030 Agenda for Sustainable Development in 2015, the Sustainable Development Goals (SDGs) have become the quintessential tool for monitoring the progress towards sustainable and inclusive development. Nevertheless, given that it is the countries themselves that are ultimately responsible for compliance with the 2030 Agenda, these indicators are frequently evaluated at the national level, neglecting or ignoring the dimension of territorial inequality within the countries.

*Numerous indicators, some of which are included in this Report, account for and attempt to measure the magnitude of horizontal inequalities.*

Thus, it is common to find references to indicators of gender inequality such as the gender gap in labor participation or the presence of women in public office, or indicators of

wealth distribution such as the Gini coefficient or the Palma ratio. Territorial inequality, in contrast, has not received the same attention and the measurement of territorial gaps has yet to become a practice that is carried out on a regular basis. However, previous editions of the Report have repeatedly pointed to the persistence of high levels of territorial inequality within Latin American countries.

The 2019 update of the Territorial Equality Index (TEI) reveals a high degree of inequality in the countries analyzed and indicates that summary measures at the national level can be misleading and are not representative of the reality of each territory. Consequently, when a country does show progress towards the SDGs, this does not necessarily imply that all its territories and, therefore, their respective inhabitants, are moving in the same direction, and much less that they are experiencing similar situations. A territorial focus is thus an indispensable requisite in order to realize the aim of the 2030 Agenda that 'no one is left behind'.

More specifically, the results of the TEI 2019 range between 0.06 and 0.12, indicating that although there are significant differences between the countries, the five countries analyzed all show medium to high values of territorial inequality. These results are also very similar to those obtained in the *2017 Latin American Report*, thus underlining the persistence of territorial gaps. The magnitude of these gaps is especially significant in Peru, which is the country with the highest TEI, while El Salvador is the country analyzed with the lowest such index.

The disaggregation of the TEI by SDGs allows us to observe that there are SDGs such as SDG 4 (Quality Education) and SDG 10 (Reduced Inequality) which, based on the indicators we use to measure them, show greater territorial equality in all the countries analyzed. This suggests that major progress is being made in general towards the fulfillment of certain objectives.

Others, such as SDG 1 (No Poverty), and SDG 5 (Gender Equality), seem to be more prone to inequality and still present major challenges for the region's countries. With respect to these SDGs, none of the five countries included in the evaluation process showed a TEI that even remotely corresponded to a median level of inequality. Consequently, a special emphasis must be placed on the aforementioned dimensions, by decisively addressing territorial inequalities with the ultimate goal of achieving comprehensive and territorially-fair development.

Lastly, and regardless of the general trends, each country presents its own particular challenges and weaknesses that result in a poorer performance with respect to certain SDGs. Thus, while in Chile, Colombia and Peru it is SDG 1 (No Poverty) where the greatest territorial inequalities are found, in Bolivia it is SDG 2 (Zero Hunger), and in El Salvador SDG 5 (Gender Equality) that present the greatest challenges. In this context, it is important that particular challenges be identified and prioritized within the framework of national public policy agendas.

#### Monitoring the progress made towards the Sustainable Development Goals in terms of territorial equality

Analysis of 27 indicators associated with 7 SDGs shows significant heterogeneity in relation to the development reported by the countries and their territories in the fulfillment of the 2030 Agenda. Thus, we frequently observe divergent progress on indicators for the same SDG, and countries in which half of the territories have advanced while the other half are receding with regard to the same indicator. Despite this diversity, or perhaps associated with it, there is a general trend towards better relative performance of the region. This is consistent with the positive trend observed in previous editions of the Report. However, in this case the improvement has taken place in a much less generalized way, with marked differences between and within

the countries and characterized by more than a few setbacks with respect to various indicators. No substantial reductions have been achieved in the area of territorial inequality within the countries.

*In most cases, the progress made reproduces existing patterns of territorial inequality, consolidating the relative lag of many territories.*

Levels of territorial inequality, therefore, remain high, as shown by the results of the previously presented TEI. In some cases, the levels of territorial inequality are truly alarming, bringing into question the descriptive value of the aggregate figures presented by the respective countries. Given this situation, a territorial perspective is essential to understand the state of the countries in terms of compliance with the 2030 Agenda.

Despite the significant heterogeneity in terms of development between and within countries, it is possible to identify certain trends for each of the SDGs:

**SDG 1. No Poverty.** Although in general the reduction in the poverty rate continues, it has shown signs of slowing down. More demanding measures, such as Unsatisfied Basic Needs or extreme poverty rate have also registered less progress. As for the territorial dimension, SDG 1 represents one of the most territorially unequal, with territories that are significantly lagging. The development recorded in recent years has only led to a reduction in inequality in a minority of countries, while the rest have reproduced patterns of inequality. The fulfillment of this SDG will therefore depend on the ability of countries to generate poverty reduction dynamics that are inclusive, with special emphasis placed on those territories that are in a situation of relative lagging.

**SDG 2. Zero Hunger.** Major progress has been made towards this SDG, which has also led to a reduction in territorial inequality



in most countries. However, such progress is partial in the face of an initial situation of extreme territorial inequality, and in many cases the convergence is concentrated in territories that are not significantly lagging behind, while territories that have failed to improve their relative situation. However, it is this dimension that has shown the best performance in recent years.

