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**YOUTH BUILDING THE FUTURE: THE POLITICAL
ECONOMY OF THE ADOPTION OF A YOUTH POLICY IN
MEXICO**

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Submitted in fulfilment of the requirements of the
Degree of Doctor of Philosophy (PhD)

School of Education
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Abstract

This thesis presents a single qualitative case study that examines the main material and ideational factors behind the adoption of the youth policy ‘Jóvenes Construyendo el Futuro’ (JCF) (Youth Building the Future) in Mexico in 2019. The JCF is an eclectic, broad-based youth policy that combines elements of conditional cash transfer, work-based training and social inclusion that, by 2023, had supported more than 2.3 million young people ‘not in education, employment or training’ (NEET) aged 18 to 29. Historically, most youth policies in Mexico and Latin America have been small-scale ‘upskilling’ interventions. Therefore, most research typically focuses on implementation or labour, social, or economic impacts, overlooking the adoption phase. For these reasons, both because of its scale and its underlying rationale, the JCF appears as a paradigmatic policy.

This thesis employs a combined analytical approach of Cultural Political Economy (CPE) and the Policy Cycle Model (PCM). Methodologically, the study is built on the triangulation of interviews with key informants from the public, private, and social sectors and the analysis of a variety of primary and secondary policy documents. The data was analysed using iterative coding within Thematic Analysis (TA). The findings reveal how several intertwined material and ideational factors explain the adoption of this youth policy. A stern anti-neoliberal stance provided the framework for the leftist MORENA government that won the presidency in 2018 to reinterpret the problems that plagued millions of NEET youth as a direct consequence of the neoliberal development model (1980s - 2018) portrayed as the cause of high levels of poverty, informal employment and lack of opportunities. This problematisation led to the design of an intervention with elements of universality and lax conditionality for the target population, which is uncommon in social policies in Mexico. Despite inevitable disagreements with the private sector in defining the rules of the programme, the overwhelming electoral legitimacy and political-administrative leverage resulted in an expeditious adoption of the JCF.

This thesis contributes various conceptual, empirical, and theoretical insights to current debates on the relationship between development models and the type of welfare institutions that can support the construction of new social bases in contexts of high labour informality, among others, all this amidst significant political-ideological shifts.

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I dedicate this thesis, above all, to the youth of Mexico and Latin America.

Author's Declaration

I declare that, except where explicit reference is made to the contribution of others, this dissertation is the result of my own work and has not been submitted for any other degree at the University of Glasgow or any other institution.

Printed Name: José Antonio Cervantes Gómez

Signature:

List of Acronyms

- ALMP.** Active Labour Market Policies
- AMEXCID.** Agencia Mexicana de Cooperación Internacional para el Desarrollo (Mexican Agency for International Development Cooperation)
- AMLO.** Andrés Manuel López Obrador
- CCE.** Consejo Coordinador Empresarial (Business Coordinating Council)
- CCT.** Conditional Cash Transfer
- CPE.** Cultural Political Economy
- ECLAC.** Economic Commission for Latin America and the Caribbean
- HCT.** Human Capital Theory
- IADB.** Inter-American Development Bank
- ILO.** International Labour Organisation
- IMF.** International Monetary Fund
- INEGI.** Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography)
- IOs.** International Organisations
- ISI.** Import Substitution Industrialisation
- JCF.** Jóvenes Construyendo el Futuro (Youth Building the Future)
- LIC.** Low-Income Country
- MIC.** Medium Income Country
- MMFD.** Modelo Mexicano de Formación Dual (Mexican Model of Dual Training)
- NEET.** Not in Education, Employment, or Training
- NINI.** Spanish for ‘NEET’
- NGO.** Non-governmental Organisation
- OECD.** Organisation for Economic Co-operation and Development
- PCM.** Policy Cycle Model
- PE.** Political Economy
- PND.** Plan Nacional de Desarrollo 2019-2024 (National Development Plan)
- POP.** Progresos-Oportunidades-Prospera
- RBA.** Rights-Based Approach
- SAP.** Structural Adjustment Programme
- SEP.** Secretaría de Educación Pública (Secretariat of Education)
- SNE.** Servicio Nacional de Empleo (National Employment Service)
- STPS.** Secretaría de Trabajo y Previsión Social (Secretariat of Labour and Social Provision)
- TVET.** Technical and Vocational Education and Training
- UNESCO.** United Nations Educational, Scientific and Cultural Organisation
- USAID.** United States Agency for International Development
- VET.** Vocational Education and Training
- VOC.** Varieties of Capitalism
- WB.** World Bank

CHAPTER 1 – INTRODUCTION

1.1 General Overview

This thesis investigates the primary material (economic, political, institutional) and ideational (ideas, discourses) factors, both global and local, that led to the adoption of the youth policy ‘Jóvenes Construyendo el Futuro’ (Youth Building the Future), hereafter referred to as ‘JCF,’ through a cultural political economy (CPE) lens. Adopted by Mexico’s leftist MORENA government in January 2019, the JCF is an apprenticeship policy designed to support 2.3 million young people aged 18 to 29. Participants receive a 12-month stipend and social insurance in exchange for engaging in productive activities and workplace training. Youth policies constitute an increasingly compelling field of research, which have often been studied in isolation from the broader political and economic determinants of welfare regimes. This research aims to analyse the JCF youth policy as part of a broader political-ideological shift that traverses several ongoing debates in political economy.

The JCF features a novel combination of training, social inclusion, and restorative justice rationales, uncommon in previous youth policies in Latin America (LATAM). Research on youth policies is a developing and heterogeneous area incorporating elements from education, skills, labour, and social policies. The recent global interest in youth policies is primarily explained by the economic and labour-related precariousness increasing over the last fifty years among youth in many countries (Bessant, 2018; Furlong & Cartmel, 2006; Heinz, 2009). The effects of this tendency have been so detrimental to the living conditions and transitions of youth that some authors have described this phenomenon as the ‘new precariat’ (Standing, 2011, 2013) and the ‘proletarianisation of the youth’ (Côté, 2014, 2016). This affects young people in both advanced capitalist and low- to middle-income countries, such as Mexico.

Widely accepted explanations for this phenomenon include economic crises, a stagnation of productivity and real wages (Easterly, 2001), devaluation of educational credentials (Kessler, 2010), and the undermining of education and employment as the traditional drivers of upward social mobility in 21st century welfare states (Brown et al., 2011). Even Europe and the United States exhibit these trends. Young adults have not experienced a decrease in poverty since the late 1960s, despite higher educational attainment and no corresponding increases in labour market participation (Wimer et al., 2020). O’Reilly et al. (2019) identified key issues for ‘not in education,

employment or training' (NEET) youth in Europe, including precarious social mobility patterns, employer disengagement, and family-linked inequalities primarily affecting young women and ethnic minorities. In this context, it is clear that the analysis of the issues affecting young people and the policies devised to address them necessarily fall within the field of academic multidisciplinary and multisectoral policies.

Mexico and other middle-income LATAM countries face similar or worse deterioration in youth living conditions, exacerbated by demographic dividends and weak welfare institutions (Jacinto, 2010a; Pérez Islas, 2008). Generally, the region suffers from deep inequalities, high poverty rates, and pervasive unemployment and informal labour. Academic literature shows youth in LATAM often face unemployment and social exclusion at twice national and global rates (Isacovich, 2015; La Belle, 2000). Rodríguez (2011) suggests conceptualising 'youth' as a distinct category needing special attention due to several paradoxes: despite wider education access, they face scarcer job opportunities and higher unemployment rates than previous generations, despite more years of formal education.

Different aspects such as productivity, economic growth, and institutional strength impact unemployment levels and the deterioration of the economic prospects of the population in any given country. This necessitates studying key development paradigms and economic trends shared across LATAM countries while recognising unique differences within each nation. Key economic shifts from the 1950s to the present include: 'import-substitution-industrialisation' (ISI) strategies adopted between the 1950s and 1970s (Baer, 1972; Hirschman, 1968), followed by 'structural adjustment programmes' (SAPs) in the late 1970s (Carnoy, 1995; Reimers, 1994). Since the 1990s, a nearly unchallenged 'neoliberal' paradigm emerged, characterised by an overreliance on Human Capital Theory (HCT) assumptions (Becker, 1964). The period saw increased concern about 'inequalities' and propagation of 'rights-based' frameworks rather than entrenched economic and productive differences between nations and structural poverty levels deriving from such asymmetries (Rodríguez, 2011; Valiente et al., 2021). Despite this dominant paradigm showing signs of faltering with the 2008 global financial crisis (GFC), some literature suggests it is far from being surpassed (Madariaga, 2020).

Several authors have noted the emergence of 'youth studies' and 'youth policies' in LATAM as distinct research areas (Isacovich, 2015; Oliart & Feixa, 2012). However, a major contention in

the nascent field involves the realisation that most youth policies supported by international organisations (IO) and national governments have adopted a disconnected ‘sectoral’ perspective of the issues afflicting youth (i.e., education, labour, health, civic participation). This assumes youth issues can be addressed through a variety of programmes, often overlooking how these issues intersect with other structural conditions that shaped them in the first place. This approach has led to the characterisation of young people as a ‘risk group’ whose high levels of vulnerability are a result of their low education and ‘employability’ rates, in what has been construed in the literature as a process of ‘individualisation of inequality’ (Jacinto, 2009).

In other words, most youth interventions have not been formulated from an ideological blank slate. Instead, they have been underpinned by the controversial assumption that inequalities affecting young people can be explained by their low skills and qualifications. This attributes inequalities to individual responsibility rather than the structural conditions of labour markets (Schmidt & Van Raap, 2008). This thesis adheres to an opposing position, which argues that inequalities and precarisation affecting young people arise from the structural conditions of job markets. These conditions are influenced by a broad range of historical, political, and economic factors extending beyond youth studies’ scope. As a result, most youth policies in the region are inadequate to address the scale of the issues they claim to address effectively.

This critique raises the question of an adequate conceptual and theoretical framework for examining the adoption of the JCF in Mexico. I claim that the appropriate approach for this analysis should draw from the various traditions of political economy in social science research. Novelli et al. (2014, p. 10) provide a comprehensive definition of political economy:

‘...political economy as the study of how the relationships between individuals and society and between markets and the state affect the production, distribution and consumption of resources, paying attention to power asymmetries and using a diverse set of concepts and methods drawn from economics, political science and sociology’.

Despite the relevance of such an interdisciplinary framework for understanding structural issues, the youth policy arena has largely neglected political economy perspectives as a means to analyse youth policies in relation to broader societal structures. Instead, two divergent positions have dominated most youth policy studies in Mexico and LATAM. The first, aligned with the dominant ‘neoliberal’ and ‘technocratic’ tradition, consists of extensive impact evaluations of youth training

policies aimed at assessing how various small-scale ‘upskilling’ interventions have supported young people’s labour and education trajectories. These mainstream evaluations are primarily conducted by cooperation agencies and labour economics scholars (Attanasio et al., 2017; Betcherman et al., 2004; Delajara et al., 2011; Ibararán & Rosas Shady, 2009). Secondly, there is a burgeoning body of anthropological and sociological literature centred on young people’s subjectivities and their interactions with institutional arrangements, support structures, and ‘policy devices’ as implemented in LATAM (Abdala, 2009; Bermúdez-Lobera, 2014; Chaves, 2012; Jacinto, 2010c).

The dominance of these two approaches has created a significant research gap in understanding the adoption phase of youth policies in the region, particularly regarding the material and ideational factors that mediate their emergence. The distinct design, rationale, and magnitude of the JCF underscores the importance of this gap. This thesis aims to address this underexplored area, highlighting the need for more comprehensive studies on such unique programmes. In this thesis, ‘policy adoption’ is understood both as a moment and a process that entails three stages: 1) agenda-setting, 2) policy design, and 3) policy institutionalisation. The policy adoption process here comprises both national and international influences, integrating assumptions from both the traditional ‘policy cycle model’ (PCM) and critical policy approaches such as the CPE (Birkland, 2017; Jann & Wegrich, 2007; Jessop, 2010; Verger, 2014, 2016). The next section presents the main rationale and research aims given the above considerations.

1.2 Rationale and Research Aims

Several reasons underpin this research study, namely the global significance of youth precarisation as a generational issue, the unique socioeconomic conditions in Mexico and LATAM that have shaped youth policies, and the notable gap in focused research on youth policy adoption within the region from a political economy perspective. The study of youth precarisation has become a subject of global interest, as a significant generational issue with trends extending over at least five decades. This phenomenon is particularly relevant in Mexico and LATAM, where countries share similar historical, economic, and political patterns that have led to analogous profiles of ‘precocious Keynesianism’ (Waldner, 1999) or ‘truncated’ welfare states (Holland, 2018).

Unlike countries in the ‘global north’ where most evidence and studies originate, this variation accounts for the differences in the scope, design, and impact of interventions targeting young

people. Additionally, there is a notorious deficiency in research specifically addressing the policy adoption phase within the region from a political economy perspective. Extant research has predominantly focused on the labour market outcomes of youth training policies or the subjective experiences of young people, overlooking the relevance of broader material and ideational factors, such as partisan politics, ideological tensions, national development paradigms, and the role of international organisations, all of which partially explain their initial adoption. Hence, this thesis seeks to expand the extant knowledge of youth policies in Mexico and LATAM by addressing these overlooked material and ideational factors.

In the past three decades, some academic literature has started to compare divergences in welfare institutions and national skills formation systems in countries of the ‘global north’ from a political economy perspective. Such is the case of the literature on the ‘Varieties of Capitalism’ (VoC) (Ashton et al., 2000; Esping-Andersen, 1990; Hall & Soskice, 2001). However, in the context of Mexico and LATAM, there is a dearth of comparable studies. Hence, this thesis argues that inquiry on welfare and skills formation institutions is relevant to understand the study of youth policies such as JCF. Besides the scarcity of political economy studies focusing on youth policies in Mexico and the region, few studies examine the influence of material factors (economic, political, institutional) alongside ideational factors (ideas, discourse), a shortcoming this study aims to address. In other words, there is a research gap in examining how global discourses, alongside concrete material-political events like deindustrialisation, privatisation, and reduction of the state apparatus, have shaped youth and other policy areas. As is examined and discussed in this thesis, various material and ideational drivers have eroded the institutional framework supporting young people’s transitions, social mobility, and overall welfare. In such circumstances, compared to other approaches, a political economy approach is highly appropriate to challenge orthodox political economy assumptions (Jessop, 2010), which underlie neoliberalism and its public manifestations in government and public policy realms.

Besides the historical contextualisation of events relevant to the case study, this research includes a discussion about the political climate in Mexico and LATAM, characterised by electoral victories of the left in the early 21st century, termed as the ‘pink tide’ (Ellner, 2019) in countries like Brazil, Chile, Colombia, and more recently Mexico in 2018. As is contended in this study, the political-electoral framing of public issues has the potential to revitalise the political economy perspective

in youth policy studies. In Mexico, where a leftist government with a stern anti-neoliberal discourse came to power in 2018 for the first time in the country's democratic electoral history, it is particularly relevant to explore the material and discursive determinants. This government undertook significant policy and economic shifts, with the JCF youth policy emerging as a central protagonist of these transformations, departing radically from previous administrations.

Ultimately, this study examines the interactions and degrees of influence of various public, private, local, and global actors, around a specific youth policy adoption process. Primarily, the thesis aims to identify and unravel the primary material (economic, political, and institutional) and ideational (ideas, discourses) factors, local and global, that explain the adoption of the JCF youth policy by the Mexican government. Additionally, in pursuing this objective, this study seeks to contribute to and expand the conceptual understanding and empirical evidence base on educational, training, and social policies targeting youth in Mexico and LATAM.

In addition to its empirical contribution, this thesis also advances the concept of 'productive inclusion' as embedded into the JCF's rationale. Unlike conventional youth policies in Mexico and LATAM, which have mostly relied on highly targeted and conditional approaches underpinned by Human Capital Theory, the 'productive inclusion' approach displayed by the JCF envisions a policy instrument that integrates young NEETs into productive activities through a distinctive combination of universal or broad-based support (within an age group), social insurance, and flexible workplace training, which is particularly notable in the Mexican context. By emphasising this concept, this thesis provides an informative perspective that can contribute to academic and technical discussions on youth policy design beyond Mexico, offering insights for other contexts in the Global South that face similar challenges of precarious employment, structural inequalities, and limited upward mobility for young people.

Main Research Question

To consider the research rationales outlined earlier and to achieve the objective of identifying the main material and ideational factors influencing the adoption of the JCF youth policy in Mexico, the central research question (RQ) of this thesis is formulated as follows: What were the primary material and ideational factors at the local and global level that led the Mexican government to adopt the JCF policy?

Sub-Research Questions

To contribute to resolving this question, the following three sub-research questions (SRQs) will also serve as analytical guides throughout the thesis:

Problematization of youth issues

What factors led to the emergence of youth as the primary target of social policy? This question explores the primary issues affecting young people in Mexico, focusing on the diverse discussions, debates, and interpretations of these challenges and their causes, as presented by various public and private actors.

Policy devising and design

Why a universal on-the-job training programme? This question enables the inquiry of why the government designed the JCF as a universal programme yet restricted its scope to 2.3 million young people in the NEET situation. Additionally, the question explores why the government prioritised employers and on-the-job training in this policy over traditional educational institutions and upskilling initiatives.

Policy institutionalisation

How did the government secure the support from local and foreign actors and resources to institutionalise the programme? This question focuses on how the government negotiated with the private sector and regional cooperation actors and managed the necessary resources to implement the JCF as early as January 2019.

As noted in a classic social science methodology text, the potential answers this research provides, particularly in its final chapters, can be considered hypotheses to some extent (Goode & Hatt, 1952). However, this primarily qualitative study aims not to formulate and test hypotheses rigidly but rather to unpack and engage in dialogue with the research question (RQ) and sub-research questions (SRQs) by providing answers on the main material and ideational drivers that led to the adoption of the JCF policy. The general hypothesis, established prior to conducting this research posits that the left-wing government, which came to power with substantial social and electoral legitimacy, implemented numerous political and economic changes in accordance with its wide anti-neoliberal agenda, including the adoption of the JCF programme. Yet, the primary aim of this

investigation is to elucidate the specific manner in which these changes were enacted, examining the arguments employed, ideas propounded, and actors involved, while emphasising the three critical political economy (CPE) mechanisms of variation, selection, and retention as crucial stages or moments in this process.

Academic and Policy Implications of the Study

This study holds relevance at both academic and practical levels in the context of social and youth policies. Interestingly, the significance of both dimensions stems from common origins. First, both Mexico and LATAM are experiencing periods of political and economic transformation, marked by the adoption of innovative policies that challenge the established neoliberal framework (1980s-onwards) dominated by the concepts of upskilling, targeting, and human capital. In the case of Mexico, the rise of a left-wing movement in 2018 has disrupted this status quo, presenting challenges and opportunities to explore these unfolding events and transformations.

Secondly, this research highlights the limitations and waning influence of the economic and social policy orthodoxy that has dominated since the 1980s. Focusing on the emergence of pioneering youth policy offers insights that could inform policy practices. Specifically, it proposes that policymakers should recognise the structural constraints contributing to high youth unemployment and exclusion rates and avoid relying solely on interventions that emphasise individual shortcomings, particularly in skills and credentials, while overlooking broader structural issues.

1.3 Structure of the Thesis

This thesis is structured in eight chapters. Chapter One presents a general overview of the thesis on the adoption of the JCF youth policy in Mexico from a political economy perspective. The chapter outlines the rationale and research aims and emphasises the significance of the JCF as a case study to address the critical research gap in understanding material and ideational influences on youth policy adoption in Mexico and LATAM. Furthermore, it introduces the chapter structure of the thesis. Chapters two and three cover the literature review that informs the study and positions it within the confines of various fields of study that converge to provide a more comprehensive explanation of the topic of inquiry. The chapters present a broad conceptualisation of what a ‘political economy’ approach for analysing youth policies in Mexico and LATAM entails. The chapters also review academic literature, including research on the political economy of youth, national skill formation systems, active labour market policies, and youth policies in LATAM,

including ‘grey’ literature from international organisations. Moreover, these chapters identify key research gaps addressed by this thesis, laying the groundwork for the research questions, rationale, and objectives, which are discussed in detail in Chapter Four.

Chapter four analyses the Mexican context, focusing on the state of the youth within broader economic and demographic settings. It provides an overview of key institutions and historic social policies concerning youth, emphasising their underlying rationales and the factors that explain their emergence at specific points in history. This context is valuable to understand the emergence of the JCF. The chapter concludes with a description of JCF’s main features, contrasting them with previous policies in the country, and presents the research questions, rationale, and objectives derived from the earlier literature review. Chapter five outlines the methodology employed in this thesis. It explains the philosophical approach of Critical Realism (CR), which underpins the Cultural Political Economy (CPE) theoretical and analytical framework and its operationalisation. The chapter then introduces the qualitative single-case study research design and qualitative research methods, including Thematic Analysis (TA) of policy documents and semi-structured interviews. It also describes the types of data utilised, primarily first-hand semi-structured interviews with key policy stakeholders, as well as secondary data, namely policy documents. Finally, the chapter details the fieldwork strategy, ethical considerations, data collection phases, data analysis process, and reflections on the researcher’s positionality.

Chapter six presents the key findings derived from analysing the interviews with key policy informants and policy documents through the proposed methods. The findings are organised into three sections corresponding to CPE’s ‘evolutionary mechanisms’ of ‘variation’ or problematisation phase, ‘selection’ or policy devising and design, and ‘retention’ or policy institutionalisation through regulatory means. The chapter concludes with findings on policy oppositions and criticisms, which remain integral to discussions in the next chapter. Chapter seven discusses the main findings of the thesis, contrasting them with the academic literature from chapters two and three. This literature covers a range of educational, labour, and social rationales underlying youth policies in Mexico and LATAM. Through a political economy lens, the chapter analyses the key material and ideational factors prompting the Mexican government to adopt the JCF policy in 2019. Unlike chapter six, this discussion is organised around the contributions to six main current academic debates identified through the findings.

Finally, chapter eight presents the thesis conclusions, organised around key arguments from the findings and discussion chapters. These give rise to theoretical, methodological, and analytical implications, contributing to existing knowledge on youth policies in Mexico and LATAM. The chapter discusses thesis limitations and implications, outlining future research pathways, which include studying the implementation phase of the policy, the evaluation of the programme's effects on apprentices' trajectories through Realistic Evaluation (RE), as well as theoretical debates characterising the JCF as either a clientelist programme or a post-neoliberal social policy.

CHAPTER 2 – THE POLITICAL ECONOMY OF DEVELOPMENT AND WELFARE REGIMES

2.1 Introduction

This chapter presents the first part of the thesis literature review, starting with a broad conceptualisation of the political economy (PE) approach. It tracks and discusses the origins and classical definitions of the concept, along with contemporary interpretations, highlighting consistent core elements. It also reviews political economy literature and its applicability to inquire into the JCF youth policy adoption. The JCF adoption is understood as dependent on broader factors such as the welfare regime, the dominant development paradigms, and Mexico's historical policy repertoire. From this perspective, the concepts of 'youth' and 'youth policies' are analysed in conjunction with the emergence of national education and skill formation systems, 'active labour market policies' (ALMPs), and social policies in general.

The chapter comprises three sections and a summary. The first section discusses the political economy approach to education and development as the study's central theoretical basis, and its utility in analysing youth issues in the labour and education spheres. A central argument raised here and throughout the thesis, is that neoliberalism, understood as a hegemonic economic-political doctrine and ideology since the 1980s, has permeated diverse rationales of society, institutions, and policies, including youth interventions. Given the relevance of such proposition, two subsections explore how a PE approach enables understanding and critiquing neoliberalism and one of its key theoretical accomplices in the labour and educational fields, the Human Capital Theory (HCT). The final subsection reviews dependency theory, a pinnacle of LATAM critical thought, which provides an alternative theoretical framework to neoliberalism and HCT and aligns with the PE approach used throughout the thesis.

The second section reviews literature on the political economy of welfare regimes, including 'Varieties of Capitalism' (VoC) and national skills formation systems. A common thread in this literature is the attempt to explain how states, elites, and organised labour shape diverse productive, institutional, welfare, and social insurance configurations through specific economic and political arrangements. This approach is contended to be appropriate for studying youth policy adoption, as it critiques the tendency to overlook the broader contexts in which interventions emerge. The section first considers 'global north' literature, then extrapolates valuable insights of the discussion

to LATAM contexts and Mexico specifically. I contend that Mexico and LATAM's similar institutional and economic trajectories justify this combined treatment, while acknowledging that notable differences persist between these contexts. Moreover, a subsection reviews literature on active labour market policies (ALMPs), an early model that influenced many policy designs globally, including the JCF in Mexico. Finally, the third section synthesises the theoretical implications of the first two sections, shedding light on the material and ideational factors that may have influenced the adoption of the JCF youth policy. The chapter concludes with a summary and introduces the subsequent chapter, which continues the literature review.

By introducing theoretical critiques of Human Capital Theory and exploring both supply side and demand side policy approaches, this chapter equips the remainder of the study to assess policies that do not fall neatly into standard categories. The forthcoming analysis of the JCF will illustrate how a 'productive inclusion' rationale blurs these more orthodox frameworks. While not a textbook example of an upskilling (supply side) or a conventional job creation (demand side) intervention, the JCF's 'subsidised labour' component can be construed, as will be discussed in later chapters, as indirectly stimulating the demand for young workers, particularly among SMEs, which constitute over 98% of firms in Mexico, thereby partly aligning with a demand side approach. Hence, the theories and concepts presented here will help us appreciate this complexity in the chapters ahead. Moreover, Human Capital Theory was instrumental in the process of problematisation of the social policy realm in Mexico, serving as the predominant frame for assessing most social policies implemented during the neoliberal period.

2.2 The Political Economy of Education and Development

Political economy aims at understanding how economics and politics interact, by exploring how production systems, political institutions, and social norms interact and influence each other. This field has evolved through several phases, starting with the classical theories of Adam Smith and David Ricardo, who emphasised the significance of self-interest in economic activities while advocated for minimal government intervention (Chang, 2015). Subsequent critiques of classical political economy led to the development of the 'neoclassical' and Keynesian schools, which attempted to address previous limitations such as market failures and the desirable role of state intervention in national economies. In the 20th century, Austrian and Marxist schools introduced additional radical critiques of classical economics, which emphasised the interrelatedness of

individuals, institutions, and power structures in shaping economic outcomes. These schools argued that markets are not spontaneously organised but politically constructed and upheld (Polanyi, 2001). Nowadays, PE encompasses various approaches, including ‘Institutional’ political economy, which stresses the importance of institutions in governing economic and political life (North, 1990; Robinson & Acemoglu, 2012; Skocpol, 1979), and International Political Economy (IPE), which examines the interactions between global political and economic systems (Gilpin, 2016; Strange, 2015).

For Hall (1997), political economy explanations highlight the ‘three I’s’, or three crucial factors: interests, institutions and ideas. In the same vein, Lodge (2017) argues that contrasting the field of public policy, which focuses on state action, PE seeks a broader understanding of how social actors shape economic activity. These assumptions are prevalent in modern political economy schools, and this thesis adopts them, thereby shaping the analysis. Furthermore, John (2018) characterises present-day political economy as combining economic modelling and theory-testing approaches, with political science’s focus on contexts, institutions, and actors (i.e. voters and interest groups). In other words, PE investigates how the relationship between power and economical means shapes policy choices. Within this broad field of political economy, various theoretical approaches have been developed to study coalitions of interests and actors in private and public spheres (Fischer, 1990; Haas, 1992; Sabatier & Weible, 2019; Schlager, 1995; Tomazini, 2019). One such approach, the ‘advocacy coalition framework’, focuses on the role of competing coalitions in shaping policy outcomes. This framework, amongst others, offer valuable insights into how different groups influence political and economic processes such as policy adoption.

Nowadays, PE encompasses a wide range of currents usually grouped under the name of ‘critical political economy’. A common thread amongst these is their shared Marxist conceptual framework oriented to criticise the inequalities in modern developments of capitalist societies. Some of these currents include studies in feminism and postcolonial theory (Novelli et al., 2014). Different authors agree that PE perspectives seek to integrate the insights of 19th-century theorists of ‘social change’ like Marx and Durkheim and the contributions of 20th-century institutionalist and welfare theorists like Marshall and Keynes (Van de Graaf et al., 2016). For Gilpin (2016), international political economy (IPE) can be understood as the study of the interaction between the state and the private sector or between economics and politics, which are deeply entangled. Strange (2015) sums

it up thoroughly by arguing that IPE is concerned with the social, political and economic arrangements that affect the systems of production, exchange, distribution, and the values and ideas embodied therein.

A stream of political economy literature central to this thesis is known as ‘the political economy of education and development’ (Novelli et al., 2014). This stance posits that the formation of educational, productive, and development systems at a global level is underpinned by distinct hegemonic theoretical assumptions. For instance, the expansion of neoclassical political economy since the 1960s has been underpinned by the ‘modernisation theory’ (Parsons, 1971; Rostow, 1959), which offers a linear vision of progress through ‘stages’ of economic growth that, if followed by less developed countries, would eventually lead their economies to ‘take off’ (Harvey, 2005). According to modernisation theory, education and technical skills are essential for economic and social development (Coleman, 1965; Harbison & Myers, 1964). Furthermore, modernisation theory became closely linked with the ascendancy of the ‘neoclassical’ school and rapidly attained a status akin to common sense among leading international cooperation organisations and Western governments in the post-war era.

Nevertheless, the assumptions and principles of modernisation theory were not universally accepted. For instance, writing from the emerging perspective of the political economy of education, Carnoy (1985) critiqued the rise of an ‘economistic’ view of education. This author challenged the traditional view that education besides enhancing individual traits, improves labour market opportunities, and increases the economy's overall productive capacity. From this perspective, education is shaped by power dynamics among economic, political, and social groups. Hence, from this viewpoint, education and training policies should not be analysed in isolation but rather in relation to political and governmental influences. This perspective challenges the notion that an individual’s labour market position is solely determined by their education and training. Instead, it posits that individual situations are primarily shaped by the labour market structure, which, in market capitalist societies, is influenced by power struggles between capital and labour on a global scale. Similarly, the concept of social mobility should extend beyond focusing solely on individual choices and opportunities for upward movement, instead accounting for the broader social class and employment structures that shape these opportunities, as well as the systemic barriers and inequalities influencing access to them.

The following four sections critically review the primary theoretical frameworks, conceptual insights, and challenges to the dominance of the global political economy that have shaped youth policies. These intellectual constructs have deeply influenced policy discourses across various sectors. The review explores the rise of youth as a critical concept in political economy discourse, focusing on the impact of the neoliberal paradigm and the development of human capital theory within these discussions. The last subsection examines the unique LATAM response through ‘dependency theory’ and evaluates its relevance to the core themes of this dissertation. As the subsections progress, the focus narrows down to the specific political economy of youth, examining how economic policies, political decisions, and social structures have jointly impacted the rationales and designs of youth policies in the region.

2.2.1 Youth in Political Economy

Youth represents a somewhat fluid category shaped by varying historical processes, as noted by Wallace and Kovatcheva (1998). Most countries that have used the concept of youth to establish policies have typically encompassed a broad age bracket, usually ranging from 11 to 30 years (Wallace & Bendit, 2009). Over the past four decades, ‘youth’ has become a focal point in worldwide policy discussions, especially highlighted since the 2008 Global Financial Crisis (GFC). The current historical juncture is characterised by widespread concern about the ‘youth’ phase, in which, despite increased levels of education and training, unemployment and increased costs of living have led to the increased precarisation of young peoples’ living standards and the postponement of key family transitions (Wallace & Bendit, 2009). Under such circumstances, youth initiatives, programmes and forums have proliferated worldwide (Côté, 2014; Sukarieh & Tannock, 2014, 2016). However, concern and analysis have largely centred on the various forms of unemployment and underemployment affecting this population segment, often overlooking the broader economic structures and practices that generate them. One approach that deliberately takes a different path is the so-called ‘political economy of the youth’. This approach designates an inchoate and marginal field within sociology and cultural studies associated with the neo-Marxist tradition of the 1960s.

Despite having had little impact at the academic and policy levels, recently, some authors have argued in its favour, mainly out of a deep concern about the increasing approaches focused on the study of the ‘subjectivities’ of young people while relegating the importance of material conditions

(Bessant, 2018; Côté, 2014, 2016; Irwin, 2021; Murphy, 2017; Sukarieh & Tannock, 2011, 2016; Yates, 2021). This line of reasoning advocates for a ‘political economy’ perspective in examining the declining living conditions of young individuals, or what is termed ‘proletarianisation of the youth’. It underscores the importance of addressing both the fundamental causes of this issue and the pursuit of ‘radical solutions’ (Côté, 2014).

In this line, Sukarieh and Tannock (2011) compellingly argued that continuing to overlook a PE perspective of the issue could constitute an ‘apology’ for neoliberalism, insofar as the fundamental causes of problems affecting young people such as the deterioration of living conditions and the prolongation of life-course transitions would remain untouched. The appeal from these authors also aims to transcend ‘generic’ and imprecise calls for social change. Although many positions seem to recognise the deterioration of young people’s prospects, they circumvent referring to the material and structural constraints that reproduce such phenomenon. Woodman and Wyn (2013) exemplify this kind of position by focusing on transitions and social inclusion frameworks that often obscure the broader systemic forces shaping youth experiences. Furthermore, other works have investigated how transitions to adulthood have become more varied and complex, yet they have also failed to acknowledge the deep causal determinants for such situations (Casal et al., 2006; Furlong & Cartmel, 2006; Ruspini & Leccardi, 2016).

Many authors find it problematic to categorise entire groups based on divisions such as ‘age’ or ‘class’, citing concerns about economic reductionism and the overshadowing of individual choices (Bourdieu, 1985; France & Threadgold, 2016). In contrast, proponents of a PE approach argue that while it is important to acknowledge studies on subjectivities and individual agency, it is crucial to reemphasise the analysis of ‘macro material and ideological conditions’ (Côté, 2016, p. 853). These conditions are essential for understanding the problems facing youth, which have intensified in the neoliberal era (Côté, 2016). This author recommends focusing on ‘the broad discourses, social and economic structures, and actions of elite actors in shaping the social category of youth and lives of young individuals in contemporary society’, countering what Jones (2009) calls ‘the prevailing political correctness of stressing young people’s agency’. The ‘macro material conditions’ are reproduced by international economic elites and the mediation of nation-states through their integration into the international division of labour, as suggested by dependency theorists. Meanwhile, the dominant ideological conditions relate more to ‘the reproduction of

consciousness' identified by Bowles and Gintis (1976), which they located at the heart of western educational systems.

Criticisms highlighting the downplaying of the analysis of structural and material elements are mainly based on the conspicuously disproportionate amount of research produced in the most relevant youth journals. For instance, Sukarieh and Tannock (2016) argued that only about 5% of the articles in a leading journal analyse the roles of elite social actors such as IOs, multinational corporations, national governments, and unions. They also noted that most of the research adopts a local or national scope when the challenges faced by youth are due to structural global causes. Murphy (2017), analysing the political economy of youth policy in Tunisia, warned about the risk of youth policies becoming a distraction from the 'deeper structural failings of national economies and the political regimes which rule them'. Given this warning, the author suggests focusing the analysis on the political and social structures surrounding youth. For countries outside the 'post-industrial core', like LATAM, the analysis should extend beyond the national and consider global political structures within the international division of labour. Her stance argues for the recovery of geopolitics in analysing issues affecting young people, a concern shared by this thesis.

In the same vein, Yates (2021) argues that the progressive deterioration of the material living conditions of young people has not been adequately analysed with the aid of crucial political economy concepts such as the 'value of labour power', which refers to the cost required to sustain a worker's ability to labour, including wages, living expenses, and other factors shaping their material conditions. This argument warrants closer examination. Yates argues that the prevailing business strategies and government employment regulations constitute a central determinant of youth employment conditions, and what can be inferred from this argument is that these determinants are not equally distributed across countries. With Appelbaum and Schmitt (2009), Yates distinguishes between 'low-road' and 'high-road' business strategies. Unlike the former, the latter is characterised by high levels of productivity resulting from the combination of industrial processes and technological innovation. Ultimately, both strategies result in distinct types of jobs, but while high-road strategies generate more productive and stable opportunities, these have become increasingly scarce, leaving the majority of young people with degraded and deteriorated job options. This echoes the classification proposed by Esping-Andersen (1990) three decades before, in a context that he called the era of 'post-industrial employment', where there were 'good'

and ‘bad’ jobs. Examples of the former category include roles in managerial, professional, scientific, and technical fields. In contrast, the latter category consists of positions classified as ‘routinary’ or ‘menial’.

This body of literature calls for a reassessment of the prevailing economic and political arrangements, highlighting the apparent failure of global capitalism. For decades, it was unchallenged in its promise to provide full employment for all, including the young, a promise it has failed to fulfil (Bessant, 2018). Instead of fulfilling this promise, the current situation is marked by an excessive emphasis on the ‘supply push’, prioritising skills and education over strategies that promote industrial development and job creation (Irwin, 2021). From a core supply-side economics perspective it was argued that Keynesianism erred in stimulating aggregate demand through monetary policy, public expenditure, and government-led job creation. Instead, it posited that creating favourable conditions for private entities to invest and expand their productive capacity was essential since that would lead to an increased supply of goods and services (Ocampo et al., 2007). Therefore, the extensive deregulation that allowed for the unrestricted movement of capital, identified with neoliberal practices, directly stemmed from such assumptions. This emphasis on supply-side solutions proved insufficient in addressing the deeper structural challenges of unemployment and inequality, particularly for young people from less developed countries, as it overlooked the necessity of equitable and sustainable economic development.

Notably, the same warnings were foreshadowed by dependency theory fifty years ago. Although Prebisch (1962) did not specifically analyse youth, his notion of ‘deterioration of the terms of trade’, which explained how countries structured their development strategies around primary goods or industrialised products, already hinted at the types of institutional arrangements and welfare regimes that could be achieved and sustained. Given these considerations, this thesis advocates for the renewed importance of focusing on the ‘political economy’ in discussions about youth policy. It highlights the necessity to address global capitalism’s deep and persistent contradictions, previously elucidated through concepts like the ‘centre-periphery’ dialectic and the asymmetrical ‘international division of labour’. These frameworks help elucidate the varying degrees of inequities faced by young people across different countries, including the impact of truncated welfare regimes on youth policies. This connection is particularly relevant to

understanding the context in which the JCF emerged in Mexico, where the interaction of global and national factors shaped its design and rationale.

2.2.2 Neoliberalism

Several scholars have pinpointed the genesis of the ascendancy of market-centred ideologies in the Thatcher and Reagan administrations and the pivotal fall of the Berlin Wall in 1989 (Escalante, 2015; Harvey, 2007; Rizvi & Lingard, 2010). This shift signified a loss of popular backing and support for policy interventions based on Keynesian economic theories and a catalyst for the expansion of neoliberalism, including the rollback of social policies, excessive dependence on market mechanisms, and increased policies favouring corporatisation, privatisation, and commercialisation (Lipman, 2004). Perhaps the most significant implication of the shift was that while governments retained the ultimate authority to formulate and implement policy, the demands of the global economy severely weakened their power and influence.

A political programme that lay dormant for decades, originating from the Austrian school at the start of the 20th century, neoliberal views on society aimed to reestablish the fundamental principles of liberalism in opposition to the ‘collectivist’ zeitgeist embodied by socialist and fascist movements in Europe. However, the revived neoliberal ideology differed subtly from traditional liberalism in key ways. First and foremost, neoliberalism prioritised economic rights over political rights, based on the simplistic assumption that the market, via the price system, was the optimal allocator of resources and distributor of information. These ideas would find enthusiastic reception amidst the decay of Keynesian ideas and the Welfare State due to the global stagflation crisis and the expansion of public debt during the 1970s and 1980s (Streeck, 2016). Escalante (2015) argues that the social discontent with the inflationary crisis coincided with the rise of neoliberal views that encountered a receptive audience open to anti-bureaucracy and anti-public sector ideologies.

Given the variety of definitions of neoliberalism proposed by numerous authors, it is worthwhile to review some of these, considering neoliberalism as a foundational ‘policy paradigm’ (Madariaga, 2020). Hall (1993, p. 279) provided a classic definition of policy paradigm, which refers to a ‘framework of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them but also the problems they are meant to be addressing’. From this view, it follows that changes in policy paradigms are not the result of isolated rational reflection or social solution-seeking processes but of explicit political processes,

which opens the possibility of punctually tracing the origins of paradigm emergence and consolidation.

In this sense, Ban (2016, p. 10) defined neoliberalism as a ‘set of historically contingent and intellectually hybrid’ economic ideas and prescriptions from neoclassical economics, monetarism, and supply-side economics that aim to increase the power of markets and corporations in the allocation of goods and services, while sidelining state interventions. One of the leading critics of neoliberalism defined it as ‘...a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterised by strong private property rights, free market, and free trade’ (Harvey, 2007, p. 13). Therefore, neoliberalism can be considered an ‘ideology’ a ‘policy paradigm’ as well as a broader ‘political economy of development’ (Escalante, 2015; Novelli et al., 2014). Therefore, per this theory, state activity should be restricted to preserving the institutional framework capable of sustaining those practices. For Madariaga (2020), neoliberalism is the current hegemonic paradigm whose three primary features include the amplification of globalised free markets, trade liberalisation and deregulation that ensued from the decline of advanced capitalism in the 1970s. According to this author, neoliberalism has led to the reconfiguration of class relations beyond the traditional borders of nation-states and the restraint of political actors from altering neoliberal trajectories, which Madariaga referred to as ‘neoliberal resilience’.

Many critics argue that neoliberalism lacks a robust theory of development, in part due to its reliance on the Ricardian concept of ‘comparative advantages’—which has been extensively challenged by dependency theorists—and its emphasis on the contentious ‘trickle-down effect’ (Arndt, 1983; Wieland et al., 2016). This postulate suggests that benefits accruing to corporations and the economic elite will eventually spread to all population segments, a notion widely disputed in economic discourse. For instance, Akinci (2018) recently found such an assumption false in more than sixty-five countries, where transfers from the poor to the rich were more common than the reverse.

Contrary to the constructionist trend in social sciences, which since the 1960s increasingly advocated for the relevance of context to explain social phenomena while distancing itself from positivist explanations that sought universal validity, both neoclassical economics and

neoliberalism remained intrinsically faithful to the quest for mechanical, universal, and formulaic answers to economic and social phenomena. While Keynesianism views economic systems as having emergent properties that result from the interaction of the whole and transcend the study of individual cases, neoliberalism relies on explanations seeking context-independent general validity. For these reasons, neoliberalism can be understood as ‘neoclassical economics turned into ideology’ (Escalante, 2015, p. 71).

