

YOUTH EMPLOYMENT AND MIGRATION

COUNTRY BRIEF: ECUADOR



Youth labour market overview

Ecuador's population is young and rapidly growing. It has almost doubled since 1980, reaching almost 15 million in 2010¹. An approximate 60 per cent of Ecuadorians are under 29 years old and almost one out of three is between the ages of 15 and 29². More than half of the young people aged 15-29 are poor: around 30 per cent live in conditions of poverty and another 24 per cent in extreme poverty³.



Youth labour market indicators and working conditions are poor and worse than for adults. In 2009, the employment rate for young women and men aged 15-24 was 42.9 per cent, as compared to 67.9 per cent for adults. The unemployment rate stood at 4.4 per cent among adults and at 14.1 per cent for youth⁴. The integration of young women into the labour market is even more difficult. The share of young women that neither work nor study is high in comparison to men: 32 per cent of the 19-24 age group and 37.1 per cent of the 25-29 age group, as compared to 11 per cent and 7.4 per cent of young men in these two age groups respectively⁵.

The issue for young Ecuadorians is not only access to employment but also access to decent work. The jobs they occupy are often low skilled and their employment conditions temporary and precarious. In 2010, the unemployment rate among youth aged 15 to 29 was 9.8 per cent, but their under-employment rate reached 54.9 per cent⁶. Youth are being employed, underemployed and even exploited performing jobs that do not require much preparation and training. In 57.1 per cent of cases, wage-workers between 15 and 24 have temporary contracts, while up to 14 per cent work without contract, and their average wage level is less than half that of adults⁷. A third of young Ecuadorians work more than 48 hours a week. Most of them are not covered by any type of social security: in 2009 only 19 per cent of those in employment paid social security

contributions. This is an increase of 6.5 points from 2005 but remains very low, including in comparison to the share of social security contributing workers in the overall population (30.2 per cent)⁸.

Higher education does not guarantee a quicker and easier integration into the labour market, but it does help to get better salaries and working conditions once the job is secured. Ecuador has recently achieved universalization of basic education. The number of children in secondary education has increased three times in the past ten years, and those enrolled in superior education has doubled. However, the average level of education remains low. An Ecuadorian without a degree earns an average of less than 200 USD per month, while a professional who has completed a degree has an income of around 1,500 USD per month. Figures show, additionally, that workers with a professional degree often have more and better access to benefits such as training, holidays, social security, etc. than those that have not completed an education (77 per cent against 35 per cent respectively)⁹.

In spite of the good economic indicators of the past years in Ecuador, the structural weakness of the labour market, the high levels of underemployment and the great share of informality in the economy limits opportunities to improve living conditions in the eyes of many young Ecuadorians who turn to emigration as a way out.

Main features of youth migration

Slow-down in outward migration flows

Ecuadorian out-migration flows jumped in the wake of the economic crisis that impacted the country at the end of the 1990s. More than half of the Ecuadorians that have left the country in the past decade are young people between the ages of 15 and 29. They represented 57.7 per cent of migrants according to the latest living conditions survey carried out by the Ecuadorian Institute of Statistics.

The primary reason for emigration is to find better job opportunities. Before leaving the country, young migrants were either working or studying and only a small proportion (less than 3 per cent) were looking for a job¹⁰. This can suggest that underemployment and poor working

conditions play a larger role in the decision to migrate than unemployment. It also implies that young migrants tend to be a particularly vulnerable population and that they might use irregular means to undertake their move. In a study among Ecuadorian women who had immigrated to Spain, 63.1 per cent placed higher salaries as the main advantage of their job in the destination country. Young people are also more likely to participate in the labour force in the destination country than they were in Ecuador. This increase in activity is particularly significant among the 15-19 year-olds and female migrants.



The educational attainment of young Ecuadorians prior to migration is usually higher than the national average, but the migration experience is characterized by a tendency towards deskilling. Whereas less than 25 per cent of Ecuadorians were employed as unskilled workers prior to migration, upon reaching the destination country over 45 per cent of migrants work as unskilled workers¹¹.