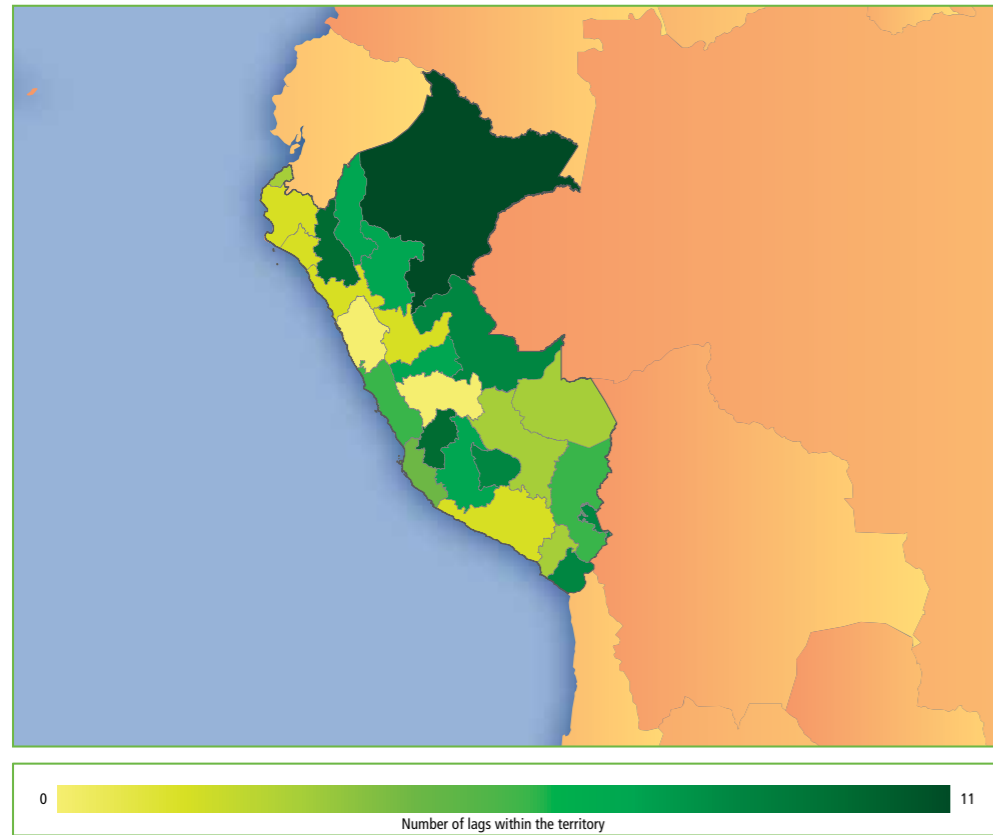
**SDG 3. Good health and Well-being.** The general trend has been positive, although with marked differences between countries and territories. While maternal mortality has been reduced in general, alongside a reduction in territorial inequality, other indicators show more ambiguous results. The reduction of severe territorial gaps in terms of access to improved sources of water and sanitation has been highlighted as one of the main challenges, and also one of the main necessities in order to comply with this SDG.

**SDG 4. Quality Education.** Although there were initially high levels of education at the primary level and low levels of illiteracy, in recent years there has been a decline in both

indicators, which has led to a slight deterioration in the situation. In order to contain this reversal, the promotion of secondary education and the reduction of territorial gaps in the quality of education, which have not shown signs of improvement, must become the main objectives in order to ensure compliance with the SDG.

**SDG 5. Gender Equality.** In recent years, many of the territories in the region have made positive progress towards equality. However, gender inequality continues to exist, and significant efforts are required to continue moving in this direction. Moreover, the progress that has been registered has not led to territorial convergence, and SDG 5 is one of the goals most prone to territorial inequality. In this sense, special efforts will have to be made in terms of the interaction between territorial and gender inequality, which can result in the women located in such lagging territories being exposed to extreme situations of vulnerability and exclusion.

Peru: Departments by number of lags



Source: Compiled by authors.

**SDG 8. Decent Work and Economic Growth.**

This SDG stands out as having registered the greatest setbacks in terms of territorial inequality, which has tended to increase in all of its related indicators. The widening of territorial gaps in household income, unemployment (which has increased in the region), employment in non-primary sectors (which has decreased in various countries), and the rate of business creation is a risk for territories' economic and social sustainability.

**SDG 10. Reduced Inequality.**

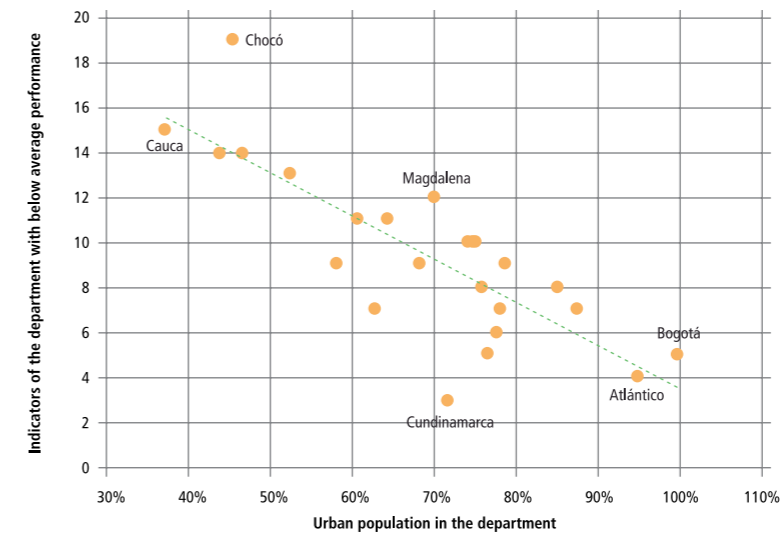
In recent years, the tendency to reduce inequality in the region in terms of income distribution has continued. However, when taking into account the most demanding indicator for the population percentage in the bottom 50% of the median, we see fewer improvements and even setbacks. In terms of averages, the countries included in this edition of the