Supported by a vast network of IOs, think tanks, and massive media, through a display of both hard and soft power, and bolstered by the absence of significant political alternatives in the West, —partly due to the Cold War environment—, neoliberal ideas came to dominate the global political and economic mindset. This process was primarily driven by Reagan in the USA and Thatcher in the UK throughout the 1970s and 1980s (Harvey, 2007). From this juncture onwards, the creed of the market as the ‘supreme allocator of resources’ became paramount in the quest to reduce state intervention and privatise strategic public firms and sectors (including education), a trend which continues to the present day (Bonal et al., 2023; Heyneman, 2003). Neoliberal ideas portrayed the public sector as inherently corrupt and inefficient, a view that became widely accepted as commonsensical. Hence, the central argument for privatisation was predicated on the ‘efficiency argument’, that is, the belief that the market would be a superior resource allocator regardless of the nature or specificity of social needs (Escalante, 2015; Harvey, 2007). However, empirical evidence at the global scale fails to support this assumption, rendering it a fragile premise and an ideological precept.

A compelling critique against this intellectual programme arises from a materialist and historicist perspective, which underscores neoliberalism’s failure to provide a genuine and cohesive theory of progress suitable for ‘peripheral’ or less industrialised countries. Consistent with its claim that no mechanism is more efficient than the market, neoliberalism never saw a need to articulate such a theory. If the architects and beneficiaries of neoliberalism had acknowledged that poverty and underdevelopment are partly rooted in historical factors such as colonialism, their perspective might have taken a fundamentally different shape. These historical factors distorted the economies of many countries through externally imposed systems of production, organisational structures, and unequal exchanges over centuries. Recognising this challenges the belief that social problems

are natural or spontaneous, as neoliberal doctrine often asserts. Such a recognition remains central to many subordinated local efforts to foster a reevaluation of the global order.

Now, it will be argued throughout the thesis that the hegemonic nature of neoliberalism makes it difficult to simply regard it, along with its associated assumptions and theories, as just ‘another paradigm’ shaping global policies. Instead, the argument that ensues is that any political economy framework that aims to be receptive and conscious of the role of ideas and frames that accompany policy choices needs to recognise that neoliberalism has unique qualities if compared with incidental frames or narratives that may have been employed on a one-to-one basis to justify specific policies. This caveat is relevant in the light of the VoC literature, which often assumes a coexistence of institutional configurations across national settings while overlooking how neoliberalism structurally undermined and relegated alternative approaches to economic organisation and social welfare, reinforcing its dominance as a global paradigm (Beramendi et al., 2015b; Bogliaccini & Madariaga, 2020; Hall & Soskice, 2009; Hall & Soskice, 2001; Lauder et al., 2008; Madariaga, 2018).

For the VoC approach, neoliberal capitalism is ‘just one of at least two successful varieties of advanced capitalist political economy’ (Madariaga, 2020, p. 22). While conceding that ideas alone cannot constitute the source of neoliberalism’s resilience and prevalence, it can be argued that material factors are primarily responsible for perpetuating conditions that lead to the deterioration of the quality of life and prospects for young people globally. These include increasingly ineffective labour institutions and minimum wages, which thwart opportunities for upward social mobility. However, the limitations of VoC approach lie in its analytical inwardness, as it tends to overlook the role of international political economy in restricting both the quantity and quality (i.e. formal versus informal, low versus high specialisation) of jobs available in a given country (Bogliaccini & Madariaga, 2020). Madariaga (2019) further argues that an analysis cannot be truly political-economic if it focuses solely on institutional factors while neglecting the global structural dimensions of the international labour division and the local political and ideological conflicts.

2.2.3 Human Capital Theory

The theory that has implicitly underpinned most dominant, mainstream policy elaborations in the fields of education and development in Western countries since the post-war period is the Human Capital Theory (HCT). Developed by rational choice economists in Chicago during the 1960s,

HCT is widely regarded as the cornerstone of education policy discourses worldwide (Gillies, 2015). The book 'Human Capital' by Becker (1964) is its seminal work, investigating the consequences of education on the lives of individuals and the overall economy. A central tenet of HCT is that education functions as an investment that yields returns for both individuals and nations in the form of job creation, higher incomes, and national economic growth. The gist of HCT was that it placed education at the centre of modern capitalist societies, but only as subordinate or instrumental to economic growth.

An example of the expansion and embeddedness of HCT within the international development discourse is captured by the OECD's definition of 'human capital' as 'the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic wellbeing' (Healy & Cote, 2001, p. 18). The HCT model assumes individuals with higher qualifications will contribute more effectively to the economy while improving their family economic situation through higher incomes. As Gillies (2015) argues, HCT positions education as both an individual and public good, suggesting that the returns on education are beneficial at both personal and societal levels. The alleged mechanism underpinning HCT suggests that individuals increase their productivity and market value through enhanced human capital acquired via training and schooling (Delsen & Schonewille, 1999). At the same time, the broader economy is assumed to benefit from the job creation and innovation that accompany these advancements. Nonetheless, such a mechanism does not come without contention, as it has been critiqued for oversimplifying the relationship between education, skills, and social outcomes. Valiente (2014, p. 42) states that 'Human capital orthodoxy sees education and skills as the solution to exclusion and social justice problems. Providing the unskilled with skills is, therefore, seen as an antidote to unemployment, thereby eradicating poverty'. It follows that HCT is deeply ingrained in various domains of public life, including education, qualifications, and skills formation.

At this point, it becomes evident that Becker's notion of human capital overemphasised the role of individuals *vis-à-vis* the context, an idea which swiftly became commonsensical across national and global policy circles. His study erroneously surmised that countries with sustained economic growth had done so mainly due to educational advances. Surprisingly, his analysis omitted the role of geopolitics, trade agreements, and colonialism, amongst many other historical and structural considerations. One dire consequence of this oversight is that it allowed for social inequalities to

be framed, to a certain extent, as the result of individual factors, namely personal ‘decisions’ and ‘choices’. However, it should not be assumed that we stand before a naive or trivial omission. Gillies (2015) contended that the overemphasis on educational investments could be understood as a consequence of the growing pressures to reduce private training costs, transferring them to the public education system. This hypothesis appears plausible given that most advanced capitalist countries either provide free public education or offer it at subsidised rates that ultimately benefit private capital through lenient student loan programmes, with the USA being a notable example.

Bonal (1998) argued that if, under HCT, knowledge and skills possessed an intrinsic economic value in the labour market beyond the broader social structures and institutions, the border between capital and knowledge becomes so blurred that it is impossible to explain social inequality. Since it would not be viable to determine whether inequalities are the logical result of the individual seizing of opportunities, or the natural expression of divergent personal preferences, this belief remains contentious. Equally questionable, in his view, is the confidence of HCT’s proponents in the spontaneous redistributive function of educational investments. For Bonal, the persistence of selective mechanisms that maintain a strong association between social origin and educational attainment undermines this argument. Without meaningful access for the most disadvantaged social classes, the redistributive effect of education vanishes, and with it, the egalitarian claims of the HCT.

The controversial implications of HCT assumptions elicited numerous critiques since its global inception. Tan (2014) presented a holistic overview and critique of the theory from various perspectives, including methodological, empirical, practical, and moral caveats. First, since the theory has its origins in the neoclassical economic school of thought, it went on to assume that individuals seek to maximise their economic interest. As a result, the theory relies on two central doctrines: ‘Methodological Individualism’ (MI) and ‘Rational Choice Theory’ (RCT), both of which have been criticised from numerous fronts. MI assumes that social phenomena can be reduced to individual behaviours and actions, while RCT aims to provide a model to understand and predict human economic behaviour.

A critical objection to MI arises from ‘methodological holist’ positions, according to which social phenomena are irreducible since they are a product of deeply ingrained social, cultural, and environmental factors often situated above individual consciousness. Extensive educational

research has shown the limitations of MI and RCT from theoretical and empirical standpoints. Some studies have shown how personal education decisions can be affected and limited by many individual and social existing factors beyond the tenets of both doctrines, such as cognitive abilities, soft skills, perceptions, and habits (Duckworth, 2016; Heckman et al., 2000), as well as by peer pressure, parental expectations, and even the desire for independence from the parental home (Jenkins et al., 2001) and the social class of parents (Marks et al., 2003). Furthermore, it is not evident that investment in human capital will consistently result in positive national economic impacts. In the globalised economy of present-day capitalism, weaker economies frequently witness foreign investments shifting to countries with lower labour costs. Moreover, their skilled workers tend to migrate towards economies offering better opportunities, thus severely undermining any economic benefits that might have arisen from education.

Another critique of HCT at the macro level is the absence of a strict relationship between the education levels and the productivity of nations. Mass education has not necessarily led to mass production (Tan, 2014). While education may on average increase personal returns, it does not inevitably translate into socio-economic returns. This counterintuitive phenomenon has been termed as the ‘micro-macro level paradox’ (Pritchett, 2001). Pritchett (2009) showed how, despite the considerably increasing schooling rates in several low and middle income countries, including Mexico, El Salvador, Bolivia, Jamaica, and Peru, between 1965 and 2000, those countries did not witness commensurate aggregate production levels. One explanation for this phenomenon is the incapacity of labour markets to absorb the rapidly increased supply of educated individuals (Gonzalez & Oyeler, 2011). In such circumstances, traditional rent-seeking activities such as monopolistic practices, corruption, lobbying for favourable regulations by elites, resource extraction without reinvestment, manipulation of land rights, and the prevalence of precarious employment constrain the development of good quality jobs for highly educated individuals (Bogliaccini & Madariaga, 2020; Mehlum et al., 2006).

Another crucial criticism against the HCT paradigm is that by portraying education as a universal remedy for social and economic issues, especially in political discourse, it over-glorifies the potential of education, hiding the true structural causes of inequalities. Responsibility is hence shifted to individuals and their personal ‘investment’ decisions. These critiques are often grouped under the banner against the ‘educationalisation of social problems’ discourse (Depaepe &

Smeyers, 2008; Puiggrós, 1994; Tröhler, 2013). This discourse often emphasises aspects like the ‘right’ skills, ‘competencies’, or ‘credentials’ as essential for individuals to navigate the increasingly challenging labour market conditions (Livingstone, 2019; Wheelahan & Moodie, 2022). Esping-Andersen (1990) provided a remarkable explanation of the origins of the modern ‘educationalising’ processes that were to underlie the early social policy orientations of the early welfare state in mid-20th century Europe:

‘Reform liberalism was not prepared to open escape routes from the market, only to take steps to reduce its social pathologies and to realign individualism to the new reality that society was organised in collectivities. The liberals’ favored social policy reflects this new logic. Help to self-help was to be nurtured via mass education and sponsored equal opportunity.’ (Esping-Andersen, 1990, p. 63)

Furthermore, in light of global imbalances between supply and demand for skills caused by technological changes and trade relations within global capitalism, there is growing social discontent over the ‘broken promises of education’ (Brown et al., 2011). This concept highlights how rising levels of educational attainment have failed to deliver better jobs, economic security, or upward mobility for increasingly educated generations. Despite these global challenges, individualist narratives persist in governmental policies as well as in broader social discourses and imaginaries. This is evidenced by a statement from the Netherlands Ministry of Culture, Education and Science cited in (Coffield, 1999): ‘All people, young and old, are firstly and naturally responsible for themselves. You have to learn how to take care of yourself, and therefore you must want to acquire the knowledge and skills to do that. Those who do not take part will be reminded of their responsibilities’. In a recent discussion on the future of education led by the United Nations Educational, Scientific and Cultural Organisation (UNESCO), Buchanan et al. (2020) emphatically argued that contrary to the positions characterised by an underlying ‘educational optimism’ and ‘education gospel’, education must be freed from that quasi-omnipotent role that has been attributed to it in the fight against poverty, inequality, and the generation of new jobs: ‘Education cannot make up for inadequacies in other policy domains that have caused and continue to cause declining job quality as well as mass unemployment and under-employment’ (Buchanan et al., 2020, p. 3). Such critiques highlight the limits of education as a panacea for poverty and inequality, underscoring the need for broader structural policy changes.

Instead, these inadequacies and responsibilities stem from the presence or absence of productive and industrial development policies, as well as the role of geopolitics and each country's economic integration into the global economy. This critique calls for an end to conceiving education and training as scapegoats for the lack of effective national development strategies. By shifting the focus solely to individual responsibility, such narratives obscure more relevant discussions about the state of economic and productive structures and the political factors that shape them. In line with these warnings, a crucial concept for understanding education or skills' limitations for development is 'labour demand'. For Buchanan et al. (2020), this concept can be defined as the demand from businesses and organisations for workers. Labour demand is determined by diverse 'demand-side factors' (McQuaid & Lindsay, 2005), which primarily include macroeconomic and industrial levels, production-consumption flows, local and foreign investments, and trade balance. For this reason, even the best education systems cannot rectify shortcomings in labour demand that result in a scarcity of good-quality jobs. Similarly, for Brown et al. (2020), the main issue with modern capitalism is not the shortage of relevant skills but the lack of good-quality jobs. Hence, in an ideal scenario, education and training systems should seamlessly integrate into countries' broader industrial, social, and economic policies.

While acknowledging education's economic value, these critical perspectives emphasise that economic growth, development, and labour market restructuring are prerequisites for education and TVET programmes to drive social betterment (Allais, 2022). In this argument, the supply-demand dichotomy represents the difference between the causes and consequences of a phenomenon. Education and skills formation systems are often unjustly blamed for hindering development when they are consequences of broader political and economic factors. Hence, it is crucial to analyse the reasons that precede and influence the political economy of social policy adoption. From this perspective, policy designs may either overlook the limitations of education to improve social conditions or, conversely, acknowledge and incorporate them into their 'theories of change' (Blamey & Mackenzie, 2007; Weiss, 1995). As explored in this research, the JCF policy adopts a unique rationale that emphasises on-the-job training while sidestepping the historically pervasive influence of HCT on such policies by forgoing engagement with traditional education and training systems.

A premise in this study is that when apprenticeships and other active labour market policies (ALMP) aim to support disadvantaged youth, they inevitably intersect with other poverty alleviation and development efforts. Political economy literature tends to criticise the notion that supply can create its own demand for goods and services (Say's Law). In this vein, it is misleading to assume that improving job seekers' skills and capabilities would automatically generate their own good quality jobs. Instead, this could lead to higher levels of unemployment or self-employment, which has been termed the 'Kerala Effect' (Amsden, 2010). The limitations of supply-side (or bottom-up) policies are evident in the fact that, despite widespread implementation of poverty alleviation programmes globally, there has not been a corresponding increase in job creation, even in developed countries (Ocampo & Sundaram, 2007). Additionally, the supply-side approach relies on the crucial assumption that profitable investment opportunities exist even in the poorest regions of the world. The recent success of China and Taiwan highlights the potential of state-led agricultural businesses and small and medium factories for broad sectors of the working class. This suggests that demand-side policies can be more effective in developing countries than the over-glorification of training programmes for impoverished workers. Hence, the challenge remains similar to that identified by dependency theorists over fifty years ago: creating opportunities for developing countries to produce and transform goods through state-led industrial policies and value-retention mechanisms (Lebdioui, 2020).

To sum up, HCT has been a crucial framework through which neoclassical economics has established dominance and influenced global educational and development policies since the post-war era. Despite its shortcomings, HCT has become a hegemonic, almost uncontested paradigm in development and education, rendering the latter a mere instrument of productivity. Several factors explain its rise including the trade liberalisation and rapid expansion of global capitalism in the 1980s (Dale, 2005; Escalante, 2015; Valiente et al., 2021). Additionally, IOs like the WB, the IMF, and the OECD have been successful in promoting and politically introducing reforms that have led to the rapid expansion of the HCT doctrine and the standardisation of education and training systems (Bonal et al., 2023; Heyneman, 2003). In a way, the 'educationalisation of social problems' is a result of this doctrine. As mentioned, this ideological position erroneously attributes socioeconomic issues to educational shortcomings ignoring the political and economic structural constraints faced by countries (Depaepe & Smeyers, 2008; Tröhler, 2016; Valiente et al., 2020a). This stance has become an almost insurmountable foundation for problematising youth issues and

developing commensurate policies that escape its ideological underpinnings. This tendency to prioritise educational reforms as solutions to complex social issues beyond the education and training realms is contested here as it overlooks the broader political and economic factors driving such challenges.

The proliferation of these notions transcends mere theoretical and ideational levels, legitimised by concrete mechanisms employed by IOs and national governments. Research in LATAM has verified the means of diffusion that have successfully positioned the HCT creed. Rambla and Verger (2009) showed how IOs like the WB and IADB have financed and promoted education and training interventions as means of teaching disadvantage population to overcome adversity by their own means. Through discourse analysis in Chile and Argentina, they found these assumptions deeply ingrained in local policy documents and in the very ethos of public officials and citizens alike. Likewise, Escalante (2015) argues that in Mexico, the rise of neoliberalism to orthodoxy equalled the elevation of all sorts of individualist assumptions to common sense status.

Beyond political-ideological opposition, other authors have highlighted the tangible barriers faced by countries with precarious positions in global markets. Piketty and Goldhammer (2014) argue that both developed and developing countries face increasing labour market inequalities, primarily driven by the asymmetry between economic output rates and capital returns. This disparity renders inequality within countries virtually insurmountable. Concurrently, automation, information technology, artificial intelligence, and other trends, are fragmenting traditional labour market structures (Rifkin, 1995, 2014). This shift generates additional uncertainty for developing or peripheral countries that have structurally lagged in the economic-technological sophistication race. Most upskilling training policies in middle-income countries (MICs), promoted by IOs and national governments, seem impervious to these considerations. They adopt a ‘productivist’ growth perspective, implying that a skilled labour force, even if underemployed and facing severe conditions, will be capable of attracting long-term investment. Ultimately, this critique is not levelled against education and skills investments, but against the complacent assumption that economies will perpetually expand in response to an increased availability of human capital.

2.2.4 Dependency Theory

Several scholars argue that Dependency Theory (DT) emerged as an intellectual reaction against Modernisation Theory (Harvey, 2005; Katz, 2022; Novelli et al., 2014). Modernisation Theory

held that development barriers were primarily internal to countries and advocated for a staged development model based on developed nations' experiences, particularly the U.S., which were assumed replicable by other countries through the correct set of policies. DT focused on understanding the causes of economic backwardness causes and the subordinate position of 'peripheral' countries (most of the Middle East, Africa, and LATAM) in the world economy, as opposed to 'core' countries (mainly the US and Europe) from the 'global north' (Wallerstein, 1974). The present-day 'peripheral' or 'semi-peripheral' status of Mexico and countries in LATAM still warrants the joint treatment and analysis of national policies undertaken in this thesis.

Another reason for joint analysis of Mexico and LATAM is their shared 20th century historical experience of sociopolitical turmoil between 'bourgeois-democratic' versus 'revolutionary-nationalist' political projects and development strategies (Katz, 2022, p. 27). In Mexico and Argentina, hegemonic parties like the 'Partido Revolucionario Institucional'¹ (PRI) and Partido Justicialista² dominated national politics through 'corporatist' practices that adopted incrementalist approaches to social rights for political legitimation and social integration purposes (Arnové & Torres, 1995; Vommaro & Combes, 2019). These strategies consolidated massive popular support despite prevailing class inequalities that led to profoundly flawed welfare regimes for most of the population. In Mexico, President Cárdenas' oil industry nationalisation in 1938 was the most significant nationalistic milestone, which would support two decades of Import Substitution Industrialisation (ISI) strategies.

Katz (2022) highlights several DT strands influenced by Marxist, liberal, and developmentalist ideas relevant to this research. The Marxist perspective has most profoundly impacted LATAM critical thought, primarily through the works of Marini (1977), Dos Santos (1970), and Bamberger (1983). The 'developmentalist' tradition, to ECLAC's establishment, was significantly influenced by the ideas of Prebisch (1962). Prebisch critiqued the 'the deterioration of the terms of trade', emphasising imbalanced exchanges in global markets between raw materials from 'peripheral' countries and manufactured goods from 'central' economies, and their long-term consequences for the former. The Prebisch-Singer hypothesis asserted that commodity prices tend to decline long term relative to manufactured goods, and that manufacturing creates stronger linkages for

¹ Revolutionary-Institutional Party

² Party founded and led by Juan Domingo Perón, which laid the foundational principles of 'Peronismo', a significant political and social movement in Argentina.

technological progress (Ocampo, 2020). A third generation of DT authors primarily represented by Fernando Henrique Cardoso (Brazil's president from 1995 to 2002), acknowledged the potential for achieving development through neoliberal measures. This explains why orthodox HCT postulates were promoted not only by neoliberals but also by social democratic parties, in both Europe and LATAM. This situation makes the scope of DT particularly appropriate for examining LATAM's economic and welfare regime systems, as well as the types of youth interventions and policy orientations that emerged during the neoliberal stability period, broadly from the 1980s to the 2008 global financial crisis (Draibe & Riesco, 2007; Segura-Ubierno, 2007).

DT represented a crucial global critical tradition, enriched by economists and social theorists like Gunder Frank, Paul Sweezy, Paul A. Baran, Ernest Mandel and Samir Amin (Katz, 2022, p. XIII). Dependency theorists were largely inspired by Marx and later Marxists such as Lenin, Rosa Luxemburg, and Trotsky. A shared Marxist notion among them was that since more productive labour received higher world market remuneration than less effective labour, this pattern reinforced economies with advanced technologies, thereby hindering the industrialisation of peripheral countries. Countries that gained independence later faced deeper levels of underdevelopment, as seen in comparisons between Japan and India or Germany and Poland. Lenin extended Marx's idea, describing non-industrialised countries' situation as 'complete suffocation' (McDonough, 1995). Lenin's 1917 concept of 'imperialism as the highest stage of capitalism' argued that powerful central countries reached the imperialist stage through protectionism, financial hegemony, foreign investment, and monopolies (Katz, 2022).

Rosa Luxemburg explained that the most significant global imbalance resulted from the fact that large economies were so productive they could not place all products in their internal markets, forcing them to export surpluses to colonies and the periphery (Katz, 2022). Trotsky's 'unequal and combined development' concept positioned underdeveloped regions right within international capitalism. His theory laid groundwork for understanding economic globalisation and the international division of labour, especially through the notion of 'structural heterogeneity'. Widely used in LATAM, this notion articulates the region's unique economic circumstances of being in a subordinate global position while presenting moderate economic growth rates in some regions. Despite internal differences, LATAM remains one of the world's most unequal regions (Lebdioui, 2022). Thus, classical political economy concepts from various critical thought currents can still

shed light on the causal forces perpetuating the high poverty levels, informality, and inequality in LATAM.

Amin's 'unequal conditions of exploitation' concept is also relevant since it describes how the value is transferred from the periphery to the centre through wage differentials underpinning the 'maquila' model that emerged in the late 1970s (Katz, 2022). Mandel concurred with this critique, noting that disparities in production costs would exacerbate the centre-periphery differences. This notion carried significant implications, implying that despite the productive unification and standardisation amongst countries, this model would not lead to uniform development across regions. Dos Santos (1998) challenged modernisation theory, arguing that LATAM's role as a primary goods exporter (mainly agricultural and mining) in the world economy constituted an insurmountable development obstacle, also precluding convergence with advanced economies' welfare regimes. Marini concurred in rejecting the possibility of peripheral countries overcoming underdevelopment through reforms or corrective measures (Ghosh, 2019).

A common thread within the extensive DT and developmentalist traditions is the strong opposition to the concept of 'comparative advantage'. This principle, central to neoclassical economic theory, suggests that countries should specialise in producing goods with lower opportunity costs, positing this as the primary pathway to development for underdeveloped nations. Instead, authors in this tradition tend to advocate for government 'big push' industrialisation strategies (Sanchez-Ancochea, 2007) or 'infant industries' protection measures, a practice proposed by Alexander Hamilton that laid solid foundations for American industrial development and global hegemony. Nevertheless, despite having been an influential and original school of thought in LATAM, the 1980s witnessed the aggressive 'neoliberal' thrust, promoting 'free markets' and curtailing state intervention. As explored next, the impacts of this doctrine persist today in the region's specialisation in primary goods production and exports, paired with minimal industrial exports (Plehwe, 2009). Patents and technologies of these industrial goods systematically transfer surplus to central economies, widening the global divide.

DT was a fertile source of intellectual debate on LATAM's underdevelopment causes and future prospects. The gist of the theory was to answer how far modernisation processes could advance the region through industrialisation, foreign investment, local business coalitions, and institutional-democratic progress. While some, like Cardoso, were optimistic that development

would materialise through the correct application of economic policies, most authors in this tradition remained sceptical about the region's prospects under the global market economy. Their usual stance was that even though some economic growth could be achieved, it would never match the self-sustaining development of advanced economies (Dos Santos, 1998; Katz, 2022).

Other authors argue that education and training systems in dependent-peripheral countries often reflect the needs and interests of central-developed countries rather than addressing local ones first (Griffiths, 2010). This situation tends to produce a labour force that meets the requirements, standards and curricula of development models subservient to global market demands, such as basic manufacturing or raw material extraction (McMichael, 1996). This subordination results in a structural incapacity to foster self-sufficient and diversified economic activities based on value-added and industrialised goods (Ghosh, 2019). This pattern is evident in Mexico and much of LATAM, where neoliberal de-industrialisation strategies have had significant impacts.

While most DT research focused on the core-periphery dichotomy, few authors have explored and compared the structural and institutional determinants of dependency amongst peripheral countries, either within LATAM or beyond. Notable works include Schneider and colleagues, who have focused on LATAM (Schneider, 2013; Schneider & Karcher, 2010; Schneider & Soskice, 2009), while Greskovits (1998) and more recently, Madariaga (2020) have both compared Eastern Europe and LATAM. The following section reviews this scholarly work, focusing on the implications for welfare regimes and youth policies.

2.3 The Political Economy of Welfare Regimes

One of the consequences of the advent of the 'neoliberal consensus' from the late 1970s onwards was the decline of alternative interpretations that accounted for the subordinate and unequal insertion of countries in the world economy, so coherently and convincingly explained by DT and the 'world system' approach. Instead, this situation gave rise to the proliferation of 'institutionalist' explanations for underdevelopment. This topic has led to a significant surge in the study of VoC, primarily inspired by pivotal works on the subject by Esping-Andersen (1990) and Hall and Soskice (2001), who focused on the different institutional and political arrangements in Western capitalist welfare regimes. Haggard and Kaufman (2009) refer to the various policies that emerge across welfare regimes as the 'social policy mix'. This concept encompasses interventions including from pension systems to health insurance, poverty alleviation programmes, and even

ALMPs. It follows that youth policies and labour, training, and educational policies are integral components of a country's welfare regime. Since maintaining a welfare state requires maximising national revenue income, from a DT perspective the relationship between development paradigms and the types of social policies that governments can sustain, become an unavoidable aspect to be assessed.

Esping-Andersen (1990) provided a novel classification of 'welfare-state regimes'. Firstly, the 'liberal' welfare states (the USA and the Commonwealth countries) were characterised by the predominance of means-tested assistance and modest universal transfers and social insurance. Secondly, Austria, France, Germany, and Italy exemplified the 'corporatist-states', in which the granting of social rights through state institutions predominated. Finally, a less common regime type termed 'Social-democratic' is characterised by the promotion of equality through universalist programmes, mainly financed jointly by work and welfare institutions. Scandinavian countries exemplify this regime type, where the most comprehensive and universal youth policies are in place, ensuring that all young people under 25 are state-subsidised throughout studies and labour-transition pathways (Wallace & Bendit, 2009). Esping-Andersen also explored coordination strategies between public, private, and organised labour sectors, examining how the emerging social policies were transferring political power to the working masses. As 'liberal democracies' consolidated in the early 20th century, extending voting rights, this author argued that the burgeoning 'social wage', comprising labour benefits and institutional support, reduced workers' dependence on markets. This shift not only improved workers' bargaining power but also strengthened organised labour through increased political representation, collective bargaining rights, and institutionalised protections (Esping-Andersen, 1990).

Building on the shifts in workers' political power and reduced market dependence, neoliberalism introduced a persistent discourse that emphasised individual responsibility and self-reliance, which has spurred a substantial body of critical scholarly work on the political and ideational factors influencing education and skill formation systems. Hence, 'skills' have become a crucial concept that mediates the debate between institutionalists and more heterodox critical authors. Interestingly, the concept of 'skills' takes on different meanings depending on the national context, shaped by the roles and interactions of key social actors (i.e. employers, unions, and government) and their coordination mechanisms (Clarke & Winch, 2006; Lloyd & Payne, 2021). This variation

likely stems from skills being products of historical industrial struggles, or as Lauder et al. (2008, p. 25) state, ‘they are the product of conflict and compromise because the stakes relating to skill are those of ownership and autonomy for workers and/or employers’. Another interpretation links skills to countries’ capacity to add value in production, securing favourable positions in the international labour division that allow value extraction rather than the mere transfer through the provision of low-wage labour.

Estevez-Abe et al. (2001) proposed a valuable classification of skills: 1) firm-specific skills, 2) industry-specific skills, and 3) general skills. The first type is exemplified by highly specialised global firms such as Boeing, Toyota or Samsung. The German dual apprenticeship model exemplifies the second type, as it produces a workforce with industry-specific skills through coordinated training programmes that integrate vocational education with on-the-job experience across multiple firms within the same sector. Lastly, the third type is exemplified by product market strategies relying on low-skill production of goods and services. National economies align their skills reservoirs to maximise their particular ‘market strategies’. The authors argue that both employers and employees can equally value firm-specific and industry-specific skills since they benefit welfare institutions and the general national economic performance. Conversely welfare regimes developed alongside general skills strategies and poorly diversified economies, as in LATAM, have resulted in truncated welfare institutions and highly segmented systems with deeply insufficient coverage (Holland, 2018).

Lauder et al. (2008) argue that VoC approaches view differentiated firms’ strategies as provisional ‘solutions’ to problems in industrial relations, TVET provision, corporate governance and local market competition, which countries develop within the global capitalist economy. Although the discussion extends beyond education, employment, and youth policies, this approach can help identify and analyse key stakeholders and motivations behind institutional frameworks in Mexico and LATAM. Ashton et al. (2000) analysed national skills training systems, arguing understanding TVET systems requires comprehending the actors and interactions that surround labour organisation. Some primary stakeholders include political elites, the state, educational and training institutions, and employers (private and public). These authors also recognised the influence of global political factors in shaping various national skills provision strategies:

‘The government, depending on the geopolitical context within which it operates, the efficiency of its apparatus and the ideology and class interests of the ruling elite, helps regulate relationships which determine the delivery of education and training’ (Ashton et al., 2000, p. 13).

In an effort to characterise the various coordination arrangements between capital and labour, the authors proposed four models of national skill formation systems, summarised in the following table:

Table 2.1 Four Models of National Systems of Skills Formation

Model	Description	Example Countries
Market Model	Countries with a consolidated competitive advantage of the original development of industrial capitalism based on high value-added industries and a strong ethos of individualism that left the responsibility for skills training to employers.	Australia, Canada, New Zealand, UK & USA
Corporatist Model	Countries with ‘late’ modernisation compared to the market model, where the state played a central role in promoting industrial development, education, and skills systems, determined greater public involvement in economic growth.	Austria, Germany, Netherlands & Switzerland
Developmental State Model	Nations without significant endowments of natural resources opened their way into international markets during the post-World War II period, from specialisation in indigenous industries with high specificity levels.	Japan, Singapore, South Korea & Taiwan
Neo-Market Model	Nations that had state-led centralised economic development systems up until the 1980s, when the international crisis set them on the path of structural adjustments, open markets, and de-regulation of their economies.	Chile, Mexico, Brazil

Author’s elaboration based on Ashton et al. (2000).

Maurer (2012) highlighted the lack of theory-driven research on skills and training systems in developing countries, offering a complementary approach for comparing national systems. While Ashton et al. (2000) based their typologies on global political economy and industrialisation changes, Maurer emphasised the historical institutionalist approach stressing the relevance of

‘institutional path dependencies’ across time. According to this approach, transformations in educational and training policies do not always occur in response to exogenous changes (i.e. macroeconomic shifts) but also due to local interactions or ‘structural elaborations’ (Archer, 1996) between political actors and institutions which manifest in areas like industrial relations and wage and labour benefits bargaining (Busemeyer & Trampusch, 2012; Thelen, 1999). While low-value-added national markets generate demand for low skills, high-value-added national markets require intermediate and advanced skills. This strain of literature suggests that the main challenge for policymakers is to increase the coordination capacities between actors within an economy, rather than choose economic endeavours (Hall & Soskice, 2001, p. vi). In other words, from an education and vocational training standpoint, procuring the ‘right skills’ transcends individual and firm-level outcomes, profoundly influencing the trajectories of national economies (2001, p. 7).

From this literature’s perspective, social protection systems represent a coordination strategy between public and private actors. Estevez-Abe et al. (2001) argue that countries’ skills and labour market configurations greatly influence their welfare institutions. Polanyi (2001), in turn, contends that social policy can help reverse diverse market failures, especially those related to skills training. Contrary to Esping-Andersen’s view that social policy reflects a balance of power between organised labour and capital, Estevez-Abe et al. (2001) argue that welfare systems originate from the strength of organised capital (employers) to channel workers into specific activities and jobs. By comparing Germanic coordinated market economies (CMEs) with Commonwealth liberal market economies (LMEs), they conclude that lacking social protection pushes countries towards ‘general skills’ investment. Therefore, these authors claim that specific combinations of employment and unemployment social protection schemes influence the skill profile that emerges in a particular national economy (2001, p. 181). However, from a DT perspective, this would be only partially correct, as national market strategies largely precondition the type of actors, institutions, and economic activities that can emerge.

Dependency theory, with its emphasis on political-economic interdependencies, inverts the previous argument (Dussel, 2013). From a historical lens, the intricate network of industrial, commercial, and financial capitals reveals that early-industrialised LME countries, now specialising in commerce and finance, advanced largely through political means towards a general skills equilibrium. In contrast, CMEs in Europe continue to depend significantly on industrial

capital, advanced skills, and organisational strategies. However, this does not mean that institutional frameworks alone dictate the skills that emerge in an economy. As Busemeyer and Trampusch (2012, p. 23) observe, the specialisation patterns of capitalist core countries play a significant role in shaping these outcomes:

‘this association (types of employers coordination) must not be regarded as deterministic, if only because there is a reciprocal causal relationship between business structure and skill formation as production strategies and thus the survival of certain types of firms depend on the availability of different kinds of human capital’.

These authors also recognise that the rise of the services sector is central in explaining the downfall of apprenticeships and specialised training schemes, particularly in countries where the manufacturing industry no longer drives the national development strategies. Nevertheless, they retain a core institutionalist notion, assuming that low levels of youth unemployment, high-quality occupation skills and economic competitiveness may result from adequate institutional arrangements, as in the Germanic ‘collective skills training systems’, where both left and right parties have favoured skill formation and wage coordination (Iversen & Stephens, 2008). However, this perspective seems to overlook productive structural asymmetries in technology, patents, property rights that may initially hinder other countries from adopting similar collective institutional arrangements, as can be gathered from the following quote:

‘In countries where high-quality vocational skills are widely available, firms develop a competitive advantage in "diversified quality production" (Streeck, 1991) of high-quality manufacturing goods. These economic benefits contribute to the long-term political sustainability of collective skills systems...’ (Busemeyer & Schlicht-Schmälzle, 2014, p. 61)

Another contentious argument present in this strain of literature, is the assumption that greater employer-workforce coordination leads inevitably to significant economic benefits (Thelen, 2001). A counterargument is that if the value transfer from peripheral to central countries is overlooked, particularly the imbalances in primary goods exports versus industrialised imports, the analysis can result in a tacit ‘institutionalist’ fundamentalism that overestimates the relevance of local arrangements while downplaying global market structures. Even if the omission is not deliberate, it does not come as a surprise that most of this literature focuses on ‘developed

democracies’, neglecting or dismissing LATAM countries as ‘developing nations’ where the desirable institutional arrangements have not yet been developed.

Several authors working on the collective bargaining in continental Europe contend that institutionalised union power safeguards workers’ wages and job security, fostering cooperation and quality-focused market strategies with other economic actors (Busemeyer & Schlicht-Schmälzle, 2014; Busemeyer & Trampusch, 2012; Hall & Soskice, 2009). However from a dependency theory standpoint, this argument may be guilty of conflating cause and effect. In essence, attributing macroeconomic successes solely to union strength overlooks the role of historical interactions with countries that have benefited from value transfers from the periphery in shaping the advanced institutional ‘maturity’ of their welfare and labour systems. Katz (2022) explained these persistent contradictions through Lipietz’s work, which marks the initial shift from ‘Wallersteinian’ and ‘dependentist’ views towards the ‘theories of national capitalisms’. Lipietz (1992) rejected the idea of world polarisation, denying that countries had predetermined roles in international labour division. In his view, understanding the variety of national capitalisms required examining local contexts, elites, and institutions. For Katz (2022, p. 86), this position became the backbone of ‘Regulation Theory’, blending Marxism with Keynesian heterodoxy. This led to the emergence of ‘socio-developmental conceptions’ confident in the possibility of a redistributive capitalism, which ultimately placed excessive emphasis on institutional arrangements, as evidenced in modern strands of the VoC literature.

A recent body of literature addressing these themes, known as the ‘new political economy of skills’, emphasises how institutional factors shape the demand for skills in capitalist societies, criticising HCT and the ‘knowledge economy’ assumptions. Valiente (2014) argued that HCT and the ‘economistic views of education’ might as well work as interchangeable terms, both subscribing to a ‘productivist’ development model. This strain of literature is critical of how governmental understanding of the role education and training institutions should play within broader social development goals:

‘For human capital approaches, the phenomena of unemployment and underemployment are the result of problems in the supply of skills, mainly the quality of education systems and the low employability of individuals. On the other hand, the new political economy of skills tends to identify the low demand for skills and the lack of jobs requiring

qualifications as the main problem, shifting the responsibility for this situation from individuals and the education systems toward the state and firms'. (Valiente, 2014, p. 42)

According to this view, the HCT orthodoxy has been shaped by several policy frameworks dictated by IOs like the WB and the OECD, which have elevated education to a central role in economic growth. However, IOs rarely address issues involving unequal competition between countries, entry barriers to knowledge, and value-retention mechanisms, such as patents, technology, industry and property rights, all of which are needed to generate high-value jobs (Brown & Lauder, 1996), and consequently, as has been argued in the previous sections, to lay foundations for solid welfare regimes and social policies. The notion that the world economy is a level playing field where countries compete by acquiring and developing skills overlooks the global political, economic, and labour foundations that perpetuate and even worsen the current state of affairs (Zancajo & Valiente, 2019). Building upon these critiques, it becomes clear that relying solely on 'rights-based approaches' (RBAs) fails to address underlying political-economic structures influencing global labour markets. While critiques against the 'right to education' are crucial, no RBA sufficiently attempts to tackle systemic issues that perpetuate global inequalities. Valiente (2014, p. 43) argues: 'Political economists accept the importance of education and skills for economic development, but they question the dominant discourse because it overestimates the extent to which nations within the global economy can create mass high-skilled employment'.

Hence, this ideological puzzle extends beyond education to all economic sectors aiming to generate and retain value. A main takeaway for the purposes of this thesis, is that those productive sectors, which contribute to generate quality jobs and welfare institutions, are ultimately shaped by asymmetric relationships within the world economy and its international labour division. Summing up, the alignment of skill supply and demand within a country is influenced by its position in the global political economy as well as by local coordination factors. Valiente et al. (2020c) investigating the Chilean case, noted that international evidence shows markets rarely generate automatic balances between the supply and demand of skills (Anderson & Warhurst, 2012). In consequence, the transition to a high-skills equilibrium requires significant institutional coordination, which varies greatly across countries (Payne, 2008). The urgent need for coordination, especially in non-industrialised countries, makes discussing the centrality of the State inevitable, which also constitutes one of the central points of this study.

This thesis examines Mexico's youth policy adoption through political economy and welfare regime approaches, identifying research gaps in both theoretical frameworks. A first research gap is related to the limited number of studies exploring youth issues and policy responses, combining both frameworks. Most academic literature has focused on the differences between welfare regimes from industrialised countries, both from an economic and institutional perspective (Ashton et al., 2000; Bogliaccini & Madariaga, 2020, 2022; Bonoli, 2010, 2011; Busemeyer & Schlicht-Schmälzle, 2014; Busemeyer & Trampusch, 2012; Esping-Andersen, 1990; Lauder et al., 2008), as well as from a sociological perspective to youth studies (Bessant, 2018; Côté, 2014, 2016; Jacinto, 2010a; Sukarieh & Tannock, 2016; Wallace & Bendit, 2009). Nonetheless, some recent studies have begun to propose a political economy approach to youth issues in developing countries, including Mexico (Cervantes-Gómez et al., 2023; Murphy, 2017).

Another research gap relates to the conceptual disarray surrounding the diverse youth policies developed over the past three decades addressing youth issues (Wallace & Bendit, 2009). Terms such as 'policy innovations' and 'policy devices' (Jacinto, 2010a), along with categorisations like 'generations of youth policies' (Abdala, 2014), present a clear overlap with existing policy frameworks like CCTs and ALMPs. This thesis proposes treating youth policies as part of welfare regimes, or as an additional piece from the 'social policy mix' (Haggard & Kaufman, 2009), intending to reach broader theoretical implications. Since most youth policies, including the JCF, tend to amalgamate educational, training and social instruments, an effective analysis requires a deep understanding of the broader welfare institutions. The political economy literature aids in contextualising youth issues amidst broader institutional frameworks exceeding the narrow youth sectoral view. The next section delves into the paradigmatic model of social policy represented by the active labour market policies (ALMPs), from which a lot of youth policies have drawn inspiration.

Active Labour Market Policies

In this thesis, I argue that despite Mexico's structural and institutional economic particularities, the political rationales for the JCF youth policy align with those from some European Christian and Scandinavian social democracies. Esping-Andersen (1990) posited that a nation's ability to maintain full employment depends on several factors, notably the administration of 'Keynesian demand' (total demand for goods and services), the structure and negotiation capacities of labour

unions, and the existence of ALMPs. Unlike ‘passive employment policies’ that provide unemployment benefits and assistance, ALMPs traditionally have included job search services, training programmes, and work incentives aimed at developing a well-compensated workforce with adaptable skills (Rueda, 2007). Gingrich and Ansell (2015) argue that ALMPs involving training typically offer employers a subsidised workforce, supporting unemployed individuals in securing employment or increasing wages for those already employed.

Furthermore, Esping-Andersen (1990, p. 131) argued that the left power is a precondition for full employment, stressing the relevance of political ideology on social policy design. This argument coincides with Gingrich and Ansell (2015) who contended that historically, the left has appealed to a working-class and low-income population base implementing progressive redistributive policies, as opposed to the traditional ‘right’, which channels resources toward wealthier segments through regressive measures. Esping-Andersen (1990) contended that ALMPs were a common feature of social democratic regimes, aimed at achieving full employment. According to this author, Sweden was the first country to implement ALMPs, through the advocacy of trade unions, as an alternative to ‘income policies’ that aimed to stabilise wages and employment. The innovation lay in offering redundant workers a range of options, including partial retirement, part-time work, re-training, or a combination of these alternatives.