With the global economic crisis, the conditions of employment as well as the chances of finding an employment in destination countries have deteriorated for Ecuadorian migrants. In addition, migration policies have become more restrictive, especially in the two main destination countries of Spain and the United States. Spain was particularly severely hit by the crisis. Between 2002 and 2005, the Spanish government had implemented regularization programs, increasing the proportion of Ecuadorians holding work and residence permits. During that period the number of Ecuadorian residents benefiting from social security coverage had increased steadily. The 2008 crisis reversed this trend. In 2011, a significant portion of young and adult migrants had lost the regular status previously acquired, the number of migrants with social security coverage dropped abruptly, and the number of

migrants pushed into irregular situations increased drastically. As a consequence of these external factors, rather than because of the improvement in the performance of the Ecuadorian economy, emigration flows decelerated and the number of returning migrants increased.

Increase and diversification of immigration flows

In the past ten years, there has been an important increase in the number of foreign migrants heading to Ecuador but their percentage in the overall population remains very low. Immigration flows are still primarily from the two neighbouring countries that are Peru and Columbia. One reason for this flux can be the relative labour scarcity of low-skilled and low-paid jobs in some rural areas of the country resulting from years of international migration. Ecuador has also become an increasingly important destination country for refugees seeking asylum - mainly from Colombia – out of which 48.1 per cent are aged between 18 and 36.

Following the 2008 government decision to allow visa-free entry to Ecuador for all nationalities, Ecuador has seen the arrival of migrants from beyond its Latin America neighbourhood, including from poor and politically unstable countries of Asia and Africa (such as Afghanistan, Eritrea, etc.). As many of these new migrants were in transit towards the United States through irregular channels, visa requirements were reinstated two years later for nine of these countries.

Programmes, policies and institutional framework

Since 2006, migration is high on the agenda of the Ecuadorian government. The migration patterns that have emerged since the beginning of the 21st century have pushed Ecuadorian authorities to shape laws, programmes and institutional framework to address not only the challenge of Ecuadorians migrants abroad, but also of potential migrants, returning migrants and immigrants. Even though young migrants are not specifically targeted, strategies and regulations have been developed to improve the labour market situation and living conditions of young people, and policies tend to address jointly

mobility, health, education and housing issues (Box 1).

This political will was illustrated during an official visit to Spain in 2007, when President Correa declared that migration was a “great tragedy” reflecting the failure of national political and social policies of the past 20 years. He claimed that the government was now aiming at building a country that no one would have to leave and where all those who left could come back. In 2013, the erection of a memorial dedicated to all Ecuadorians living abroad, in recognition to the great support they bring to the nation through remittances was also announced. Ecuadorians living abroad are estimated at 2 million people in total, and send 2.66 million USD in remittances to Ecuador annually¹².

The new Ecuadorian Constitution, which was adopted in October 2008, is one of the most advanced in terms of protection of migrants in Latin America. It recognizes migration as a human right, the obligation of the State to guarantee the

rights of Ecuadorians living abroad, the right to asylum and the prohibition of forced displacement. The right to work and the right to social security for all are also enshrined in the constitution. Article 39 declares that the State shall encourage the labour market integration of young people under fair and decent conditions, stressing the need for capacity building, the guarantee of a first employment and the promotion of entrepreneurial skills.

The national Ministry of Migrants (SENAMI) was created in 2007 and its main mission was to address the needs of returning migrants. In the course of 2013, the SENAMI will be transformed into the Vice-Ministry of Human Mobility under the new Ministry of Foreign Affairs and Human Mobility. The objective of this reform is to better reap the fruits of migration movements by enhancing the visibility of migration issues, reinforcing the support to Ecuadorians living abroad and providing support to potential and returning migrants through decentralized services.