Report present Gini coefficients ranging between 0.40 and 0.48. However, the analysis at the subnational territory level shows a much wider range that varies between 0.26 and 0.58, which are levels comparable to those of some Nordic countries such as Norway and Finland, as well as some countries in southern and eastern Africa such as Namibia and Zambia, respectively.

**Characteristics and evolution of lagging territories in Latin America**

Subnational territories in all countries have unique characteristics, idiosyncrasies and conjunctures that result in a very heterogeneous set of trends and forms of evolution. And it is not simply an initial territorial inequality that remains constant in the face of external phenomena that affect all territories in the

Colombia: Percentage of urban population in the department and number of indicators of the department with below average performance



Source: Compiled by authors.

same way. The diversity of trends registered by the different territories is indicative that each territory presents particular challenges and advantages that must be taken into account in order to fulfill the 2030 Agenda.

Territorial inequality would not necessarily be a problem if the existence of gaps responded uniquely and entirely to certain characteristics or challenges. Any comparison will identify a relatively better-off territory and, therefore, another that is relatively worse-off. The problem arises when a handful of territories accumulate lags in many or all of the indicators. Unfortunately, the existence of certain lag patterns suggests that the reality is far from an image of equally shared characteristics, and the analysis of data by subnational territories shows us the image of a region characterized by a geography dotted with territories that not only present overlapping lags in numerous dimensions, but that also fail to take part in the progress of their countries in compliance with the 2030 Agenda.

These lagging territories, which are framed within a situation of the overlap of numerous lags in different dimensions, also share

certain characteristics: they tend to be more rural, smaller in terms of overall populations and have larger youth populations. Despite the existence of such patterns that allow us to identify common characteristics among those territories that show the greatest lags, it is essential not to forget that each territory presents its own challenges and opportunities, and these must be taken into account in order to understand the origin and future of its relative performances, as well as to be able to propose pertinent and effective answers. Without an in-depth analysis of these dynamics, it is difficult to imagine that Latin America can overcome the high level of inequality between territories located within the same country and, consequently, move firmly towards the fulfillment of the commitments contained in the 2030 Agenda for Sustainable Development.

**Youth and territory**

Taking advantage of the potential contribution offered by young people, through their involvement in territorial dynamics, is fundamental in order to move towards the transformation of territories and overcome the poverty and inequality traps. However, on many occasions the youth population faces significant challenges in order to become part of the structure of opportunities in their territories, while also reproducing patterns of inequality that are generated and consolidated at this stage of personal development.

The close relationship between youth dependency rates and the accumulation of lags in the territories suggests that the territories that accumulate the greatest number of lags tend to contain a greater proportion of children and adolescents under the age of 15. This phenomenon points to the emergence of a growing challenge in the territories in regard to guaranteeing the economic inclusion of children and adolescents who are approaching the youth segment (those between 15 and 29). The extent to which these territories are able to include their youth and capitalize on

### How do we define the economic inclusion of young people?

We understand the economic inclusion of young people as the ability to generate an autonomous income and be part of the structure of opportunities offered by a given territory. We view economic inclusion from a broad perspective, taking into account the set of factors that determine or contribute to the ability of people to generate an income, many of which are prior to the transition to the labor stage. In specific terms, economic inclusion is related to the following development dimensions:

- **Employment.** This refers to the effective ability of a young person to enter the labor market, in a paid or self-employed capacity, as well as the conditions under which such insertion occurs.
- **Education.** A person's human capital directly affects their ability to generate income in terms of the acquisition of technical capabilities and the social skills that are fundamental for job performance.
- **Health.** The health and nutritional condition of people is related to their cognitive development as well as the physical and social capacity to participate in education and the labor market.

their transformative potential will largely determine their future and ability to move towards territorial convergence and compliance with the 2030 Agenda.

### Territorial gaps and the economic inclusion of young people

The opportunities and challenges that young people face are not distributed evenly within countries. In the same way that there are severe territorial gaps in the fulfillment of the 2030 Agenda, the possibilities of economic inclusion of young people are also strongly affected by the territorial inequality of the countries of Latin America.

The application of the methodology of the Territorial Equality Index with respect to the economic inclusion of young people indicates high levels of territorial inequality in Bolivia, Chile, Colombia, Mexico and Peru. Only El Salvador presents medium levels of inequality. Furthermore, the results obtained for each country oscillate around the results of the TEI in the achievement of the 2030 Agenda, thus making it clear that territorial gaps also permeate the particular situation of the youth population of the territories.