Expanding on Esping-Andersen work, Bonoli (2010) challenged the existence of rigid regularities in the political determinants of ALMPs. He contended that parties from a broad spectrum (e.g., social democrats in Sweden, Gaullists in France, Christian democrats in Italy, and coalition governments in Germany), with differing welfare systems adopted ALMPs. Bonoli argued that institutional arrangements, rather than political-ideological factors, better explained a country’s adoption of ALMPs. He noted that countries had tailored these policy instruments to their specific institutional contexts, rather than following a single ‘ALMP model’. This insight is crucial for this study. To categorise the various ALMP orientations, Bonoli proposed a useful typology comprising four types: 1) incentive reinforcement (conditionality); 2) employment assistance (job placement, intermediation); 3) occupation (job creation in the public or not-for-profit sector), and 4) human capital investment or upskilling (job-related training).

The shaping of ALMPs has historically reflected local partisan politics as well as regional and global macroeconomic contexts. Bonoli (2010) detailed the rise of ALMPs during the 1950s and

1960s, highlighting how central European and Scandinavian countries, in a post-war recovery context, were driven by the need to rapidly expand their skilled workforce, emphasising the importance of ‘upskilling’ through various institutions and programmes. However, in the 1970s when global oil shocks led to generalised unemployment, ALMPs shifted towards ‘occupation’ and ‘social insertion’ rationales, moving away from labour insertion for the unemployed, aimed at keeping them occupied, delaying the devaluation of their ‘human capital’ as much as possible. A typical occupation ALMP is the 1984 French TUC (*Travaux d’utilité publique*), implemented by a socialist government. The TUC aimed at jobless young people who were supported to carry out public utility works. Later on, during the mid-1990s, contrary to the exhausted ‘passive’ state aid welfare paradigm, ALMPs experienced an ‘activation shift’ focused on reintegrating unemployed workers into the labour market by enhancing their skills and employability (Biesta, 2006; OECD, 1996). Overall, during unfavourable labour market conditions, the common rationale behind ALMPs was the focus on specific occupations rather than broad generic upskilling. The following typologies synthesise the orientations of ALMPs in most OECD members, including Mexico and Chile.

Table 2.2 ALMPs throughout periods in OECD Countries

Period	Historic context	Objectives of ALMPs and Youth Policies	Examples of ALMPs
1950s-1960s	Rapid economic growth Import-Substitution-Strategies Labour shortage	Upskilling Structured human capital investments	Apprenticeships TVET Job-related vocational training
1970s-1990s	Sluggish growth Industrial restructuring	Occupation for jobless people	Public works Non-employment-related training programmes
1990s-2000s	Better economic and labour market conditions	Activation Employment assistance Reinforcement of work incentives	Job board and placement services Counselling Tax credits

Author’s own, adapted from Bonoli (2010).

All four ALMP types share the feature of conditional income transfers tied to programme participation. In the ‘upskilling’ type, the ‘apprenticeship’ is the most common policy. Besides formal apprenticeships inserted within formal TVET institutions, the private sector and NGOs usually manage informal apprenticeships. These programmes typically integrate part-time schooling and workplace-based training, usually relying on employer sponsorship. However,

sometimes governments also financed these training policies. Apprenticeships are renowned for effectively imparting skills and facilitating a seamless transition from education to the job market. One of the first definitions of apprenticeship was proposed by the International Labour Office (ILO), which highlighted the four key elements of workplace-based training: the participation of young people as apprentices; skill or trade learning as the main objective; predefined training plans, and a formal apprentice-employer contractual relationship (ILO, 1939).

Despite its broad original connotations, apprenticeships have recently and increasingly been associated with school-based learning, possibly to its proximity to TVET programmes. Most academic reviews on apprenticeships, mostly from industrialised economies, show positive results in employment rates and job stability (Ryan, 1998, 2012). Apprenticeships are also credited with broader economic and social benefits including a skilled workforce, increased innovation and productivity, and a general knowledgeable society (Steedman, 2012). Nonetheless, it is crucial to address common misconceptions about social expectations on apprenticeships. While developed countries with strong apprenticeship systems often show lower youth unemployment rates, such a correlation does not imply causation. As can be inferred from the previous review on ‘dependentist’ and ‘institutionalist’ theories, lower unemployment rates may only or mostly reflect pre-existing labour market conditions, unrelated to specific policy interventions. Furthermore, even in countries with robust apprenticeships, the number of apprentices far outnumbers the availability of apprenticeship positions in firms, sometimes by a hundredfold (Steedman, 2012). Therefore, although apprenticeships can be instrumental in disseminating the skills and abilities required by modern technological society, they alone cannot constitute the solution to youth unemployment.

Nonetheless, given the variety of workplace-based training and educational programmes that often overlap in both their rationales and designs, it is relevant to identify additional key features of apprenticeships. Clarke and Winch (2004) offered a more adaptable definition of apprenticeships as straightforward ‘learning that is based in the workplace’, stressing the relevance of actual training, and not just basic hands-on working that could easily be exploited as cheap labour. For these authors, a crucial challenge for apprenticeships is that although learning in these schemes has traditionally involved observation, imitation, and gradual participation, the increased theoretical, normative, and scientific demands of the modern economy jobs have undermined and

devalued the quality of positions accessible to apprentices. This situation poses a potential threat to the traditional social and economic benefits associated with apprenticeships.

The challenges facing apprenticeships led to the rise of ‘competency-based standards’, aimed at providing apprentices with strong theoretical underpinnings for their roles. However, while these certifications were justified by adherence to standards and theory integration, from a global perspective they did not necessarily improve job quality for apprentices (Clarke & Winch, 2004). Instead, a proliferation of ‘micro-credentials’ for gig jobs ensued (Wheelahan & Moodie, 2022), offering minimal improvement to the quality of life for young beneficiaries. This issue is particularly acute in middle- and low-income countries, where apprenticeships are often touted as solutions youth unemployment and informal labour (Raffe, 2011). Notably, evidence suggesting that standards and theory-based apprenticeships are less likely to degrade into exploitative practices largely originates in industrialised countries (Clarke & Winch, 2004), raising concerns about extrapolating these findings globally. Ultimately, as Ashton et al. (2000) argue, the balance between technical instruction and applied theoretical knowledge in apprenticeships depends on a country’s social and industrial relations.

Another common issue associated with apprenticeships is their purported vulnerability to market failures, particularly ‘poaching’, where trained apprentices are hired by other employers, causing the original employers to lose their training investments (Mohrenweiser et al., 2019). To address this, various financial arrangements have been implemented, mainly involving public subsidies through collective funding, which are reimbursed to firms offering training. The above is just one example of the fundamental importance of the collective organisation of apprenticeship systems, where regulations and the organisational strategies of employers’ associations can be decisive in the success or failure of such programmes. Ireland’s 1990s apprenticeship reforms exemplify a success policy adoption case, driven by the construction sector partnerships that recognised and addressed the need for specialised training (O’Connor, 2006). However, such results likely depended on Ireland’s strong employer associations and pressing sectoral skill demands. This case challenges overgeneralised claims about the benefits of apprenticeships, showing that demand-side factors such as political-economic negotiations amidst economic junctures tend to be crucial. This is coherent with the argument made earlier that apprenticeships tend to be more attractive to employers during periods of economic growth (Valiente & Scandurra, 2017).

After this review, it remains to ask why some ideas, such as the supposedly trans-contextual importance of human capital and specific policy designs, such as ALMPs and apprenticeships, have managed to predominate in the global public agenda as tools against unemployment (general and youth). This chapter has explored how the ideological framework of neoliberalism intersects with human capital theory, shaping a range of interventions adopted by countries across diverse contexts and circumstances. The following sections present a critical assessment and a summary of this chapter before moving on to the second part of the literature review, which focuses on how development paradigms condition the type of youth and social policies that can emerge.

2.4 Chapter Discussion

This chapter has reviewed several theoretical and conceptual frameworks conducive to analysing the adoption of the JCF youth policy from a critical perspective that accounts for political, economic, institutional, and discursive factors. Acknowledging the profound interconnection between economics and politics, despite political-ideological attempts to separate both fields, as seen in the neoclassical and neoliberal traditions (Madariaga, 2019), the literature reviewed integrates various perspectives that inform the political and economic underpinnings of this analysis. The chapter synthesises and integrates multiple theories and approaches, examining the political determinants of youth policies as integral components of broader welfare regimes, alongside education and skill formation systems, labour markets, and social policies.

The reviewed literature underscores the value of political economy to understand the emergence and adoption of youth policies, providing a comprehensive framework to examine both material (economic, political, institutional) and ideational (ideas, discourses) factors. The review identified useful concepts and academic debates on neoliberalism, human capital theory, development theories, institutionalism (i.e. VoC), welfare regimes and social policies, all of which underpin this research. Notably, a significant gap remains in the literature regarding how the international division of labour and supranational constraints shape welfare regimes and youth policies, while also driving the deteriorating living conditions of young people.

The HCT critique presented in this section shapes the proposed approach by questioning its main assumption that economic returns and growth will benefit both individuals and nations. Strict adherence to HCT assumptions fails to account for the complexities of economic realities, especially in contexts where economic growth does not keep pace with skills development. This scepticism is especially relevant, as such assumptions are often implicitly embedded within the rationales of most youth policies in the region under study, despite evidence to the contrary. The global uncritical embrace of HCT tenets, coupled with an overemphasis on supply-side factors at the expense of creating pathways and political strategies for skill development and high-value job creation, has catalysed the rise of profoundly ‘individualising’ discourses and policy designs. These discourses have, in turn, fostered distorted views on the role of welfare institutions, including ALMPs and social and youth policies. Consequently, there has been an overextension of unrealistic expectations about the actual impact social and training policies can have in

improving life conditions. Given these theoretical considerations and academic debates, the Mexican government's adoption of the JCF policy, which departs from HCT orthodoxy, provides a novel case study. This thesis aims to comprehensively analyse and elucidate the key material and ideational factors that have driven the recent adoption of this policy.

The significance of the neoliberal paradigm and dependency theory is self-evident, as both highlight the inadequacy of examining local policies, whether concerning youth or industrial development, without considering the relative position of countries within the global system (Wallerstein, 1996). Neoliberalism, conceptualised as a pervasive policy paradigm, has been the main factor behind the expansion and reproduction of both HCT and 'supply-side fundamentalism' assumptions. Dependency theory has also impacted education by proposing that educational structures and content can function as mechanisms to replicate centre-periphery relationships (Novelli et al., 2014). In this context, education and training can perpetuate ideological narratives that normalise or obscure various national and class inequalities (Bowles & Gintis, 1976). The review of dependency theory (DT) in this chapter highlights how global capitalism has relegated certain countries to the roles of primary goods providers, in a 'centre-periphery' dialectic, shaping and determining to a great degree, profiles of truncated welfare regimes and contributing to limited, low-skilled job opportunities. This guiding argument and critical concepts stand crucial for this thesis.

Moreover, the VoC literature, suggests that in a post-industrial employment era, nations autonomously choose and implement institutional arrangements that largely dictate their developmental trajectories. This notion is well exemplified by Esping-Andersen's quote: 'We are witnessing three divergent paths to post-industrial employment: each country is nested in its own peculiar dynamic of development' (1990, p. 214). One reason for contention in the literature is the excessive focus on 'central' or advanced capitalist countries. A critique can be derived from this overemphasised 'global north' focus in the literature on welfare regimes and VoC, arguing for a more comprehensive understanding of the external economic drivers and power relations that influence national development and institutional choices. Consequently there is a research gap regarding the insufficient study of the material and ideational determinants of welfare regimes and specific adoption of social and youth policies in low- and middle-income countries such as Mexico. Analysis often focuses on the Western European countries where the Keynesian welfare state

reached its most consolidated and refined stages. From a dependency theory perspective, the welfare conditions enjoyed by central countries were partially subsidised by the incoming transfer of value from the peripheral countries. As a result, the latter countries could not consolidate their welfare regimes before the neoliberal consensus from the 1980s was swiftly imposed.

Furthermore, while some VoC scholars recognise limitations in addressing the political economy of welfare, labour institutions, and skill provision, the approach notably lacks a comprehensive account of power dynamics and their influence on institutional outcomes, as Lauder et al. (2008) highlight. These limitations within the VoC literature underscore the need for a more nuanced understanding of the external economic forces and power relations that have shaped national development paths and institutional configurations. This perspective will play a crucial role in the deeper analysis throughout this thesis. Beyond offering two alternative interpretations, this literature review has highlighted a critical issue in development theory. Prevailing notions of development fail to adequately explain why traditional institutional pathways, particularly education and employment, often fall short in integrating the majority of the population, especially young people, into satisfactory life trajectories. This thesis builds on these insights by engaging with existing literature across education, labour, social policies, and welfare regimes.

In addition, the chapter reviews how several European countries, starting in the 1950s, were pioneers in formulating active labour market policies (ALMPs), in response to industrial-technological changes. These policies sought to train and employ workers facing redundancy in declining industries, and some of its core principles and rationales were rapidly expanded globally (Esping-Andersen, 1990). However, the uncritical application of ALMP-inspired interventions in peripheral poses significant challenges. For this reason, caution is advised when conducting comparative studies that make direct, context-independent contrasts between various national welfare regimes or skill training systems, for this approach often leads to significant issues of reverse causality.

Potential reverse causality explanations become apparent when considering the range of possible responses to the following question posed by Ashton et al. (2000, p. 13): ‘Why is it that in some societies, the state plays a more powerful role in leading the process of industrialisation (the ‘state-driven’ models) and skill formation, while in others its role is confined to providing a strong legal framework for capital and labour, leaving the capital to drive the process of economic growth and

skill formation...?'. An argument that follows the critical review from this chapter, is that countries with coordinated strategies leading to high-value-added job markets could do better attributing their economic success less to institutional arrangements and more to their historical status as central countries. On the contrary, the presence of predominantly low-value-added job structures in peripheral countries are explainable by historical factors such as colonialism, late industrialisation, and general subordination in the global system.

Delving into institutionalist frameworks, the classification of Mexico and Brazil as 'neo-market models' (Ashton et al., 2000), along with the critique of the deeply ingrained hegemonic presence of 'rentier elites' (Bogliaccini & Madariaga, 2020), offers a robust causal explanation for the persistently high levels of poverty, informality, and precariousness affecting young people. These countries have been influenced by neoliberal development strategies and HCT tenets, prioritising cheap labour, the economy's primary sector, and low-value-added industries. This situation partly explains that various leftist political projects in the region have started to critique these political-economic arrangements. This is evident in the leftist political-electoral shift in Mexico in 2018, which has markedly altered the national development strategies and policy orientations, including the adoption of the JCF youth policy.

The next chapter contends that a political economy approach to youth policy should acknowledge the fundamental material and ideational factors that shape the living conditions and opportunities of the youth in Mexico and LATAM. This recognition requires understanding the 'peripheral' or underdeveloped status of countries, attributable to concrete development paradigms and national market strategies they have adopted. Such politically mediated choices, it is argued, profoundly influence a country's labour informality and poverty rates, industrialisation profile, annual growth rates, and ultimately its position in the international division of labour. Recognising the impact of historical events on the current state of economic development, industrial relations, social policy, and educational progress can be instrumental in dispelling some myths about the role of education, training, or youth policies in economic development and social betterment. A fundamental principle of developmentalism, as noted by Allais (2022), is that countries achieve economic growth by transitioning from low to highly productive activities. Given that many national TVET systems emerged during periods of swift industrial growth, notably in Mexico and LATAM in post-war era, asserting that skill shortages in developing countries stem only from educational

deficits is overly simplistic. This perspective overlooks additional factors influencing these shortages, particularly the significant impact of broader development paradigms adopted by governments and their effect on consolidating a robust job market and welfare regime. This topic will be further examined in the following chapter, which contains the second part of the literature review, with a deeper application of the theories and frameworks examined earlier to the specific context of Mexico and LATAM.

The theoretical debates reviewed in this chapter underscore the importance of approaching heterodox youth policies with a nuanced perspective. Although the JCF does not neatly fit into either supply-focused (upskilling) or demand-driven (job creation) models, it introduces, as will be explained in detail, a hybrid rationale through a subsidised labour element that can encourage employers to hire young workers and strengthen their productivity. This form of ‘productive inclusion’ suggests that, while the JCF rejects the simplicity of a purely skill-based approach, it nonetheless gravitates toward a demand-side logic by supporting SMEs and potentially influencing their hiring decisions. By engaging with these conceptual tools, we can appreciate how novel social policies, emerging amidst significant political-ideological shifts, may occupy a conceptual middle ground, blending elements of both supply and demand-side logics, thereby revitalising both social and youth policy studies and debates.

CHAPTER 3 – NATIONAL DEVELOPMENT PARADIGMS AND YOUTH POLICIES ACROSS LATAM

3.1 Introduction

This chapter presents the second part of the literature review. Building on the theoretical and analytical implications of the previous discussion, this chapter identifies and analyses the origins, orientations, and developments of youth policies and their alignment with dominant development paradigms in Mexico and LATAM from the second half of the 20th century to the present. It examines how these paradigms have influenced key youth policies, including early institutional developments in education, training, labour, and social spheres. The analysis also identifies prototypical policies implemented in the region and highlights the shared characteristics of truncated welfare states (Holland, 2018). This historical and contextual examination is crucial to understanding the factors that led to the adoption of the JCF policy in Mexico, as this thesis focuses on the relationship between development models, welfare regimes and social policies.

The main section of the chapter is organised into three primary phases. The first phase covers the three post-war decades in LATAM, marked by ISI strategies and accompanying institutional advances. The second phase, lasting until the 2008 Global Financial Crisis (GFC), encompasses nearly three decades of neoliberalism, characterised by human capital investments, upskilling rationales, and state retrenchment. The third phase, roughly spanning from the 1990s to present days, is characterised by a proliferation of youth policies incorporating multiple rationales including upskilling, social justice, rights, and human capabilities approaches. The JCF policy falls within this last phase. Finally, the chapter discusses the reviewed literature and its implications, particularly in understanding the evolution of youth policies in the context of broader development paradigms.

3.2 Development Paradigms and Youth Policy in LATAM

So far, the argument has been made that understanding and analysing youth policies requires situating them within a specific national context and a continuum of pre-existing institutional arrangements. This includes existing welfare regimes and national skills training systems, particularly those involving work-based training and public income transfers. Recently, some scholars have termed this broad category of institutions and policies ‘social investments’, arguing that education is the prototypical social investment policy (Beramendi et al., 2015b; Gingrich &

Ansell, 2015). Hence, it is crucial to analyse the rationales embedded in education and national skill formation systems, understanding them as the cornerstone of social policy. Wallace and Bendit (2009) argue that youth policies, though often located marginally in policy studies, should also be classified as a component of broader social policy. Therefore, if youth policies represent a subset of social investments, their study should not be carried out in isolation from broader welfare regimes. In fact, education and training systems were the pioneering ‘youth policies’ for much of the 20th century, intimately tied to prevailing development paradigms decades before young people became a crucial policy target group. Since development paradigms are fundamentally rooted in political-economic contexts, thoroughly examining the link between these paradigms and youth policies, both in Mexico and LATAM, allows for establishing a solid foundation for this JCF case study.

This section provides a historical overview of the most relevant policy developments for young people in LATAM from the early 1950s to the 2020s, organised in three distinct periods. It aims to illustrate how political and economic events shaped the objectives and orientations of youth policies in the region, and how previous institutional and normative developments paved the way for more recent policy developments. By doing so, the section situates the emergence of the JCF in Mexico in 2019 within the broader historical policy development path in LATAM, offering a deeper understanding of its significance for social and youth policy debates in the region. In other words, the chapter examines the progression of dominant development models and the underlying rationales of social and youth policies. This historical progression is effectively described by Abdala (2014) as comprising three phases: I) Developmentalism; II) Structural Adjustments, and III) Policy Innovations. This framework provides a valuable context for understanding the adoption of the JCF policy by the Mexican government.

The first phase, from the 1950s to the late 1970s, was characterised by rapid post-war national industrialisation through import-substitution strategies. During this period, the first formal vocational schools and arts and crafts programmes emerged in LATAM. Countries implemented compulsory vocational components in secondary education, supported by international donor agencies and IOs like USAID, the WB and the IADB (UNESCO, 2016). The second phase, from the 1980s to the early 1990s, was marked by global financial crises such as the ‘Volcker Shock’, and the ensuing ‘structural adjustment programmes’ (SAPs), which culminated in the framework

widely referred to as the ‘Washington Consensus’, representing the pinnacle of neoliberal policy prescriptions. This period also saw the opening of international markets and widespread privatisations of public sector enterprises. It is worth noting that some authors challenged the widespread belief that the crises of LATAM welfare regimes were the consequence of ‘macroeconomic populism’ (Dornbusch & Edwards, 2007), since even at its apex, social spending in the region never approached the levels seen in the ‘central’ countries (Draibe & Riesco, 2007). Finally, the third phase, which is still ongoing, began during the late 1990s and early 2000s, and has been characterised by a shift from poverty-focused policies based on neoliberal and productivist assumptions towards increased concerns for income redistribution. A potential explanation lies in the crisis of the traditional social mobility mechanisms, education and labour (Grajales & Monroy-Gómez-Franco, 2023; Jacinto, 2010a), which has led to the proliferation of non-formal training policy innovations in the region, often adopting ‘rights-based approaches’ (RBAs).

3.2.1 Phase I. Import Substitution Industrialisation (1950s-1970s)

From the mid-nineteenth century until the Great Depression of 1929, LATAM had based its development on ‘export-propelled growth’ strategies, mainly consisting of primary goods exports. According to Hirschman (1968), the period from 1929 to 1949 was a maturation phase marked by the appearance of Prebisch’s influential first manifesto, ‘The Economic Development of Latin America’ (Prebisch, 1949). This work rapidly expanded the doctrine of ‘inward growth’ as a means to achieve socioeconomic modernisation and break out of the international division of labour by manufacturing its own consumer goods. Such vision would flourish especially during the post-war period, declining quickly during the 1960s (Baer, 1972). The most significant implication of this economic strategy, which became known as ‘Import Substitution Industrialisation’ (ISI) was that LATAM countries began producing industrialised national products, traditionally imported from the US. The main aim of ISI was to move up into higher stages of manufacture, such as those involved in the production of industrialised goods and machinery, generating a series of ‘backward linkage effects’ (Hirschman, 1968), a concept currently related with those of ‘productive linkages’ and ‘value chains’ (Lebdioui, 2020).

This rapid and determined push for accelerated industrialisation suddenly required massive training of semi-skilled workers, leading to the creation of the first national programmes and

institutes for industrial skills formation (Wilson, 1996). During this period, ISI strategies became the dominant development paradigm in LATAM, commonly referred to as the ‘developmentalist approach’ (Haggard, 2018). This model assumed that countries should reduce their foreign dependency through the domestic production of industrialised goods. One consequence of ISI was the widespread consolidation of public vocational and technical school systems to supply the country with the qualified workforce needed for industrial expansion. Between the 1950s and 1960s, many countries in the region, including Mexico, Brazil, Argentina, and Colombia, founded their national education and training institutes to support their national development strategies (Corvalán, 1988). Concurrently, most social policy institutions were established up to the 1960s alongside labour legislation and the public schooling system (Draibe & Riesco, 2007). A significant institutional development for industrial skills formation in Brazil was the establishment of the National Apprenticeship Service of Industrial Training (SENAI). SENAI involved active collaboration between the private and public sectors and was primarily financed through payroll levies on industries, which were channelled toward training industrial workers.

The relevance of the SENAI model was evidenced by its rapid replication in more than half of the countries in LATAM (De Moura Castro, 1997). TVET programmes in that period, were designed to be ‘terminal’, meaning their curriculums were meant to train students exclusively to meet new industry demands, and not to prepare them for higher-level education. This approach was based on the so-called ‘manpower demand models’ for education and training (Heyneman, 2003). A key assumption of such a model was that technical education would suffice to produce social mobility and development through ‘occupational mobility’. De Moura Castro (1997) highlighted the symbiotic relationship between the robust industrialisation performance in the region and the efficacy of national skills institutions. However, due to economic crises of the 1970s, these institutions faced rapid decline, alongside the region’s general downturn.

The following table summarises the prototypical skill formation institutions that emerged in LATAM during the ISI heyday, most of them modelled after Brazil’s SENAI system.

Table 2.3 Prototypical skill formation institutions during ISI in LATAM

Country	Institution	Founding Year	Objective
Brazil	SENAI	1942	Provide vocational and technical education, primarily in industrial manufacturing.
Chile	INACAP	1961	Provide technical and vocational education and training (TVET) to students, equipping them with the knowledge, skills, and competencies needed to succeed in the labour market
Colombia	SENA	1957	Provide vocational and technical education to workers and job seekers to contribute to social and economic development.
Dominican Republic	INFOTEP	1972	Provide technical and vocational training to individuals and companies across various industries. Its main objective is to promote the development of human resources and to improve the productivity and competitiveness of the country's workforce.
Mexico	ITM	1948	Offer higher education programmes focused on applied sciences and engineering and technological research and innovation to contribute to the country's economic and social development.
Mexico	CONALEP	1978	Provide technical and vocational education and training (TVET) to young people and adults to meet the demands of the labour market and provide the necessary knowledge and skills.
Venezuela	INCE	1959	Promote education and training for workers in various fields and trades.

Source. Author's own, based on De Moura Castro (1997)

In the late 1960s, Prebisch warned that the high tariffs used to protect the nascent national or 'infant' industries would lead to a generalised inefficient industrial sector and unproductive small firms, incapable of taking advantage of 'economies of scale' or developing beneficial internal competition (Prebisch, 1967). These arguments were complemented by the observation that lucrative external markets for primary goods were acting as a perverse incentive, deterring local economic elites from embracing the substantial productive changes sought by governments. This dynamic, as was five decades ago, persists to this day:

'Had Latin American countries specialised in only a few products with the greatest potential comparative advantage, and exported a large surplus while importing other goods,

total output available would have been higher, and these nations would have grown more rapidly than they actually did' (Baer, 1972, p. 104).

Alongside protectionism's unintended consequences leading to industrial inefficiencies, another reason for the decay of ISI was that the increased technological production was not matched by commensurate technical experimentation, innovation and training comparable to that of core countries (Hirschman, 1968). This author also noted that as nations exhausted initial 'easy' substitution opportunities, they increasingly imported higher value-added goods. This trend, combined with limited markets for local products, led to a cycle of trade and balance of payment deficits, ultimately resulting in a general disappointment with ISI strategies in LATAM. Hirschman (1968, p. 31) aptly captured this situation: '...our problem could be alleviated by developments in the structure of international trade manufactures. According to some observers, countries of recent industrialisation should be acquiring a comparative advantage in certain highly standardised industrial products'.

Ultimately, it is crucial to reflect on the recurrent condemnation of LATAM countries for their seemingly historic inability to achieve selective industrial comparative advantages. Baer (1972) aptly noted that a more sophisticated ISI would have required willingness from the US and Europe to accept LATAM manufacturing and further integration, which certainly did not occur. In addition to unpayable debts caused by financial shocks, another reason for ISI's downfall, according to Amsden (1989), was the lack of adequate performance and supervision requirements for the firms that benefited most from state subsidies. This contrasted sharply with the East Asian case, where industrial policy was more effectively directed, ultimately yielding both positive economic results and robust welfare regimes (Aspalter, 2006; Lebdioui, 2020). In sum, both geopolitical considerations and local challenges, resulted in ISI strategies failing to catalyse profound socioeconomic change in the region. Instead, ISI laid foundations for the future supply of cheap labour and manufactured goods in limited scattered industrial hubs under the following neoliberal phase.

In parallel with the rise and fall of the ISI models, the United Nations (UN) designated the 1960s as the 'First Development Decade'. In this period, the UN agencies launched several loan and transfer programmes aimed at promoting economic growth in undeveloped countries. Financial aid was primarily oriented to the development of basic infrastructure, such as dams, electrical

power plants, irrigation systems, roads and highways (Espinoza & McGinn, 2023). However, these ‘global’ infrastructure development plans, like ISI, were short-lived, as the subsequent adjustment period would enact a clear shift in favour of ‘educationalising’ and ‘poverty-alleviating’ discourses. This change seemed to tacitly accept a new paradigm in the international division of labour, in which not all countries needed to catch up in basic infrastructure and industrial capabilities, but rather in the educational level of their populations. This transformative juncture in global development strategy would have profound implications for the economic trajectories of LATAM countries in the decades to come.

3.2.2 Phase II. Structural Adjustments (1980-2008)

The 1970s were marked by deep economic crisis and high inflation rates in many countries, as a consequence of widespread debt-financed economic growth in the post-war period. In some countries the debt exceeded their gross national products. This situation, combined with the early 1970s oil shocks, resulted in widespread surges in consumer goods prices and overall inflation levels. In LATAM, countries like Mexico, Argentina, and Brazil contracted debt levels exceeding their public revenues. Even some advanced capitalist economies peaked in the 1970s, only to stagnate and prepare the ground for the rise of neoliberalism (Streeck, 2016). These crises engendered steep processes of labour precariousness, increased labour informality, and wage deterioration. This situation, often referred to in LATAM as the ‘lost decade’, prompted the IMF and the WB to urge many countries to adopt ‘Structural Adjustment Programmes’ (SAPs) (Haus, 2014; Hoogvelt, 2001).

The prescribed adjustment measures primarily sought to address imbalances caused by ‘internal and external shocks and the economy’s mismanagement’ (Woodhall, 1994, p. 10). The first step involved shifting away from infrastructure investments to policy reforms, based on the contentious assumption that the constraints hindering underdeveloped nations stemmed from institutional and policy shortcomings rather than financial or investment issues (Dollar & Svensson, 2000). In 1979, amidst turbulent macroeconomic conditions, many developing countries were compelled into modifying their financial policies to secure financial aid or renegotiate their debt (Allais, 2014; Boughton, 2001; Brown et al., 2020). As countries committed to abandoning ISI for export promotion strategies, they were enabled to access international financial aid options. For instance, in 1982, the IMF induced Mexico to reduce public spending, devalue its currency, open up state

firms to foreign investment, and promote exports over industrial substitution (Hellman, 1997). This situation led to the abrupt abandonment of ISI development strategies, alongside the widespread privatisation and decentralisation of public firms and a general reduction in the state apparatus. Welfare regime institutions, including general education and training systems, were also impacted by these reforms, becoming ‘truncated’ (Holland, 2018) in their goal of achieving universal, or at least maximal, welfare for the population.

In discourse, SAPs aimed to correct foreign and domestic consumption imbalances and public deficits, primarily through public spending cuts, deregulation and privatisation of economic activity (Brachet-Márquez, 2007; Carnoy, 1995). Nonetheless, substantial empirical evidence suggests these austerity measures instead led to increased poverty and inequality levels, affecting the education, training, and labour realms (Escalante, 2015; Holland, 2018; Reimers & Tiburcio, 1993). This decline in publicly funded welfare coincided with a shift in development strategy, characterised by the prioritisation of an optimal economic environment to attract local and international investors. Additionally, the former focus on providing welfare for the working classes shifted towards providing high-quality goods and services to the expanding middle class. This approach frontally countered internal development strategies like ISI (Draibe & Riesco, 2007; Dussel, 2016).

As industrial development was abandoned, education became central to social and economic development discourses (López & Tedesco, 2002). The state’s relinquishment of control over industrial development and skill formation, resulted in education and training being left in control of the market with minimal and small-scale, reactive state interventions against market failures. In MICs including Mexico and most of LATAM countries, SAPs led to the proliferation of training policies that differed significantly from the ISI model. The new policies focused on low-value-added skills, primarily targeting unemployed individuals and the informal labour market. The transition from ISI to SAPs can be understood as an embrace of a supply-side shift in which countries stopped procuring technical knowledge to support national industrial production and started focusing on countering low levels of human capital and poverty.

In the late 1980s and early 1990s in LATAM, national training organisations modelled after Brazil’s SENAI underwent significant transformations, largely driven by World Bank sponsorship. IOs were crucial in promoting structural adjustments that repositioned technical and vocational

education and training as less viable alternatives to progress. These changes were part of broader development strategies emphasising the privatisation of productive and educational sectors, often justified by claims of increased efficiency (Middleton, 1991). These changes were further justified by high unemployment rates, shifts in production processes and organisational changes within firms (UNESCO, 2016). The World Bank even reorganised the SENAI model, operational in Brazil and a dozen countries in the region, justified by claims of stagnated bureaucracy, technological obsolescence, and poor placement of trained workforce (La Belle, 2000). A key change involved transforming these once tripartite and monopolistic public institutions into private non-profit organisations, primarily managed by sectoral business chambers. Concurrently, the focus on unemployment led these new organisations to gradually adopt a ‘generational approach’ to youth issues, moving away from broader development objectives targeting the general population.

In the 1990s, amidst the prevailing high rates of informality, various initiatives emerged supporting small-firm creation, subsidies for the unemployed, and technical training for vulnerable groups (e.g., adults in the rural sector). These approaches primarily promoted alliances between private and social sectors, a trend advocated by both academia and IOs (Paredes & Riveros, 1994; Schmelkes, 1994; USAID, 1992). Schmelkes and Kalman (1996), discussing the reduction of technical education in Mexico, argued that the core issue lay not in the training content but in the prevailing economic conditions that limited job opportunities. This critique suggested that governments needed to develop strategies transcending the TVET alternatives that had proven insufficient during the ISI stage. In this context, La Belle (2000) emphasised the need for new strategies, including incorporating workplace training through apprenticeships and mentoring, providing access to credit and equipment, and strengthening the role of private and social sector organisations. Despite the resurgence of international financing for TVET during the 1990s, this would be short-lived, as the real demand for highly trained workforce was meagre in a post-deindustrialised context.

Another consequence of the abandonment of ISI development goals was the replacement by IOs of the ‘manpower demand’ models with the ‘economic rate of return’ rates as the primary metric for prioritising and base international financing allocations (Bonal et al., 2023; Heyneman, 2003). This new methodology yielded similar average results across most countries, including higher

returns for primary education completion than secondary school, higher returns for secondary than tertiary education, and higher for completing academic than vocational education. The consistency of these results prompted three pervasive policy recommendations: First, to shift public expenditure from vocational and higher education to basic and academic education; Second, to increase the private cost of higher education by raising tuition fees, and third, to install individualised loan schemes to ease financial burdens.

It was no coincidence that, still during the adjustment era, the late 1980s marked the beginning of a significant expansion in job training programmes for young people, particularly those affected by unemployment and social exclusion. These programmes were characterised by shared orientations aimed at addressing these challenges. Most notably, they were characterised by strict targeting measures for specific demographic groups, amplified private sector involvement, and the adoption of robust monitoring and evaluation measures (Abdala, 2002). According to Fiszbein et al. (2018) the two most representative policies of this period were PROBECAT, implemented in Mexico in 1984, and Chile Jóven, implemented in 1991. The latter would be diffused and adopted by over fifteen countries in the region, including Argentina, Brazil, Colombia, Peru and Uruguay, with the common objective of offering occupation and training to unemployed youth. In most cases, these programmes were promoted and financed by the IADB and the ILO and implemented by the Ministries of Labour.

In Colombia, the ‘Jóvenes en Acción³’ programme (JeA) has been considered by IOs as an exemplar of the ‘Chile Joven’ model. Despite beneficiaries improved their employability, and their quality of employment and salaries increasing by up to 20%, an evaluating body documented a rather grim and contradictory conclusion: ‘One aspect to improve the JeA is to explore what would be required for companies, or in particular, certain types of companies, to begin to consider the programme as an important source for recruiting personnel’ (DNP, 2008, p. 137). Assuming this question is genuine and well-intentioned, rather than merely rhetorical by the standards of a public evaluation document, the answer would involve recognising the role played by the development model and the structure of the ‘productive matrix’ of each country, among other demand factors, as has already been discussed. The literature on the adjustment policy results in LATAM has often indicated that, contrary to discursive goals, education and training policies proved ineffective in

³ ‘Youth in Action’

reducing inequalities and supporting people escape poverty (Bonal, 2004; Espinoza & McGinn, 2023). This failure partly stemmed from overestimating the expected impacts of market liberalisation and generalised privatisations. The assumption that market-led growth and deregulation alone would suffice to combat poverty and promote widespread economic improvement led to a paradigm that systematically overlooked the essential link between inequality and economic development (Mundy, 2002).

The deindustrialisation process and the ensuing decline in relevance of skill training institutions, established during the height of ISI, led to the adoption of a development model favouring ‘general’ over specialised and technical skills. From a VoC perspective, this shift resulted in employers requiring only minimal general skills, as most profits from de-industrialised countries would result from the exploitation⁴ of low-skilled labour. The institutional consequences that arose from these shifts included undermining welfare institutions and labour protection (Estevez-Abe et al., 2001; Lauder et al., 2008). Hence, it can be argued that in contexts where general skills are predominant, low-achieving students increasingly find themselves channelled towards TVET programmes that pose less demanding entry requirements than higher education, but at the same time offer less rewarding wage and job security. For instance, CONALEP in Mexico, the leading TVET institution for upper-secondary level, became the institution with the highest dropout rates, a situation that persists to this day (SEP, 2023b).

Summarising the key points, the 1980s in Mexico and across LATAM marked a significant departure from the ISI development strategies. One of the most pernicious effects of the SAPs in the region was the rapid and prescriptive replacement of industrialisation strategies with export-oriented models. These new models were based on low labour costs as the region’s distinctive global competitive advantage, justified by its characteristic low-value-added forms of production and its sluggish economic growth rates. Far from achieving the alleged benefits that would ensue, this model hindered labour markets in the region from absorbing the graduates from both academic and technical and vocational systems, while also undermining the incipient welfare regimes (Holland, 2018). Consequently, this shift led to the deterioration of national skills training systems, limited social mobility, and persistently high levels of poverty and inequality, affecting not only

⁴ Marini (1977) argued that in LATAM the phenomenon should be referred to as ‘super-exploitation’, where wages are suppressed below subsistence levels and labour intensity is heightened.

the educational and training sectors but also the broader societal context. For young people in the region, the consequences of these global and local political-economic processes were higher unemployment rates, informal labour, and truncated career paths. Despite facing this bleak outlook, most government interventions adopted educational and training approaches, based on individualised perspectives aligned with HCT assumptions, aimed almost exclusively on closing skill gaps rather than bolstering broader demand-side factors. La Belle (2000, p. 33) summarised this period's general policy discourse as follows: 'The goal is to deliver both skills and jobs for wage-earning and entrepreneurship, along with an opportunity to open the social and political arena for greater access without discrimination and prejudice'. Since unemployment was often considered the primary issue affecting this age group, the concept of 'employability' became a central policy goal.

Several authors contend that SAPs persist even today, as evidenced by the worldwide expansion of the 'Programme for International Student Assessment' (PISA) (Espinoza & McGinn, 2023; Pons, 2017). PISA's rapid expansion was driven by multiple factors, notably the prevailing belief among IOs that a significant correlation exists between test scores and national economic growth (Zhao, 2020). This discourse can be seen as a manifestation of the deeply embedded neoliberal ethos that has led to a narrow economic view of education and training. Similarly, some scholars propose that beyond the unequivocal endorsement of neoliberal principles, this era was marked by the emergence and expansion of new youth 'policy devices' (Abdala, 2014; Jacinto, 2010a). This period also saw the advancement of 'rights-based approaches' since the early 2000s, accompanied by increasing criticism of the neoliberal global agenda, particularly following the widespread credit crisis triggered by the 2008 GFC. Another explanation for this recent trend highlights that if, up to the 1990s, most social welfare was organised around education and work-related social insurance, the high rates of unemployment and informality that soared throughout the region would condition the appearance of new policy alternatives (Stampini & Tornarolli, 2012). These alternatives, often framed as youth policy innovations, will be the focus of the following section.

3.2.3 Phase III. Youth Policy Innovations 1990s – Present times)

With the end of the Cold War in the 1990s, the UN and other major IOs promoted an emerging global order which placed democracy and human rights discourses at the forefront of international development agenda. The rise of civil society and non-governmental organisations (NGOs)

accompanied this shift. Some authors contend that alongside the rapid expansion of structural adjustments throughout the LATAM, there was a parallel and gradual decline in the neoliberal and HCT consensus, which had previously underpinned many youth and social policies' rationales. Under such circumstances, novel and heterogenous youth policy discourses would rise globally. The new 'youth policy devices' emerged as innovative interventions that gradually moved away from supply-side and upskilling assumptions (Jacinto, 2010a).

These policies were characterised by an increased focus on equity and human rights, often adopting 'hybrid' designs combining passive and active components, such as monetary transfers functioning as minimum income 'safety nets' with conditional training or work requirements. Jenson (2010) argues that from the mid-1990s, the neoliberal edifice began to reach its economic, social, and political limits, giving rise to a 'social investment' paradigm, which focused on integrating people into the economy, regardless of their human capital endowments. This notion resonates, as will be shown, with the underlying rationales of the JCF. Although many voices still advocated that equity was best achieved by developing human capital, primarily through education and training, alternative human development approaches like the 'rights-based approach' (RBA), and the 'human capabilities approach' (HCA) emerged and rapidly became influential in the global development field (Nussbaum, 1997; Sen, 2001).

Hence, this third ongoing period is characterised by an increased concern and awareness of inequality and redistribution rather than merely combating poverty and skill deficits. For Bonal (2004), the 1990s marked the international cooperation's abandonment of rigid neoliberal orthodoxy in favour of a renewed developmental agenda. In this new agenda, more redistributive and poverty-focused policy recommendations started to gain prominence (WB, 1990). Valiente et al. (2021) describe this phase as marked by the 'growth of equity ideas' promoted by ECLAC, based on the notion that improving social equity could also contribute to economic growth in LATAM. Furthermore, Bonal et al. (2023) showcased that following an intense period of structural adjustment, the WB promoted the so-called 'Poverty Reduction Strategy Papers'. While this new global development approach retained elements of the Washington Consensus rationale, it also incorporated a 'greater concern for human and social development', including poverty-alleviation goals.

This global agenda significantly influenced multiple policy fields. Tripney and Hombrados (2013) highlight how, during this period, TVET systems became central to the international development agenda, encompassing both on-the-job training and apprenticeships. These interventions, proposed across various sectors, led authors like Escudero et al. (2019) to describe LATAM as a ‘policy laboratory’, where diverse youth interventions adopted novel designs and rationales. The challenging socioeconomic conditions faced by youth in LATAM, including higher unemployment and poverty rates compared to other age groups, prompted governments to adopt a generational approach to youth issues. The first youth policies in the region emerged in Chile and Brazil (Aedo & Valdivia, 2004). Despite national variations, these policy innovations generally addressed four key themes: 1) youth unemployment, 2) lack of professional qualifications, 3) youth delinquency and urban violence, and 4) concerns about youth pregnancy and parenthood (Silveira & Gonçalves, 2022). Jacinto (2009) categorised this vast array of youth interventions into three types: 1) active employment policies, 2) social policies, and 3) youth policies.