Box 1

A selection of national laws addressing the rights of migrants and promoting youth employment

- The 2007 *National Plan for Well-Being*, in connection with the *Agenda for Social Development* set several objectives related to youth employment and migration, including the promotion of labour market integration of youth and returning migrants as well as the protection of migrant workers.
- The *Public Service Law* provides government officials who come back to Ecuador with the right to reintegrate into their former occupation under better conditions.
- The *National Plan for the Human Development of Migration (2007-2010)* aims at retaining Ecuadorians in the country by offering alternatives to migration, and at the same time, promotes human development of migrant families in Ecuador.
- The *Child and Youth Code* fixes the minimum working age at 15, and defines a framework for the regulation of youth jobs, including a maximum number of working hours. The *Youth Law (2001)* regulates internship conditions in both the private and public sector. The programme 'My First Employment' was launched under the *Agenda for Productive Transformation* in 2007, to promote capacity building of young people by offering them paid internships. Over 3,000 young people have already benefitted from this programme. Other programmes assist more specifically young entrepreneurs, returning migrants or researchers and foster the creation of networks of companies, schools and young people.
- As regards protection of Ecuadorian migrants abroad, three bilateral agreements have been signed with Spain (in 2001), Peru (2010) and Venezuela (2011). They facilitate the regularization of migrants in destination countries and assist them in entering the labour force. None of these agreements mention youth migrants specifically, but they do present a framework to make it easier for individuals to migrate for educational purposes. In 2011, Ecuador signed another bilateral agreement with Spain on social security, which will benefit Spanish citizens in Ecuador as well as the 347,500 Ecuadorians living in Spain.

¹ United Nations Department of Economic and Social Affairs, Population Division. *The World Population Prospects: 2010*; and United Nations Population Fund. *The State of World Population 2011*.

² Instituto Nacional De Estadística y Censos (INEC). *National Population Census, 2010*.

³ INEC, National Population Census, 2010. In Ministerio de Inclusión Económica y Social, Dirección Nacional de la Juventud, Secretaría Nacional del Migrante, Organización Iberoamericana de Juventud, Programa Conjunto "Juventud, Empleo y Migración", 2012. *Jóvenes Ecuatorianos en Cifras: Indicadores claves de la década 2001-2010 y proyecciones al 2015*.

⁴ OIT, 2011. Perfiles del Empleo y Trabajo Decente en América Latina y el Caribe. In *Jóvenes Ecuatorianos en Cifras (Op.cit.)*.

⁵ Instituto Nacional De Estadística y Censos (INEC). Encuesta Nacional de Empleo, Desempleo y Subempleo Urbana Rural (ENEMDUR), 2010. In *Jóvenes Ecuatorianos en Cifras (Op.cit.)*.

⁶ Instituto Nacional De Estadística y Censos (INEC). Encuesta Nacional de Empleo, Desempleo y Subempleo Urbana Rural (ENEMDUR), 2010. In *Jóvenes Ecuatorianos en Cifras (Op.cit.)*.

⁷ OIT, 2011. Perfiles del Empleo y Trabajo Decente en América Latina y el Caribe. In *Jóvenes Ecuatorianos en Cifras (Op.cit.)*.

⁸ OIT, 2011. Perfiles del Empleo y Trabajo Decente en América Latina y el Caribe. In *Jóvenes Ecuatorianos en Cifras (Op.cit.)*.

⁹ INEC, *Condiciones de vida según preparación académica* – http://www.inec.gob.ec/inec/index.php?option=com_content&view=article&id=316&Itemid=408&lang=es [Accessed 30.7.2013]

¹⁰ Instituto Nacional De Estadística y Censos (INEC). Encuesta Nacional de Empleo Urbano y Rural (ENEMDUR), 2005.

¹¹ Instituto Nacional De Estadística y Censos (INEC). Encuesta Nacional de Empleo Urbano y Rural (ENEMDUR), 2005.

¹² IOM, *Ecuador Facts and Figures*, <http://www.iom.int/cms/en/sites/iom/home/where-we-work/americas/south-america/ecuador.html> [accessed 5.8.2013]



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