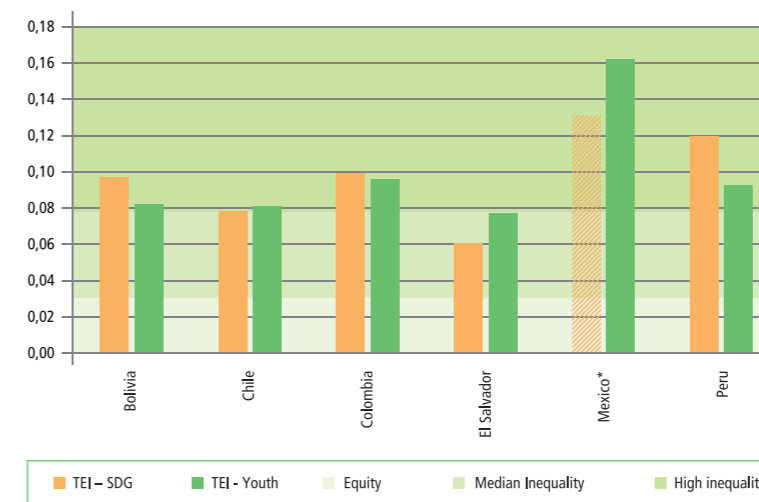
In addition to the general level of territorial inequality, we also find similarities between the levels of inequality associated with each of the three dimensions related to the economic inclusion of young people and the SDG trends related to each dimension. Thus, we find the greatest inequality in the dimension of healthcare, while that of education tends to show the lowest levels of inequality. The employment dimension, for its part, registers a TEI that falls between the other two dimensions.

The employment dimension considers the opportunities that the youth population has in order to enter the labor market, but also the conditions under which this insertion occurs.

In relation to the process of entering the labor market, there is a noteworthy continuation of the trend towards the increase in the proportion of young people who do not study or work, which was already identified in the 2017 edition of the Report.

With the exception of Chile, where the indicator has remained constant, all other countries have witnessed an increase in the average proportion of young people in this situation. Together with this trend, and taking into ac-

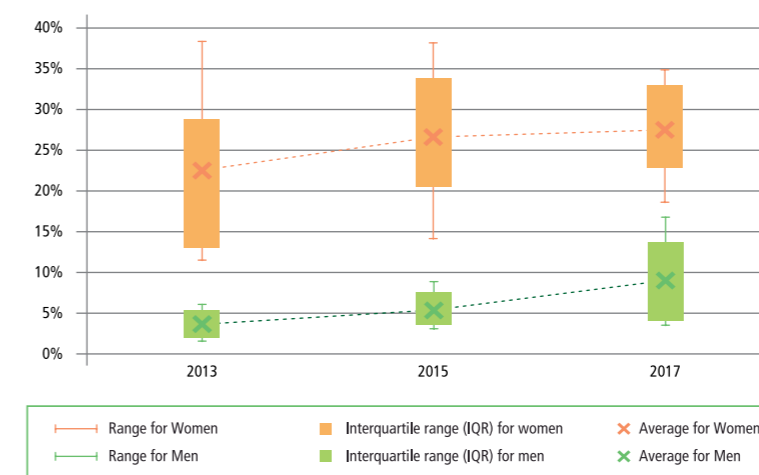
2019 Territorial Equity Index and TEI for young people



\* The 2019 TEI for Mexico is the same one presented in the 2017 edition of the Latin American Report. This is due to the impossibility of updating data for the current edition. Its construction is therefore different from that of the other countries presented in this report.

Source: Compiled by the authors.

Bolivia: Percentage of young people Not in Education, Employment or Training (NEET), by gender



Source: Compiled by the authors based on the Household Survey (National Statistical Institute-INE, 2013, 2015 and 2017).

count important differences between territories, the intergenerational unemployment gap has also tended to increase throughout the region, generating increasing difficulties in terms of the economic inclusion of youth.

It is important to emphasize that statistical data for young people as a whole conceal marked differences between genders, that is to say, the rate of young people not studying or working is much higher among the female young population. These gender differences, despite being widespread throughout the region, vary between different territories within countries. This phenomenon points to an interaction between territorial, age and gender inequalities that leads to an overlap of vulnerabilities among certain groups - in this case, young women located in lagging territories.

*Young people who manage to enter the labor market do not all do so under the same conditions. Analysis of the data collected allows us to verify that, together with the different opportunities that the territories offer their youth to enter the labor market, the conditions related to this insertion also vary strongly between territories.*

In general, the conditions for labor insertion have tended to improve in all countries, although with marked differences within each one. On average, progress has been made towards the reduction of informality with respect to the youth labor segment; however, there are few subnational territories that have registered a rise in this indicator. The trend towards increasing the average income of young people has been widespread between and within countries in recent years, but has also led to an increase in territorial inequality.

It is important to note that there is a negative association between the percentage of young

people in informal jobs and their income. Informal jobs are associated with exposure to greater vulnerability, as they usually do not generate access to formal social security benefits such as unemployment insurance, health-care services or pension funds. This is aggravated by a context of lower income, which fosters instability and prevents the generation of an autonomous income and the full development of a person's life aspirations.

However, together with territorial differences we once more find differences between genders. That is to say, the data show that the gender gap in income is already evident at an early age (15-29 years) and that rates for labor informality are also higher among young women. The magnitude of these gender gaps varies between territories, thus reaffirming the conclusion of the progress analysis for SDG 5 (Gender Equality): territorial and gender inequalities interact with each other producing overlaps that can have a strong impact on conditions of vulnerability and exclusion.