Beyond the overlapping of these typologies, these interventions also encompassed conditional cash transfers (CCTs) and ALMPs, including training programmes, job placement services, monetary and fiscal incentives, and public works. Due to their heterogeneity and the lack of a cohesive synthesis, broad terms like ‘policy devices’ or ‘policy innovations’ are often used to describe youth development approaches in LATAM (Wallace & Bendit, 2009). The dividing lines between these policies are porous, with significant design overlaps. Most interventions assumed that equipping beneficiaries with generic ‘employability’ skills would address social and economic challenges, attributing low employability in this age group to limited individual human capital. This perspective, promoted by orthodox IOs such as the WB, the IADB, and the ILO (Card et al., 2011), relied heavily on educational discourses framing skills as the primary solution to complex problems, whether through upskilling (HCT) or fostering social skills and networks (Social Capital Theory) (WEF, 2020, 2021; Wheelahan & Moodie, 2022).

However, it is important to note that despite the apparent innovation in these interventions, they have done little to address the deeply structural and generational issues affecting the region. While a wide array of policies has been widely implemented, evidence falls short of supporting their claims of long-lasting impact (Attanasio et al., 2017; Card et al., 2011; Heckman et al., 1999). A potential explanation for the inefficacy of social and youth policy innovations was offered by

Woodman and Wyn (2013) who observed that in most industrialised countries, interventions emerged alongside productive shifts from primary and manufacturing production to the service sector and knowledge industries. However, the situation in Mexico and LATAM differed significantly, since young people who missed the peak of ISI and the early welfare institutional efforts that accompanied it, faced dire informal and precarious employment conditions due to poorly diversified and sophisticated labour markets (Cunningham & Salvagno, 2011).

From a comparative perspective, the unemployment crises in some European countries led to a more comprehensive approach to social investment policies, focusing on providing education and training services to people of all ages. These policies explicitly aimed to reduce inequality, alleviate poverty, and support economic growth plans (Gingrich & Ansell, 2015). Conversely neoliberal social policies such as CCTs demonstrated a detachment from the structural reality that generated inequalities, and adopted a more palliative approach (Wilson, 2018). In this context, the social investment policy model provides a valuable framework for comparing the Mexican government's implementation of the JCF. This thesis explores how the programme attempted to integrate a productive inclusion approach while aligning with broader transformations in the state's role in steering national development strategies. The following section examines CCTs as the hallmark social policy of the neoliberal era.

3.2.3.1 Conditional Cash Transfers

Conditional Cash Transfers (CCTs) merit a dedicated subsection in this review, as they arguably represent the most widespread and thoroughly examined policy intervention in LATAM. Although most of these policy devices were not exclusively focused on the youth, many interventions adopted the monetary transfer and conditionality elements. For decades, CCTs were the primary national interventions targeting youth up to the upper secondary level. These policy devices can take many forms, including stipends, targeted vouchers and bursaries, student loans, and community grants. CCTs first appeared in the mid-1990s in Brazil (Bolsa Familia) and Mexico (Progresa) as tools for poverty alleviation, through the provision of cash payments to families who met certain conditions such as undertaking health prevention activities or ensuring children's school attendance. Other exemplary cases in the region include 'Bono Escolar' in Argentina and SUF in Chile. The largest CCT ever has been 'Bolsa Familia', covering around 13 million households (approx. 50 million people). CCTs quickly kept spreading to over twenty countries in

the region, covering around 130 million people (Stampini & Tornarolli, 2012). Morley and Coady (2003) partly attribute the diffusion of CCTs in LATAM to Mexico's Progresa, which presented an unusual level of rigorous impact assessment by both the Mexican government and international agencies such as the IADB and the International Food Policy Research Institute (IFPRI).

While in most cases where CCTs have been implemented, school attendance improved and dropout rates were reduced considerably in the short and medium term (Patrinos, 2002), recent evidence has concluded that, despite CCTs and other measures of fiscal redistribution being valuable and necessary, they are insufficient measures for the sustained reduction of inequality in the region, especially given the limited supply of productive jobs (Lebdioui, 2022). Even though some authors argue that the conditionality aspect of CCTs can foster responsibility and 'social capital' amongst beneficiaries and communities (Bourguignon et al., 2002), others view them as mere palliatives or as disguised 'capitalist humanism' (Wilson, 2018). Due to their 'means-tested' and narrow targeting designs, some authors consider CCTs as hallmarks of the Washington Consensus and the liberal welfare regime widespread in Anglo-American countries (Aspalter, 2006; Ban, 2013; Wilson, 2018).

Ultimately, after two decades of operation, inequality and poverty rates persisted throughout many implementer countries. The overall modest results may be due to the fact that CCTs rely primarily on individual responsibility, assuming that school attendance alone can enable individuals to escape 'poverty traps' (Lebdioui, 2022, p. 37). Current controversies question whether CCTs should be credited for pulling millions out of poverty and reducing inequality, as seen in Brazil (Ban, 2013). Borges (2022) aptly suggests that such a success only materialised after leftist President Lula da Silva tailored them into a more universal and less conditioned design. Others attribute these gains to economic growth and increased public spending on welfare measures during the commodity boom of the 2000s, which ended after the 2008 GFC (Cornia, 2010; Escudero et al., 2019; Sánchez-Ancochea, 2021). Thus, the sustainability of those social gains has been questioned, as they were based on an unsustainable 'extractivist' and 'primary-sector' model reliant on the temporary high prices of oil, metals and other commodities (Deneulin & Sánchez-Ancochea, 2018; Stampini & Tornarolli, 2012).

The policy design and ideological assumptions of CCTs are the subject of everlasting debate. Many authors argue that for redistribution measures to be effective, they need to be as targeted as possible

(Diaz-Cayeros et al., 2016; Levy, 2007). Conversely, proponents of universal or broad-based policy designs criticise the narrow HCT and supply-side assumptions underlying CCTs (Ban, 2013; Borges, 2018; Ocampo, 2008). Ban (2013, p. 316) views CCTs as supply-side interventions that assume that empowering disadvantaged groups through health and education incentives, will lead to better job market opportunities. Other criticisms highlight the risk of CCTs devolving into paternalistic handouts ('asistencialismo') or being exploited as tools for political clientelism (Berens & Ruth-Lovell, 2021; Bohn, 2011; Hunter & Power, 2007; Sugiyama & Hunter, 2013).

In fact, this thesis addresses a notable research gap in the mainstream policy studies literature on social policy in LATAM. Most academic work in policy studies examines interventions involving monetary transfers through the conceptual lenses of 'clientelism' and 'populism' (Berens & Ruth-Lovell, 2021; Castro Cornejo, 2023; Diaz-Cayeros et al., 2016; Dussauge-Laguna, 2022; Langston & Castro Cornejo, 2023; Sánchez Talanquer, 2020; Sugiyama & Hunter, 2013). Such approaches often overlook the potential for more political-economic, critical-historic, and nuanced explanations.

One such explanation further elaborated in this study, highlights that since the 2008 crisis, many LATAM countries, including Mexico from 2018 onward, have demonstrated a clear shift towards 'neo-developmental' strategies. In this context, policies like the JCF, characterised by broad targeting (contrary to the narrow CCTs) of young beneficiaries and prioritising inclusion over employability, can be understood as the social policy manifestation of a wider paradigm shift. All the debates surrounding CCTs, including tensions between universality and narrow targeting, clientelism and human rights, and upskilling and inclusion, are crucial to analysing youth policies like the JCF. This literature, therefore, informs the analysis and discussion throughout the remainder of this thesis.

3.2.3.2 Rights-Based-Approaches (RBA)

While Rights-Based Approaches (RBAs) originated soon after the Second World War and gained prominence alongside the newly created United Nations, it was only in the first decade of the 21st century that initial works began to emerge, linking rights perspectives with development across various fields. For example, the 'Optional Protocol to the International Covenant on Economic, Social and Cultural Rights' (UNHR, 2008) obliged signatory countries to ensure the realisation of economic, social, and cultural rights by all rightful beneficiaries. This protocol was first proposed

in 1997 but was approved by the UN until 2008. The first systematic efforts to operationalise the lexicon of rights into concrete government policies and actions also date back to those years. Tomaševski (2001) proposed a methodology to ‘unpack’ and operationalise the right to education, which has since been extended to other social and economic rights, including housing, health, and work. This methodology focuses on three key dimensions: accessibility (in practice), availability (at a systemic level), and quality, which includes acceptability of the processes and contents of the right in question. This is relevant because Mexico has been a signatory to the protocol since 2004, during the right-wing PAN governments. It is therefore striking that, despite the prominence of the human rights discourse, the institutional framework for supporting the young population remained relatively sparse and primarily focused on CCTs for those living in extreme poverty.

As a human development approach, RBAs have increasingly contributed to moderating the ‘economistic’ and ‘productivist’ tenets of HCT, particularly within IOs, including the UN and ECLAC in LATAM. From an RBA perspective, more than ‘beneficiaries’ young people are both ‘subjects of rights’ and ‘strategic agents for development’ (Rodríguez, 2011). This approach also demonstrated a keener awareness of people’s structural conditions and constraints (Aberese Ako et al., 2013). However, the main contention against RBAs, is that they risk being used as a mere discursive tool, undermining what social rights advocacy can really achieve on its own amidst political and economic handicaps such as the lack of collective organisation and poverty. In such cases, from a critical political economy perspective grounded in dependency theory and the historical political-economic determinants of welfare regimes, RBA-inspired policy interventions can result utterly inadequate. RBAs primarily attribute significant inequalities to a lack of social rights rather than the absence of material opportunities fostering well-being. This view risks oversimplifying the complex issue of material inequality and the subordination of most countries in the ‘global south’ within the international division of labour (Katz, 2022; Wallerstein, 1996). This crucial factor is often overlooked in discussions about social rights and welfare, highlighting that RBAs, while valuable, remain insufficiently critical in addressing the structural inequalities embedded in the global economic order.

Another significant drawback of RBAs, I contend, is their tendency to fragment resistance and criticism across different fields and subfields, which results in the fragmentation of critical voices. This issue is exacerbated by the fact that global IOs are often the primary proponents of RBAs. By

controlling the agenda and framing the discussion, these IOs not only set the terms of debate but also dictate the channels through which resistance is expressed, further disaggregating critical perspectives. While there is no major opposition to the rights perspective in the youth policy field, an example from the VET field may illustrate this issue. McGrath (2012) argues that VET needs to shift away from the 'technicist' and 'productivist' views to explore potential development theories. However relevant, this type of argument may not fully acknowledge VET's historical origins, which are closely tied to the economic consolidation of 'central' countries in the global economy. This issue intersects with several factors beyond the scope of this investigation, such as the asymmetries in intellectual property rights over patents and industrial processes, zealously guarded by states and influence groups, as well as the political economy of global finance. Consequently, it remains uncertain whether VET and training policies should be expected to initiate development paradigm shifts, given their traditional subordination to macro-political factors.

3.2.3.3 Human Capabilities Approach (HCA)

The Human Capabilities Approach (HCA), developed by Nussbaum (1997) and Sen (2001), represents yet another human development approach that has gained support among the international community as an alternative framework to human capital orthodoxy (Zancajo & Valiente, 2019). The United Nations World Programme of Action for Youth (WPAY), from 1995, exemplifies the interplay of various policy approaches. WPAY's strategy aligns with the CCT framework by promoting educational attendance through financial incentives, while also echoing HCA's focus on enhancing capabilities through vocational training and entrepreneurial capacity building. Furthermore, WPAY's emphasis on micro-credits for business development aligns with the RBA's focus on economic rights and empowerment. This overlap in policy designs within WPAY highlights the complexity and eclecticism of youth policy formulation during this period.

The global rush to bring policy innovations to complex structural problems also resulted in the resurgence of specific educational models like TVET, gained recognition as a crucial component in bridging the gap between education and the labour market. The first decade of the 2000s saw TVET-inspired youth policies returning to the forefront of international development discussions. This resurgence, characterised by an emphasis on aligning educational outcomes with labour market demands, garnered significant attention from various IOs. These included the Organisation

for Economic Co-operation and Development (OECD), the Asian Development Bank (ADB), the International Labour Organization (ILO), the World Bank (WB), the UK's Department for International Development, and Germany's Federal Ministry for Economic Cooperation and Development (BMZ) (Wallenborn, 2010). This emphasis on TVET highlights a broader trend in youth policy where education and training strategies become increasingly intertwined with labour market needs, if only in discourse. Such a trend often illustrates the connections between the HCA, the RBA, and the hegemonic-pragmatic economic considerations.

A recurring theme among initiatives by IOs is the advocacy for innovative collaboration between the educational and productive sectors. Briasco (2010) highlights Chile's 1995 adoption of the Germanic dual system of training as a prime example of this approach. In this model, both the educational and business sectors were conceived as jointly responsible for technical and vocational training. Similarly, Mexico's experience evolved from local small-scale dual training programmes in the 1990s to the adoption of a national dual training system, the Mexican Model of Dual Training (MMFD) in 2013 (Valiente et al., 2020b). These examples illustrate the growing trend of integrating education and industry in TVET initiatives across LATAM, occurring alongside an increased emphasis on discourses about rights, and the urgency for inclusion and redistribution. However, despite the enthusiasm for these models, the outcomes have often yielded rather meagre results, particularly in addressing the systemic inequalities and structural challenges prevalent in the region.

However, while the Chilean and Mexican examples demonstrate innovative approaches to TVET, they may still be subject to the traditional assumption in most TVET programmes, that simply generating human capital through skills provision will be enough to address socioeconomic issues, such as the lack of labour demand for a trained workforce. Some authors have referred to this notion as 'supply-side fundamentalism' (Capsada-Munsech & Valiente, 2020). A central critique against such a stance is that the effectiveness of training programmes should be measured considering the existing objective limitations and contextual constraints, such as the broader labour market conditions. Ideally, for these interventions to fully realise their potential, a macroeconomic policy that supports economic growth and translates into increased demand for a more educated labour force is required. In this line of thinking, Valiente (2014) highlighted the potential benefits of skill strategies that actively stimulate the demand for high skills in the market rather than simply

reacting passively to market needs, as has been the standard practice. Recent literature on how this has been achieved in the context of MICs, such as Malaysia, shows that it is impossible to do so without state intervention and leadership (Lebdioui, 2020).

Recently, Bonal et al. (2023) argued that IOs are shifting towards capabilities approaches, as evidenced in the World Development Report (WB, 2018). This report recognises education and training as both a human right and central factors in unlocking human capabilities, marking a departure from narrow economic-instrumentalist perspectives on education. However, the focus on ‘rights’ in these approaches may idealise and overlook the structural factors that explain asymmetries in rights realisation across different countries. By treating individuals as homogenous and uniform ‘subjects of rights’, the approach may downplay the material conditions that perpetuate inequalities. Furthermore, from the state-centred geopolitical order that prevails, the responsibility for ensuring economic, social, and cultural rights (e.g., education, work, housing) befalls on states, regardless of their position in the international division of labour or their status as ‘core’ or ‘peripheral’ countries. Consequently, RBAs and HCAs have yet to provide adequate solutions to the structural challenges identifiable from a political economy perspective.

Similarly to the critiques of RBA limitations, the following quote represents a perspective on the capabilities approach that this thesis aims to critically examine in the context of VET reform: ‘By putting the needs of people first, rather than the needs of the economy, the capability approach brings the importance of social justice, human rights, and poverty alleviation to the forefront of VET and skills development discourse’ (Powell & McGrath, 2014, p. 8). The HCA stresses the analytical distinction between ‘capabilities’ (means) and ‘functionings’ (ends). However, it is essential to note that capability approaches do not presuppose a concrete development theory. Therefore, it is unclear how and why it could provide significant guidance for social policy, including youth policy or VET interventions, and their potential impact on specific material and economic settings. In the growing context of national skills systems adopting development frameworks and human capabilities (Valiente, 2014), it is crucial to recognise that international development discourses, often endorsed by IOs, may obscure the critical assumptions provided by various currents of political economy reviewed so far.

The following section presents a discussion on the literature reviewed so far before giving way, in Chapter 4, to a greater focus on the way in which these concepts and events influenced the Mexican

context, its institutions and its specific social and youth interventions up to the adoption of the JCF in January 2019.

3.3 Chapter Discussion

This chapter has outlined the progression of the three main development paradigms in Mexico and LATAM: Import Substitution Industrialisation (ISI), Structural Adjustment Programmes (SAPs), and a ‘policy innovations’ period primarily drawing on the rights-based and human development approaches. The case has been made that these paradigms underpin welfare institutions, and shape the rationales of education, training and youth policy orientations. The examined policies that have attended young people include Active Labour Market Policies (ALMPs) and Conditional Cash Transfers (CCTs). In turn, these interventions are underpinned by several frameworks: Human Capital Theory (HCT), Rights-Based Approaches (RBA), and the Human Capabilities Approach (HCA). Each policy type offers distinct rationales for addressing youth educational and labour issues. This framework of interconnections between national market strategies, theoretical approaches to development, and their translation into institutional and programmatic responses is essential for analysing and understanding the JCF policy adopted by the Mexican government in 2019.

Despite the various policy approaches discussed, a central theme within the literature on youth policies suggests a form of agreement that the primary issue stems from the interplay between education and training systems and the labour markets’ incapacity to integrate young people. Therefore, these supply-side-focused policies should not be expected to address youth unemployment in the short term (McGuinness et al., 2018; O’Reilly et al., 2018; Smith et al., 2019). A further argument supporting the need to focus more on the structural constraints of supply-side educational interventions in LATAM is that many countries in the region find themselves in what is known as a ‘middle-income trap’ (UNESCO, 2016). This scenario is characterised by higher wage costs compared to low-income countries that rely on inexpensive labour, while simultaneously lacking the advanced resources and capabilities needed to compete in high-value-added industries (Lebdioui, 2020). In essence, these economies are caught between losing their competitiveness in low-wage sectors and failing to transition to more sophisticated, knowledge-driven markets.

These critiques of supply-side interventions can be better understood within the broader discussion on the determinants of employability, particularly the balance between supply-side and demand-side factors. As stated earlier, the dominant approach within the global development agenda under HCT heavily emphasises individual characteristics such as soft and cognitive skills, personal competencies, academic credentials, and work experience. In contrast, demand-side factors typically include labour market conditions, macroeconomic factors, job vacancies and recruitment characteristics, such as remuneration levels, working conditions, shifts, and prevalent selection practices (McQuaid & Lindsay, 2005). Acknowledging the influence of historical circumstances in shaping economic development, industrial relations, social policy, and education can help dispel myths about the role of education in economic growth. Developmentalism asserts that countries achieve economic growth through structural shifts from low- to high-productivity activities (Allais, 2022). Most national TVET systems emerged during periods of rapid industrialisation, particularly in the post-war decades. From this perspective, attributing skills shortages in developing countries solely to deficiencies in education and training systems for young people becomes deeply problematic.

In response to the limitations of previous development paradigms and policies, recent leftist political projects in LATAM, notably Lula's administration in Brazil, have sought to reinvigorate earlier concepts of state-centred development. This approach, referred to as the 'neo-developmental' paradigm, prioritises sustainable economic growth and social justice while addressing deep-rooted structural issues such as inequality, labour market precarity, and economic dependency (Ban, 2013; Gezmiş, 2018). First proposed by Bresser-Pereira (2003), this term describes a combination of strategies, including increased minimum wages, revitalised industrial policy, and strengthening state-owned firms and infrastructure investments to generate welfare among the population. Ban (2013) defines neo-developmentalism as a type of state intervention that diverges from the Washington Consensus, striving for full employment and macroeconomic stability. Unlike the 'old developmentalist' ISI model, this updated version focuses, at least in discourse, more intentionally on promoting sectors associated with high wages and high value-added. Along with this recent change in development strategy, a crucial question arises regarding how this has impacted the type of social policies that have emerged in this 21st century.

This review of development paradigms and policy approaches establishes a clear connection between national development strategies and the institutional and programmatic orientations to which they give rise. This connection facilitates the formulation of questions and hypotheses about the typical policies associated with specific political-ideological projects. The interactions between political-economic factors and policy responses provide a foundation for examining the adoption of the JCF youth policy. This policy emerged when a leftist coalition first came to power through electoral means in Mexico, following the democratic transition in 2000. As subsequent chapters discuss, the political-ideological factors surrounding the JCF policy adoption process are so influential that the programme can be understood as embedded within a broader political-economic paradigm shift attempt, carrying distinct ‘post-neoliberal’ undertones. This literature review points to the scarcity of academic literature critically interrogating the ideational assumptions underlying social policies from the neoliberal adjustment period in LATAM. This includes apprenticeships, ALMPs and CCTs.

Recent literature on the ideological determinants of social policies in the region has shown that while rightist parties tend to adhere to HCT postulates in their policy designs, the political left has advocated for universal or broad-based social policy designs aimed at guaranteeing social inclusion and minimum income goals (Ascher, 2022; Borges, 2018, 2022; Tomazini, 2019, 2022). This thesis will examine this relatively unexplored aspect of policy development through the JCF adoption case. One potential hypothesis emerges: given that the ‘transition to democracy’ coincided with the neoliberal adjustment period, many social policies that emerged during this time (e.g., Bolsa Familia, Progresa) became technocratic benchmarks. These seemingly ‘apolitical’ technical solutions became the yardsticks against which to discursively evaluate the effectiveness of most social interventions up to the present, including the JCF.

The following chapters will delve into the Mexican context, policies, and institutions predating the JCF, as well as the main development ideas and ideological leanings of the incoming leftist government, which help explain the JCF features and its underlying rationale.

CHAPTER 4 – THE MEXICAN CONTEXT AND THE JCF POLICY ADOPTION

4.1 Introduction

One initial research challenge in this study entailed categorising the JCF. This task required analysing whether it primarily was devised as social policy, a TVET policy, an ALMP, or falls under other categories, such as informal apprenticeships or internships. This chapter is based on the premise that to analyse a youth policy from a political economy approach, it is necessary to consider the broader welfare regime, including educational, labour training and social policies that predate the JCF. Hence, this chapter aims to understand how the JCF fits within the broader Mexican welfare state and identify debates that traverse it as a policy. This chapter provides insights into the similarities, differences, and factors that have shaped and led to the emergence of different Mexican social policies and institutions, in preparation for this study's findings and discussion.

This chapter examines the state of the Mexican youth within the country's economic and demographic landscape. Although Mexico has a 'youthful' demographic profile, with an average age of 29 years, the emergence of youth issues in public discourse is a recent phenomenon. This chapter examines Mexico's historical economic transitions, from rapid industrialisation to neoliberal reforms, through the shifts in welfare institutions and social policies. The chapter describes the features of the leading institutions and policies covering youth in Mexico that emerged throughout the three analysed phases of import-substitution industrialisation (1950s-1970s), structural adjustments (1980s-1990s) and recent youth policy innovations (1990s-onwards). This analysis chronologically leads up to the 2018 federal elections, when the leftist MORENA party assumed office and adopted the JCF policy. The overview presented in this chapter highlights the central debates and criticisms surrounding youth and social policy interventions, drawing from academic literature, government reports, and key data on Mexican youths' education and labour situation.

Building on this historical and contextual foundation, the chapter is structured into three main sections to address these themes. The first section provides an overview of the situation of the Mexican youth within the broader economic and demographic context. The second section presents the national political context in which the adoption of the JCF policy took place, including the 2018 elections, a description of the JCF policy, and a graphical representation of the timeline

of the programme's adoption. The third section provides an analytical overview of the leading institutions and policies of the Mexican welfare state, including educational and training systems, labour, and social policies. It covers their main features, the processes and factors leading to their adoption, data on their coverage, and most importantly, how they differ, coincide, or constitute relevant antecedents to the JCF policy. Finally, the chapter concludes by highlighting why the JCF represents a relevant and paradigmatic case study of youth policies viewed through the lens of political economy within welfare regimes.

4.2 Contextual Overview of the Mexican Youth

Mexico is the 15th largest economy worldwide and the second largest in LATAM after Brazil. With a GDP per capita of USD 11,496.5 in 2022 (WB, 2023b), it can hardly be considered a middle-income country. However, despite its size and population of more than 131 million (CONAPO, 2023), the country has shown very modest growth since the 1980s, averaging 2% per year. Furthermore, the skewed distribution of wealth, where the wealthiest 1% receives 21% of total national income and extensive poverty of around 52.8%, makes Mexico a 'typical Latin American country' (Mora-Salas & Cortes, 2021). Despite the economic challenges, Mexico benefits from a relatively young population, with a median age of 29 years and 31.2 million young people between 15 and 29 years old, as per the latest national survey (INEGI, 2020a). However, despite the significant size of this youth demographic, issues affecting young people gained prominence in public discourse only in the last decade, moving beyond academia to become part of broader public debates.

Amidst the rising public interest in the issues affecting young people, the Mexican Youth Institute administered the 'National Youth Survey 2010', the first-ever national survey focused on young people's (14 to 29) education and labour situations (IMJUVE, 2011). The survey showed that 23% of the young population -roughly 7 million- were in the 'NINI' or 'NEET' condition, an acronym that designates young people 'not engaged in education, employment, or training'. Even more concerning was that of the total young NEETs, 80% were women, which confirmed the stern gender inequalities that prevailed throughout the country. To understand how Mexico reached this situation, it is worth reviewing the phases of development analysed in the previous chapter. As discussed, Mexico went from a period of rapid industrialisation (1950s to 1979s) to one of 'neoliberal adjustment' (1980s to 2018) and finally to one of post-neoliberal political change (2019

onwards). These paradigms would leave a profound imprint on the core assumptions, institutional structures, and programmatic designs of broader education, labour, and social policies.

In the first phase, Mexico experienced an extraordinary economic expansion and industrialisation from the mid-1930s to the early 1970s, which led to yearly GNP growth between 5 and 10%, driven mainly by the developmentalist model and accelerated import-substitution-industrialisation (ISI) strategy. Such a period of economic growth in Mexico through state-led strategies was widely known as ‘the Mexican Miracle’ and it coincided with the booming years of the ‘Keynesian paradigm’ and the rise of the welfare state in Europe. This period of economic growth and industrialisation also saw significant developments in Mexico’s educational scene, with the creation of leading national public technical institutes and upper secondary technical and vocational training schools dating back to that era.

Rapid industrialisation accelerated urbanisation through high migration rates from rural areas to cities. However, local industrialisation strategies in most of LATAM reached a standstill during the 1980s following the ‘Volcker Shock’ in 1979, taking a dire path towards deindustrialisation and privatisation, accelerated by the adoption of the Washington Consensus. Neoliberalism in Mexico manifested through a package of radical policy reforms designed to set the country ‘on the road to free-market-based prosperity’ (Babb, 2001). While economic growth started to pick up after the late 1970s and early 1980s debt crisis in the whole region, inequality and poverty levels increased. However, policymakers and proponents of neoliberal reforms often dismissed these negative outcomes as consequences of the debt crisis rather than as results of economic liberalisation.

Deindustrialisation is relevant for understanding the types of social policy that emerged in Mexico for several reasons. Firstly, this phenomenon provoked increased job insecurity across LATAM, leading to a significant rise in informal employment. For Carnes and Mares (2015), this situation translated into social demands for non-contributory social policies (e.g., CCTs), which do not require formal employment contributions and would become common throughout the neoliberal period (1982-2018) in Mexico. Additionally, Dion (2008) argues that the political liberalisation accompanying the economic changes in the 1980s and the democratic transition of 2000 generated new incentives for politicians to supply welfare interventions, further shaping the social policy landscape.

Beyond the initial merits of the ISI development model, debates persist about finding the right balance between the roles of the market and the state in the economy. A critical political economy argument for understanding the decline of this model in the region is well summarised by Babb (2001), who examined how the shift toward neoliberalism, particularly in Mexico, redefined the state's role in economic and social policy-making. Babb argued that starting in the 1960s, the growth of offshore capital markets that evaded national regulations made it increasingly difficult for countries to isolate their currencies from speculation and devaluation. In Mexico, these external challenges steered the economy towards a development model heavily reliant on technological dependency and a pronounced emphasis on the primary (resource extraction) and secondary (manufacturing) sectors (Foust & Román, 2023). For classic dependency theorists, such macroeconomic and macropolitical events condemned LATAM to a state of 'dynamic insufficiency' characterised by low growth rates and precarious labour markets marked by high levels of informal labour (Prebisch, 1967).

One consequence of the transition from the ISI development model to the neoliberal era of SAPs was that Mexico adopted a development strategy based mainly on labour-intensive sectors, mostly in the manufacturing sector, characterised by little local value addition. This strategy, while contributing to reducing income inequality by increasing the demand for low-skilled labour, resulted in economic stagnation that hindered the updating and sophistication of the national economy (Lebdioui, 2022). Another drawback of the development strategy based on cheap and low-skilled labour was its instability amidst global markets. The constant threat of relocation of 'maquilas' (export-oriented light manufacturing plants) to countries more attractive for international capital, mainly in Asia, created ongoing economic uncertainty (Álvarez-Mendiola, 2006). Moreover, this development strategy proved insufficient in absorbing the labour force from the informal sector. Consequently, informal employment remains considerably high, currently accounting for 55.1% of the economically active population (INEGI, 2023).

Demographics of the Mexican Youth

As many countries experienced during the first half of the twentieth century, especially in the post-war period, Mexico presented an accelerated population growth resembling a classic population pyramid with a broad base (Álvarez-Mendiola & Pérez-Colunga, 2020). According to demographic indicators from the National Population Council, in 2023, life expectancy in the

country was 75.3 years, with a median age of 29 years, indicating that Mexico’s population is predominantly young (CONAPO, 2023). To better understand the evolution of Mexico’s young population over time, the following table presents data using the age strata employed by the National Institute of Statistics and Geography (INEGI) in national surveys. The year 1990 serves as a starting point, as it marks the first national census carried out by INEGI using these specific age categories.

Table 4.1 Percentage of young people aged 15-29 from 1990 to 2020

Year	Total population (millions)	Young people aged 15 to 29	Young people aged 15 to 29 as % of total population
1990	81.2	23.8	29.31%
2000	97.5	27.2	27.89%
2010	112.3	29.7	26.44%
2020	126.0	31.2	24.77%

Source: Author’s own based on INEGI (2024) national surveys for each reference year.

Although the percentage of the young population relative to the total population has experienced a slight decline with each passing decade since 1990, this trend underscores concerns raised by observers regarding the nearing end of the demographic boom Mexico has enjoyed, as this shift could potentially impact economic growth and future social structures. Nevertheless, a quarter of the population currently falls within the age group of 15 to 29 years, emphasising the present significance of youth demographics within the country.

To provide a more detailed view of Mexico’s youth population, the following table presents data on the three age subgroups that comprise the youth category in Mexico. The table includes information on gender distribution and the proportion of the total population represented by each subgroup.

Table 4.2 Young people aged 15 to 29 (2020)

Age group	Young Men	% (of total population)	Young Women	% (of total population)	Total	% (of total population)
15-19	5,462,150	4.3	5,344,540	4.3	10,806,690	8.6
20-24	5,165,884	4.1	5,256,211	4.2	10,422,095	8.3
25-29	4,8461,404	3.9	5,131,597	4.1	9,993,001	8.0

Total	15,489,438	12.3	15,732,348	12.6	31,221,786	24.77
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Source: Author’s own based on INEGI (2020a).

Although a significant proportion of the population is young, they have been, as an age group, highly neglected both by public institutions and policies and by academic research, especially those in more disadvantaged positions (Álvarez-Mendiola & Pérez-Colunga, 2019; Marcial, 2012; Mendoza Enríquez, 2011). Based on demographic projections (CONAPO, 2016), due to declining moderate population growth rates (0.88% in 2023), the population will reach a life expectancy of 77 years in 2030, and the so-called ‘demographic dividend’ will come to a gradual end in the next couple of decades.

To place Mexico’s youth demographics in a broader context, the following table illustrates the demographic tendencies of the young population in relation to the total population across a selection of countries, including OECD member countries in LATAM. This comparison provides insight into how Mexico’s youth demographic trends align with or differ from those of other nations in the region and beyond.

Table 4.3 Young population comparison in selected countries (2022)

Country	Total population (millions)	Young population (% of total)
Argentina	46.2	24.0
Brazil	215.3	20.5
Canada	38.93	15.6
Chile	19.6	18.9
Colombia	51.8	22.6
Mexico	127.5	25.1
United Kingdom	66.9	17.1
United States	333.3	17.8

Source: Author’s own based on (OECD, 2024)

While the OECD defines the young population in this context as individuals under fifteen, the comparison shows that Mexico exhibits the highest proportion of young population among the countries analysed at 25.1%. This data highlights the importance of addressing youth policies in the context of this study.

4.3 The JCF Policy Adoption: Political-Electoral Context

As will be further developed throughout this work, one of the key factors explaining the Mexican government's adoption of the JCF in 2019 is the political-electoral shift experienced in the country, which marked the beginning of a paradigm change both materially and discursively. This shift is expressed at various scales and levels of the exercise of government, such as state intervention in large development projects or the emergence of social policies with novel rationales and designs tending more towards universality or broad-based goals. This change, I contend, began to take shape with the creation of the 'National Regeneration Movement' party (MORENA) in 2011, headed by Andrés Manuel López Obrador (AMLO), a former member of the PRI who, alongside other former members of that party, founded the 'Party of the Democratic Revolution' (PRD) in 1989. Various authors agree that this internal schism in the hegemonic party was due in part to the struggle between groups affected by the liberalising and adjustment measures, and those who opposed such measures and instead advocated revitalising a model similar to the ISI model that decades ago had given rise to the 'Mexican Miracle' (Babb, 2001; Otero, 2018).

Prior to forming MORENA in 2011, AMLO participated in his first presidential race in 2006 for the PRD, finishing second by 0.56% to Felipe Calderón of the right-wing PAN, amid solid allegations of fraud and social unrest. Later, AMLO made a second bid for the presidency under the PRD but finished in second place again, this time behind Enrique Peña Nieto of the PRI. Peña Nieto, who continued the neoliberal agenda of his predecessors, pursued a series of structural reforms with a strong emphasis on privatisation across various public sectors (Cárdenas Gracia, 2018; Quintana Romero, 2016). Although MORENA was registered until 2014 as a party, its first relevant electoral results occurred in the 2015 midterm elections, where it achieved a modest but relevant victory at the national level by securing 35 of 300 federal deputies (INE, 2015). Three years later, in the 2018 elections and his third attempt at the presidency, AMLO, representing MORENA under the banner of the 'Fourth Transformation' -referring to Mexico's historic milestones including the independence from Spain in 1810, the liberal wars for constitutional federalism in the mid-19th century, and the Mexican Revolution of 1910- obtained a sweeping electoral victory with 53.19% of the votes against a distant second place from the PAN, which received only 22.27% of the votes (INE, 2018). These results underscore the broad electoral mandate that the new administration carried into its government strategy and action plan.

In Mexico, each new federal government publishes its principal strategic document, the ‘National Development Plan’ (PND). The PND encompasses both macro-level public philosophies and specific programmatic ideas of each administration. Seven months after taking office, AMLO’s government published the 2019-2024 PND (Presidency, 2019). The plan reaffirmed the government’s anti-neoliberal stance and outlined the general direction for the upcoming six-year period. Over just 13 pages, neoliberalism is mentioned thirty-three times, mainly to criticise its role in the neglect of sectors like agriculture and energy, as well as its contribution to the lack of opportunities for youth. Hence, a noticeable feature of the PND is its emphasis on urgently addressing the needs of the most ‘marginalised, defenceless and impoverished’ sectors in the country’s poorest areas. Notably, the social policy agenda within the PND comprised nine social programmes, including the youth policy ‘Jóvenes Construyendo el Futuro⁵’ (JCF). Implemented in January 2019, the JCF aimed to provide 2.3 million young NEETs with a monthly grant and social insurance for 12 months, conditional on their participation in work-based training at registered firms.

Another significant aspect of the PND is its portrayal of the role that the state should assume in development, characterised by distinct neo-developmental undertones. For example, the document outlines the government’s plan to initiate several ‘mega-projects’ to spur economic growth. These include refineries, roads, airports, and freight and passenger trains (such as the Tren Maya and the Trans-Isthmus Corridor of Tehuantepec), particularly in the southeast, the most neglected region of the country by previous administrations (Presidency, 2019). This area did not benefit as significantly as the north from trade liberalisation and the development model predicated on inexpensive labour, primarily within the manufacturing sector (the ‘maquila’ model).

Another cornerstone of this administration’s approach is the ‘Republican Austerity Strategy,’ which is also enshrined in the PND. The strategy aimed to reduce the state apparatus, disappear special trusts, consolidate functions, and reduce civil servant benefits. Until mid-2022, the strategy had resulted in cuts and savings of 2 billion Mexican pesos (approx. 110 million USD) (Presidency, 2022). The strategy is relevant to the JCF since social policy in Mexico historically required expensive bureaucratic apparatus and intermediaries to deliver the policy components (transfers and infrastructure works). In contrast to this historical approach, AMLO’s government decided to

⁵ Translates to ‘Youth Building the Future’.

rely upon direct transfers to beneficiaries via debit cards. The government also implemented a novel ‘para-bureaucratic’ body of civil officials called ‘Siervos de la Nación’ (Servants of the Nation), However, to various critics, the transparency and governance of this new body would remain administratively opaque (González-Vázquez et al., 2023). These features, alongside other elements discussed in this study, support one of the central arguments of the thesis, which is that the JCF should be conceived as part of a significant political and policy shift that commenced in 2018, transcending a narrow sectoral or policy approach.

The relevance of all these points is underscored throughout this thesis, arguing that the JCF, as a novel youth policy, should be contextualised within a broader shift in the national development model. Another key aspect of the PND is its challenge to the trade union setbacks endured during the neoliberal era (Presidency, 2019). Indeed, during the liberalisation period of Salinas de Gortari (1988-1994), the labour market was eroded, and with it, the mobilisation capacity of the formal sector labour unions (Dion, 2009). This deterioration, motivated the 2019 labour reforms, which amongst various aspects, sought to democratise unions through guaranteeing free and fair internal elections to select leaders (Armando et al., 2019). This reform is significant as it highlights one more area of contention between AMLO’s administration and neoliberalism, which is often blamed for weakening trade unions and diminishing their role in political and economic power (Niedzwiecki, 2015).

The following section provides a detailed description of the JCF, highlighting its key policy design features, such as its objectives, target population, and operational components. This is followed by a timeline that outlines the most salient political and programmatic events before and immediately after the 2018 elections, offering context and relevant insights for analysis. The chapter then presents an overview of the JCF’s implementation and governance. Finally, the chapter concludes by presenting the research rationale, objectives, and questions of this thesis. This sets the foundation for the second part of the study, which unfolds the methodological considerations and research design, presents the main findings, and offers a discussion and conclusions.

4.3.1 JCF Policy Description

The design and scope of the JCF differ considerably from Mexico’s social, labour and educational training policies existing across the three historical phases analysed in Chapter 3: the ISI period (1950s-1970s), the SAPs period (1980s-1990s), and the recent policy innovations period (1990s

onwards). The JCF diverges from these earlier approaches in several ways: it moves away from the school-based training of the ISI era; it expands beyond the small-scale, upskilling focus of SAP policies like ‘Chile Joven’ and PROBECAT; and its scale and universal targeting strategies sets it apart from most youth policy innovations in LATAM. Since the publication of its initial operational guidelines (STPS, 2019b), some authors have hinted at the JCF’s features aligning with a rights-based approach (Terrazas de la Vega, 2019). An important public policy think tank (CEEY, 2018, p. 2) hailed the JCF as ‘the first public policy aimed at the specific problem of the young population that does not study and does not work’ (NEETs) in Mexico.

As argued in the literature review, education and training systems were the pioneering ‘youth policies’ of the 20th century, closely tied to prevailing development paradigms long before young people emerged as a crucial target group in the 1980s (Furlong & Cartmel, 2006; SEU, 1999). Given this context, this study conceives youth policies within the broader spectrum of welfare institutions and regimes, rather than comparing the JCF with other recent international NEET policies, which are either primarily based on the upskilling rationale or arise from distinct and incomparable contexts. The following section outlines the JCF’s main elements as described in its initial normative and operational documents (STPS, 2019b, 2019c, 2020c, 2020d, 2021b, 2022), highlighting the justifications and problematisations of youth issues.

Policy Problem Tree

The JCF’s official ‘problem tree’ serves as the principal planning tool published by the Secretariat of Labour (STPS), the programme’s implementing institution. This tool summarises the problematisation upon which the programme’s rationale is based. Although included as a schematic in the Appendices section of this thesis (see Appendix VI), this section summarises its structure, levels, and key elements. The problem tree presents the core issue the programme seeks to address, besides explanatory or causal elements at three levels: causes, problems and effects. The main problem is defined as *‘2.3 million young people between the ages of 18 and 29 who do not study or work and who live mainly in municipalities with high and very high marginalisation, with high rates of violence or who belong to historically discriminated groups do not have opportunities to develop productive activities’*.

The tree highlights five leading causes of the problem: 1) school dropout due to a lack of interest in studying among the youth and poverty, 2) a lack of economic resources and social insurance,

and 3) financial exclusion, both of which stem from an absence of institutional mechanisms to support young people; 4) unavailable training provision for the youth, exacerbated by a lack of interest and opportunities for work-based training, and 5) a lack of interest and availability to work, in turn caused by jobs that do not offer social insurance and good wages.

Similarly to the causes, the tree presents five main effects and their respective sub-effects, which include: 1) social discrimination that in turn contributes to a higher risk of engaging in crime and antisocial behaviours; 2) an increase in youth unemployment rates; 3) forced migration; 4) a lack of opportunities to undertake economic activities, and 5) a lack of work experience. The problem tree indicates that these combined effects perpetuate cycles of limited economic growth in marginalised areas, whilst simultaneously restricting training and employment opportunities for young people.

Policy Objectives

Besides addressing the over seven million young NEETs that constituted the main focus of the policy, the programme's guidelines and operating rules also indicated that among those who were employed, rampant informality prevailed in the job market. These guidelines highlighted the youth unemployment figures in Mexico for the 15 to 24-year-old cohort, which rose to 6.9% in 2020, below the OECD average of 11.1% (STPS, 2019b). This figure, however, masked the conditions of a local labour market characterised by precarious conditions, high turnover and low income, with an informality rate among young people of 62.4%. In Mexico, the INEGI classifies informal labour as employment that does not provide the employee with access to social insurance benefits, including healthcare services at the Mexican Social Security Institute (IMSS) and other welfare mechanisms such as retirement funds. As a result, surveys and IMSS records can directly determine the figures of informality, including age groups.

Given all these youth issues, the initial programme's guidelines (STPS, 2019b, 2019c) defined the JCF as an initiative that would enable young individuals to be included in productive activities where they would learn through practical experience, fostering work ethics and technical competencies. The programme would operate on a 'model of social co-responsibility,' forging public, private, and social partnerships. Its overarching objective was to provide young participants with a dedicated environment, comprehensive support, and structured activities to enhance their work ethics and technical abilities.

The JCF proposed the general objective of *‘Including young people between the ages of 18 and 29 who neither study nor work in productive activities, fostering their connection with willing economic units and with the possibility of providing them with on-the-job training’* (STPS, 2019b). The target population amounted to 2.3 million young people 18 to 29, who, as per the latest national surveys (INEGI, 2015), were the subset of the 7 young million NEETs ready and willing to engage in a productive activity immediately. Furthermore, the programme would specifically prioritise young people living in municipalities with high to very high levels of marginalisation or with increased rates of violence, including individuals from historically discriminated population groups. Since many of these youths had not been actively involved in the country’s economically productive processes, it can be argued the programme’s primary goal prioritised ‘productive inclusion’ over skills or job training.

Policy Objective Tree

The official JCF’s ‘objective tree’ is a crucial strategic tool employed by the STPS to outline the specific programme’s objectives. This tool is designed to transform the identified issues in the problem tree into visual, targeted goals and outcomes (see Appendix VII). This section summarises its structure, levels, and principal components (goods and services). The official JCF ‘objective tree’ proposes the programme’s objective and principal components including the ‘means’ and ‘ends’ to achieve it. The objective is defined as: *‘2.3 million young people between the ages of 18 and 29 who do not study or work and who live primarily in municipalities with high rates of violence or who belong to historically discriminated groups have opportunities to develop productive activities’*.

Among the ‘means’ that the programme proposes are supporting the continuation of studies of 300,000 youths through a separate, smaller-scale programme based on a conventional educational component (Jóvenes Escribiendo el Futuro⁶). The programme also aims to provide economic support and promote financial inclusion by issuing bank cards to young people for receiving monetary transfers. Another method to achieve the stated objective of productive inclusion involves offering training services in participating firms, encouraging young people to become interested in and ‘available’ for work. The objective tree outlines a series of intended outcomes, including improving social cohesion, reducing youth unemployment rates, developing skills and

⁶ ‘Youth Writing the Future’

work habits, strengthening young people's work experience, increasing youth entrepreneurship in productive activities, decreasing migration, and preventing and reducing crime rates among young people.

Policy Components

The JCF offers three key components (goods and services) as part of the unified programme's output, comprising the following:

- I. Training in a workplace. At a work centre or firm registered with the programme and aimed at acquiring or strengthening technical skills and work habits, as defined on an 'activities plan', for twelve months. The materials and supplies necessary for the training would be provided by the work centres and delivered by a tutor at no cost to the apprentices. Notably, large, medium, and small firms and independent artisans and professionals may all function as a 'firm' within the programme.
- II. Monetary transfer. Monthly economic support for up to 12 months, equivalent to 3,748 MXN (approx. 220 USD), through a bank card, conditional on undertaking forty weekly work hours and training at a participant work centre. This amount was initially slightly higher than the national minimum salary. Notably, with each yearly publication of the operation rules, the economic transfer increased to 6,310 MXN (approx. 370 USD) in 2022 (STPS, 2022).
- III. Health insurance. The IMSS provides medical coverage in case of illness, maternity, and work risks.

To summarise, the features of the JCF at first glance align with what Abdala (2014) describes as 'the third generation or comprehensive model' of job training policies for young people. This model is characterised by addressing the shortcomings of traditional 'upskilling' measures, while drawing on a variety of alternatives ranging from TVET, the conventional school system, and flexible upskilling. In contrast with earlier policies, this approach focuses on disadvantaged youth beyond the sphere of employment and 'employability', encompassing the social justice and psychosocial dimensions. In this vein, as some authors have argued, the main focus of this third-generation intervention is based on an understanding that training disadvantaged youth presents unique challenges that arise from deeply ingrained structural issues, such as the lack of social and cultural capital, which can undermine or limit the effectiveness of technical training and skills development. (Abdala, 2014; Weller, 2011).

Based on the review of its components, it can be concluded that the JCF aimed to both promote social inclusion and enhance young people's prospects for future employment. The problem and objective trees, together present a comprehensive theory of change that extends well beyond a narrow interpretation of the programme as solely focused on 'job training' or 'upskilling' objectives. In essence, the policy initially suggested a 'skills mismatch' diagnosis, which meant that promoting training programmes could play a pivotal role in achieving greater inclusion of young people in the labour market. However, subsequent JCF policy documents (STPS, 2020c, 2020d, 2021b, 2022) would shift away from the emphasis on employability to favour and exalt the purpose of social inclusion.

Having outlined the JCF's policy objectives and components, it becomes clear that this policy breaks from conventional moulds. While it does not fully embrace a classic supply-side strategy built on enhancing individual skills, nor does it straightforwardly aim to create permanent jobs in the manner of traditional demand-side interventions, as no element in the JCF design ensures that young participants will be hired after their involvement in the programme ends. Nonetheless, its subsidised labour component nudges the programme closer to a demand-oriented stance. By providing financial support that encourages SMEs to integrate young NEETs into their operations, the JCF's 'productive inclusion' approach attempts to address underlying structural constraints without relying solely on skill provision discourses and policy designs.

4.3.2 JCF Policy Adoption Timeline

The following timeline outlines the steps leading to the institutionalisation of the JCF in January 2019, beginning with AMLO's focus on youth policies during his tenure as Mayor of Mexico City in 2000. It tracks thematic developments through his presidential campaigns and the start of his presidency in December 2018. Constructed by analysing key events and policy documents, the timeline illustrates the evolution of youth-targeted social policies under AMLO's influence, providing context for the JCF's discursive and programmatic background. It also identifies key stakeholders and milestones discussed in later chapters, organised into three phases: 1) problematisation, 2) policy devising, and 3) policy institutionalisation.

Table 4.4 JCF Adoption Timeline

Phase	Date	Event
Problematisation	2000	During AMLO’s tenure as Mayor of Mexico City, youth designated as a ‘priority group,’ leading to three key programmes implemented by the Youth Institute: PAJSR, Becarios, and Support Programme for City Brigades (Provencio & Yanes, 2006).
	2006	AMLO’s presidential campaign emphasised combating crime through employment and addressing poverty, family disintegration, and lack of productive alternatives (Toledo, 2007).
	2012	AMLO’s presidential campaign proposed scholarships for low-income youth and universal access to upper secondary and higher education (López Obrador, 2012).
	January 2017	In the book ‘2018 The Way Out: Decadence and Revival of Mexico’ (López Obrador, 2017b), AMLO detailed JCF’s foundational concepts and strategies, later implemented.
	February 2017	AMLO announced the JCF in YouTube series ‘Ideas of Change’ (López Obrador, 2017a), on MORENA’s channel, specifying a target of 2.6 million beneficiaries, later modified to 2.3 million.
	May 2018	Throughout the presidential campaign, AMLO highlighted support for vulnerable youth aged 15 to 29 and their integration into education and employment. Esquivel (2018), MORENA’s economic adviser and future Bank of Mexico Governor, explained the economic rationale behind JCF.
Policy Devising	June 2018	Final campaign event at Mexico City’s Azteca Stadium (López Obrador, 2018) coincided with labour team attending a J-PAL seminar in Chile focused on youth labour interventions in LATAM.
	July 2018	Electoral victory with 53.19% of the vote (INE, 2018). Two days after, announcement of JCF alongside top business representatives, targeting 2.3 million youth with a 110 billion pesos budget (approx. 5,400 million USD).
	September 2018	Public presentation of JCF by AMLO and Secretary of Labour Luisa María Alcalde, accompanied by the publication of the first JCF Manual (STPS, 2018a). Key organisations and institutions attended the event, including the Business Coordinating Council (CCE), National Confederation of Industrial Chambers (Concamin), Employers’ Confederation (Coparmex), National Polytechnic Institute, El Colegio de México, Oxfam, ILO, and UNICEF.
	October 2018	ILO experts advised the STPS team on JCF, though no formal partnership was established.
Policy Institutionalisation	December 2018	AMLO’s administration began with the first public presentation of JCF and the establishment of collaboration agreements with national firms. The CCE was highlighted as a principal policy stakeholder. Secretary of Labour Luisa María Alcalde presented JCF to the media,

		emphasising its aim to ‘bring together the private, public, and social sectors’ (Aristegui, 2018).
	January 2019	Publication of the ‘Operation Guidelines of the JCF programme’ (STPS, 2019b) marking the official start of the programme’s implementation with the first cohort of youth beneficiaries.
	November 2019	STPS announced plans to extend JCF to Central America, with initial efforts focusing on Honduras (STPS, 2019a).
	February 2020	Publication of the first ‘JCF Operating Rules (STPS, 2020c) and the launch of the ‘Mes 13’ tool for post-apprenticeship support, offering job boards and further training options (STPS, 2020a).
	August 2020	Integration of JCF graduates into the ‘Tandas para el Bienestar’ microcredit programme, implemented in collaboration with the Secretariat of Economy (Valdés, 2020).
	2022 January	The Mexican Agency for Cooperation and Development (AMEXCID) announced plans to export JCF to Cuba and Haiti during 2022.
	2022 May	JCF operations initiated in Belize, technically and financially supported by the Mexican government (López Obrador, 2022).
	2022 June	Foreign Affairs Secretary Marcelo Ebrard announced the expansion of JCF to Los Angeles, California, targeting 3,000 beneficiaries of Mexican origin (Infobae, 2022).

Source: Author’s elaboration

The next section takes a closer look at the key national institutions and youth policies that emerged during this period, shedding light on the main factors behind their development and their underlying rationales.

4.4 Overview of the National Welfare Institutions and Youth Policies

Throughout most of the twentieth century, institutional youth welfare in Mexico emerged from heterogeneous and often short-lived institutions with varying aims and objectives, from sports to civic participation and crafts to job training. However, there has not been a federal youth policy, let alone a national law, to safeguard young people’s social and economic rights. Similar to Europe, youth institutes in Mexico and LATAM throughout the twentieth century did not address the main issues affecting young people, such as job insecurity and lack of affordable housing. Instead, they focused on civic participation and sports (Wallace & Bendit, 2009). The abandonment and ineffectiveness of these policies is arguably demonstrated by data from the National Council for the Evaluation of Social Development Policy (CONEVAL, 2008). In the context of the International Youth Day of 2008, about 14.9 million young Mexicans, or 14% of the country’s population, were facing poverty, of which 3.3 million were suffering extreme poverty.

This section focuses on the historical and contextual developments that resulted in a set of institutions and policies predating the JCF. Specifically, it details those welfare institutions and policies that served as ‘critical junctures’ in response to path-dependency dynamics and feedback effects on the JCF. It also highlights the primary material and ideational factors that influenced the emergence of these institutions and policies. This analysis aims to deepen the understanding of the factors leading to the adoption of the JCF. For practical purposes and given their relevance to the type of programme the JCF represents, the review is limited to cases within educational systems, labour policies, and social and youth interventions. This selective focus allows a more targeted examination of the JCF’s features.

Discussions about welfare regimes often refer to various policies covering multiple sectors, challenging comparative efforts. Dorlach (2021) proposed a standard breakdown of welfare institutions including social insurance, health, and public spending on education. Similarly, according to Dion (2005, p. 61), the ‘welfare state’ comprises five core areas: old age and disability pensions, health care, work-related injury and illness insurance, unemployment insurance, and family allowances. For non-industrialised countries, or ‘emerging welfare states’, the literature has tended to focus on non-contributory social policies (e.g. CCTs and ALMPs), pensions, and health insurance (Huber & Niedzwiecki, 2015). As argued previously, the development model and strategies significantly influence the degree of consolidation of welfare states, distinguishing industrialised or central nations from peripheral, developing, or MICs. Research on the political economy of welfare regimes posits that the extent of social insurance depends on the negotiations between production factors, namely capital and labour (Esping-Andersen, 1990), which can also be understood as interactions between the private sector and unions regarding minimum wage and labour regulations. While these frameworks provide a general understanding of welfare regimes, the case of MICs like Mexico requires a more nuanced approach.

For MICs, Dorlach (2021) identifies nine potential drivers for welfare state advancement: 1) economic development, 2) fiscal capacity, 3) democracy, 4) partisan ideology, 5) labour unions, 6) social mobilisation, 7) cultural homogeneity, 8) institutional architecture, and 9) welfare rights and norms. These different drivers raise important questions about the factors influencing progress in social policy in MICs such as Mexico. While all these factors offer valuable insights, this study will focus on specific drivers pertinent to Mexico’s context: 1) economic and development, 2)

political-electoral (partisan-ideological-institutional), and 3) rights and labour organisation. Additionally, when examining negotiations between capital, the state, and workers, it is crucial to acknowledge that in non-central countries, the bargaining power of the working classes is significantly weakened (Dion, 2005). This historical reduction in leverage is greatly explained by de-industrialisation processes as well as by the high prevalence of informal labour and SMEs, which impedes effective labour organisation. This issue is central to the rationale behind the JCF programme and MORENA's purposes, which, as of 2018, included constructing a new political coalition where small and informal firms and workers were central to a broad non-contributory social policy framework.

4.3.1 Education and Training Systems

While the JCF is not an educational programme, this thesis has emphasised the relevance of analysing youth policies alongside broader components of the welfare regime. Therefore, examining educational, training, labour, and social policies that have historically served specific population groups is crucial. The NEET condition in Mexico is a complex, multifactorial social phenomenon driven by factors such as job scarcity, school desertion, and the low quality and economic returns of education (Rosique Cañas, 2013). Various authors argue that the issue of Mexican young NEETs stems largely from the mass expansion of education, which failed to adequately integrate with the national economic and productive system (Bermúdez-Lobera, 2014; Dautrey, 2014). If we also consider the high inequalities and poverty in the country, the result is that post-compulsory education has increasingly become inaccessible and unappealing to millions of young people. For instance, the payment of school fees, even in public education, has been cited as the primary cause of school dropout, especially at the higher level (Rosique Cañas, 2013). Therefore, it is crucial to provide an overview of the Mexican educational system and identify the institutions through which millions of young people navigate in their life trajectories before ending up in a NEET situation.

In Mexico, the right to education is enshrined in the Constitution (Art. 3). The State, through its three levels of government (federal, state and municipal), is responsible for providing compulsory education, comprising basic education (preschool, primary, secondary), and high school, though the latter is not mandatory. Mexico's educational investment averages USD 3,239 annually per full-time student from primary to higher education, significantly lower than the OECD average of

USD 12,647. This investment represents about 18% of Mexico's per capita GDP, compared to the OECD average of 27% (OECD, 2023). In the educational structure, ‘basic’ or compulsory education includes preschool, primary, and secondary levels (tiers 0 to 2).

Table 4.5 Structure of the Mexican Education System

Higher Education Tier 5	Academic Specialisation	Master	Doctorate
Higher Education Tier 4	Technological Universities/ Institutes	Undergraduate Degrees	
Upper Secondary Tier 3	General Baccalaureate	Technical Baccalaureate	Technical Professional
Secondary Tier 2	Secondary School		Job Training
Tier 1	Primary School		
Tier 0	Preschool		

Source: Author’s own based on (SEP, 2018)

The preschool level has three grades and attends children from three to five years old. The primary level has six grades and serves children from six to twelve years old. The secondary level comprises three grades, and the typical ages range from thirteen to fifteen. This level's conclusion grants a certificate required to advance towards the upper secondary level. Upper secondary education is the most heterogeneous of the levels since, aside from the federal and state-level administration, it currently comprises up to 33 subsystems covering the general ‘bachillerato’ (baccalaureate), the technological bachillerato, the ‘professional technical bachillerato, as well as specialised tracks in fields such as agriculture, apiculture, maritime studies, and hospitality (Bautista, 2019). The baccalaureate typically spreads three grades, although there are two-year and four-year study programmes (Narro et al., 2012). As with secondary education, the upper secondary level certificate is mandatory for higher education. Technical professional education is more heterogeneous, with programmes ranging from two to five years, though three-year programmes are the most common. This education type emphasises work training, and most programmes are terminal. Notable institutions at this type include the National College of Technical Professional Education (CONALEP) and the Centres for Industrial and Services Technological Studies (CETIS).

The Secretariat of Public Education (SEP) coordinates the work training system through one of its general directorates. This system comprises two subsystems offering short-term courses (120 to

600 hours). The federal subsystem includes over 200 Training Centres for Industrial Work (CECATI). The state-level subsystem consists of 31 Training Institutes for Work (ICATs) present in 30 of the 32 federal entities (Ahumada Lobo, 2016). Both institutions provide professional and personal training to workers and general public interested in developing job skills in various economic sectors, including commerce, construction, and handicrafts. A point of contention involving the ICATs and the JCF, is the lack of participation from educational and training sectors in the JCF's design. As will be further discussed in subsequent chapters, to some key informants such disconnection was viewed as a significant underutilisation of the country's training infrastructure. However, the programme's implicit response emphasises the importance of integrating young people from predominantly vulnerable contexts where ICATs are absent and structured learning programmes have limited impact.

The higher education level in Mexico comprises three levels corresponding to the International Standard Classification of Education (ISCED, 2023): higher technical (ISCED 4), undergraduate (ISCED 6) and postgraduate (ISCED 7). The higher technical level trains professionals for specific areas with greater specialisation than technical professionals from higher secondary education. These terminal degree programmes typically last two years at technological institutions and universities. The undergraduate level focuses on training professionals in various knowledge areas through four to five-year terminal study programmes, which are taught in universities and technical institutions (SEP, 2018). According to the SEP (2023b), the higher education system faces significant challenge. Only 30.8% of young Mexicans of appropriate age enrol in university and 6.0% of those who enrolled become dropouts. While there is no single official source of terminal efficiency in higher education, López Suárez et al. (2008) estimated that it was around 17.4% across all systems and subsystems.

According to SEP (2023a), dropout rates in compulsory education are negligible at 0.3% for primary level and 2.7% for secondary school. However, dropout rates increase significantly in upper secondary and higher education levels, reaching 8.7% and 6.0% respectively. The 'technical professional' track of upper-secondary education (e.g., CONALEP) shows the highest dropout rate at 12.2%. In 2011, SEP conducted the first and only national survey specifically examining school dropouts at the upper-secondary level (INEGI, 2021). The survey revealed that the primary cause of dropouts is the lack of money for school-attending expenditures, accounting for 49.7% of cases.

Gender differences are also notable in attrition levels, with 54.9% of dropouts being male and 45.1% female. The survey also highlighted critical ages for dropouts are 20 years (13.1%) and 19 years (12.8%). Parental education levels of young dropouts are concentrated primarily in secondary (31.1%) and primary education (24.3%). These figures suggest that despite gradual improvements in access to basic education over time, Mexican youth continue to face challenges in transitioning from secondary to higher education, with economic accessibility to post-compulsory education being the main hurdle. As shown in the following table, despite sustained improvements, almost a third of the population aged fifteen and older still fails to complete basic education. These findings underscore the persistent challenges in the Mexican education system, particularly in retaining students through upper secondary and higher education levels.

Table 4.6 Population of 15 years and older without basic education

Year	Total	% of the population aged 15 and older
1990	31,158,916	62.8
1995	33,416,104	57.2
2000	33,338,910	53.1
2005	33,720,185	45.7
2010	31,900,157	40.7
2015	30,331,242	35.0
2020	27,900,587	29.6

Source: Author's own based on Census of Population and Housing from each referred period, and CONEVAL (2021); INEGI (2020a).

In terms of transition from secondary to tertiary education, Mexico lags behind OECD averages. The enrolment rate in higher education for individuals aged 15 to 19 in Mexico stands at 57%, compared to the OECD average of 82%. This discrepancy highlights limitations in young Mexicans' progression to higher educational levels (CEPAL, 2016). While this figure examines the percentage of cohorts transitioning directly from secondary to tertiary education, the overall access to tertiary education across the total population presents a different picture. In Mexico, this figure drops to 38%, significantly lower than the OECD average of 61%. In contrast, Chile, the only other LATAM country in the OECD, boasts a rate of 87% (OECD, 2016).

The preceding analysis of Mexico's educational context highlights varied graduation and dropout rates, shedding light on the main hurdles and lack of opportunities that young individuals face. These structural options and constraints significantly shape the educational trajectories of millions

of young people. In over 20% of cases, these trajectories result in young people becoming NEET, amounting to almost seven million individuals. The following section examines key interventions the Mexican government has implemented in recent decades to support young people from this segment, focusing on labour insertion and training domains.

4.3.2 Labour and Training Policies

According to the National Occupation and Employment Survey, the general rate of labour informality in Mexico is 55.1%. However, for young people aged 15 to 29, this rate rises to 66.9% (INEGI, 2020b). Historically, the Mexican government's primary institutional response to engaging and productively integrating young people into society has been regular schooling. Consequently, outside of the educational sector, there have been few notable interventions targeting this demographic. Beyond the technical modalities of upper-secondary education, job training interventions have generally consisted of short-term courses, mostly carried out by the National Employment Service (SNE), which is attached to the STPS. Ahumada Lobo (2016) notes that these interventions pursued the 'supply-side' objectives of increasing the employability of unemployed workers and general public. The following sections review the most salient examples that, due to their characteristics, can be conceptualised as traditional active labour market policies (ALMPs).

PROBECAT-Bécate

The 'Programa de Becas de Capacitación para Trabajadores Desempleados⁷,' better known as 'PROBECAT,' was the primary intervention devised for training the unemployed for almost four decades. As noted in previous chapters, this programme, alongside 'Chile Joven,' is perhaps LATAM's most influential training intervention. PROBECAT was initially launched by the SNE as a training programme for the unemployed, conceived as an instrument to mitigate the effects of the 1982 economic crisis (Calderón-Madrid & Trejo, 2001). Although not specifically focused on young people, but open to unemployed workers of legal age, its status as Mexico's most relevant policy aimed at productivity and employability, and its shared similarities with the JCF, warrants thorough analysis.

⁷ 'Training Scholarship Programme for Unemployed Workers'.

PROBECAT offered various training modalities, including regular courses at TVET schools, training provided at firms, and training focused on self-employees. The programme components included stipends equivalent to one to three monthly minimum salaries and training courses lasting one to three months. Unlike social and educational policies, which were primarily adopted for domestic political reasons, labour policies and ALMPs in Mexico were often externally influenced. For instance, PROBECAT was part of an initiative funded by the World Bank's 'Manpower Training Project' of 1987, predicated on assumptions of human capital investing and upskilling through short vocational training programmes (Revengea et al., 1994).

Although PROBECAT emerged in a context of economic crisis and growing informal labour, critical literature does not prominently highlight instances of political manipulation, clientelism, or corruption associated with the programme. A potential explanation for this might be the programme's strict conditionality requirements, which included systematic participant obligations such as attending training and work, centralised and bureaucratic management by the SNE, and strict WB loan conditions tied to periodic evaluations and outcomes. However, PROBECAT's weak points stem from the inflexibility of its main assumptions (e.g. HCT, upskilling) in a country with staggeringly high rates of informal labour. For instance, PROBECAT exclusively allocated participant to formal jobs, marking a crucial difference from the JCF, which embraced all types of firms, both formal and informal, and even individuals such as artisans, independent professionals.

In 2005, PROBECAT was replaced by a broader system of job training called PAE-Bécate. This programme was similar to PROBECAT, focusing on short-term worker training and providing a complementary economic stipend (Arenillas, 2011). As PROBECAT, Bécate was not strictly aimed at young people but at the unemployed (16 and older). Nonetheless, the programme covered thousands of beneficiaries aged 18 and 29 years old, overlapping with the JCF's target group. Due to the overlapping objectives of the PAE-Bécate and the JCF, the former's budget was significantly reduced in 2021. It was cut to less than ten per cent of its 2020 budget. For context, in 2020 the PAE-Bécate and other training and labour intermediation subprogrammes merely attended about one million beneficiaries.

4.3.3 Social Policies

Traditionally, two Ministries have been in charge of managing national social policies, directly or indirectly, targeting young people. On the one hand, the Secretariat of Public Education (SEP)

administers TVET programmes at the upper secondary and higher levels, primarily but not only through the formal school-based educational sector. On the other hand, the Secretariat of Labour and Social Prevision (STPS) has been in charge of programmes involving apprenticeships, job-training and skills development, providing financial and institutional support for participants. Additionally, the Secretariat of Social Development (SEDESOL), renamed in 2018 to BIENESTAR⁸, has traditionally been responsible for traditional ‘poverty alleviation’ programmes, including CCTs, as well as scholarships and various forms of conditional and unconditional assistance. Most job training programmes, except those directly related to poverty alleviation, have focused primarily on populations with at least upper secondary education, regardless of their educational or non-school-based technical tracks (Álvarez-Mendiola, 2006). This section will review a selection of the most relevant social interventions implemented by the federal government through these three key institutions, with the primary goal of characterising the context in which the JCF emerged.

In the aftermath of the institutionalisation of the postrevolutionary governments under presidents Cárdenas (1934-1940) and Ávila Camacho (1940-1946), Mexico was steadily heading towards its golden period of industrial development, known as the ‘Mexican Miracle’, which broadly spanned from the late 1930s, following the nationalisation of the oil industry, until the early 1970s (Sanders, 2003; Wionczek, 1986). This period saw the creation of the most relevant welfare and social insurance institutions. Notable examples include the Mexican Social Security Institute (IMSS) in 1944, the Institute for Security and Social Services for State Workers (ISSSTE) in 1959, and the National Worker Housing Fund (INFONAVIT) in 1972. Both the IMSS (private sector) and the ISSSTE (public sector) constitute the foundation of national social insurance, with the IMSS in particular being a key player in various social policies that have evolved over time in Mexico.

Although economic growth during the final stretch of that period reached average annual rates of 6.8% (WB, 2023a), this did not translate into the integration of the rural and peasant populations into the nascent welfare state (Brachet-Márquez, 2007). For this reason, authors such as Waldner (1999) referred to the welfare and social insurance regimes in LATAM as instances of ‘precocious Keynesianism’, where local elites were not indebted to, nor compelled to support the popular classes during times of institutional transformation. In 1979, amidst a brief oil boom that would

⁸ ‘Welfare’

soon give way to the ‘lost decade’ of the 1980s, the Mexican government led by the hegemonic Institutional Revolutionary Party (PRI) began implementing innovative poverty alleviation interventions, which would last under different denominations until 2018, when the leftist MORENA coalition arrived to power.

COPLAMAR

The creation of the ‘General Coordination of the National Plan for Depressed Areas and Marginalised Groups of the Presidency of the Republic’, better known as ‘COPLAMAR’, was a relevant milestone in the provision of non-contributory healthcare to the poor (Dion, 2010). As such, it is an early antecedent to social insurance programmes, specifically focusing on providing health services to vulnerable beneficiaries outside the formal labour market. The programme emerged during the six-year term of President De la Madrid (1982-1988), which is widely acknowledged as the beginning of the neoliberal economic adjustment period that also impacted the national welfare system.

COPLAMAR comprised a comprehensive financial package implemented by various institutions, covering a wide range of services including the provision of essential food items, construction materials for housing, and expansion of the drinking water network. Additionally, it funded the paving of roads and the construction of rural schools. Most importantly, the programme provided health services to the population not affiliated to the IMSS and ISSSTE, hence addressing a critical gap in healthcare coverage (Brachet-Márquez, 2007). COPLAMAR represents the first in a series of social programmes aimed at addressing gaps in the extant welfare framework. During the ISI development model, these regimes were characterised by a ‘dual’ disposition, by which they provided social protection to formal urban workers, while excluding the population in rural areas and workers in the informal sector.

After COPLAMAR, other iconic programmes emerged in its wake, some of which have been widely discussed in academic literature. The progression of ‘PRONASOL’, ‘Progresa,’ ‘Oportunidades’ and ‘Prospera’, entails the main Mexican CCTs. The latter three are often understood as the same intervention that spanned three presidential terms, with changes in name but not in their central rationale and types of components. In recent times it has become common to refer to these three programmes collectively as ‘POP’ (Progresa-Oportunidades-Prospera) (Hernández Licona et al., 2019).

PRONASOL

President Salinas de Gortari, from the PRI, launched the National Solidarity Programme (PRONASOL) in 1988, amidst a profound legitimacy crisis due to allegations of electoral fraud against the leftist PRD led by Cuauhtémoc Cárdenas, the son of President Lázaro Cárdenas who set the foundation of the ‘Mexican Growth Miracle’ by nationalising oil industry in 1938. Like COPLAMAR, PRONASOL offered basic services (water, drainage, electricity, road paving) and focused on peripheral slums in urban areas. A crucial difference between the programmes was that PRONASOL began to adopt more rigid targeting and conditionalities (Brachet-Márquez, 2007).

Scholars have argued that PRONASOL served more as a political and economic legitimisation tool than a genuine strategy for poverty alleviation (Dion, 2000). PRONASOL marked a turning point in Mexican social programmes, introducing a pattern aligned with the emerging orthodoxy of targeted interventions. It abandoned the failed aspirations for universal welfare, opting instead for targeting the country’s poorest regions. This approach was justified by an efficiency mantra promoted by the World Bank and the IDB during the SAPs period (Levy, 1991). A central feature of the ‘efficiency’ discourse was the imperative to minimise social spending or at least focus on ‘targeted’ and hence more efficient social assistance measures (Dion, 2009). Such an approach to social policy would dominate throughout the neoliberal period, ending in 2018 with MORENA’s rise to power.

It should be noted that most of the social policies initiated with PRONASOL were not predominantly the result of ‘hard’ processes involving loan conditionalities or financial incentives from IOs. Instead, ‘soft’ factors explain the progression and adjustments undertaken by the POP programmes, primarily through the leadership of a technocratic policy network that led the government during the neoliberal period (Dion, 2008). While global factors played a role, they did so through subtle forms of persuasion (Keohane & Nye, 1998) that convinced Mexican technocrats of the effectiveness of CCTs’ policy designs in addressing various social issues, including poverty, high basic-schooling dropout rates, and skills gaps among unemployed workers.

In its six years of operation (1988-1994), PRONASOL reached up to 24.2 million beneficiaries nationwide (Sales Heredia, 2003). Despite its efforts, poverty rates in the country continued to rise to 66%, likely due to the structural adjustments and the 1994 economic crisis (Brachet-Márquez, 2007). However, some authors argue that the programme’s poverty reduction goal was undermined

by the diversion of resources to the ruling party PRI's clientelist electoral needs (Diaz-Cayeros et al., 2016). Therefore, PRONASOL faced criticism for its discretionary resource management and political manipulation, ultimately contradicting its stated objective of combating poverty. For example, until 1993 the programme was managed by a 'special office' under the office of the Presidency rather than by a state Secretary or Department (Dion, 2000). Paradoxically, PRONASOL proved ineffective both in reducing poverty and in securing political support for the PRI, as the following elections were marked by the first-ever legislative defeats of the hegemonic party at the federal level (e.g. 1997 mid-term elections), leading to the need to restructure PRONASOL under a different name.

Progres-Oportunidades-Prospera

President Zedillo, a staunch technocrat from the PRI, succeeded Salinas de Gortari for the 1994 to 2000 period. Despite soaring poverty levels, Zedillo waited until midway through his term before launching the 'Education, Health and Food Programme' (Progres-Oportunidades) in 1997. This pioneering CCT programme aimed to improve the income and well-being of impoverished Mexican families. Progres-Oportunidades evolved over time, becoming 'Oportunidades' in 2002 and 'Prospera' from 2014 to 2019. When President Fox of the PAN party took office in 2000, Progres-Oportunidades's budget was increased by 85% and renamed to 'Oportunidades'. The new programme focused on both rural and urban poverty, targeting 4.6 million households (Brachet-Márquez, 2007). Oportunidades was redesigned as a 'means-tested' conditional cash transfer, arguably more protected from 'clientelist influxes' through the use of better social deprivation measurements for improved targeting (Diaz-Cayeros et al., 2016).

After President Fox, President Calderón (2006-2012), also from the right-wing PAN, continued operating Oportunidades. Various authors argue that neoliberal governments in Mexico were able to expand public spending on social policy during this period, due to the commodities boom which increased their fiscal flexibility that allowed them to refrain from foreign loans (Murillo et al., 2011; Sánchez-Ancochea, 2021). Following the two PAN administrations, President Peña Nieto from the PRI (2012-2018) continued operating the Oportunidades for two years before renaming it yet one more time as 'Prospera' in 2014. In its first year of operation Prospera supported over 6 million families with a budget of nearly 75 billion pesos (approx. US \$4,500 million), representing 0.4% of Mexico's GDP in 2014 (IADB, 2023).

In general, the POP's primary objective was to strengthen the capabilities of impoverished people by improving their health, nutrition, education, income, and well-being. According to CONEVAL, the POP was created in response to the need for targeted social support for families in extreme poverty, given the dire state of public finances following the 1980s oil crisis and the 1994-1995 economic crisis (Hernández Licona et al., 2019, p. 17). The POP's core four components throughout their existence included: 1) monetary transfers to improve food quantity and nutritional qualities; 2) improved access to health and prevention services; 3) scholarships to encourage school continuity and academic progress, and 4) intermediation services with other productive, labour, financial and social inclusion programmes. Administratively and budgetarily, the POP programmes did not require specific legislation, as the President retains control over the federal public administration and its budget to this day. The legislative power needs only to approve the annual budget in general terms, allowing the executive branch considerable discretion. This process has remained largely unchanged, as seen in the case of the JCF, minimising the need for exhausting legislative and stakeholder negotiations, particularly when the President's party also controls the legislative power. Critics argue that despite encompassing various welfare components (health, education, public services, and CCTs), the POP programmes failed to establish a universal welfare state. Instead, they resembled mere palliatives (Wilson, 2018) and remained subject to clientelist management and practices by presidential power (Dion, 2010).

For over 20 years (1997-2019), during what can be termed as the period of 'neoliberal stability' in Mexico, the POP programmes benefited around 2.6 million households, or roughly 10 million individuals (Hernández Licona et al., 2019). Overall, POP programmes have significantly influenced social policies in many countries, and have been characterised as 'successful' (Fiszbein & Schady, 2009) 'pioneering' (Becker, 1999), 'a successful model', and 'newest and most innovative social policy' (Behrman, 2010). However, the most favourable evaluations of POP programmes have primarily come from technical reports by international financial institutions (IFIs) and academics aligned with human capital theory (HCT) and the design of CCTs. While some authors contend that POP exemplifies a progressive social policy that achieved significant improvements in targeting disadvantaged populations while resisting 'clientelist' practices (Diaz-Cayeros et al., 2016; Levy, 2007), this stance remains contested. Many other scholars argue that it is mistaken to believe POP managed to keep clientelism at bay throughout its more than two decades of existence (Boltvinik et al., 2019; Wilson, 2018).

Furthermore, POP programmes failed to strengthen the formal labour sector, instead emphasising human capital investments and narrow targeting. Such disregard for structural labour and productive issues could support the claims of POP having been to a great extent, more vulnerable to clientelist exchanges of benefits to secure regime support in areas where the ruling party's hegemony was fragile (Dion, 2009). While CONEVAL reported increased coverage of essential services and marginal reductions in extreme poverty, moderate poverty levels remained unchanged (Hernández Licona et al., 2019). Given that the underlying issues persisted until the programmes' termination in 2019, their overall effectiveness is questionable. Even CONEVAL, known for its technocratic leanings, stresses that overcoming poverty depends more on broader factors than a single programme, emphasising the need for 'greater economic growth and increased productivity that allows the translation of increased human capital in impoverished households, into better employment opportunities, better salaries and therefore, greater well-being for families' (Hernández Licona et al., 2019, p. 19).

A study by Ramírez et al. (2017) ascertained that although support for the education and living expenses of young people resulted in heightened levels of motivation, it was not possible to conclude that POP increased the likelihood of attaining better-paid jobs or breaking the so-called 'intergenerational transmission of poverty' contrary to the firm assertions made by its advocates (Levy, 2007). Such an outcome, the study concluded, would necessitate major structural changes that would lead to the creation of higher-paying formal jobs. Despite the critical tone of the study, it also revealed deeply ingrained 'supply-side' and 'skills-mismatch' assumptions. For instance, it suggests that beneficiaries, once they are about to complete their upper secondary education studies, should obtain information and advice from the National Employment Service 'to improve their occupational trajectories' (Ramírez et al., 2017, p. 96). Such a recommendation implies that enhancing labour intermediation services at the institutional level could help address young people's structural constraint, but it overlooks the need for a more thorough examination of these underlying issues.

Poverty Measurements

Since the early 1990s, different methodologies have been used to measure poverty in Mexico. From 1992 to 2008, the primary measure was the ‘assets poverty’⁹, defined by INEGI’s biannual surveys as insufficient income to acquire one ‘food basket’¹⁰ and cover essential expenses in health, education, clothing, housing and transportation, even if all household income was used for these purposes. In 2008, new ‘multidimensional poverty’ measure was introduced, providing a more detailed breakdown of poverty types based on various deprivations. This shift replaced ‘asset poverty’ with the concept of ‘population with income below the well-being line’, referring to those unable to afford a combined food basket and essential goods and services with their current income. The following table illustrates Mexico’s poverty trends from 1992 to 2022, showing percentages and absolute numbers of those in asset poverty (1992-2008) and those below the well-being line (2008 onwards), based on INEGI’s primary household income and expense surveys (ENIGH and MCS-ENIGH) throughout this period.

Table 4.7 Evolution of National Poverty Rates

Year	% of the population in poverty of income	Population in poverty of income (in millions)
1992	53.1	46.1
1994	52.4	47.0
1996	69.0	64.0
1998	63.7	60.7
2000	53.6	52.7
2002	50.0	50.4
2004	47.2	48.6
2005	47.0	48.9
2006	42.9	46.5
2008	49.0	54.7
2010	52.0	59.6
2012	51.6	60.6
2014	53.2	63.8
2016	50.8	61.3
2018	49.9	61.8
2020	52.8	66.9
2022	43.5	56.1

⁹ ‘Pobreza de patrimonio’

¹⁰ Standardised set of essential food items, used to measure the cost of a basic diet necessary to meet nutritional needs of an average household.

Source: Author’s own based on estimations by CONEVAL (2022, 2023), based on ENIGH 1992-2022 (INEGI).

According to INEGI surveys, Mexico’s poverty levels have consistently exceeded 50%, showing a general downward trend in relative terms with intermittent increases during economic crises, notably in 1995 and 2008. The Covid-19 pandemic caused another surge in 2020. However, 2022 results show a significant decline to 43.5%, the lowest since 2006, before the LATAM commodity boom and the 2008 GFC (Sánchez-Ancochea, 2021). While the causes of this poverty reduction require further investigation, the current administration’s labour and social policies, given their monetary transfer components, may be highly contributing factors. These include a substantial minimum wage increase of over 126% between 2018 and 2023, according to the National Minimum Wages Commission (CONASAMI, 2023). Additionally, monetary transfers from universal scholarships for students, pensions for older adults, and the JCF transfers may have also played a significant role in this trend.

4.3.4 Youth Institutions and Policies

In Mexico, as in most countries, programmes and interventions targeting youth originated in the early 20th century, coinciding with significant demographic growth and a pronounced rural-to-urban migration. Marcial (2012) notes that between 1930 and 1950, the government began addressing youth issues. Initially, these efforts were closely tied to the hegemonic PRI. In 1940, the Secretariat of Public Education (SEP) established its first youth organisation, the ‘Youth Action Office’ (OAJ). A decade later, the ‘National Institute of Mexican Youth’ (INJM) was founded, marking a significant milestone as it encompassed various activities, including job training, cultural events, civic engagement, and physical education (Marcial, 2012). However, its impact was geographically limited, with initiatives primarily concentrated in Mexico City rather than nationwide. The following table outlines the evolution of key youth-focused institutions spanning almost six decades.

Table 4.8 Mexican Youth Interventions and Organisations

Youth Intervention	Year
Confederation of Mexican Youth (CJM)	1938
Unique Youth Centre	1939

Youth Action Office (OAJ)	1942
National Institute of Mexican Youth (INJM)	1950
National Youth Institute (INJUVE)	1970
National Council of Resources for Youth Attention (CREA)	1977
General Directorate of Youth Attention (DGAJ)	1988
Youth Cause General Directorate	1996
Mexican Youth Institute (IMJUVE)	1999

Source: Author’s own, based on Marcial (2012) and (Pérez Islas, 2000).

The INJM was renamed to INJUVE in 1970, and it was presented as yet another education and training alternative that would result in negligible impact and reach. In 1977, the National Council of Resources for Youth Attention (CREA) was established, achieving unprecedented national reach with 31 state-level, 55 regional, and over a thousand municipal ‘CREAS’ (Pérez Islas, 2000). Regarding the CREA, Marcial (2012) argued that its territorial deployment ultimately aimed to control youth gangs and rising countercultural expressions in urban areas. During the Salinas de Gortari administration the CREA was dissolved, and youth affairs were relegated to a directorate (DGAJ) within the National Sports Commission (CONADE). For these reasons, Marcial (2012) blames the neoliberal period of the uttermost neglect of youth welfare. After Salinas de Gortari, Zedillo (1994-2000) founded the Mexican Youth Institute (IMJUVE) in 1999, initially under the SEP before moving to SEDESOL in 2013 (Terrazas de la Vega, 2019). The importance of IMJUVE lies in its role as the first institution to conduct national youth surveys in 2000, 2005 and 2010, providing crucial data on youth living conditions and needs. The 2010 survey revealed alarming statistics about the emerging ‘ninis’ (NEETs) phenomenon, showing that 22% of young people in the country, or over 7 million, fell into this category (IMJUVE, 2011).

The following section summarises and analyses the Mexican context and historical institutional developments, in light of the literature review from previous chapters, proceeding to present the research rationale, objectives, and main questions of this thesis.

4.5 Chapter Discussion

This chapter provided an overview of the situation of young people in Mexico, including key demographic data and the prevalence of nearly 7 million young NEETs in a country with an average age of 29. It then examined the 2018 political and electoral context, which brought

MORENA, a left-wing movement led by AMLO, to power and set the stage for the implementation of the JCF. The chapter also presents a detailed description of the JCF programme, including its design and components, objectives, problem definitions, implicit theories of change, as well as a timeline highlighting the main milestones of the policy adoption process.