*The employment dimension with respect to the economic inclusion of young people is strongly affected by the other two dimensions: education and health.*

The analysis of enrollment indicators in primary and secondary education for SDG 4, Quality Education, indicated major progress in the expansion of educational services, especially at the primary levels. When the focus is redirected to higher levels of education and the conclusions obtained, we also observe a very positive evolution in the past few years, both in the rate of completion of secondary education and in the percentage of young people who receive a higher education. This trend has also generally occurred both between and within countries. Nevertheless, although the vast majority of the territories have made positive progress, territorial inequality persists, and only in half of the countries have the territorial gaps in the education of young people been reduced.

**Peru: Percentage of young people employed in the informal sector and average annual labor income of young people, by sex, 2018**

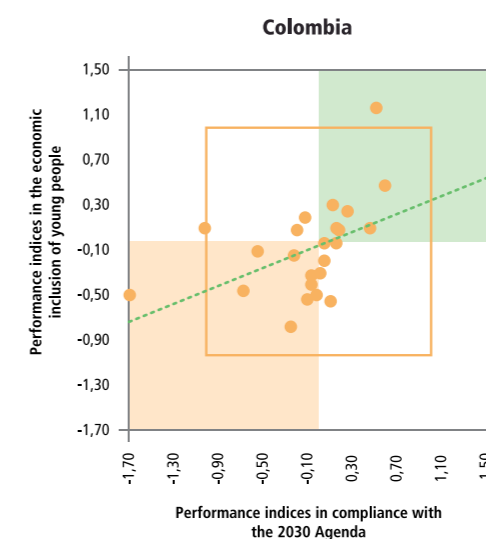
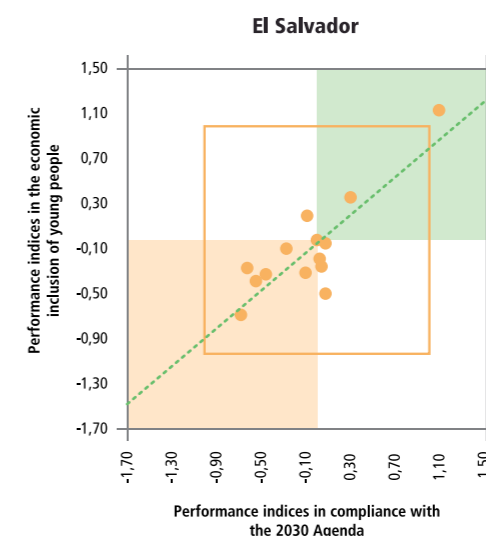


Source: Compiled by the authors based on the National Household Survey (National Statistical Institute-INE, 2018).

With regard to the health dimension, and although morbidity levels are typically low among adolescents and youth when compared to the adult population, there are factors especially relevant for the youth population that affect and have important consequences for health, such as violence, drug use or sexually transmitted diseases. In an approach to the prevalence of these and other factors, we analyzed the rate of youth mortality in the territories of the different countries. We found that juvenile mortality rates revealed immense differences between countries and within them. Among the countries analyzed we identified territories that did not register any deaths of young people during the year, while in others there were more than 175 deaths for every one hundred thousand people aged 15 to 29. Accompanied by an evolution that has not managed to significantly reduce inequality or average figures, this means there is still much to do in terms of reducing youth mortality.

Another relevant factor in the economic inclusion of young people, and especially young women, is the prevalence of teenage pregnancy. An early pregnancy implies in most cases not just a break but a complete abandonment of formal education. In addition, a large proportion

**Association between performance indices in compliance with the 2030 Agenda and performance indices in the economic inclusion of young people**



Source: Compiled by the authors.

portion of women leave the labor market permanently after having their first child. In this sense, many teenage mothers never get to enter the labor market or discontinue their participation in it, as they take on all the responsibilities for the upbringing and care of the child, which places them in a position of vulnerability and dependence.

*Analysis of the data shows that the teenage pregnancy rate has fallen in most of the territories considered, although there are marked differences within the countries, apart from El Salvador, where 100% of the departments have made progress in the same direction.*

However, in all other countries only between 56% and 68% of the territories have managed to reduce the prevalence of teenage pregnancies, underlining the existence of significant territorial characteristics.

The ability to include young people in the productive and opportunities structure varies significantly between the different territories of the same country. This underlines the existence of territorial gaps also in terms of opportunities for young people. Furthermore, these gaps are unevenly distributed, so that there are territories where a large number of lags are concentrated.

Analysis of the distribution of gaps shows that there is a positive correlation between the performance index in compliance with the 2030 Agenda and the index of economic inclusion of young people in the territories. This suggests that lagging territories tend to offer fewer opportunities to their young people than territories in a relatively better-off position. However, the association between the two indices shows differences between countries and is far from perfect. This is indicative that a good performance in terms of the general development of the territory, mea-



sured here through over 20 indicators associated with seven SDGs of the 2030 Agenda, does not always guarantee or translates into a greater economic inclusion of young people.

*The results derived from this analysis suggest that the capacity of the territories to integrate their youth and incorporate them into their productive structure is influenced by the general dynamics of the territory and their level of development, but also point to the particularity of the economic inclusion of young people.*

A higher level of development of the territory does not immediately guarantee a greater inclusion of the youth population and the opposite may occur too. Understanding the dynamics of the economic inclusion of young people thus requires a more in-depth and specific analysis that helps us understand the origin and evolution of the territorial gaps resulting from these dynamics, as well as the factors that contribute to them. It is therefore necessary to recognize the specificity of the challenges facing the youth population, along with their needs and potential, in order to be able to generate dynamics that include this sector and provide them with the opportunity to make a significant contribution to the territories they inhabit.