Secondly, this chapter has provided an analytical and historical overview of Mexico's welfare institutions and social policies from the post-revolutionary era to 2018. This review complements chapters 2 and 3 by situating the emergence of the JCF within past institutional and programmatic efforts that unsuccessfully aimed to provide support and welfare to the Mexican population, including young people. The interventions discussed include educational, labour, and social policies aligned with the country's development models. For instance, during the ISI stage (1950s-1970s), there was a quasi-universalist attempt to provide social insurance to Mexican workers through the IMSS and ISSSTE. However, this approach failed due to factors such as excessive rural-urban migration, recurring economic crises, and inefficiencies caused by over-bureaucratisation. In the subsequent SAPs period (1980s-1990s), the Mexican state introduced CCTs and job training programmes such as Progresá, Próspera, Oportunidades, and PAE-Bécate to combat rising poverty and unemployment while fostering job skills. Finally, during the third period, characterised by youth policy innovations, institutions like IMJUVE emerged, but with limited reach and unambitious objectives, focusing primarily on cultural promotion and sports while neglecting more critical issues like the lack of educational and labour opportunities.

This review highlights how the characteristics and rationale of the JCF position it as a paradigmatic case that diverges from previous interventions on multiple levels, making its policy adoption process suitable for analysis from a political economy perspective. While previous neoliberal governments adhered to a technocratic view that individual policies sufficed to address structural issues like poverty and unemployment, the JCF adopted a different approach, focusing on social inclusion through productive activities. The JCF's rationale, as outlined in its normative documents, presents a compelling diagnosis: if the country failed to establish universal welfare institutions during the ISI and 'Mexican Growth Miracle' periods, and individualised training interventions proved ineffective during the SAPs era, the government deemed it necessary to enact a broad-based social policy, including the JCF, accompanied by a significant shift toward a state-led neo-developmental development strategy. Building on the previous considerations,

throughout this work the JCF is interpreted as the social policy ‘correlate’ of a broader economic-political paradigm shift attuned to neo-developmental positions (Cervantes-Gómez et al., 2023).

The following section presents the research rationale, objectives and specific research questions, which emerge and are formulated based on the various theoretical, empirical and contextual considerations examined in the previous chapters.

4.6 Research Rationale, Objectives and Questions

4.6.1 Research Rationale

The literature review and the contextual analysis of Mexican social welfare institutions and programmes conducted so far suggests that an adequate study of policy adoption processes, cannot be carried out outside the broader study of social welfare regimes and the development paradigms underpinning them. As I have argued, the study of youth policies has often adopted narrow sectorial perspectives and ‘individualising’ discourses (Jacinto, 2010a), emphasising individual young people’s shortcomings. Other common explanations adopt an ‘educationalising’ tone (Depaepe & Smeyers, 2008; Tröhler, 2016), highlighting the lack of adequate human capital in the youth subgroup. Alternatively, some studies adopt a merely ‘instrumental’ approach to youth policies through the mainstream impact evaluation perspectives. Such approaches tend to overestimate the effects that interventions can have on employability, poverty status, and even the ‘upward mobility’ of beneficiaries, as noted by authors like Araujo et al. (2017), Attanasio et al. (2017), De Britto (2008), and Stampini and Tornarolli (2012). However, these often neglect the broader political-economic structural constraints and issues afflicting the youth.

For the reasons above, this thesis proposes that a ‘political economy’ approach is more suitable for comprehensively investigating the convergence of structural and agential factors that affect the state of the youth, and the material and ideational factors that lead governments to respond through concrete policies. This approach explains the adoption of the JCF in Mexico by an incoming left-wing government while shedding light on the historical and socioeconomic determinants that account for the current state of the youth situation. To support this analysis, the research employs an empirical strategy designed to examine the discourses, interests, motivations, and facts underlying the primary policy documents, while incorporating the perspectives of key policy stakeholders and national experts as primary sources of qualitative data.

4.6.2 Research Objectives

Given the previous research rationale, the main objective of this thesis is to unravel the primary material and ideational factors that explain the adoption of the JCF by the Mexican government in January 2019. This study approximates the understanding of the Mexican welfare regime from a historical perspective that considers the dominant development paradigms that have sustained it throughout the past decades. The choice for this approach is based on the theoretical-normative argument that youth policies should not be analysed in isolation. On the contrary, given their broad social welfare objectives (e.g. training, employability, job placement, health), these policies should be understood as the consequence of political and economic determinants of the highest order. Among these determinants, two factors stand out: 1) the development strategies that the country has adopted over the decades, resulting in specific institutional social welfare regimes; 2) the country's political-electoral trajectory, characterised by the arrival of a left-wing party to power for the first time in 2018, which led to a paradigmatic change in institutional discourses, development strategies, and policymaking.

These considerations lead to the following five research objectives: 1) to assess the specific role that material and ideational factors play in policy adoption processes from a cultural political economy perspective; 2) to comprehend the problematisation (issues and causes) carried out by the government regarding the issues that afflicted the Mexican youth; 3) identify and examine the core ideas (normative and cognitive) underlying the design of the JCF policy; 4) elucidate how the Mexican government, acting as the leading 'policy entrepreneur' (Mintrom & Norman, 2009), justified the JCF before political actors and citizens, before its implementation, and 5) identify and characterise the main criticisms and ideological and technical confrontations that ensued the implementation of the JCF.

4.6.3 Research Questions

In pursuit of the aims and purposes outlined above, the research objectives logically unfold into one primary research question (RQ) and three sub-research questions (SRQs). The primary RQ: What were the primary material and ideational factors at the local and global level that led the Mexican government to adopt the JCF policy?

From the main research question, it follows that the ideational and material factors or drivers should be understood as ‘causal forces’ that explain why the government adopted the JCF at a given time and with a specific design, scope and features. Furthermore, to assist in addressing this inquiry, the thesis will rely on three SRQs that serve as guiding questions that correlate, both at the logical and content levels, with the three evolutionary mechanisms of policy change proposed by the CPE approach: variation, selection, and retention (Jessop, 2010).

Sub-Research Questions

The SRQ for the variation stage is: What factors led to the emergence of youth as the primary target of social policy? This question explores the primary issues affecting young people in Mexico, focusing on the diverse discussions, debates, and interpretations of these challenges and their causes, as presented by various public and private actors.

The SRQ for the selection stage is: Why a universal on-the-job training programme? This question enables the inquiry of why the government designed the JCF as a universal programme yet restricted its scope to 2.3 million young people in the NEET situation. Additionally, the question explores why the government prioritised employers and on-the-job training in this policy over traditional educational or training institutions and upskilling.

Finally, the SRQ for the retention stage is: How did the government secure the support from local and foreign actors and resources to institutionalise the programme? This question focuses on how the government negotiated with the private sector and regional cooperation actors and managed the necessary resources to implement the JCF as early as January 2019.

These research rationale, objectives, and questions form the foundation for the selection of the theoretical-analytical framework, research design, specific methods, and the implementation of data collection and analytical strategies outlined later in the thesis.

CHAPTER 5 – METHODOLOGICAL FRAMEWORK

5.1 Introduction

This chapter presents the methodology employed in the present research, based on the theoretical and empirical literature reviewed in the previous chapters. It begins with the theoretical-analytical framework, which is primarily based on the complementary use of Cultural Political Economy (CPE) and the Policy Cycle Model (PCM). The chapter explains the research philosophy foundations that justify this choice, including a comparison of the philosophical paradigms of positivism, constructivism, and critical realism, and how the latter is most appropriate for the type of objectives and research questions in this study. In this regard, the chapter includes a section that elaborates on the role of ideas in the analysis of policy change, justifying the appropriateness of CPE and PCM to support the inquiry into the adoption of the JCF policy.

Since this thesis focuses on conceiving youth policies as central elements of broader welfare regimes, an empirical strategy was carefully designed to align with its specific objectives and research questions. The chapter presents the research design of this study, which is framed as a qualitative case study (QCS) based on the analysis of policy arguments, both written and spoken, derived from a selection of key policy documents and interviews with high-level stakeholders. The chapter then outlines the main data collection method, which consisted of semi-structured interviews, explaining how these interviews, along with secondary policy documents, were analysed using an inductive-deductive approach through Thematic Analysis (TA). Specifically, the study draws on data from both primary (n=26) and secondary policy documents (n=92) and interviews with key policy stakeholders (n=36).

The chapter details the data collection and analysis process, outlining the four phases followed and the tools and methods used, which included an intensive and iterative approach combining deductive and inductive analyses of codes and themes emerging from the data. This process involved extracting themes, conducting two waves of coding, and concluding with a reflection on the doctoral researcher's positionality. This methodological framework provided the foundation for a comprehensive analysis of the material (economic, political, institutional) and ideational (ideas, discourses) factors influencing the Mexican government's decision to adopt the JCF policy, presented in Chapter 6. The findings are structured around the three CPE evolutionary mechanisms of variation, selection, and retention, supported by the bulk of empirical evidence from this study.

5.2 Theoretical-Analytical Framework

This section describes the theoretical and analytical frameworks that underpin this study. Starting from various research philosophy considerations and assumptions that lead to an appreciation of the merits of a critical realism (CR) approach as useful for this research purposes, the section presents an explanation of the relevance and role of ideas in policy change processes, which includes the policy adoption phase. These conceptual approaches lay the theoretical foundations that justify the choice of the related and complementary theoretical-analytical frameworks of Cultural Political Economy (CPE) and the Policy Cycle Model (PCM), which allow for the operationalisation of data analysis and the arrival to the concrete results of the study.

The PCM exemplifies a traditional approach to policy formulation, often adopting a ‘positivist’ perspective in which social issues are viewed as challenges inherently suggesting their own solutions. A limitation of this approach is that it often relegates the influence of material and ideational factors that transcend compartmentalised governmental fields or sectors (e.g., social policy, youth interventions), such as the ideological inclinations of governing groups, the dynamics of political negotiations, or significant shifts in a country’s development strategies. In contrast, CPE adopts a social constructivist perspective, recognising that social problems do not constitute mere technical anomalies, but are constructed through social, cultural, and political discourses. CPE, therefore, highlights the variability of problem definitions and solution strategies in different contexts, reinstating the central role of politics in policy formulation. Despite their apparent differences, this section highlights why CPE predominates in this study, while justifying how the theoretical underpinnings of both approaches can complement each other to offer a more robust theoretical and explanatory proposition.

5.2.1 Research Philosophy

Any social science research is anchored in the researcher’s fundamental epistemological and ontological beliefs and stances about the nature of knowledge and reality. These beliefs shape the methodology and approach of any research in fundamental ways. This makes it relevant to address three central philosophical paradigms (positivism, constructivism and critical realism) in social science, clarifying why critical realism (CR) is the most suitable for this study on policy adoption. First, positivism is rooted in the belief that reality is objective and can be observed and described from an impartial point of view, which is independent of the observer, and following the model of

the natural sciences. Positivism relies heavily on quantitative methods and empirical evidence to test hypotheses and theories. Positivist social science is inclined to claim that the only valuable scientific knowledge is the one that is derived from empirical facts, observed through our senses and measured by instruments, whereas ‘subjective’ interpretations tend to get discarded as unreliable (Bryman, 2016).

Secondly, and in contrast with positivism, constructivism postulates that reality is socially constructed through human interactions. This position focuses on the subjective interpretation of social phenomena, emphasising qualitative methods and the importance of understanding the meanings individuals attribute to their actions and environments (Inglis & Thorpe, 2012). Constructivism maintains that truth and knowledge are products of constantly constructed and reconstructed social processes. In words of Fairclough (2013): ‘there are no social events or practices without representations, construals, conceptualisations or theories of them’. An epistemological implication of these ontological commitments is the urgency of formulating theoretically informed inquiry, instead of assuming that certain social events or phenomena are directly accessible to the researcher.

A third paradigm is Critical Realism (CR), developed by Bhaskar (2008), which offers a middle path between the extremes of positivism and constructivism (Danermark et al., 2019). CR designates a broad set of philosophical positions regarding the nature of being (ontology) and knowledge (epistemology), and it is characterised by its insistence that reality is ‘stratified’ into multiple levels that exist independently of human observation and language. This idea implies that knowledge and reality ‘endure, operate and exist’ independently of the knower (Sayer, 2000), thus rejecting not only the positivist and empiricist positions of science that held that reality is cognisable objectively by the researcher but also the social and linguistic ‘constructionist’ ontologies for which social reality is a product of social practices in its totality. For CR, reality exists independently of human thoughts and beliefs, but it also recognises that social structures inevitably influence our understanding (Bhaskar, 2008). In other words, the real world influences and limits the constructions we make about it. This paradigm supports using various qualitative and quantitative methods to discover the underlying structures that cause observable phenomena.

This thesis on policy adoption employs CR due to the type of research questions posited and the study context. Noting the differences between positivism and critical realism, for example, makes

it more convincing and appropriate to adopt CR for the objectives of this research since it addresses phenomena that are not easily categorised or defined, such as ideas, discourses, and social meanings. Since 2018, Mexico has experienced a profound political-ideological shift, due to the coming to power of a leftist movement advocating for a shift away from neoliberalism. Policy adoption processes, influenced by underlying structures and mechanisms like political ideology, preferences, and social imaginaries, are not completely and directly observable phenomena. Hence, CR enables exploration of both material and ideational factors interacting with human agency and social-contextual conditions. Therefore, this approach is particularly appropriate for this research's objectives, given the significant political changes surrounding the adoption of the JCF.

5.2.2 The Role of Ideas in Policy Change

For decades, the dominant 'neoclassical' paradigm in economics, aided by 'rational choice' and 'public choice' theories, drawing on more positivistic approaches, explained the processes of policy adoption through actors' 'preferences' and 'self-interest,' primarily grounded in the 'material' realm. Against this view, scholars from an array of analytical perspectives have, for at least five decades, tried to understand how ideational factors such as culture, norms, values, and world views, can influence the policymaking processes. Likewise, authors from the political economy perspective increasingly acknowledged that political and economic issues cannot be fully understood without a fair assessment of institutions and ideas (Clark, 2016).

Schmidt (2008, p. 313) argues that the rise of the new wave of 'institutionalisms' was a response to the fierce methodological individualism that dominated the social sciences during the 1980s, namely rational choice and behaviourism. Such approaches overemphasised a conception of agency often detached from social structures. Conversely, the new wave of institutionalisms underscored the importance of historical, institutional or discursive legacies that generated 'path dependencies' that explained the present political structures and institutions (Hall & Taylor, 1996; Mahoney et al., 2009; Schmidt, 2008; Steinmo et al., 1992), thus reinvigorating agency by taking the role of discourse and ideas seriously.

Institutionalist scholars often employ the concepts of 'policy legacies', 'policy feedback', and 'social learning' to highlight the effect of previously enacted policies on the policymaking process, or to argue that previous policies are amongst the most critical factors affecting policy at any given

time (Béland, 2005; Hall, 1993). For ‘discursive’ institutionalists, discourses are made of cognitive or normative ideas (Schmidt, 2008). While the ‘cognitive’ refers to ‘what is and what to do’, the ‘normative’ involves matters of values in the moral sense (e.g. right and wrong issues). A crucial realisation within institutionalists and cultural-political analytical approaches was that ‘ideas’ constituted the under-theorised mediators between structure and agency, context and conduct, and therefore possess causal properties (Hay, 2011, 2017; Jessop, 2004), making them susceptible to analysis.

In a broader sense, ‘ideas’ can be understood as ‘claims about descriptions of the world, causal relationships, or the normative legitimacy of certain actions’ (Parsons, 2002, p. 48). Ideas possess the causal power -or at least the potential- to shape actors’ actions while being irreducible to any other non-ideational force (Mehta et al., 2011). This thesis uses the four-type typology of ideas proposed by Campbell (1998) and Béland and Cox (2010). This typology includes paradigms, public sentiments, programmes and frames, which together form an analytical taxonomy to examine how ideas mediate the adoption of the JCF policy. The following table illustrates this typology alongside concrete examples.

Table 5.1 Typology of ideas and examples

Type	Definition	Examples
Paradigm	-Cognitive background assumptions that constrain action by limiting the range of perceived alternatives. -Coherent set of principles and causal beliefs that act as road maps for policy makers	-Neoclassical economics -Supply-side economics -Keynesianism -Inward-Oriented Development
Public Sentiments	-Attitudes and normative assumptions that constrain the cognitive range of solutions that policymakers perceive as instrumentally valuable.	-Individualisation of inequality -Negative conception of NEETs -Anti-corruption feelings -Fear of drug-related crime and violence
Frames	-Discourses and pronouncements made by policymakers that collect symbols and concepts that reflect the values and opinions of the public.	‘The poor first’ ‘The fourth transformation of Mexico.’

		‘The good people’ ‘The conservatives’ ‘The neoliberals’ ‘The technocrats’
Programmes	Concrete solutions and courses of action for policy problems that specify causal relationships or theories of change.	JCF (Youth Building the Future) ‘Sembrando Vida’ ¹¹

Author’s own, based on Campbell (1998) and (Béland & Cox, 2010)

In a later work, Campbell (2002) proposed a complementary typology comprised of ‘cognitive paradigms and world views’, ‘normative frameworks’, ‘world culture’, ‘frames’ and ‘programmatic ideas’. Cognitive paradigms refer to tacit descriptions and theoretical conceptions of causal relationships that underlie the policy debates, restraining the number of valid alternatives. World culture involves transnational cognitive paradigms, normative frameworks, or both. Normative ideas or frameworks refer to underlying values, attitudes, identities, and other shared social expectations. Frames comprise the cognitive or normative ideas used to justify and legitimise specific policies before an audience and are comprised of discourse. Lastly, programmatic ideas are constituted by precise causal statements regarding the potential solution of concrete problems. Another name often employed for the latter type is that of ‘policy ideas’ (Béland, 2005).

Hall (1993) argued that paradigm shifts can only occur when supporters of a new paradigm seize positions of authority from where they can enact new policies. The fall of Keynesianism and the rise of ‘neoliberalism’ in the late 20th century demonstrated how old policy paradigms can become delegitimised when perceived to have failed and be replaced by new paradigms, regardless of their robustness, as long as they appear logical and coherent. Since actors do not operate in a vacuum, all disputes over the definition of problems and the corresponding policy solutions will be mediated and framed by ideas, often inadvertently and unnoticed by society. Béland (2009) contended that ideas may impact policy change by defining a problem and its causes and shaping a policy's fundamental assumptions. For this author, ideas can also aid in constructing the general public receptivity for reforms and policy change. Moreover, Béland (2005) also argued that policymakers draw on existing ideological repertoires to frame policy alternatives to perceived problems.

¹¹ ‘Sowing life’ agricultural programme.

Researchers have explored the effectiveness of different types of ideas and arguments in policy adoption. Kangas et al. (2014) argue that abstract frames that appeal to normative aspects and sentiments are more effective than ‘factual’ or ‘cognitive’ arguments. Similarly, Verger (2014) contends that global policies are not widely adopted because they are the best (or even a good) choice but because they are perceived as such by key decision-makers. Campbell (1998, p. 398), argues that ideas ‘provide specific solutions to policy problems, constrain the cognitive and normative range of solutions that policy makers are likely to consider, and constitute symbols and concepts that enable actors to construct frames to legitimise their policy proposals’. This legitimisation often comes at the expense of relegating or dismissing alternative proposals. However, new policy proposals are more likely to succeed if advocates present them as compatible with both prevailing ‘normative sentiments’ of national stakeholders and the current regulatory frameworks (Campbell, 2021).

From a discursive institutionalism standpoint Garcé (2015, p. 221) argues that the definitions of interests, rather than manifest interests themselves, have more explanatory power for political action. In other words, interests cannot be purely ‘material’ and ‘objective’ since they are also ‘ideational’ and ‘subjective’ due to particular perceptions and limited resources. This position aligns with the critical realist view that ‘reasons are causes’ (Scott & Bhaskar, 2015), reflecting the shared ontological and epistemological assumptions of some institutionalisms and CR. Likewise, ideas cannot be entirely independent of the material conditions on which they emerge. Hay (2011, p. 212) notes that discourses, narratives, and paradigms operate as ‘cognitive templates’ that combined with agents’ everyday experiences, enables them to interpret the world. These templates can sometimes rely on unsubstantiated assumptions that become dominant beliefs, supported by hegemonic ideologies. In this context, ‘ideology’ can be understood as ‘the discursive naturalisation of contingently constructed meanings and identities’ (Howarth & Griggs, 2012). This interplay of ideas and material conditions carries risks, particularly in the realm of education policy. For instance, social constructions often attribute excessive potential to education and skills training to overcome social problems, generate jobs, and accomplish social mobility, regardless of context (Tröhler, 2016).

While ideas tend to resonate with their material contexts, they alone are not sufficient to secure policy change. The ‘old politics’ paradigm argues that the power and influence of ideas and frames

ultimately depend on the support they can muster from relevant actors, such as political parties, unions, and business groups (Béland, 2009, p. 707). In this line of thought, even political parties have been defined as ‘coalitions of interests and ideas’ (Boix, 1996). Furthermore, predating the so-called ‘ideational turn’ in policy studies, Haas (1992) highlighted the role of ‘epistemic communities’, such as experts and scholars, in shaping social perceptions of particular problems (problematisations). These communities influence policy discourse primarily through the public positioning of professional expertise and knowledge. The influence of particular ideas and problematisations can extend beyond national borders. Policy ideas become transnational when they cross borders through the discourse and practice of academics, politicians, international cooperation agencies and think-tanks (Stone, 2004). Political elites often employ think tanks and other consensus-building organisations to ‘convert problems of political economy into manageable objects of public policy’ (Stone, 2017, p. 156). In this global context of policy dissemination, local politicians, public officials, international experts, and policy entrepreneurs emerge as the key actors responsible for ‘selling’ and ‘acquiring’ policies and frames across national boundaries (Heikkila & Cairney, 2018).

Building on the concept of transnational policy influences, DiMaggio and Powell (1983) proposed three types of ‘institutional isomorphisms’: ‘mimetic’, ‘coercive’, and ‘normative’. These are understood as mechanisms through which ideas and institutions tend to converge. Mimetic isomorphism refers to comparable institutions sharing common values and structures that imitate each other to reduce uncertainty. Coercive isomorphism takes place when organisations or governments are nudged into conforming by powerful external actors. Historical examples such as the adoption of SAPs illustrate this type. Finally, normative or ‘expert’ isomorphism refers to the pressures exerted, not necessarily by external actors, but by internal stakeholders and epistemic communities (e.g. intellectuals, scholars) in possession of a determinate cognitive framework. An example of the latter is the case of Mexican orthodox economists, predominantly graduates from US universities, who put forward the neoliberal agenda in the late 1980s (Babb, 2001; Salas-Porrás, 2017). Related to these typologies is the concept of ‘policy convergence’ (Knill, 2013), which refers to the increase in similarity between policy features (e.g. objectives, components) across different jurisdictions or countries.

While the concepts of institutional isomorphism and policy convergence offer valuable insights into how ideas and policies spread across institutions and borders, they may not fully capture the complex interplay between politics, economics and culture in shaping policy outcomes. The CPE approach can potentially address this limitation. CPE builds upon ideational and institutional perspectives but also emphasises the role of material factors in economic and political processes. This approach provides a more comprehensive framework for understanding how ideas, discourses and material practices interact with local actors, such as political factions, business groups and the media, to influence policy adoption and implementation. By considering these diverse elements, CPE offers a nuanced lens through which to examine the multifaceted nature of policy change and adoption processes in specific contexts. The following section expands on the characteristics of CPE and its utility in this research.

5.2.3 Cultural Political Economy

As has been argued, this study adopts a Cultural Political Economy (CPE) analytical framework. This approach is grounded in the theoretical foundations and assumptions of Critical Realism (CR) and emphasises the centrality of ideas in explaining policy change. CPE is rooted in the ‘realist’ tradition of social science while simultaneously advancing the critical tradition of social analysis, which, since Marx, has conceptualised social reality as inherently ‘conceptually mediated’ (Jessop, 2010; Sum & Jessop, 2013). CPE posits that all political, economic and social events, processes and changes involve ‘semiosis’, which Sum and Jessop (2015) define as a process of sense and meaning-making, or ‘a cognitive, normative, or appreciative apprehension of the natural and social world’.

The decision to employ a CPE framework for studying a youth policy adoption process is supported by several reasons derived from the two preceding sections. This research adopts the version of CPE outlined by Jessop (2010), which has represented a significant advancement for research on policy-making processes. Additionally, the contributions of Verger (2014) have been instrumental in operationalising CPE for inquiries into education policy adoption and reform processes. Recent applications of CPE demonstrate its adaptability and relevance to policy studies. For instance, Verger et al. (2016) operationalised a CPE framework to investigate the privatisation processes of education, while Zancajo and Valiente (2019) employed an analogous framework to

examine TVET reforms in Chile. These applications underscore the suitability of CPE for analysing complex policy processes such as the JCF policy adoption process in Mexico.

Several reasons further support the choice of CPE as the main analytical framework employed in this study. Firstly, CPE's emphasis on semiotic factors enables a more nuanced incorporation of the roles played by discourses and socially attributed meanings to social issues (e.g. the plight of millions of young people). This approach contrasts with various institutionalist approaches that focus more on tangible rules and structures. As Van Puymbroeck (2016) contended, CPE can address certain 'blind spots', specifically by better integrating the economic dimensions often overlooked in social issues. Therefore, in this research, CPE highlights the roles of economic power and the conflicts surrounding the development model, which largely explain truncated welfare regimes and, in turn, the key factors underlying the conditions faced by young people. Additionally, this framework sheds light on the political response of an alternative political coalition proposing an alternative development model and a set of social policies. Finally, CPE offers methodological advantages over traditional institutionalist approaches, which tend to lean towards historical comparative analyses. CPE encourages the use of qualitative and mixed methods, allowing for a richer capture of contextual meanings and nuances (Belfrage & Hauf, 2015).

Following Jessop (2010), a key feature of CPE is how it highlights the relevance of the 'cultural' and 'semiotic' (meaning-making) in articulating the economic and political dimensions of the social realm. This articulation occurs across the three mechanisms of 'variation,' 'selection', and 'retention' enabled, in turn, by material (hard) or ideational (soft) 'drivers.' The contribution of this analytical perspective is that it proposes an alternative to overcoming the reductionism of the more traditional political-economy analyses that excessively emphasise the material-economic factors to explain the adoption of specific policies to the detriment of other more ideational or discursive factors. In this sense, CPE's insistence on the significance of ideational drivers for policy adoption is analogous to the critical realist view that discursive objects have an ontological presence and thus are 'causally efficacious' (Scott & Bhaskar, 2015, p. 68). Therefore, CPE positioned semiotic drivers (ideas and discourses) on par with the material drivers ingrained in the traditional structuralist political analysis.

To interrogate the interplay between material and ideational drivers, CPE proposes to operationalise a framework comprising the three ‘evolutionary mechanisms’ of variation, selection, and retention, which are briefly outlined below:

Variation. Refers to the ideational and material drivers operating at national and global levels that trigger the problematisation of a particular social domain (e.g., training for young adults) and initiate the process of policy change. In the JCF, it refers to the problematisation of existing youth and active labour market policies and the need to adapt them to the pressing social demands for employment, skills training, and pathways out of violence in a country afflicted by the scourge of the ‘war on drugs.’

Selection. Covers the period of struggle amongst different actors and their definitions of the causes and political solutions. It implies identifying the ‘most suitable’ interpretations of existing problems and the corresponding policy solutions (e.g., public-private partnerships, work-based learning, conditional cash transfers).

Retention. It involves the moment of institutionalisation of the selected policy solution through the establishment of regulatory mechanisms and the allocation of budgetary resources. In this case, it refers to the institutionalisation of the JCF policy.

There is currently a gap in the academic literature regarding the application of CPE to education, training, and youth policies. However, recent studies have begun to address this issue. For instance, CPE has been applied to the analysis of policy change in TVET in Chile (Zancajo, 2019; Zancajo & Valiente, 2019) and the dual model in Mexico (Aramburu Cano et al., 2024). In both cases, CPE proved instrumental in elucidating how ideational and material drivers interact dialectically to influence the prevailing discourses that shaped both the official explanation of problems and the causes that policy changes sought to address, as well as the resources (institutional, budgetary, communicational, among others) crucial for their institutionalisation. In this thesis, CPE serves as the analytical lens through which the JCF policy adoption process is examined. Specifically, it was used to identify and analyse the material and ideational factors surrounding this process, as evidenced in the empirical data (policy documents and stakeholder interviews) reviewed in the findings chapter.

In the CPE approach, both discursive and material policy elements are analytically implicit in the mechanisms of variation, selection and retention (Jessop, 2010). In the policy cycle model (PCM), these features are embedded in the ‘agenda-setting’, ‘policy formulation’ and ‘decision making’ stages. Jann and Wegrich (2007) argue the ‘policy process’ conveys the five phases: I) agenda-setting, II) policy formulation, III) decision-making, IV) implementation, and V) evaluation. The first three phases closely correlate with the CPE mechanisms of variation, selection and retention, whilst the latter two, implementation and evaluation, correspond to a ‘post retention’ phase in CPE. This study uses the term ‘post retention’ when discussing events following the legal institutionalisation of the JCF in January 2019.

As with the problematisation that occurs during the moment of variation of a policy domain, the notion of agenda-setting presupposes that something called a ‘policy problem’ is socially recognised. This social and public recognition is a precondition for a problem to enter into the agenda-setting phase, where attention and resource allocation are prioritised among competing problems. Birkland (2017, p. 63) defines ‘agenda’ as ‘a collection of problems, understandings of causes, symbols, solutions, and other elements of public problems’. Within policy studies, the agenda-setting process is an eminently ‘political’ activity in which various stakeholders interact through different tactical means (debates, media coverage, public events) used to position certain issues above others (Baumgartner & Jones, 2010; Jann & Wegrich, 2007; Kingdon & Stano, 1984).

Particular social imaginaries or discourses beget particular interpretations and problem definitions (problematisations), which in turn favour specific solutions and interventions (policies) while precluding others (Fairclough, 2013). In an example pertinent to this thesis, youth unemployment has been problematised from multiple perspectives. Regularly it has been viewed as a consequence of an inadequate educational system, which fails to equip young people with the necessary skills to be ‘employable’ and successfully join the labour market. However, alternatively, it can be seen as stemming from structural issues within a national labour market and insufficient economic growth to produce enough formal jobs that provide access to the limited welfare institutions of social insurance and pensions.

In the case of the policy formulation or decision-making phase, these include defining objectives and alternatives for action. As with the selection and retention phases, Jann and Wegrich (2007) point out that these two phases often overlap, and there is no discrete partition between them.

Consequently, they are sometimes treated as a single phase. It is important to note that during these phases, the mere problematisation of issues and presentation of ideas are insufficient to be convincing or persuasive on their own. Instead, policy ideas must satisfy several criteria at the programmatic level before they can be enacted, including economic, administrative and political feasibility (Hall, 1989; Kingdon & Stano, 1984). The following table shows the overlap between CPE mechanisms and the policy cycle model.

Table 5.2 Overlap between CPE mechanisms and the ‘policy cycle’ phases

Cultural Political Economy	Policy Cycle Model
Variation	Agenda-setting
Selection	Policy formulation
Retention	Policy decision
Post-retention	Implementation
	Evaluation

Source: Author’s own.

In brief, this research employs both a CPE and PCM to inquire and discuss the adoption of the JCF policy in Mexico. This approach was chosen because, in conjunction, both frameworks allow for a comprehensive analysis of relevant factors, moments and mechanisms involving problem definitions, public philosophies, and policy solutions within the context of the policy adoption process. The study emphasises how the JCF policy emerged at a particular policy window due to the convergence of political, technical, and ideological struggles involving multiple political actors from both local and international spheres, as well as the interplay between ideas and institutions. For this reason, the combined CPE and PCM approach is particularly suited to examining the JCF, as it captures the complex interplay of structural conditions, the agency of key actors, and discursive elements that interacted in this process. Ultimately, explicitly addressing these ontological, epistemological, and analytical considerations is essential for guiding the research process. In the next section, these considerations are detailed to show how the theoretical elements were translated into practical methodological choices for analysing the empirical evidence of this investigation.

5.3 Research Design

Considering the dual focus on material and ideational factors inherent to the research objectives and questions, this study adopts a single qualitative case study strategy. Combining policy document analysis with semi-structured interviews of key stakeholders and national experts, this approach elucidates the JCF policy adoption process through the lenses of cultural political economy (CPE) and the policy cycle model (PCM). Following recommendations from previous literature (Béland, 2005), the research design is directed towards investigating the causal roles of material factors and ideas shaping this process.

5.3.1 Qualitative Case Study

In line with the research philosophy underpinning this thesis, it is acknowledged that both ‘hard’ material factors and ideational elements operate as causal factors only within specific contextual conditions, particularly those shaped by institutional and political settings. This emphasises the inherently ‘emergent’ nature of their causality, which defies attempts at broad generalisations and universal explanations. Consequently, studying such nuanced and context-dependent phenomena demands research designs that are finely tuned to the subtleties of qualitative research, rather than quantitative approaches that might overlook the intricate interplay of ‘soft’ factors like ideas and discourses, within their specific environments. Thus, for this study, a qualitative research paradigm is essential for unravelling the complexities of the causal role exerted by material factors such as the overwhelming electoral legitimacy enjoyed by the government since 2018, or the stern anti-neoliberal discourse embedded within the national developments plans and strategies, including the JCF policy.

Case studies are commonly used to explore unknown phenomena inductively and to test deductive theories (Gammelgaard, 2017). This study employs both inductive and deductive approaches to investigate the Mexican government’s adoption of the JCF policy. The enigmas surrounding the policymaking of the country’s first democratically elected leftist government coalesce with the extensive literature on the political determinants of welfare regimes in other countries. The use of inductive and deductive approaches is evident throughout the study, from the formulation of research questions to the discussion of findings. Within the typology proposed by Yin (2009) of five case types: 1) the critical case, 2) the extreme or unique case, 3) the representative or typical case, 4) the revealing case, and 5) the longitudinal case, this study aligns most closely with the

third type. While these distinctions often overlap rather than being discrete, the JCF can be considered a representative case of social policies promoted by the left in LATAM, situated within the context of a post-neoliberal shift marked by various leftist electoral victories in the region since the ‘pink tides’ of the early 2000s (Ellner, 2019).

The qualitative case study (QCS) design is characterised by an ‘intensive analysis’ (Clark et al., 2021) of a singular case, where the object of study can be a single event, phenomenon, person, or, in this instance, the adoption of a concrete youth policy. While QCS has sparked considerable debate regarding its limited ‘external validity’ (Baskarada, 2014), that is, the degree to which its explanations and results can be extrapolated or generalised to other similar situations, practitioners of this research design often counter that the intensive examination of a single case enables proper engagement for theoretical refinement (Clark et al., 2021). In this instance, this goal translates to generating evidence and hypotheses about the main material and ideational factors that, in the Mexican context, enabled a left-wing government to adopt a broad-based youth policy. Such concrete goals, aside from concepts of ‘external validity’, may prove valuable for other LATAM countries which, as has been explained, present non-trivial similarities in terms of truncated welfare institutions and the situation and prospects of their youth.

This QCS is based on analysing policy arguments, both written (policy documents) and spoken (interviews, speeches, interviews, press conferences). As Duverger (1996) argued, political facts and social phenomena leave numerous and varied traces across different types of documents, underscoring the importance of examining diverse sources. Policy texts and discourses can take various forms (Benoit & Herzog, 2017; Codd, 1988). For this reason, this study combines stakeholder interviews with other policy formats such as press releases, audiovisual content from public events and second-hand interviews published on social media. This approach assumes that valuable policy arguments are found not only in stakeholder interviews, which provide first-hand information on policy adoption aspects (Herzog & Ali, 2015; Makady et al., 2017), but also within policy documents.

Several authors have provided recommendations for identifying policy arguments in a given content. Hambrick (1974) advised identifying the premises that underpin causal or normative assertions, such as the portrayal of youth unemployment as a result of a ‘lack of skills’. For Gasper (1996) policy arguments can be inferred from the discursive elements and orientations embedded

in how public problems are ‘framed’ and the methodologies used to design (or evaluate) interventions. More recently, Fischer (2019) proposed a structured approach to assess policy assumptions, choices, goals and objectives from policy documents. As recommended by this author, relevant aspects to consider include assessing if the policy under examination entails competition between paradigms or normative rationales; evaluating the relevance of its objectives concerning a previously accepted problematisation and determining if the policy objectives logically align with those assumptions.

Ultimately, Fischer’s model emphasises identifying the ‘higher principles’ and ‘predominant social ideals’ on which policies are anchored in a normative and causal way. This bears overt resemblance to the typologies of ideas previously reviewed, namely those proposed by Kingdon and Stano (1984), Hall (1993) and Campbell (1998). In the following sections, particularly in section 5.6 Data Analysis, there is an extensive explanation of how these recommendations and guidelines were applied to analyse the empirical data of this study.

5.4 Research Methods

This thesis employs a combination of methods to address the research questions concerning the adoption of the JCF policy. The primary data collection method was semi-structured interviews, which played a crucial role in pursuing the research objectives. The main qualitative research method employed for data analysis was Thematic Analysis (TA), applied to both primary data from interviews and secondary data from policy documents. These methods were instrumental in examining the embedded policy arguments and stakeholders’ perspectives, particularly where questions of policy adoption, implementation challenges, and the interplay of material and ideational factors were most evident. This section details these methods, outlining their contribution to understanding the adoption of the JCF policy.

5.4.1 Semi-Structured Interviews

As an intricate web of ideas and arguments, policy discourse is channelled through diverse political actors, each contributing unique perspectives and interests. In the context of the adoption of the JCF policy, this research recognised the need to engage with a broad spectrum of stakeholders. These encompassed members of political parties, public officials, private sector representatives, social policy experts, social activists, scholars and public intellectuals. Semi-structured interviews served as the primary method for capturing the richness and diversity of these perspectives.

In qualitative research, semi-structured interviews are a valuable tool for exploring the intricate layers of policy discourse. For these interviews, researchers prepare a list of questions or topics to guide the conversation, while remaining flexible to delve deeper into subjects that arise or to follow up on particularly meaningful and detailed responses. This flexibility ensures that the research process is responsive to the dynamic nature of policy discussions and allows for a more comprehensive understanding of the nuanced interpretations and positions involved. As noted by Brinkmann (2014) and McIntosh and Morse (2015), semi-structured interviews have proven a highly effective method in policy research, providing in-depth insights into the perspectives and experiences of the various actors that shape and navigate the policy sphere and its processes.

The use of semi-structured interviews in this research was coupled with a carefully designed sampling strategy. Since the purpose was to adequately include and represent a broad spectrum of voices and perspectives, a purposive sampling approach was employed. Interviewees were selected based on their direct involvement with the JCF policy during its adoption and subsequent implementation phases. This deliberate sampling strategy aimed to ensure that the research captured a comprehensive array of viewpoints, offering an integral understanding of the policy discourse surrounding the JCF. This engagement with a diverse pool of high-level participants, sought to unveil the intricate dynamics and drivers (material and ideational) that underpinned the policy adoption process, as well as its broader implications for the Mexican policy context.

5.3.2 Sample of Key Policy Stakeholders

In addition to the policy and contextual documents, semi-structured interviews with key policy stakeholders constituted the second cornerstone of empirical data gathering for this thesis. According to Baker and Edwards (2012), a qualitative study that primarily employs interviews should ideally conduct between 20 and 30 interviews to balance comprehensive understanding with manageable data analysis. This study surpassed such recommended range, conducting a total of 36 interviews to ensure robust data saturation. This figure was also arrived at due to the need to encompass the diversity of backgrounds among participants, requiring a broader sample to capture the full spectrum of perspectives and experiences pertinent to the JCF policy adoption process. Additional interviews were strategically conducted until no new themes or insights emerged, indicating that an adequate level of saturation had been achieved. The table below details the number of interviewees representing each profile.

Table 5.3 Key Policy Stakeholders by Sector

Sector	Number of Interviews
Government	9
Academia	9
Business sector representatives	5
Private sector experts	5
Youth / Social Policy NGOs	8
Total	36

Source: Author's own

The criteria used to identify ‘key policy stakeholders’ included their direct involvement in the negotiations and working groups related to the JCF during its transition and adoption phase. As gatherable from national media, press releases, and secondary documents, this involvement typically included roles within the policy core team and as representatives from the business sector. The study also considered informants from sectors who, due to their professional expertise, were knowledgeable about youth policies and the broader Mexican social policy environment. Ultimately, key informants were government members (mainly from the STPS), business and private sector representatives, scholars, and NGO personnel. The selection of private sector informants was grounded in the understanding that entities such as international organisations (IOs), corporations and organised business sector groups possess the capability to shape policy-making, even when not directly and openly engaged in partisan politics (Madariaga, 2020). This influence was considered significant beyond their direct involvement in the JCF policy.

5.4.3 Selection of Policy Documents

This section outlines the approach to selecting the 118 policy documents analysed for various purposes. The key documents (n=26) include the primary regulatory documents of the JCF, such as operating rules, guidelines, brochures, initial assessments, and official press releases. Additionally, this category contains books published by AMLO during his presidential campaign, which include the earliest direct references to the JCF programme, as well as audiovisual content, press interviews, and strategic government documents. The second type of documents (n=55) consists primarily of the diaries and stenographic records from the debates in the chambers of

Deputies and Senators discussing the JCF between December 2018 and January 2020. These documents provide not just information on the adoption of the JCF but also contextual details about the arguments used, key actors and institutions, and sources of information. The final set of documents (n=37) includes articles from various national newspapers and media outlets, offering insights into relevant actors, institutions, key dates, and other contextual information pertinent to the study. These documents were selected based on a straightforward yet systematic set of chronological criteria. It began with the first official use of the programme name in early 2017 (over a year before the federal election) and extended to the latest operating rules published in December 2021.

The second and third types of documents (legislative records and news) primarily provided useful factual and contextual information. These were published online by the legislature's websites, and the national media between September 2018 and May 2020, the time frame for this study as outlined in Chapter 4 (See: Policy Timeline). That period spans from the first official announcement of the JCF policy to the first semester of 2020, when the programme's first operation rules were published (February 2020), and the global Covid-19 pandemic intensified, representing a significant disruption to policy operation. These secondary or contextual documents provided crucial information, and their revision constituted the first step in identifying actors, institutions, events, initial programmatic tensions, and key policy documents. While the news articles were not coded or discussed individually, they are included in the Annex section of this thesis for further reference.

It is important to emphasise that many documents and scholarly works predating the JCF by several decades were also considered relevant to this study. However, despite their substantial contribution to this thesis, they were not categorised as 'key policy documents'. Their influence is particularly evident in the literature review (Chapters 2 and 3), contextual analysis (Chapter 4), and the findings and discussion sections (Chapters 6 and 7). This includes IO's reports and other 'grey literature' that reported on the problematisation of youth issues and therefore on the 'policy variation phase', primarily referring to the issues of 'NEETs' in Mexico and LATAM (Arceo-Gómez & Campos-Vázquez, 2012; Bermúdez-Lobera, 2014; Dautrey, 2014; De Hoyos et al., 2016b; Márquez Jiménez, 2018; Novella et al., 2018; OECD, 2017; Vélez et al., 2018).

Another key criterion, ‘relevance’ and ‘proximity,’ involved selecting ‘official’ documents related to the programme’s operation. In Mexico, the operational policy documents managed by the federal government are published in the Official Gazette of the Federation. Additionally, audio-visual content, speeches, interviews, events, and press statements involving key political actors were also selected. The concrete guiding questions or criteria for what was sought in the selected documents are explained in detail in the data analysis section, where the adopted approach for ‘document analysis’ is made explicit. The operationalised ‘extraction framework’ based on the RQ and SRQs was used prior to selecting, coding, and processing the study’s qualitative data. Appendix I ‘Selected JCF Policy Documents’, provides a comprehensive compilation of the reviewed documents, including key policy documents in their original language and English translations. The referred appendix details each document, specifying its type, author (individual or institutional), publication date and a brief explanation of its selection and relevance for this study.

5.4.4 Thematic Analysis

Thematic Analysis (TA) is the central research method employed in this thesis. TA is ‘a method for developing, analysing and interpreting patterns across a qualitative dataset, which involves systematic data coding processes to develop themes’ (Clarke & Braun, 2021, p. 59). TA can be used from various epistemological frameworks and is flexible, rigorous, and efficacious for qualitative analysis (Fereday & Muir-Cochrane, 2006; Kiger & Varpio, 2020). A first relevant caveat to mention regarding the use of TA, is that codes and themes do not emerge automatically or passively from the data. On the contrary, it is the researcher who produces them actively through a systematic and thorough engagement with the data (Clarke & Braun, 2021, p. 53). Coding is ‘an organic and evolving process of noticing potentially relevant meanings in the dataset, tagging it with a code and ultimately building a set of codes from which themes are developed’ (2021, p. 358). Codes are analytic tools and the initial units that allow for the emergence of ‘themes’ which stand for patterned data topics identified and created by the researcher.

This thesis adopts both inductive and deductive approaches to thematic analysis, reflected in a coding process that encompasses both perspectives. Aligned with the approach proposed by Terry et al. (2017), it adopts a qualitative and flexible stance towards coding and theme development, allowing for inductive reasoning and making adjustments as needed during the research process.

Such iterative modifications arise from increasing familiarity with the data and the continuing analytical refinement of the research. While a deductive tradition emphasises coding reliability and achieving precision and objectivity in codes and codebooks, the literature on TA acknowledges the lack of definitive procedures, instead recognising various valid approaches.

An inductive approach takes the dataset as the starting point for identifying and engaging with possible meanings and patterns. In the context of an exploratory research question, where complex or unfamiliar data is the norm, authors advise the employment of this approach to coding as it allows the identification of themes without the interference or bias of predefined categories or theoretical frameworks (Kiger & Varpio, 2020). This method enables the emergence of new and unpredicted themes and categories. Contrary to a purely inductive strategy, a deductive orientation employs theory as a ‘lens’ to code and interpret data (Clarke & Braun, 2021, p. 118). Hence, it is through the acknowledgement of the centrality of theory that TA allows for a blend of both approaches. In the case of this study, while the richness of data allowed for a thorough inductive phase of coding, theme proposals, developments, and refinements, the political economy literature and the analogous policy adoption processes analysed with CPE (Valiente et al., 2021; Verger et al., 2016; Zancajo & Valiente, 2019) provided a broader theoretical lens and a repertoire of potential deductive material and semiotic drivers often present in these processes to be tested in our case study.

5.5 Data Collection

The data for this thesis was collected primarily from written policy documents and interviews. Most policy documents were obtained from public, official online open sources, such as the Official Journal of the Federation (DOF), where federal-level regulatory and operational documents of all policies are publicly available, and from the gazettes and debate diaries from the official websites of the Chamber of Deputies and the Senate. Likewise, most secondary or contextual policy documents were found in online news sites.

The identification of key stakeholders from the government, business, academic, and NGO sectors was only possible after a period of familiarisation with the policy documents where hints and suggestions to particular actors, events, and organisations were traced. The policy documents were instrumental in identifying actors who were repeatedly referenced as central and influential during the policy adoption process. These actors included private sector representatives from the CCE

and its Education Commission, as well as public officials from the STPS who had leading roles in public events and negotiations. While an interview with Secretary Alcalde was unsuccessful to arrange, interviews were conducted with the national JCF director and the head of STPS advisors.

The primary fieldwork instrument consisting of a questionnaire (See: Appendix II. Semi-Structured Interview Guide) was devised, considering alternative versions to be customised for specific types and profiles of informants. After devising the main instrument and identifying key informants in the policy process, all potential interviewees were shortlisted and contacted via email or telephone when possible. Contact attempts were made exclusively through the official University of Glasgow email account, and the messages were accompanied by a comprehensive description of the study, including objectives, research design, and the personal data protection scheme (See: Appendix III. Participant Information Sheet). Out of 42 shortlisted key informants, 36 were interviewed between November 2021 and October 2022. Due to the Covid-19 pandemic, most interviews were conducted via Zoom, with some face-to-face interviews during a field trip to Mexico City where most of the critical informants I had identified reside, in November-December 2021 as health measures relaxed.

The decision to employ a mixed approach of online and in-person interviews adapted to the global health crisis while taking advantage of richer face-to-face interactions when possible. This mixed approach also responded to a flexible stance willing to accommodate the informants' preferences and circumstances. Although the vast majority of interviews were remote, the face-to-face ones provided deeper insights through non-verbal cues and informal conversations, enriching data collection and broadening analytical perspectives.

All the interviews were audio-recorded after obtaining manifest approval (See Appendix IV. Consent Form). The average interview time was 42 minutes. Recordings were transcribed using a text processing software for further examination, analysis, and eventual coding in the data analysis phase. The following table summarises the extent of the primary data collected, including recording minutes, pages and the wordcount of transcriptions.

Table 5.4 Summary of primary data collected in the study

Type of informant	No. of informants	Total audio time (h:mm:ss)	No. of pages transcribed	Transcriptions word count
Government and public sector	9	6:42:24	100.5	52,925

Academia	9	6:34:19	86.5	45,056
Business and private sector	10	6:08:15	74.5	44,407
Non-governmental organisations	8	5:47:43	82.5	44,058
Total	36	25:12:41	344	186,446

Source: Author's own.

All contact with participants and information gathering was conducted in accordance with the ethical guidelines of the University of Glasgow, after receiving ethical clearance from the Ethics Committee of the College of Social Sciences in July 2021. All adult interviewees received a 'Participant Information Sheet and provided consent to participate in the research. The following sections discuss my positionality as a researcher addressing my concrete research topic, as well as reflections on the chosen procedures and approaches used to analyse the collected data.

Reflecting on the data collection phase and considering what I might do differently in future endeavours, several points are worth mentioning. While I employed a questionnaire and maintained flexibility in the questions asked to informants, I now realise that including some additional specific questions could have further enhanced the data collected. Given that this research addresses ideational factors influencing policy adoption, incorporating questions about the ideological stances of the interviewees could have minimised the need for inferences and directly verified patterns in viewpoints on the issues. While the aspects of primary issues affecting youth and possible solutions to them were explored, future research should include queries such as: '*What do you think is the main cause of issues affecting youth?*' and '*What would be the best solution to these problems?*' Another self-critical observation is that, notwithstanding the pandemic, the time spent on fieldwork and following up with informants lasted more than a year. I intend to adhere more closely to a strict timeline in future studies. This approach will be balanced by starting with a larger pool of potential informants to fill any possible information gaps.

5.6 Data Analysis

This section outlines how the data of the study were analysed, namely through four distinct and consecutive phases of iterative coding, which comprised: 1) a wave of preliminary coding; 2) the devising of a thematic extraction framework; 3) an initial wave of deductive coding, and 4) a subsequent wave of coding refinement. The preliminary coding and the extraction framework were

based on the RQ and SRQs of this study and were therefore structured and arranged around questions linked to the three evolutionary mechanisms of CPE, namely variation, selection and retention.

Phase I. Preliminary Coding

During this phase, deductive and inductive approaches were employed to analyse the data. The deductive approach was informed by the literature review and contextual policy documents, which provided me with an initial understanding of the key material and ideational drivers influencing policy adoption in Mexico and LATAM, as well as the political and discursive tensions related to the rise of the leftist MORENA administration and its proposed policies in other areas. The inductive approach involved a direct exploration and preliminary coding process conducted in parallel with the general reflection on developing deductive themes from the data. This first exercise was conducive to generating 38 codes organised by the three CPE mechanisms of variation, selection and retention, as summarised in the following table.

Table 5.5 Preliminary Codes (38)

Variation	Selection	Retention
<ul style="list-style-type: none"> -Demographic trends -Early school leaving -Economic crisis -Economic migration -Economic and security crisis -Economic and security crisis -Educationalisation of social problems -First labour experience - Global education and labour agendas -Government ideology -High proportion of NEETs -Historic lack of youth policies -Insufficient education offer -Labour market issues -Perception of skills mismatch -Political campaign promises and agenda 	<ul style="list-style-type: none"> -Alignment with other LATAM policies -Expert knowledge -Financial support from IOs for social or youth policies -Inclusion and social justice -Labour intermediation mechanism -Learning from previous policies -New policy ideas -Policy alternatives -Prestige of apprenticeship policies -Universal versus targeted design -Wage subsidy for firms 	<ul style="list-style-type: none"> -Contentious politics -Covid-19 pandemic -Discursive battles between key stakeholders -International public support -Opposing positions and critiques -Presidential policymaking in Mexico

-Poverty -Social inequalities -Supply-side fundamentalism -Youth crime -Youth unemployment		
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Source: Author's elaboration

As previous literature employing this framework has noted, codes refer to factors or drivers that can be both material and ideational, local and global (Verger et al., 2016). Likewise, this approach assumes no clear dividing line between the three mechanisms, as some drivers may be logically and analytically categorisable into more than one. For example, in the case of 'Presidential policymaking in Mexico', it is possible to illustrate that the degree of influence and control of the president over the government apparatus can account for both the devising of a particular policy design (selection), and the procurement of budgetary and legal means to institutionalise the policy (retention).

Phase II. Thematic Extraction Framework

After an initial data-driven exploration of the materials, a key methodological challenge was to devise a more deductive extraction framework to achieve analytical and systematic consistency in line with the broader critical policy academic literature. A starting point was recognising that the extraction framework should allow for the identification of several elements, including at least: 1) actors; 2) their definitions of youth issues; 3) their assumptions and explanations on the causes and possible solutions to those issues, and 4) the broader ideological underpinnings of such interpretations. Secondly, as mentioned, the thematic extraction framework was developed as a set of questions and aspects to interrogate the data, organised through the mechanisms of variation, selection and retention. The resulting extraction framework is summarised in the following table:

Table 5.6 Thematic Extraction Framework

I. Variation
<ul style="list-style-type: none"> • What were the main issues affecting young people? • What causal explanations for these issues are provided or suggested? • What political and economic ideological positions underpin problem definitions, causal explanations and potential solutions? • What were the main national or international triggers (events, discourses and insubordination against the status quo) of policy variation?
II. Selection

<ul style="list-style-type: none"> • How coherent and compatible was the selected policy design with the existing problem definitions and causal explanations? • What evidence and references were employed to justify the selected policy design? • What factors influenced the preference for the selected policy design over alternative approaches? (e.g. ideological, moral, technical) • How were the policy goals and target population defined? • What is the theory of change underlying this policy intervention? • What criteria was defined to measure the policy success?
III. Retention
<ul style="list-style-type: none"> • What were the main individual and institutional actors that played a role in this stage? • What central tensions, negotiations and trade-offs were involved in the policy institutionalisation? • What governance technologies were put in place for policy implementation? • What were the justifications for each policy component?
IV. Post-Retention
<ul style="list-style-type: none"> • Discussions about policy implementation • Modifications of policy objectives and design • Oppositions and criticisms
V. Emerging Relevant Aspects
<ul style="list-style-type: none"> • Dates and events • Actors (Individual or Institutional) • Additional policy documents • Grey literature and academic references • Comments, causal explanations and hypotheses

Source: Author's elaboration

This thematic extraction framework was employed to analyse all the coded data from the key policy documents and the policy stakeholder interviews. As can be seen, the framework incorporates both deductive and inductive elements, with predefined criteria for data interrogation, while allowing for new issues and relevant aspects to emerge.

Phase III. First Wave of Coding

From this third phase onwards, the qualitative data analysis (QDA) computer software package NVivo 12 was employed to explore the wealth of data in policy documents and semi-structured interviews. This QDA software was instrumental in the iterative process of analytically ordering, reordering, merging and eliminating codes. During this phase, the analysis aimed for exhaustiveness, independently from the preliminary coding, and relying more on the extraction framework to interrogate the data. This exercise resulted in the emergence of 78 codes, as shown in the following table:

Table 5.7 Thematic Codes (78)

Variation	Selection	Retention
<ul style="list-style-type: none"> -Abandonment of the youth -Anti-neoliberalism -Demographic dividend -Electoral-political agenda -Employability -Faulty social policy from the past -First job logic -Gender inequalities -German dual model -High proportion of NEETs -Inequalities -Initial opposition and tensions -Inward-oriented development -International evidence -Labour market issues -Lack of demand-side policies -Limited access to education and dropout rates -Migration prevention -NEET stigma -Neoliberalism -Neoliberal labour insertion assumption -Neoliberal assumptions -Neoliberal supply-side assumptions -Pacification -Perceptions of skills mismatch -Precarisation of youth -Problem diagnosis -Programmatic influences -Public investment -Regional development differences -Social inclusion value -State-oriented development -Upskilling 	<ul style="list-style-type: none"> -Anti-supply-side fundamentalism -Articulation of actors -Conditional cash transfer -Corporate social responsibility -Discretionary policymaking -Expected policy outcomes -Faulty technical design -Inclusion design reverting the market logic -International prestige of apprenticeships -New policy idea -Policy design elements -Prioritised policies -Private sector technical cooperation -Productive inclusion for NEETs -Public-private bargaining -Right to education and training -Rural sector demand-side stimulation -Safety net effect -Social capital and networking -Social justice (design) -Soft skills component -Subsidised labour and training -Transition intermediation -Universal direct design -Unstructured training 	<ul style="list-style-type: none"> -Alignment with SDG -Budget adjustment and allocation -Criticisms and questioning -Criticism of neoliberal design -Faulty technical implementation -Institutionalisation -International cooperation -International policy transfer -Large firm heterogeneity -Overlook of gender inequalities in the policy design -Policy continuous change -Policy objectives inconsistency through time -Post-retention policy modifications -Post-training transition -Private sector collaboration -Relevant actors

<ul style="list-style-type: none"> -Waste of productivity (demographic dividend) -Youth crime and violence -Youth poverty -Youth unemployment 		
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Source: Author's elaboration

In light of the frequent overlap, equivalence, or logical redundancy observed in the codes generated during this phase, particularly in categories related to the impact of neoliberalism, it became evident that a subsequent and conclusive round of coding was essential. This additional phase allowed for more precise coding refinements and the synthesis of related themes, ultimately enhancing the overall analysis.

Phase IV: Second Wave of Coding Refinement

During this phase, as Neale (2016) recommends, an 'iterative categorisation' of codes was conducted, in which the initial exploratory and 'open' codes were merged into a smaller number of more focused and broader conceptual themes. Such an analytical process is also suggested by Creswell et al. (2008), who argue that after analysing key quotes and findings that form codes, these can be grouped into themes. Likewise, during the code fusion process, it was helpful to identify a relational order that could serve as an ordering line based on the evolutionary mechanisms of variation, selection and retention. Although a linear explanatory order of the adoption process was not assumed, this approach allowed for the identification of codes that were either susceptible to merging, as well as detecting which ones logically coexisted with more than one of the mechanisms as shown in Table 5.8.

Table 5.8 Codes Merger and Organiser

No.	Code	Variation	Selection	Retention	No. of References
1	High NEET rates				43
2	Low educational opportunities and dropout				9
3	Gender inequalities				16
4	Faulty social policy from the past				11
5	Demographic dividend				11
6	Use of national and international evidence				15
7	High youth crime rates				38
8	Migration				6
9	Anti-neoliberalism				25
10	Inward-oriented development				25
11	Labour market issues				39
12	Regional development differences				9
13	Social justice				9
14	Productive inclusion value				29
15	Electoral-political agenda and legitimacy				27
16	First job logic				11
17	International prestige of apprenticeships				21
18	Supply-side assumptions				62

No.	Code	Variation	Selection	Retention	No. of References
19	Perception of skills mismatch				22
20	Subsidised labour and training				16
21	Unstructured training				11
22	New policy idea				12
23	Universal design				24
24	Public-private tensions and negotiations				28
25	Private sector collaboration				18
26	Discretionary policymaking				29
27	Institutionalised policy design				31
28	International cooperation and policy transfer				16
29	Criticisms and questionings				53
30	Faulty technical design				16
31	Faulty technical implementation				7
32	Subsequent policy modifications				24
33	Post-training transition				18
Total References (Codes)					731

Source: Author's own

The previous table schematically summarises the analytical process, merging the 78 codes and categorising them into the 33 final thematic codes (see: Appendix V Final Data Codebook). This appendix presents the definitive designation of each thematic code, the CPE evolutionary mechanisms to which they refer, the total number of appearances in the complete dataset adding up to 731 references, and a broad description of the aspects each code entails. The resulting table in Appendix V was a fundamental tool in this study, organising the complex factors explaining the Mexican adoption of the JCF. The knowledge derived from these thematic codes shed light on the nuances of the policy adoption process and laid the groundwork for the subsequent findings and discussion chapters, which explain the practical and theoretical implications of this study.

5.7 Researcher Positionality

According to Proctor (1998), although rarely conducted in everyday life, delving into fundamental personal beliefs is a valuable and essential undertaking for conducting research from a philosophical stable ground. Such reflexivity would, in principle, lead the researcher to elucidate ‘the interrelationship between ontological (what is the nature of reality?), epistemological (what can be known?), and methodological (how can a researcher discover what she or he believes can be known?) levels of enquiry’ (Proctor, 1998, p. 74).

Hence, researcher positionality involves recognising that a researcher’s ontological and epistemological beliefs influence their research. This concept highlights the importance of incorporating a reflexive approach to research work (Holmes, 2020). When I explored the concept of researcher positionality, I found the questions suggested by Lin (2015) particularly clarifying:

- Why should I do research?
- What types of interests motivate me?
- What kind of knowledge do I want to produce?
- What are the possible impacts of my research?

These questions are instrumental in guiding the research process, as their answers evolved and adapted over time. Reflecting on them helped establish stable directions for research motivations and goals. Initially, my reasons for conducting research were driven by a desire to understand social phenomena in my country, hoping this understanding could lead to positive contributions and impacts, primarily in political and public spheres. Given that my research focuses directly on

public policy for young people, my initial aim was to understand and disseminate knowledge about the rationales, objectives, and limitations of existing youth interventions *vis-à-vis* the novel JCF. I hope this research proves useful to academics, policymakers, and the general public engaged in collective action towards more equal and inclusive government actions and an overall more equitable society.

Reflecting on my ontological and epistemological positions throughout this research journey, I recognise a significant shift from my initial inclinations. At the outset, I can now recognise I was inclined towards a more ‘methodological individualist’ position, primarily focused on understanding the individual factors that accounted for the varied outcomes of the same intervention among different participants. However, my engagement with academic literature advocating ‘holistic methodological’ approaches significantly influenced my perspective. This exposure made me increasingly aware of the relevance of contextual and structural factors as critical mediators in shaping possible policy outcomes, as well as the perils of concrete discourses such as the ‘educationalisation of social problems’ (Depaepe & Smeyers, 2008), or the common ‘supply-side fundamentalism’ (Capsada-Munsech & Valiente, 2020).

In addition to my reflexive considerations, this study specifically employs Cultural Political Economy (CPE) alongside Critical Realism (CR) to deepen the analysis of the JCF’s policy adoption process. CPE was employed to examine how cultural narratives (e.g. individual shortcomings of young NEETs) and political ideologies (e.g. neoliberalism) intersect with economic structures (e.g. development paradigms), providing a comprehensive understanding of the factors influencing policy decisions. This theoretical approach guided the research design by informing the selection of data sources and shaping the methodological framework. Furthermore, CPE influenced the development of fieldwork instruments and interview questions, structured around the mechanisms of variation, selection, and retention, to capture the interplay between cultural discourses and economic policies. The integration of CR and CPE ensured that the research methods captured both observable outcomes (e.g., policy documents and components) and the generative mechanisms (e.g., anti-neoliberalism and reactions against flagship CCT policies) driving policy change. This integration between theory and methodology not only enhanced the depth of the analysis but also facilitated a holistic exploration of how ingrained

structures and changing cultural, political, and ideological contexts interact to shape specific policy outcomes.

Throughout the development of my empirical strategy, even my ideological positions began to shift as I engaged more deeply with critical approaches and policy arguments previously unknown to me. This gradual ideological evolution allowed for a more open posture, enhancing my research's depth and authenticity. For instance I found myself agreeing with Apple (2019), who advocates that researchers should consistently strive to view the world through the eyes of the dispossessed and act against ideological and institutional processes that perpetuate oppressive conditions. Recognising the transformation in my ideological stances was crucial for self-awareness and navigating the research path following the data analysis process. This ideological flexibility, nurtured through the research process, enabled me to identify theoretical debates and references that enriched my understanding and the potential impact of my research.

CHAPTER 6 – RESEARCH FINDINGS

6.1 Introduction

This chapter outlines the research findings organised according to the three evolutionary mechanisms of policy change proposed by the CPE approach: variation, selection and retention (Jessop, 2010). The chapter attempts to answer the overarching research question driving this study: What were the primary material and ideational factors at the local and global level that led the Mexican government to adopt the JCF policy? Additional sub-questions were developed for each mechanism to address this central research question. These findings were obtained by applying the analytical strategy described in detail in Chapter 5 of this thesis to the primary and secondary data sources, including interviews with key policy stakeholders and policy documents.

The chapter shows that the adoption of the JCF youth policy by the Mexican government in January 2019 was a consequence of the convergence of material and ideational factors. MORENA's emerging leftist political coalition interpreted the high rates of NEET youth, crime, and victimisation as consequences of a flawed neoliberal economic model. The entrant government argued that this model, which favoured outward development and market liberalisation, had been detrimental to the internal market and had failed in generating opportunities and social mobility. Furthermore, they claimed it had wasted the potential welfare and productivity of young people. Moreover, unprecedented political-electoral legitimisation allowed the entrant government to secure smooth collaboration from a reluctant organised private sector. The findings also indicate that domestic political factors predominated over global ones, as has happened in other recent social policy adoption processes led by the political left in LATAM (Dion, 2009).

The incoming government insisted on strengthening the internal market and developing neglected regions of the country. This approach translated into strong programmatic notions of 'productive inclusion', resulting in a policy that incorporated monetary transfers, conditional on undertaking work-based training at local firms of all sizes and sectors. Such policy design features position the JCF within a broad spectrum of youth and social policies that have relied on the work-based training component. This chapter examines the complex interplay of these various elements, providing insight into the factors behind the Mexican government's adoption of the JCF youth policy.

6.2 The Problematisation of Youth in Mexico

Variation refers to the material and ideational factors operating at the national and global levels that trigger the problematisation of a particular social domain and initiate a process of policy change (Jessop, 2010). To ‘problematised’ a policy realm implies the process by which extant institutional and programmatic arrangements become explicitly questioned and contested, often arriving at novel concrete solutions for the attention of social issues. In our case, it refers to the problematisation of existing youth and active labour market policies and the need to adapt them to the pressing social demands for employment, skills training, and pathways out of violence in a country stricken by the scourge of the ‘War on drugs’. The focus of analysis of this section is found in the identification of the main actors and their dynamics and operations, both material and discursive, which allowed the fields of youth policy to be opened to a process of novel problematisation that would lead to the emergence of the proposal and subsequent adoption of the JCF.

The main sub-research question that allows us to account for the problematisation of youth in Mexico is: *What factors led to the emergence of youth as the primary target of social policy?* The main problem surrounding young people was their overrepresentation in high unemployment rates, dropping out of education, and crime. The 2018 leftist political entrant government interpreted these issues as a direct consequence of the neoliberal development model that had prevailed since the 1980s, which, among other things, had not generated sufficient employment and educational opportunities for young people and had made them vulnerable to drug-related violence in some areas of the country. In this scenario, the government justified the urgency of a broad-based youth policy inspired by notions of ‘restorative social justice’. This approach led to a policy design distinct from previous highly focused CCTs that emphasised the reinforcement of human capital or upskilling. Instead, it resulted in a permissive conditionality occupation policy for 2.3 million young people.

The following table summarises the main variation factors that allowed the emergence of the JCF, identified through the data analysis process. It should be noted that the factors outlined are not entirely discrete; instead, they are interconnected both empirically and analytically. For instance, a clear relationship exists between high NEET rates and high youth crime rates. It should be noted that some factors may have critical logical overlaps that could lead to consolidation, such as the

squandering of the ‘demographic dividend’ and ‘anti-neoliberalism’. However, given the empirical evidence indicating unique contextual aspects for the case study, maintaining the proposed selection of factors is justifiable. By acknowledging the interrelated nature of these factors, this analysis provides a deeper insight into the Mexican government’s adoption of the JCF youth policy.

Table 6.1 Main variation drivers for the adoption of the JCF

Material	Variation	Ideational
<ul style="list-style-type: none"> -High NEET rates -High youth crime rates -High migration rates -Demographic dividend 		<ul style="list-style-type: none"> -Anti-neoliberalism -Social justice -Inward-oriented development

Source: Author’s own

It is essential to clarify that each factor encompasses multiple elements analytically combined and condensed to better understand a highly complex reality. For example, an ideational factor like ‘anti-neoliberalism’ goes beyond identifying the ruling coalition as a ‘leftist’ party. Instead, it aims to capture the wealth of implications and meanings surrounding such an ideological position. Some implications include the peculiarities of the Mexican electoral system and the recent history of ruling parties; conflicting conceptions of political values like equity, equality, and social justice, as well as the discursive definition of an ‘us’ and ‘them’ that underlies the concept of ‘the political’ (Schmitt, 2008). By unpacking these nuances, this research provides deeper insight into the factors shaping policy decisions. As has been argued, the adoption of the JCF was driven by the interaction of high levels of NEETs (a material factor), which explain the prioritisation of this age group as a beneficiary population, and the leftist anti-neoliberal ideological orientation of the government (an ideational factor), which underpins the policy’s social justice and inclusion objectives.

6.2.1 What factors led to the emergence of youth as the primary target of social policy?

As a starting point, it is essential to understand why youth became so central for a massive policy such as JCF to emerge. Beyond the national sphere, in the wider LATAM region, concerns and debates around the sustained and progressive deterioration of young people’s social and economic conditions have existed for many years. Many authors have agreed on the profound decline of education and formal employment, the two main ‘engines of upward social mobility’ since the

post-war period (Abdala, 2002; Jacinto, 2010b; Pribble, 2013; Reimers, 1994). The general deterioration of the prospects of young people worldwide contributed to the rapid spread of the concept of 'NEET', which originated in the United Kingdom during the 1980s (Furlong & Cartmel, 2006; SEU, 1999).

Most of these authors agreed this deterioration process began around the 1980s with the combination of the regional demographic dividend and the pernicious effects of neoliberal structural adjustments, which resulted in the dismantling or reduction of the already fragile and nascent institutions of the welfare state. Coincidentally, the expansion of privatisations and deindustrialisation strategies resulted in numerous social ills, including increases in income inequality that make LATAM the most unequal region in the world (Escalante, 2015); the rapid devaluation of academic credentials, especially those of TVET, the proliferation of flexible and temporary jobs; the general stagnation of informality rates at around 60% of the economically active population; compulsively low tax revenues, and low national growth rates. Moreover, the vulnerability of the youth extended beyond the labour sector and spread to various other aspects of social life, including education and security.

Therefore, it should be noted that both the 'high NEET rates' and 'high youth crime rates' began gaining prominence more than a decade before the current government came to power. This growing recognition of youth-related issues eventually made a new problematisation of the youth sphere imperative. For instance, the National Youth Survey 2010, conducted by the Mexican Youth Institute (IMJUVE, 2011), yielded representative data at the national level on the employment and education situation of young people aged 14 to 29. The survey revealed that 13% of young people were engaged in housework and family care, 6.7% actively sought employment or entrepreneurship opportunities, 2.3% were inactive, and 2% were involved in other activities outside work and study.

These figures indicated that 23% of young people in the country were neither employed nor in education or training (NEET), either by choice or lack of opportunities. Particularly concerning was that 80% of this NEET population were women, highlighting the significant gender disparities and inequalities across the country. Regarding gender disparities, imbalances surrounding domestic labour appeared as a crucial concern. As per the National Survey on Discrimination (ENADIS), a striking 72.3% of women, in contrast to a mere 5.7% of men, devoted themselves to

household chores or caring for family members, significantly limiting their employment prospects. Notably, 35% of women aged 15 to 29 were in a NEET situation (INEGI, 2017, p. 41). According to one academic interviewed during this research, the situation of young people in Mexico could be summarised as follows:

‘The issue of millions of young people without a job or assistance, nor a clear place in Mexican society... there is no place for them in universities; there is no place for them in schools; there is no place for them in the job market; there is no place for them anywhere’ (ACA-2).

Public discussions about the ‘*ninis*’ (NEETs) became central in Mexico around 2010 when the rector Narro of the National Autonomous University of Mexico (UNAM) expressed his concern for the estimated seven million young people living under such conditions throughout the country, as shown by the referred national youth survey and the 2009 National Occupation and Employment Survey (INEGI, 2010). The rector’s statements generated a wave of public debates, including rebuttals and disputes between heads of public ministries regarding the correct figures, explanations for the phenomenon, and possible alternative solutions (Olivares E. & Paul, 2010). The release of this data and the rector’s subsequent press statement led to the problematisation of the situation of young people becoming more relevant, highlighting the pressing national issue of ‘*ninis*’. Interviewees confirmed that this increased focus on the problems surrounding the youth took place during this period. For example, one NGO expert pointed out:

‘The issue of young people who do not study and do not work or, to be more exact, do not have the opportunity to continue studying or enter the formal job market... It is a problem that has been dragging on for a long time and has gained increased visibility. In fact, since the two previous administrations, unemployment without study options for young people led to the coining of this word of recurrent use “*ninis*”. So, there was, let us say, an awareness in the public perception that this represented a problem’ (NGO-3).

Previous administrations had already grappled with the question of how to address the challenges facing young people, resulting in the launch of a couple of programmes targeting youth employment issues, albeit with limited success. These antecedents make it plausible to think that a process of ‘social learning’ (Hall, 1993) also informed the problematisation of youth that surrounded the JCF. Although most youth-oriented policies in Mexico had been small-scale and

short-lived interventions, it could be argued that some of their components and design elements persisted as closely related antecedents to later initiatives. Such was the case of the ‘Primer Empleo’¹² policy launched by President Calderón in 2007, by which tax incentives were offered to those companies that hired unexperienced young people in their first formal jobs. Similarly, President Peña Nieto’s ‘Yo no abandono’¹³ programme from 2017, attempted to reduce school desertion rates at the upper secondary level through scholarships, academic tutoring and recreational activities. A scholar from UNAM coincided with the timing of the initial problematisation of the youth and the programmatic translation that ensued:

‘That discussion came from the period of Felipe Calderón around the famous “ninis”, which was a concept that we initially proposed at the UNAM to show the high deficiency of the institutions specifically responsible for this transition process, especially linked to the concept of emancipation’ (ACA-4).

According to figures from the National Institute for the Evaluation of Education, during the 2017-2018 school year, national dropout rates were 12.3% in upper secondary education and 6.7% in higher education, which amounted to between 600,000 and 780,000 young people dropping out every year (INEE, 2019). One significant issue that compounded the school dropout crisis in Mexico is undoubtedly the historical focus of government policies on allocating budget resources to the formal education system:

‘The traditional policy of the Mexican State was and continues to basically be, education... and therefore, it seems to me that together with this great educational policy focus there has been a total abandonment of the employment policy’ (ACA-4).

This aspect highlighted the urgent need for comprehensive and effective policies and programmes that addressed the pressing needs of young people beyond the formal education system. In this same regard, a government official from the current administration declared:

‘From the contrast with other past policies in Mexico, it seems to me that it is a historical fact, a historical victory that there is such a substantial, robust investment, directed mainly at poor people. In the past, there were very few (policies), and no investments of this type

¹² ‘First Job

¹³ ‘I don’t drop out’

directed to the general population. The budget with an impact on young people was reduced to the educational sector' (GOV-6).

At the same time, a significant overrepresentation of this age group in unemployment, informality, job turnover, low wages, and precarious working conditions accompanied the high rates of NEET youth. Furthermore, there was a widespread belief that a vicious cycle was present in which a lack of work experience resulted from limited job opportunities, further perpetuating these challenges that had already forced more than half of the economically active population to enter the informal sector, with incomes below the 'poverty line' and without access to public health services. Besides stark youth unemployment, a youth-focused intervention also appeared justified by the latest national marginalisation and poverty indicators published by CONEVAL, which identified young people and children as the most vulnerable demographic groups measured by income level and poverty risk (CONEVAL, 2018).

In line with the extensive literature that argues that youth is a crucial transitional stage that mediates differentiated life trajectories according to gender and social class (Casal et al., 2006), this stage of problematisation revealed the incoming government's awareness of youth as a transition phase that required special attention, given its centrality as a phase in which certain inequalities could take root. Along these lines, an interviewee from the federal government highlighted the range of positive effects that an intervention aimed at a population in this life stage could have, especially by granting access to medical services for young women in childbearing age:

'A very valuable component of the programme that is not emphasised enough is that, at that stage of life sociologists call "risk stages", suddenly having an "anchor" for one year is no small thing. There's a lot of evidence, including mental health and the postponement of first pregnancies; there's international evidence for that' (GOV-4).

Both the official national and international statistics on youth unemployment and informality rates coincided, justifying the government's focus on young people as the most vulnerable age group in Mexican society. In policy documents before the elections, like AMLO's 2017 book where JCF is mentioned, and in the first written documents during the transition phase (July to December 2018), the problematisation of youth issues referenced various national and international evidence, especially comparative data with OECD countries. For instance, some of the evidence presented

pointed out how Mexico ranked as the country with the highest percentage of young NEET, accounting for 22% of the youth population, which is significantly higher than the OECD average of 15%. Likewise, the youth unemployment rate in Mexico for those aged 15 to 24 was 6.9% in 2018, lower than the OECD average of 11.1%, but clarifying that these data did not reveal the precarious working conditions, high turnover, and low income that young people face in the local labour market (STPS, 2019b, 2019c, 2020c).

In addition, over 87% of the affected youth belonged to vulnerable or impoverished groups. Furthermore, the evidence highlighted the issue of educational dropout, as only 17% of Mexicans aged 25 to 64 had obtained higher education degrees, a figure considerably lower than the 37% average for OECD countries (STPS, 2020b, p. 11). Moreover, national evidence indicated that a substantial portion of job opportunities for young people in the country was circumscribed to the informal sector, where wages are considerably lower than in the formal sector and no social insurance of any kind is provided. From 2005 to 2017, the informal sector was the leading employer of youth, surpassing private companies, the government, and the agro-industrial sector. During this time, the informality rate among young people of 62.4% exceeded that of individuals over 30 (56.8%), indicating that many young Mexicans lacked access to social insurance (STPS, 2020b, p. 11).

A central aspect of the problematisation that accompanied the JCF in its origins was the idea that the high rates of violence and crime that affected young people were not a mere product of drug trafficking but of the broader development model the country had adopted from the 1980s to present times. For instance, in one of his campaign books from 2017, Andrés Manuel López Obrador (AMLO) argued that the neoliberal administrations (1982-2018) were responsible for the ‘marginalisation and neglect of the youth’ (López Obrador, 2017b, p. 136), which had ignited frustration, resentment and violence. One year before the 2018 elections, AMLO’s campaign also relied on a study by the World Bank (De Hoyos et al., 2016b) that highlighted the relationship between the so-called ‘ninis’ and crime rates, as showcased in the following quote:

‘A study carried out by the World Bank last year concluded that the relationship between the so called “ninis” and violence in Mexico is the result of three combined factors: the increase in male “ninis”, the lack of job opportunities for young people and an increase in

crime which made drug organisations recruit more members into their criminal structure’ (López Obrador, 2017a).

Other sectors of the academy, civil society and IOs, including the WB, the IADB and the OECD, have pointed out the relationship between the lack of opportunities and the high crime rates among the young population, although without going so far as to question the economic model (De Hoyos et al., 2016b; Novella et al., 2018; OECD, 2017). Therefore, AMLO’s interpretation of violence as a result of inequality and social inequities highlighted the need to foster concrete labour and education opportunities for young people. The presence of this justification in the pre-campaign books of the then-candidate is significant, as it later appeared unchanged in his administration’s strategic documents. For instance, the ‘Sectorial Programme of Work and Social Welfare 2020-2024’ (PSTPS) would employ a somewhat similar problematisation for the exclusion of young people from the labour market:

‘Youth in our country has been a sector of the population that, during past administrations, was forgotten and marginalised. The lack of opportunities, rights, and public policies for developing young people in Mexico caused a rupture in the social fabric that has resulted, among other problems, in unemployment, a crisis of violence and insecurity’ (STPS, 2020b, p. 10).

Another criticism and break-up with previous administrations, put forward by the coalition led by AMLO, was the historical absence of targeted policies addressing the needs of young people by the Mexican government. The period from 2006 to 2018 was characterised by a lack of public policies aimed at containing or lessening the effect of the economic and security crises on the country’s youth. For these reasons, the incoming government highlighted previous administrations’ lack of institutional action for young people as an additional argument to justify the JCF.

One of the underlying rationales behind the burgeoning youth policy was that by offering young people an opportunity for professional development through training and work, the government could get them away from the road anti-social behaviours. At the official JCF presentation event at the National Museum of Anthropology and History in Mexico City on December 19, 2019, the newly appointed federal Secretary of Security declared that JCF would be an essential social policy and a crucial national security strategy. The following quote showcases the vision that the

incoming government had on the programme's onset in terms of appeasing and rescuing youth from criminal paths:

'I celebrate it (JCF) because it will have a very important impact on security. Young people feed the criminal statistics; the red note of the day is invariably marked by murders, homicides, young people arrested, by young people incarcerated. But the most serious thing is that in the country's current economic conditions, actually for three decades, young people have been constituting themselves in the reserve army of drug trafficking, which is the most dramatic thing. Launching this programme equals to fulfilling one of the historical social debts that the country owes to young people' (STPS, 2018b).

If, up to this moment, the programme already intended to address multiple social issues, from the security aspect it would also open up another frontline with the national and international migration issue. Since economic and security crises in Mexico have critically impacted migration, it became clear that the novel policy could have positive side effects on migration and displacement caused by violence. Although youth migration was not explicitly addressed as a primary concern for this population group in the political discourse or policy documents, it was indirectly acknowledged as a potential positive side effect that could be achieved in conjunction with other policies: 'The idea that this (the JCF) operated throughout the country is that young people would not have to emigrate to look for work' (GOV-1).

One key idea that emerged was to provide young people with productive opportunities and a basic income in their communities of origin so they would not need to migrate to other states or to the United States. Concurrently with launching the JCF, the government announced the 'Sembrando Vida' programme, which would grant subsidies to agricultural workers based on a similar argument of promoting productive activities in their communities of origin. The idea of preventing migration linked to violence is well reflected in the following quote, along with the critical mistrust that emerged among various policy experts regarding the programme's loosely defined rationale:

'Right from the beginning, the President said that this programme was going to help young people not fall into crime... and the Secretary said: "Well, these are areas of great migration from Central America, so this (the JCF) controls the social problem a bit". Well, then the programme is not actually being used for its intended purpose' (NGO-5).

Eventually, the migration prevention idea trickled down to formal JCF policy documents as part of the diagnoses of social ills the policy would tackle, as the following quote showcases:

‘In Mexico, the youth has been facing more and more difficulties in finding a job or accessing university studies. Many of these young people whose future has been cancelled have had to migrate to the other side of the border or have been forced to choose the path of antisocial behaviour, thus creating a favourable scenario for an escalation of violence’ (STPS, 2018a, p. 2).

In summary, from an international standpoint, the problematisation of the domain of youth policies in Mexico does not constitute an isolated case since the deterioration of the living conditions of young people represents a global issue. However, at the local level, the lack of institutions and policies focused on this age group allowed the incoming government to place young people at the centre of its social policy agenda. In addition to the lack of job and educational opportunities, the scourge of violence related to drug trafficking and the high rates of migration from some regions of the country were the main problems the developing policy set out to address.

Issues Affecting Young People

As stated previously, the new administration characterised the problems young people faced as a consequence of the failed model of neoliberal development, and youth policy should focus on the social inclusion of this population through productive activities. AMLO’s political project effectively framed past administrations’ shortcomings and unresolved issues, such as the prevalent poverty rates, the lack of opportunities and generalised social unrest, under the ideological label of ‘neoliberalism’. This ideological framing partly explains why the JCF proposal linked the current state of deterioration among youth to the economic and political projects of previous administrations.

In addition to the neglect of the youth from education and labour possibilities and their overrepresentation in crime and migration, the government highlighted the squandering of the demographic dividend that ensued from the lack of labour opportunities for young people, given the country’s average age of 29. This idea can be traced to months before the 2018 elections when AMLO’s principal economic adviser explained the urgency for a significant intervention for young people:

‘We see in young people an opportunity that was lost, a wasted demographic dividend derived from so many years of low growth, which means that we have 6 million young people without studying or working in the country, many of whom unfortunately have become a breeding ground for antisocial behaviours and that we believe is also feeding the negative circle of insecurity, violence, etc.’ (Esquivel, 2018).

Moreover, during the transition phase after winning the election (July-December 2018), the first brochure of the JCF published in September 2018 confirmed the centrality of youth for the new administration’s social policy agenda, especially with the aim of taking advantage of the still ongoing demographic dividend:

‘In the project of the President-Elect, Andrés Manuel López Obrador, young people will be a priority group. For this reason, the JCF programme will be launched, through which we will promote their talent and open opportunities to those who do not have a job or a place in the university...The demographic dividend and young people’s capacities and talents will be used. Our priority is to pacify the country, which implies re-establishing ties with the communities and generating development opportunities that have been denied’ (STPS, 2018a, p. 3).

The notion of squandering youth potential was so determinant that, later on, policy documents would emphasise that Mexico had missed opportunities for economic growth under neoliberalism and that previous administrations were to blame for the high levels of youth unemployment and instability. Hence, the JCF was presented as an alternative to providing occupation and training opportunities for neglected youth to drive the country’s economic and social transformation (STPS, 2020b, p. 64; 2020c, p. 1). Secretary Alcalde also expressed the same argument during the JCF presentation event in December 2018, referring to the urgency of not wasting the last tranche of the demographic dividend:

‘In order not to squander this unrepeatable opportunity, young people seeking employment must possess the skills and competencies that firms struggle to find for their vacancies. In this sense, there is no one better than the companies themselves to develop the training plans and learning content since they are the ones who know in great detail what talents their productive sector requires to be more competitive. JCF is not only a programme aimed at young people but also one that will contribute to the growth of firms’ (STPS, 2018b).