#### What variables can influence the economic inclusion of the youth population?

An econometric analysis of the economic inclusion of young people reveals the existence of certain territorial variables that are relevant to understand why certain territories are able to include their youth population in their structures for opportunities, while in others young people face huge obstacles. Although the cases analyzed in Peru and Colombia show differences in certain aspects, in both cases it is possible to note the double burden facing young women, the particular circumstances

of the economic inclusion of young people in rural areas, and the differentiated impacts of different productive configurations, as well as the importance of connectivity.

The economic inclusion of young people is a complex area affected by the interaction of numerous personal and territorial variables. Moreover, while the impact of personal characteristics, such as the level of formal education, have been studied and can be guessed at, the impact of territorial conditions is often ignored. However, the reality is that given the same personal characteristics, the territory that young people inhabit has the potential both to promote and foster their talents and abilities and, in contrast, to limit them and impede their personal and professional development.

Education and employment policies aimed at promoting the inclusion of the youth population should take this complexity into account, thus differentiating actions aimed at urban and rural youth, as well as adjusting to the type of economic structure of each territory and the particular conditions it may offer. It is not enough to invest in people if at the same time the restrictions and opportunities that the environment represents for them are not taken into account. The issue of gender deserves a special mention, given that all analyzes indicate that young women face more obstacles than their male counterparts in order to ensure their economic autonomy. Once again, the territory also plays a role in the understanding of these difficulties.

#### Territorial dynamics favorable to the economic inclusion of the rural youth

The opportunities available for the economic inclusion of young people depend on their individual and family characteristics, such as the educational level achieved or the socioeconomic level of their household, but also on the context in which they find themselves, such as the opportunities offered by the labor market, the productive structure and the public policies



#### Territories that are able to increase the economic inclusion of the youth population (Selected cases)

Country	Territory	Type	The main factors that contribute towards understanding the situation in terms of the economic inclusion of the rural youth
Mexico	Amealco de Bonfil	Rural - Urban	<ul style="list-style-type: none"> <li>• Connection with the San Juan del Río-Querétaro industrial corridor generates job opportunities in nearby municipalities without the need for people to migrate.</li> <li>• Multiculturalism and diversity of natural resources favors tourism, which has been supported by the municipality and public policies.</li> </ul>
	Allende	Rural	<ul style="list-style-type: none"> <li>• The extensive connectivity of the territory offers job opportunities outside of the municipality district.</li> <li>• Priority assigned by the municipality and other local stakeholders to favor young people continuing their studies.</li> </ul>
El Salvador	Santiago Nonualco	Rural - Urban	<ul style="list-style-type: none"> <li>• Connectivity of the territory permits the diversification of the productive structure.</li> <li>• Local organizations link up with each other, in order to offer young people support in entrepreneurship, training and labor intermediation.</li> </ul>
	Las Vueltas	Rural	<ul style="list-style-type: none"> <li>• A rooted and widespread culture of community organization, which is extended to the youth people.</li> <li>• The municipality is a key player in the promotion of processes of participation, support for entrepreneurship and youth empowerment.</li> </ul>
Peru	Quispicanchi	Rural - Urban	<ul style="list-style-type: none"> <li>• Long-standing interventions by public agencies at the national and local levels result in public goods and development programs that are decisive for the youth population.</li> <li>• The organizational tradition of young people allows the demands of the youth population to be expressed.</li> </ul>
	Carumas	Rural	<ul style="list-style-type: none"> <li>• The economic and productive transformation of the territory results in better job opportunities.</li> <li>• The economic insertion of rural youth is driven by educational strategies that respond to the needs of the local economy.</li> </ul>

Source: Compiled by the authors.

that are being implemented in their respective territories. The characteristics of the territory, its dynamics and its condition of lag or relative advantage in the fulfillment of the 2030 Agenda, represent factors that can boost or limit the ability of young people to generate an autonomous income and participate in the structure of opportunities offered by a territory in particular, and by society in general.

In Latin America, there are rural and rural-urban territories that offer greater opportunities for the development of their youth population.

#### Two rural territories connected to important urban centers in Mexico: local policies to expand opportunities for the inclusion of young people

Mexican rural youth represent almost 40% of the country's total youth population and around 10% of the national population (National Statistical and Geographical Institute-INEGI, 2010). Moreover, six out of ten rural young people live in poverty and two out of ten live in extreme poverty (Soloaga, 2018).

Rural youth are significantly more vulnerable than their urban peers. The incidence of poverty is higher, they study for fewer years, and access to formal and informal work is more difficult, a situation that is even more acute in the case of women (Rimisp, 2018). Although access to education for rural youth has increased in relation to the generation of their parents and grandparents, they still undertake fewer years of study on average than their urban peers. Furthermore, around 60% of young people undertake work in the informal labor market in Mexico, meaning they are exposed to conditions of precarious employment. Only 22.7% of rural youth have access to social security, a figure that rises to 27.6% in the case of those who live in semi-urban locations and 50% in the case of urban youth (CONEVAL, 2016).

Taking into account these circumstances, the territories of Amealco de Bonfil (Querétaro) and Allende (Nuevo León) stand out for offering greater opportunities for the development of rural youth in Mexico.

Amealco de Bonfil is a municipality in the southern region of the state of Querétaro, which is geographically close to the San Juan del Río-Querétaro industrial corridor. The population of Amealco stands at 61,259 inhabitants and represents 3% of Querétaro's total population. It is a municipality dominated by its youth population, in which 50% of inhabitants are aged 23 or younger (INEGI, 2015). The municipality of Allende, for its part, is located in the citrus region of Nuevo León, which is quite close to the metropolitan area of Monterrey (AMM). Its population stands at 34,353 inhabitants, representing 0.7% of the total population of Nuevo León. It is also a youth-dominated municipality, in which 50% of its inhabitants are aged 28 or younger.

In both cases, the economic-productive dynamics of the territories are strongly influenced by their proximity to large urban centers, with the consequent reduction in agricultural and primary activities in general, and the increasing displacement of inhabitants from rural areas to urban centers that offer economic opportunities. However, those undertaking such internal migrations are not compelled to do so on a permanent basis.

There are also important differences between both locations. While this dynamic coexists in Amealco alongside the significant development of tourism and crafts in the territory itself, in Allende no endogenous activities were observed. The value given to what they have, its diversity and its interculturality are characteristics that in Amealco de Bonfil also permeate educational and social opportunities, within a favorable context for the incorporation of the different expressions, interests and expectations of the youth population. In Allende, for its part, the efforts of public institutions and civil society aimed at generating opportunities for rural youth are more focused on enabling young people to continue their studies, thus increasing the employability of the youth population.

In Amealco de Bonfil, the alignment of state and municipal policies, programs and actions is highly visible, and in which young people in general, and the rural youth in particular, are all potential beneficiaries. However, besides the implementation of these actions, which takes place in complex territories due to their socio-economic and cultural characteristics, as is the case of Amealco de Bonfil, the capacity of agency of young people, their commitment to the territory, and their increasing participation in local dynamics represent an essential key in order to enhance change.

In the case of Allende, for its part, there are noteworthy linkages between government institutions and the business sector, and between the latter and the civil society organizations of the territory. This joint work has resulted in the creation of important full and part-time labor opportunities, along with educational opportunities, for the local youth. Likewise, government actors and civil society organizations provide training activities, work to prevent risk-taking behaviors, and promote family planning and responsible sexual relations.

*Agency and associativity in El Salvador: building inclusive institutions for the rural youth*

Young people represent approximately one in four of the population of El Salvador and face severe problems, with major gaps existing between rural and urban areas of the country. According to the latest Human Development Report for El Salvador (UNDP, 2017), in rural areas, the Human Development Index (HDI) of the rural youth population is 5.5% lower than that of the country's urban youth (2017).

Although El Salvador has made progress in reducing monetary poverty, there is still a high incidence of multidimensional poverty. In 2017, 33.4% of Salvadoran households were living in multidimensional poverty, with the youth population being one of the most affected groups (UNDP 2018). It is estimated that 41.8% of people aged between 15 and 29 live in households subject to multidimensional poverty.

41.8%

*of the people between 15 and 29 years live in homes in multidimensional poverty in El Salvador.*



Violence is one of the problems that most affects the youth of El Salvador, with aggression and homicides linked to sexism, racism and the prevalence of a gang culture. The context of insecurity helps to cultivate the negative perception against youth, as violence is usually the issue that is most frequently mentioned with respect to this population group (UNDP 2014; 2018).

Given this adverse general scenario, the experiences of Santiago Nonualco (La Paz) and Las Vueltas (Chalatenango) stand out for the positive results obtained in the socioeconomic indicators for young people.

Santiago Nonualco is the second largest municipality in the department of La Paz. It has a population of 39,887 inhabitants, 70% of them located in the rural area and 30% in the urban area (Demographic Census 2007). The territory clearly shows the importance of urban-rural links for the economic inclusion of the rural population. In specific terms, the conditions of an environment characterized by road connectivity and employment opportunities in neighboring municipalities, facilitates the commuting of young people to centers that provide work and study opportunities.

The positive results obtained in economic inclusion of young people in Santiago Nonualco can be explained by factors associated with the economic dynamics of the region, particularly 'maquilas' (foreign-owned sweatshops) and the logistics corridor. The efforts made by the Los Nonualcos Association (ALN) have been key in taking advantage of these opportunities by promoting links between the municipalities and companies in the area as well as by developing cooperation agreements and accords with other entities, such as NGOs, cooperation agencies or academia.

Public policies aimed at preventing violence have also favored the involvement of young people, through initiatives to support entrepreneurship, training and labor intermediation, as well as the development of life skills.

Furthermore, in the department of Chalatenango, the municipality of Las Vueltas is small in terms of population, with 2,100 inhabitants, in a territory of 36.8 km<sup>2</sup>. During the 1980s it suffered from the country's civil war, and ended up completely uninhabited until 1987, at which time the repopulation of the area began with people arriving from other parts of the department.

In contrast to what happened in Los Nonualcos, economic opportunities derived from agricultural, industrial or services activities are few and far between in Las Vueltas. Thus the favorable dynamics of the youth population can be explained by an extended organizational culture that has been derived from the process of reconstruction and re-population. Moreover, this found in the municipality a key stakeholder in the promotion of processes of participation and support for entrepreneurship and youth empowerment, which has led to positive results in terms of social inclusion.

A key effect of these policies has been the strengthening of the capacities of resilience of young people, as a result of the promotion of emotional and personal skills that allow them to have greater clarity in their life projects, as well as to strengthen their self-esteem and self-efficacy. Young people are creating positive links with their environment, which can be observed from their attitudes and discourses as well as from ability to plan their future and involve more young people in economic initiatives and development opportunities.

#### Public policies and economic dynamics in two agricultural territories of Peru

Young people in Peru represent a broad and heterogeneous population group. According to the 2017 Population and Housing Census, of the total of 31,237,385 Peruvian inhabitants, 25.2% are aged between 15 and 29. Furthermore, 6,390,292 young people live in urban areas and 1,479,529 live in the rural sector.

In Peru, 50.3% of rural young women have at least one child, while in the urban area this percentage falls to 37%. Pregnancy that occurs at an early age is linked to a situation of poverty and exclusion, and translates into lower educational and employment opportunities. Furthermore, higher education, especially university education, is concentrated among the inhabitants of urban areas. Thus,

rural youth is the population group with the least access to such education: only 2.2% of rural women complete a university degree.

*In terms of employment, 44.8% of young people in Peru undertake paid work, a proportion that drops to 29.8% in rural areas, mainly because they carry out unpaid activities in agricultural households (Boyd, 2014; Urrutia and Trivelli, 2019).*

In this context, the district of Carumas (Moquegua) and the province of Quispicanchi (Cusco), have shown positive results in terms of educational and employment opportunities for rural young people.

Carumas is a completely rural district, located in the department of Moquegua, which has 2,366 inhabitants, of which 18% are between 15 and 29 years of age. In recent years it has found a balance between primary and tertiary activities, involving both agriculture and work on infrastructure, or maintenance work carried out by the local municipality. Thanks to the changes in the productive structure, many families have increased their annual income over the last ten years, which has allowed their children to pursue higher education studies at the local institute or in the nearby cities. It has also allowed young people to access a greater offer of jobs, either by intensifying agricultural activity or by the emergence of new activities.

The experience of Carumas shows how territories with a high level of rurality and scarce resources can generate local strategies to increase, retain or recover human capital. Due to the determined action of the district governments, which has taken advantage of the opportunities derived from a process of economic transformation, Carumas is seen both by the young people themselves and by the adults in the area, as a place where they can invest and start-up a business, and also as a



#### The main productive, institutional and social dynamics in the selected territories

**Productive sector of the territory:** Several of the cases analyzed exhibit recent and relevant transformations in their economic-productive dynamics, which have resulted in more opportunities for young people. These transformations sometimes occur because of the changes derived from the greater connectivity with urban centers, while in other cases they are due to changes in agricultural production after the decline of some products and investment in the development of new ones. In general, young people tend to be employed to a greater extent in "new" activities, be they agricultural or services orientated.

**Urban-rural linkages:** With the sole exception of Las Vueltas, in El Salvador, all the analyzed territories had established development opportunities for their young people through strong links with medium- or large-sized urban areas. These links were made possible thanks to significant investments in road infrastructure, which has shortened travel times, and had an impact on the productive dynamics of the territories. In terms of the inclusion of young people, urban-rural links offer possibilities of study and work without them necessarily having to migrate, or doing so but only for a few months of the year.

**Formal and informal institutional structures:** Public policies play an important role in the generation of opportunities for young people in several of the dynamics analyzed. In some cases, these are national policies and programs that find particular relevance within the framework of local dynamics. However, in most of them they are local policies that have been created as part of the initiative of the municipality in partnership with various public and private organizations, aimed at promoting the continuity of studies, employability, entrepreneurship, and to a lesser extent, the empowerment and participation of young people.

In terms of informal institutions, the concepts associated with gender roles represent an obstacle in Amealco de Bonfil (Mexico), given that women must remain in the private domain, and men abandon their studies in order to ensure support for their households. However, in the same territory the valuation and recognition of indigenous culture has created new employment opportunities for young people belonging to the indigenous Otomi.

**Capacity for agency:** High levels of youth agency are associated with the economic empowerment of young people. This has been demonstrated by the cases of Las Vueltas (El Salvador) and Quispicanchi (Peru). Although each location has very different trajectories, in both cases these have translated into the greater inclusion of young people in decision-making processes, as well as the definition of relevant policies for the youth of the territory. Nevertheless, the participation of young people in public affairs or in organizations is not a widespread practice in the territories that were analyzed.

territory from which it is no longer necessary to migrate to the cities as quickly as possible, given the opportunities to start a career, gain experience and contribute to the development of the district.

Local stakeholders also have a positive perception about the development of Quispicanchi in terms of opportunities for rural youth, which are expressed primarily in the possibility of physically and symbolically transiting between urban centers and rural districts to study and to work.

Quispicanchi, for its part, is a typical territory of the Andean region of the country. It has a total population of 87,430 inhabitants, 25% of whom are young people. With an economic dynamic that is fundamentally based

on agriculture, including a cheese industry that provides an important source of income, the territory has strongly benefited from the surfacing of two important roads, which has improved connectivity with the city of Cusco and other urban centers, thereby increasing educational and employment opportunities for local young people.

This is combined with the long-term cumulative effects of the combination of development interventions promoted by different public and civil society stakeholders, as well as with an important organizational tradition of stakeholders capable of defending the interests of excluded groups, as is the case of the rural youth.

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