For the entrant government, neoliberalism could be traced back to the 1973 economic crisis that had led to the privatisation of key industries and the dismantling of the few existing redistribution mechanisms, labour rights, education, and health systems. Moreover, the financial crises in 1976 and again from 1982 onwards caused the collapse of the ISI economic model. As an example of the privatisation of national industries, eighteen national banks were privatised in barely thirteen months during the Salinas de Gortari administration (1988-1994). In the five years between December 1988 and December 1993, 251 public sector companies were privatised across strategic sectors, including telecommunications and media (Telmex, Televisión Azteca), aviation (Mexicana de Aviación), steel (Siderúrgica Lázaro Cárdenas, Altos Hornos de México), shipyard (Astilleros Unidos de Veracruz) and agrochemical industries (López Obrador, 2019).

Neoliberalism arguably resulted in an indiscriminate commercial opening, deregulation, reduction of labour rights, and elimination of general subsidies and their replacement by clientelist systems targeting the most impoverished sectors (Presidency, 2019, p. 5). This last aspect is crucial since the approach JCF would adopt relied more on a universal age-group design rather than on overly complex beneficiary characteristics. The adoption of neoliberal measures, including the privatisation of state-owned enterprises, trade liberalisation, deregulation of key sectors, and reductions in public spending, culminated in their full implementation under the presidency of Carlos Salinas de Gortari in 1988. According to MORENA's government, this neoliberal period persisted until 2018, leaving a devastating legacy of increased poverty, social inequality, marginalisation, corruption, institutional decline, loss of sovereignty, and heightened insecurity and violence (Presidency, 2019, p. 35).

In AMLO's view, the neoliberal period that had spanned 36 years in the country, from 1983 to 2018, was also to be held responsible for the abandonment of productive activities in rural communities, the lack of quality jobs, and the neglect of young people (López Obrador, 2019). The main explanation for why this happened had to do fundamentally with the fact that neoliberalism had adopted a development model eminently based on foreign trade, which had seriously neglected the internal market and therefore provoked stagnant economic growth experienced from 1984 to 2015, during which the average annual GDP growth averaged a meagre 2%. In the new administration's view, sluggish economic growth constituted irrefutable proof that the economic policy implemented over the last two decades had failed to bring about real

development and welfare (López Obrador, 2017b, p. 104). In addition, a critique was casted on the idea that the mere attraction of foreign investment would be enough to generate a ‘trickle-down’ effect in all the layers of society:

‘It is a fallacy to think that the State should not promote development or seek income distribution but should dedicate itself exclusively to creating the conditions that allow investors to do business, thinking that the benefits will automatically extend to the rest of society’ (López Obrador, 2017b, p. 372).

Thus, a central economic development idea held by AMLO and his team was that the government should invest in projects and public works to reactivate the internal market and create jobs, allocating additional funds to critical areas such as housing, public works, communications, and tourism. In addition, the State should promote social development through economic growth and job creation to improve the population’s quality of life and guarantee access to essential welfare goods for impoverished people (Presidency, 2019, p. 51). Therefore, the quest for social justice for the neglected groups would eventually translate into a public intervention for young people, aiming to restore the opportunities denied to them by broader structural factors. The following quote by a core member of the JCF team enlightens this intent neatly:

‘They had a clear vision that had to do with something like restorative justice, social inclusion...there the now Secretary was very emphatic: "What we want is to give young people an opportunity, because the Mexican State has never given young people a chance, I don’t want to ask them too many questions or monitor them, I want young people to choose, not the firms". In other words, it was a symbolic thing to tell the young people of Mexico: “We are going to give you an opportunity, and we are going to support you because we believe in you”’ (GOV-4).

According to an informant from the STPS core team, there was a strong political commitment from the outset to foster youth inclusion. However, the precise form this inclusion would take, whether job placement, training, or socio-emotional support for participants, was initially unclear. The following quote conveys these initial deliberations:

‘If the programme was betting on something, it was on inclusion, but we did not know what the specific form of that inclusion would be; if it was going to be labour inclusion,

then how to measure the success of labour inclusion? Would the same companies hire them once they concluded their participation? Or was it going to be inclusion through on-the-job training? What positive impacts could the programme have? And this was resolved as these discussions progressed, and we realised that training itself could drastically change how young people perceived themselves and what they were capable of doing' (GOV-2).

The specific design, components, and operational elements of the JCF were framed around the guiding normative intent of 'social justice', which shaped the development of the policy. This intent centred around historical vindication for the youth sector in pursuing social justice and opportunities. Interestingly, the discourse used during the official presentation of the JCF portrayed young Mexicans as defrauded by the system despite having fulfilled their part in the social contract, which at the same time allows us to glimpse tensions that connect with broader theoretical debates on the unfulfilled promises of education and the increasing precariousness of working conditions. In the words of Secretary Alcalde:

'The generation of which I am a part was told that if we studied, worked hard, and complied with the rules, we would be assured of job placement and a successful professional career. In this social contract, my generation fulfilled its part; Mexico and its governments failed young people, undermined their future, frustrated their ambitions, and reduced their alternatives. JCF is born with the deep conviction that we still have time to reverse this situation' (STPS, 2018b).

In other words, the prominent anti-neoliberal interpretation of issues ultimately embraced a social justice imperative. This imperative would eventually become a 'productive inclusion' goal to vindicate the relevance of incorporating the neglected youth into the nation's economic development plans. As a result, the concepts of social justice and productive inclusion became intertwined, shaping the JCF policy design. A quote that is suggestive of the crystallisation of the main ideas of the programme, arising from the moment of problematisation, is the following, expressed by the Secretary of Labour during the policy presentation event on December 7, 2018:

'If I were asked to summarise the objective of JCF in a single word, this would be inclusion: Inclusion for young people from the rural sector so they are not forced to leave their land in search of a better life. Inclusion for young people from regions where the social fabric has been broken so they do not fall into the cycle of violence that has caused so much pain

in our country, including young women. To close the employment and income gaps and unacceptable inequalities for them to prevail in the 21st century. Include young professionals who, no matter how hard they have worked in their educational training, have not been able to find a job because they are told they lack work experience, but how are they going to have work experience if they have not been given that opportunity?’ (STPS, 2018b).

The proposal to strengthen the internal market came hand in hand with the urgency of improving the quality of life of young people through productive inclusion, irrespective of the existence of significant economic activities in their communities of origin. Hence, the government assumed and carefully stated that the new development strategies to be enacted would eventually generate national economic growth. Such was the central justification for including small and medium enterprises (SMEs) as participating firms in the programme, which would prove to be one of the most contentious aspects of the policy design. As the following quote indicates, the government was convinced that any policy design should address the country’s labour market heterogeneity:

‘The argument made by the STPS regarding the participation of all types of work centres is that they represent the economy of this country, and that is correct, right? In other words, the work centres that exist in small areas, in rural areas, in the marginal areas, well, they are those. Also, not all participants can think they are going to enter a job in modern companies, the country is intrinsically heterogeneous’ (ACA-9).

In retrospective, since the decay of ISI, as per the guidelines of the international development orthodoxy, the Mexican State focused primarily on education while assuming that employment and welfare would automatically ensue from a free trade arrangement. The global educational agendas of international organisations such as the WB and IADB recommended increasing high school completion rates as one of the primary solutions (De Hoyos et al., 2016a, p. 35; Novella et al., 2018, p. 252), often overlooking structural economic determinants, such as economic growth and the creation of enough formal jobs that allow the insertion of new generations of graduates. On the contrary, the JCF distanced itself from the education-centred idea that a work-based training programme could solve the problem of youth unemployment. In any case, the acknowledgement of the structural deficiencies of the labour market as a consequence of sluggish economic growth

is clearly traceable to these documents. The following rhetorical question from a government official is particularly revealing of this awareness among the policy core circle:

‘International evidence indicates that the Mexican economy cannot produce one million new jobs (in one year). So how do you think it will generate 3 million jobs for young people without experience?’ (GOV-4).

Given the government’s awareness of the structural constraints the JCF would face in job creation, it seems unjustified to accept numerous initial concerns claiming the programme would not guarantee successful labour integration for young people. Contrary to these criticisms, there had been no indication up to that point that the government viewed the JCF as a ‘demand side’ intervention aimed at creating new jobs. However, mixed messages were evident throughout the policy adoption process. Notably, during the official presentation event, the Undersecretary of Labour and later a prominent political operator in the AMLO’s administration declared:

‘With JCF, we want to change the policy paradigm. This will not be a “welfare programme”. This will be a programme that seeks to stimulate the economy and seeks to develop the skills and abilities of young people’ (STPS, 2018b).

Unsurprisingly, the government’s ideological leanings have sparked opposition and resistance involving contrasting views on development that evoked historical debates surrounding the state’s leading role in economic development versus the mechanisms of the free market. These discussions also highlight the frequently overestimated potential of individuals’ education, skills, and human capital. This ongoing debate features numerous theoretical and empirical confrontations, reflecting the complexities of the right balance between state intervention and market-driven approaches. In the context of the JCF, this ideological conflict is exemplified by the following quote:

‘The President has a rather limited vision of the development process...(for him) education and skills do not play an important role in the development process. The President’s vision of development involves large infrastructure projects that are going to detonate economic growth in Mexico, accompanied by a series of direct transfer policies to families and, in this case (the JCF), to young people; stipends also to all those who go to higher education;

direct transfers to mothers instead of universal childcare centres, that is how development looks for the President' (ACA-6).

In conclusion, the historic levels of unemployment, informality, and drug-related violence that primarily affected the youth in Mexico during the nearly four decades of neoliberalism, paved the way for the rise of a left-wing political and social movement that framed these issues as consequences of an exhausted development model. The ideational break with this paradigm led to a broader problematisation of youth issues, encompassing labour insertion, pacification, migration control, and 'restorative justice' for a historically marginalised age group. The entrant government aimed to address root causes such as lack of job opportunities and extreme poverty to combat youth crime, while recognising the heterogeneity of the national labour market. After securing the electoral victory in July 2018, the transition team formally promoted these ideas to stakeholders from the private and social sectors.

As explained in the next section, the policy design would mainly pursue a dual logic of social justice and crime prevention through occupation and training. The incoming administration construed it as a prime urgency to provide young people with institutional support to bridge the inequality gaps and the lack of opportunities in the country. As part of this vision, the JCF was framed not only as a response to immediate youth needs but also as a cornerstone of the broader national development strategy aimed at fostering inclusive growth and reducing structural inequalities. The ambition of MORENA's political project was so significant that it proposed Mexico could serve as a regional and global reference for transcending neoliberalism by adopting an inward-focused development paradigm. Such a shift did not go unnoticed, and the JCF problematisation phase was marked by criticisms, tensions, and discursive battles as various stakeholders from across sectors grappled with this disruption of the policy status quo.

6.3 The Devising of a Youth Intervention

The selection moment covers the period of struggle amongst various actors and their definitions of the causes and political solutions to a social issue, as described by Jessop (2010). This phase involves identifying the 'most suitable' interpretations of existing youth problems and the corresponding disputes between policy solutions, such as public-private partnerships, work-based learning, and conditional cash transfers. Like the variation phase, the driving forces operating

during this phase can act on domestic and global levels. These drivers influence how actors perceive and approach challenges, shaping the policy environment and determining which policy design gained prominence and was ultimately institutionalised. As different actors promoted their interests and visions, a complex interplay of ideas and strategies unfolded, contributing to the ever-shifting process of the JCF’s devising and its eventual institutionalisation.

The main sub-research question that helps account for the moment of design or selection of the policy is: *Why a universal on-the-job training programme?* Under the neoliberal paradigm, social policy was characterised by highly targeted, low-scale designs and conditional transfers. Breaking away from this approach, the new youth policy targeted all young people aged 18 to 29 in the NEET situation who were willing to work, according to official national statistics in 2018. At the same time, the design incorporated work-based training and a focus on skills, aligning with notions of productive inclusion and the strengthening of the internal market. In line with this, the policy adopted a universal design, justified by notions of social rights and inspired by local experiences of leftist governments.

As with the problematisation, the selection phase should be understood as the result of the convergence of distinct material and ideational factors. Given the explicit break with the previous policy-making and the open discursive anti-neoliberalism that characterises MORENA’s government, it is possible to understand the JCF as the programmatic translation of the development paradigm shift it intended to overcome.

Table 6.2 Main selection drivers for the adoption of the JCF

Material	Ideational
<ul style="list-style-type: none"> -Electoral-political agenda and popular support -Subsidised labour and training -Public-private tensions and negotiations 	<ul style="list-style-type: none"> -Productive inclusion -International prestige of apprenticeships -Universal design
Selection	

Source: Author’s own

Although the high NEET rates and the crime wave derived from failed security policies represented the two main material factors that gave rise to the problematisation of youth in Mexico, it must be remembered that from a critical realist and CPE perspective, even the most apparently material

policy issues are not simply ‘objective’, ‘given’ or ‘inevitable’, but are sustained by discursive strategies that explain, justify or reproduce them (Belfrage & Hauf, 2017; Mulderrig et al., 2019). Understanding how the situation of young people was enunciated and problematised from a legitimised and authoritative standpoint is essential. This requires considering the context of partisan and electoral politics in 2018, a recent milestone in the country’s democratic-electoral history. The material factor of ‘electoral-political agenda and popular support’ encompasses not only the electoral result that brought the current political coalition to power with a substantial majority of votes but also the absence of significant or organised opposition to the ideas, assumptions, and policy design components of the JCF during the policy selection phase.

The 2018 electoral victory of MORENA, with 53.19% of the votes, marked a significant milestone in Mexico’s political history as the first victory of a leftist party. A key factor behind this success was the campaign’s ability to unite diverse social demands neglected by previous administrations. Despite his victory in July 2018, AMLO had previously contested the presidency twice, in 2006 and 2012, providing a unique opportunity to identify recurring themes in his political movement. During that period, the first decidedly anti-neoliberal ideas began to take shape, calling for a paradigm shift in governance and policies, ideas later reflected in initiatives like the JCF. For instance, one informant from the JCF core team stated that the idea behind the JCF could be traced back as far as 2008, indicating that the programmatic concept had been developing for several years:

‘A policy that the President had already envisioned very well since 2008 and even the Secretary (Alcalde), he had put her in charge since then — since 2008? — Yes, he already had a glimpse of the programme; he had already thought of it as his government’s national programme’ (GOV-3).

Under the previous circumstances, the 2018 elections were fertile ground for the presidential candidates to advance proposals on a matter of social urgency that had already begun to be problematised publicly, even at the leading mainstream national media. The need to place young people at the centre of government attention commenced during the last decade. In this sense, a senior official confirmed that the President’s idea for the programme dated back to the 2012 campaign:

‘I remember that even since then, President López Obrador had proposed, with the same name, “Youth Building the Future” (JCF). Since his 2012 campaign, it was the President’s proposal, which I infer, came from his tours through the country and the high unemployment rates he witnessed’ (GOV-2).

An argument can be made then that the electoral legitimation momentum, built on a foundation of anti-neoliberal discourse, played a crucial role in explaining the adoption of the JCF at that specific moment. The incoming government capitalised on widespread political dissatisfaction to secure the selection of a new and unprecedented social policy, both in design and budget size. By distancing itself from previous neoliberal administrations and aligning with broader popular demands, the new government proposed unexplored directions prioritising social justice, equality, and inclusive development. However, as previously stated, the political influence and benefits of programmes involving monetary transfers should not be overlooked. Furthermore, AMLO had already innovated in social policy by granting universal pensions for older adults when he was Head of Government in Mexico City from 2000 to 2006. The legitimacy and political effects of such policies are well-documented in the literature on social investments, often highlighting debates around their potential for fostering clientelism, their redistributive impacts, and their role in shaping public support. These aspects will be discussed in the next chapter (Aspalter, 2006; Gingrich & Ansell, 2015).

An interviewed academic suggested that, in addition to addressing youth exclusion, the JCF may also serve electoral and political purposes (ACA-2). One such objective included reasserting the state’s presence in the territory, which had diminished since the shift towards neoliberal policies. This broader purpose highlights the intricate nature of the JCF policy, addressing not only the immediate concerns of marginalised youth but also as a potential political mechanism towards re-establishing the government’s legitimacy and presence within the territory, which had been undermined since neoliberalism and the dismantling of public institutions.

6.3.1 Why a universal on-the-job training programme?

Until now, I have argued that the incoming administration’s anti-neoliberalism and the pursuit of social justice led them to develop a strategy that combined various concepts such as employment, productive inclusion, skills provision, and first-job access. This perspective allowed for the proposal of a break or departure from the logic of previous administrations’ educational and labour

policies. Such orientation explains why the JCF drew from multiple global work-based training programmes. One aspect to highlight is that the literature on CCT policies in the region has shown two main design orientations often clash. These are designs based on increasing human capital (upskilling) and those favouring a more universalist minimum income approach (Borges, 2022). As a result, different policies vary in the degree of conditionality and the structure of activities required from beneficiaries. At the same time, ideological alignments (left vs right) tend to mediate which of the two orientations prevailed since rightist governments have tended to lean towards an ‘upskilling’ stance. In contrast, leftist alternatives have assumed a ‘basic income’ position that stresses the centrality of the structural constraints and heterogeneity of the labour market.

In the case of the JCF, the coming to power of the leftist MORENA coalition largely explains the broad-based public policy objectives pursued. Many of these objectives, in more or less the same form they eventually took, had long been central to the demands of the political movement. Nonetheless, it is unsurprising that somewhat paradoxical discourses persisted among government policy stakeholders, particularly regarding the emphasis on skills despite the proclaimed break with previous ‘neoliberal’ administrations. Furthermore, the positions of some informants confirmed that no rupture is ever entirely radical or complete. Instead, remnants of institutional inertias and ‘path dependency’ often prevail, as historical institutionalists have frequently demonstrated (Thelen, 1999). However it is possible that path dependencies coexist with glimpses of emerging ‘critical junctures’ (Capoccia, 2016). Therefore it is worth examining how this process unfolded and the extent to which it influenced the final adopted policy design. A first point of departure is that several informants from the core team agreed that no recent national or international policy directly inspired the JCF. A member of the policy core team expressed:

‘I tell you very sincerely, this administration is not interested in looking for previous references, nor looking for international references. It is an administration focused on bringing innovative ideas, whether or not they are accurate, and that things are done here better than they could be done in other countries’ (GOV-1).

Nevertheless, despite the STPS’s efforts to showcase originality, it can be argued that the features of the JCF align with what Abdala (2014, p. 19) described as the ‘third generation’ or ‘comprehensive model’ of youth job training policies. This author argued that these policies aimed to address areas neglected by other approaches, such as technical and vocational education,

national training systems, conventional school pathways to higher education, and flexible, industry-specific skills policies. In contrast to programmes such as ‘Chile Joven’, this generation of youth policies, which extends to the present without well-defined characteristics, sets itself apart by prioritising support for disadvantaged youth.

Crucially, this focus extends beyond employment, encompassing psychosocial dimensions as well. As various authors have argued, the primary concern of this third generation stems from the recognition that specific challenges hinder the training of disadvantaged youth (Abdala, 2014; Weller, 2011). These challenges mainly arise from a lack of social and cultural capital, which undermine or constrain the effectiveness of technical training and skill development. Consequently, these findings reinforced the justification for a policy that leaned more towards social integration and inclusion objectives.

Acknowledging that the burgeoning JCF resembled a third-generation youth policy in the LATAM region, characterised by components and designs that are often unprecedented or innovative, it is notable that informants who participated in the transition phase roundtables and collaborated with the core team of the STPS admitted to drawing inspiration from the Germanic dual training model. This influence explains why the JCF adopted, from the very start, the jargon around ‘apprentices’ learning directly at ‘work centres’.

The high degree of influence of the Germanic dual training model is further explained by the proactive involvement of the organised private sector, particularly the CCE, with the JCF team. Over the last decade, the CCE had been a key institutional actor in promoting the adoption of the Mexican Dual Training Model (MMFD) by the Mexican government during Peña Nieto’s administration. The following quote from a high-ranking representative from the CCE, the highest private business organised sector organisation, confirms this influence:

‘When he became President-elect, then it fell on us at the Education Commission of the business sector to seek to work with them and coordinate with them to try to ensure that the policy was implemented most effectively and efficiently possible’ (BUS-3).

The abovementioned sheds light on the fact that it was during the transition period that the private sector and the government began to have the first technical dialogues around the policy, and where the idea of tailoring the JCF as similar as possible to a ‘dual apprenticeship’ policy began to be

promoted by the private sector. These initial meetings took place mainly in workshops, as follows from the following quote from an independent expert hired by the CCE:

‘We relied heavily on the concept of apprentices, which is an internationally recognised framework. I based much of the design on this idea of apprentices, drawing a bit from the dual model and looking at examples from Switzerland, Germany, and Austria’ (EXP-1).

Another argument supporting the view that JCF was increasingly leaned towards a more ‘hybrid’ or ‘innovative’ policy is its incorporation of a conditional cash transfer component paid by the government. This approach differs significantly from the Germanic model, where firms themselves cover training costs. Ultimately, the key distinction between the Dual Germanic model and other work-based training modalities lies in the profound differences in political economies and institutional arrangements of the countries where such models operate, as discussed in the literature review chapter.

Beyond references to the Dual Germanic model and youth policy seminars attended by government members, the influence of specific programmes were conspicuous absent from policy documents and interviews with key stakeholders. Interestingly, the only direct reference to a specific programme, which is better classified as a ‘workfare’ programme than an ‘apprenticeship’, was the ‘Works Progress Administration’ (WPA). This New Deal icon, operating between 1935 and 1943, publicly financed the employment of over 8 million unemployed individuals who contributed to constructing public infrastructure, including highways, airports, and public libraries, many of which remain in use today (Taylor, 2008). The reference to the WPA in AMLO’s 2017 book suggests a strong inclination towards a Keynesian paradigm:

‘It is about doing something similar to what US President Franklin D. Roosevelt did, who during the Great Depression created the conditions to make the right to work a reality for all’ (López Obrador, 2017b, p. 113).

For some interviewees, it was clear that the prevailing logic behind the JCF extended beyond the conditional cash transfer component or the quality of the training itself. Instead, it aimed to prioritise a ‘compensatory’ mechanism for disadvantaged populations through labour inclusion, implemented in a novel way that contrasted with traditional market logic, as the following quote suggests: ‘It is a programme that seeks to foster access (to occupation) through equity; it is not a

programme that seeks attraction of talent, which is what drives firms' (EXP-1). Therefore, the programme's rationale advocated for a reversal of the typical market mechanism, to instead focus on the economic participation and inclusion of a relegated group:

'The JCF is a symbolic gesture of the Mexican State to socially include young people: "We don't care if you get a job or not. We are going to give you an opportunity to be a participatory economic agent in society" (GOV-4).

However, it is somewhat paradoxical that, despite the primary emphasis on social inclusion, the policy core team still appeared unable to fully abandon remnants of the 'upskilling' and 'skills supply side' orientations, which framed youth unemployment primarily as a consequence of insufficient education and skills. Such logic became manifest in the initial policy normative and operational documents, presenting a diagnosis of problems that JCF would aim to solve. For instance, the following excerpt from the first JCF manual from early September 2018 evidences such discourse:

'High youth unemployment rates are attributed to the lack of effective mediation and a lack of professional experience. Job training programmes are based on the premise that providing key skills increases the probability that young people will obtain a stable job and contributes to reducing the skills gap between employers and job seekers' (STPS, 2018a, p. 2).

Contrary to what might be thought at first, the previous document does not criticise the assumptions about youth precariousness but instead seems to take them for granted, thus justifying that the JCF should contribute to resolving both problems. To a certain extent, the aforementioned could be a result of the prevalence and entrenchment of hegemonic discourses. As discussed in the literature review chapter, the predominant labour and education policies in the region since the structural adjustments of the 1980s have been based on the neoliberal principles of human capital theory, often resulting in an 'educationalisation of social problems' (Depaepe & Smeyers, 2008; Tröhler, 2016), and the upskilling and supply-side fundamentalisms.

While most interviewed policy stakeholders believe that the JCF represented a significant departure from previous 'neoliberal' administrations, often responsible for the current state of affairs concerning Mexican youth, certain aspects of the programme design did not fully achieve

a comprehensive conceptual shift. For instance, the interviews revealed that certain contradictory discourses persisted among some public officials, particularly regarding the structure and complexity of the training the programme would provide to participants. The following quote illustrates the point:

‘You need a strong pedagogical model of capacity building for a one-year work experience intervention like this to work. The mentoring model, let us say the mentoring done by firms, is not enough’ (GOV-4).

The same informant further expanded on the matter:

‘The problem I see with the programme, and where I think it should improve, is the educational training model within firms. I believe it is important to raise the standard for everyone involved employers and young people alike. A year of exposure to daily work experience should be truly formative, not just showing up, not just watching how it’s done. This idea that learning by observation is sufficient is very weak, given the ambitious objectives of the programme. Therefore, I believe it must be complemented with online education, support in soft skills, and socio-emotional support where necessary’ (GOV-4).

Such views were consistently expressed by the global public policy orthodoxy, particularly in initial public meetings and workshops following the programme’s launch. For instance, during an academic seminar held a few months after the programme’s launch where the STPS core team participated alongside national and international policy experts and scholars, a renowned economist and IADB official articulated a typical ‘supply-side’ logic assumption:

‘An important consideration for the JCF programme is that we need to provide young people with more skills so that they can generate more income at work, right? So why do we think a programme like JCF is important? Well, because everyone wins with a programme like this. On one hand, young people gain skills that during the training process and connect with job opportunities. Many times, what is also lacking is information about where the job opportunities are, particularly in the private sector. Additionally, it helps improve the productivity they bring to the labour market’ (COLMEX, 2019).

On their part, a senior representative of the business sector appeared to share a similar mindset:

‘The programme should obviously have a very clear measurement component of the skills of young people when entering and leaving the programme. That is a vital metric, to see that they have actually acquired some of the skills they need to have better opportunities’ (BUS-3).

Despite most criticism of the programme focusing on its inability to effectively secure job placements for beneficiaries, it is worth noting that much of this criticism appeared to be politically motivated rather than technically grounded. Nevertheless, some experts provided more balanced perspectives on the complex challenges of labour market integration and employability:

‘The fact that you can get one hundred or a high percentage of young people into the job market in the long term, well, that also depends on the job offer in the country; it doesn’t just depend on whether it’s a good or a bad programme, it’s something much more complex within the macroeconomics of a country, such as the job offer’ (EXP-5).

The assumption that the real problem that the programme should try to solve was education and not, let us say, the growth and economic development of the country through strategies that would strengthen the internal market, was a widely prevailing opinion amongst the country’s most prominent social policy experts:

‘The government does not know what the main problem of the target population is or what issue they truly want to address. I believe the problem lies in the barriers faced by young people with educational gaps, not those currently out of school, but those who left school without completing their studies’ (NGO-2).

As with supply-side fundamentalism and the ‘educationalisation of social problems,’ a shared perspective among various actors, both supporters and opponents of the policy, was to judge the merits of the JCF based on its ability to solve the alleged ‘skills mismatch’ that existed between what the labour market demanded, and the qualifications provided by the formal education system. For instance, during a seminar at the Colegio de Mexico, the Secretary of Labour cited data that indicated 54% of employers in Mexico reportedly faced challenges in finding workers with the required profile and skills for their open positions. An official from the IADB also echoed the previous view:

‘Employers face many difficulties... The skills gap arises because they struggle to identify the young people they can hire. They can train new talent to perform the required tasks, adapting the training to the needs of the firms. In doing so, they increase the firm’s productivity, while the government and society benefit as the social capital of young people grows, fostering social inclusion and improving the country’s overall productivity levels’ (COLMEX, 2019).

However, the belief in the seriousness of a ‘skills mismatch’ problem was unwarranted. A closer look at the heterogeneous structure of the Mexican labour market reveals that 98% of firms are small or micro-enterprises, which typically do not require highly specialised skills, calling into question the relevance of such a concept in this context. Furthermore, the contradiction further becomes clear considering that beyond SMEs, the programme would allow individual economic actors to register as participant ‘work-centres’ and tutors, as was stated by Secretary Alcalde:

‘We are also talking about “legal persons”¹⁴; they can enrol in the programme as tutors because we want to reach areas of the country where there are no firms or economic units to link apprentices. Instead, these are people skilled in trades: electricians, carpenters or even professionals like lawyers, engineers, and architects who can receive young workers in their offices. This creates the possibility of building a network of tutors to accommodate apprentices’ (COLMEX, 2019).

Notably, the JCF design also reflected the influence of so-called ‘first job’ programmes. Several previous labour policies had aimed to provide young people with an initial opportunity to enter the labour market, particularly those hindered by entry barriers. Amongst these, the ‘lack of experience in formal employment settings’ was frequently cited by informants as the primary obstacle. For instance, a high-ranking STPS official demonstrated a supply-side assumption that was not focused on skills but on labour experience. She argued at a public seminar:

‘I think this is the forum to mention that believing young people will be ready to enter the labour market just because they have more schooling is incorrect. In other words, it is not necessarily true that completing a degree means the market will absorb you immediately, as many young people lack the necessary’ (COLMEX, 2019).

¹⁴ Individuals with economic activities as opposed to ‘moral persons’ or firms.

The problem that looms around such logic is that in the same way that the lack of ‘right skills’ argument is insufficient to account for youth unemployment as it ignores the state of real demand for workers. Likewise, the ‘lack of work experience’ falls short of explaining why there are so many young people who cannot get a job, let alone a formal one. However, this interpretation shifts the blame onto job seekers, framing the issue as a personal shortcoming rather than addressing the underlying scarcity of formal jobs in the labour market. Additionally, besides the work-experience fundamentalism, other informants made the argument that participation in the programme could activate other mechanisms known to the workplace-based learning models:

‘The social network of contacts they build in this programme with apprentices and their tutors also helps them find another job later and develop other types of aspirations. There is a change in how young people perceive themselves and what they are capable of achieving, simply by attending a workplace every day. Their self-perception and sense of what they can accomplish change significantly’ (GOV-2).

Another hypothesis behind the selection of the workplace-based learning component is that the government viewed it as a political strategy devised to address potential resistance from the private and social sectors by ensuring that participating firms and individuals would benefit directly from publicly subsidised labour. Some stakeholders interpreted the JCF as a unique opportunity for participating firms, offering forty weekly hours of subsidised workforce that would ultimately contribute to the firms’ growth and development. This programme’s aspect was also highlighted as having the potential to create a valuable relationship between young apprentices and firms. In the words of a government official:

‘To train specialised human resources at no cost to your budget, if you have a year to train someone, it will not cost you more than the training efforts. The firms do not have to pay any salary or additional stipend; the State is covering that expense. For example, in firms that require specific skills, they can use this year to provide the necessary training. If they decide to hire the trainees later, it will be much easier to work with them’ (GOV-6).

All in all, it was clear that the rent transfer was highlighted as the policy’s main component, regardless of how structured the training activities would be. The following quote by Secretary Alcalde confirms the government justified the subsidised training component, due to the heterogeneous characteristics of the Mexican labour market.

‘What I would like to say is that we do not believe that JCF will solve all the problems of informality and social inclusion in Mexico, or that all these young people will be included in the labour market once the programme is finished. We need to grow, and that is our main growth challenge in this country. It was, and still is, one of the pillars of the current President’s plan to grow at 4%, because we need to create jobs and the circumstances that will later allow us to employ these young people. Since we are currently in stagnation, no, this programme alone will not generate those circumstances, but many other things will need to happen for these young people to be truly included in the formal labour market’ (COLMEX, 2019).

Another hypothesis is that the prevailing supply-side economics discourse facilitated collaboration with the business sector, as the JCF publicly financed upskilling for potential workers. The following quote from Secretary Alcalde highlights the material logic that may explain the private sector’s cooperation with this policy, despite ongoing political contentions across the country’s sectoral policies (e.g., energy, education, and electoral reforms):

‘JCF is not only a youth policy but also one that will help businesses grow. Let us see it as an opportunity for firms to instil both their work culture and their values among young participants. It will help reduce the high turnover and recruitment costs, but above all, it will be our contribution to building a fairer and more prosperous Mexico, where everyone can live in peace’ (STPS, 2018b).

The monthly rent transfer equal to one minimum wage (around 200 USD during 2019) would represent not only an opportunity for beneficiaries to overcome market barriers by being able to cover transportation costs and self-sustenance expenses, but also an attractive incentive for employers to collaborate with the policy as far as they could gain the opportunity to train and later recruit new employees. The following quote illustrates how the STPS itself promoted this ‘talent hotbed’ idea:

‘For participating firms, it is an opportunity to take advantage of the talent and energy of young Mexicans and train them in the technical skills and work habits required in their industries but not readily available in the job market. This programme constitutes a talent hotbed for firms that, without the participation of the JCF as a linking agent, would remain unnoticed’ (STPS, 2020b, p. 25).

Although the formal retention and implementation of the JCF began in January 2019, the global Covid-19 crisis arguably contributed to the government placing greater emphasis on the programme's monetary transfer component to support family incomes rather than focusing on the effectiveness, relevance or completion of the training aspect. The government shifted the programme to distance training in response to the pandemic crisis. Such a decision was not driven by the continued importance of upskilling during a global pandemic but rather by ensuring a basic income for millions of families amidst the ensuing economic and unemployment crisis. Thus, the programme became a form of a minimum social protection scheme. An STPS core team staff member expressed it as follows:

‘Of course, one of the great difficulties was the pandemic. For example, we had to convert the programme to distance training to guarantee families’ income. There were many families whose main source of income during the pandemic was the JCF’ (GOV-2).

Most criticism the programme received was based on the type and quality of training the participants would receive. As shown throughout the chapter, criticism and approval of the JCF coexisted paradoxically right from the outset, seemingly dependent on how rigorously the training component was weighed. When assessed purely in terms of its formative aspects, such as the quality of learning and skill development, the programme tended to face disapproval, as the following quote shows:

‘Participants who have gone through JCF have been in companies with “legal persons” that who know what they do, that is, in grocery shops. The technical word would be “micro businesses”, where obviously they will not learn anything’ (NGO-2).

Again, critiques like the above seem to overlook that the vast majority (around 98%) of firms in Mexico qualify as SMEs. While critics primarily focused on the shortcomings in defining the programme's target population and other aspects related to the quality of training the beneficiaries would receive, the government, nonetheless, justified such a choice, arguing that the highly heterogenous labour market of the country warranted the inclusion of all types of firms. The following quote by an academic showcases the contradiction implicit in the recurring criticism of the insufficient learning that the average firm in the country could provide:

‘Small and medium-sized firms do not have the capacity of a large firms to invest time in training a young person as an apprentice, largely because they do not have specialised jobs that require this learning process’ (ACA-5).

The government seemed to realise early on that the heterogeneous structure of the country’s labour market and the regional differences were so vast that it would be impossible to control and validate any individualised training plans. Another problematic aspect coupled with the training component was that the massive scale of operation would compromise the quality and viability of the supervision and verification that young people could receive. An NGO expert asserted the programme risked becoming a subsidy for firms instead of a training scheme for participants:

‘There is no actual verification mechanism that the work centres are really giving young people the opportunity to learn instead of just taking advantage of them since they are “paid arms” by the government, that is, a subsidy for working capital, for firms’ (NGO-8).

High-ranking officials were generally not bothered by such controversies since that seemed the programme’s intention from the beginning. This conceptual tension point, among many others, shows how the various clashes between supporters and opponents of the programme could be traced back to elementary ideological conceptions of the State’s role, the functioning of the economy, and the role of individuals:

‘In the end, it is an incentive for many workers and firms. The JCF is not a theoretical learning model, but rather, it is ‘learning by doing’. So, in that young people join the productive activities of the firms, they contribute their talent and energy, and the firms also realise it is quite profitable for them’ (GOV-2).

One scholar criticised the design of the JCF’s main component, judging it unstructured and lacking established standards to evaluate the quality of the training. In the following quote, the academic proposes a hypothetical alternative that, in his opinion, would have been a more desirable approach. However, a series of supply-side economic assumptions, bordering on skills supply-side fundamentalism is particularly evident:

‘If the apprenticeship had a structured training and curricular plan that told the apprentice, “Hey, in the first two months, we will diagnose your skills to identify gaps and areas where we can support you. In the next two months, we will reinforce those skills. In the third two

months, we will assess how these new skills are applied in the labour market, and finally, we will provide you with guidance on lifelong learning and connect you to job opportunities outside the internship”, then the probability of success would have been greatly increased’ (ACA-6).

While the JCF was designed as an intervention with a broader logic that transcended employability enhancement, it was harshly criticised by more orthodox positions. Another critique highlighted the lack of formal cooperation between the Secretaries of Labour and Education, which was interpreted as a strategic shortcoming by the policymakers in properly articulating the existing public institutional resources of the Mexican State: ‘The government did not even assign a budget for the STPS to coordinate with the Secretary of Education, which has the CECATIS (Training Centres for Work). Why? Because it was not the goal. The goal never was to improve labour skills. (ACA-6).

While the argument indeed points to a lack of collaboration amongst state departments, it can also be argued that these critiques overlook the policy’s priority of social inclusion. From the government’s perspective, the work-based component was secondary, which led to a somewhat unstructured training framework. The following quote is telling of how public officials understood the work-based component in a loose sense: ‘Although it contributes to employability in terms of transversal skills, it is not a programme focused on developing “hard competencies” or “hard skills”’ (GOV-9)

Even though the work-based training component had been portrayed as a central feature of the programme, the eventual design, resources, and structure that would be institutionalised did not sustain a rigorous notion of upskilling to improve employability. The following first-hand quote attests to this claim: ‘When I started talking with the Secretary and her team, she said: “No, it is not an employability programme. This is a youth occupation programme”’ (NGO-7).

In summary, stemming from the problematisation that highlighted the lack of job opportunities for NEET youth, the government justified a policy design centred on workplace training as a condition for income transfers. However, given the heterogeneity of the Mexican labour market, the design emphasised the occupational aspect over training. As noted, the policy design is original, reflecting influences from learning models, CCTs, and basic income schemes. It was also justified as a labour subsidy intended to benefit small businesses and individuals participating as tutors. Additionally,

the government argued that the job inclusion and occupation rationales would generate social welfare ‘in anticipation of future growth’ in the national economy (STPS, 2020b, p. 25), driven by its inward-oriented development and growth strategies.

Universality in the JCF

Since the political campaign, AMLO repeatedly criticised the CCTs of the ‘neoliberal governments’, accusing them of being mere palliatives against poverty and prone to clientelist electoral manipulation. These criticisms align with broader leftist positions in LATAM, as seen with Lula in Brazil. Although Lula initially criticised CCTs like ‘Bolsa Escola’, he ultimately adapted and transformed it into the iconic ‘Bolsa Familia’, which was framed with a more universalist basis (Borges, 2022). Similarly, the Mexican government, drawing inspiration from iconic CCTs such as Progres/Oportunidades, retained the conditionality component in JCF. However, unlike Progres’s strict conditionality and targeting, JCF adopted a more permissive approach, deliberately targeting all young people classified as NEETs who, according to official figures, could immediately join productive activities.

In other words, the JCF’s originality in adopting a work-based training component lay in its deliberate move away from highly structured training and strict conditionality. This originality also extended to the definition of its target population. Several aspects set the JCF apart from mainstream youth policies, the most notable being its leniency in defining eligibility criteria. The programme targeted all individuals aged 18 to 29 classified as NEETs, regardless of their household income or poverty status, as demonstrated in the following quote:

‘It is a universalist idea in the sense that if you declare that you do not study, do not work, are between 18 and 29 years old, and express your desire to be trained, you are guaranteed a spot’ (GOV-2).

This position had already become evident since May 2018, that is, before the elections, when the campaign’s principal economic adviser anticipated:

‘In López Obrador’s project, the distinctive idea is based on a vision closer to rights, that is, not viewing the people receiving support as mere beneficiaries but as individuals entitled to these rights. The best example is what was done in Mexico City with the universal pension’ (Esquivel, 2018).

In this sense, although not strictly ‘universal’, the policy showcased a ‘broad-based’ design, relying on participants’ self-selection based on criteria like low income and limited educational opportunities, which made the minimum wage support appealing to them. Simultaneously, the entrant administration harshly criticised previous social policies for squandering significant resources through excessive bureaucratic processes, leading to inefficient use of public funds with little impact on overall welfare. To address these issues, the government opted to allocate resources directly through bank cards, aiming for efficiency and accountability in line with a cost-effectiveness approach. In the words of Secretary Alcalde:

‘JCF marks a clear departure from clientelist social policies. There will be no intermediaries for young people to register. Every person between 18 and 29 who does not study or work will have the right to receive a stipend for on-the-job training to learn. The money transfer is not an end in itself but a means to develop skills for work and life’ (STPS, 2018b).

Although the government did not require further justification to make these cuts and merely argued the existence of significant waste associated with programmes such as Progres/Oportunidades, academic literature since the 1990s has warned about various other costs associated with targeting. These include information manipulation, incentive distortion (e.g. not looking for a job to avoid losing the cash transfer), disutility and stigma (e.g. social stigmas associated with poverty), administrative inefficiencies (e.g. high costs of monitoring and verifying eligibility), as well as challenges to political sustainability such as reduced public support due to perceived inequities or misuses of public funds (Sen, 1992).

Nonetheless, without extensive technical justifications in 2019, the federal government cancelled twelve highly targeted, small-scale social programmes, and their budgets were absorbed by JCF and ‘Sembrando Vida’ (Badillo, 2019). The universalisation of social policy was a recurring idea in the government discourse that went back to pre-campaign times. The following quote crucially highlights the universalisation objectives:

‘We also criticised the previous programmes’ hyper fragmentation. You had a little programme for a specific target population here; then you had another small programme over there. Tiny funds and the logic of JCF and the social policy of the 4T (AMLO’s

government) is to compact (social policy) in a paradigm that tends more towards universalisation' (GOV-2).

Later, such claims were made explicit in the STPS Sectorial Plan: 'The foundations of universal social protection will be established, placing greater emphasis on population groups traditionally discriminated against at work' (STPS, 2020b, p. 66). Meanwhile, under the banner of 'republican austerity,' the incoming government made substantial budget cuts. It eradicated numerous public entities under the pretext of reallocating those resources to social welfare and regional development projects.

As expected, the most common criticism against the JCF design, coming from the orthodox policy mainstream, was its lack of a clearly defined target beneficiary group. Such aspects, along with the broad range of issues the programme sought to address (employment, skills, family income), were often cited as indicators of poor policy design. For the most vocal policy opponents, the lack of focus was seen as evidence of the underlying political-electoral motivations behind the programme, with the cash transfer being paramount. At the same time, according to these critics, every other element had been poorly defined. As one senior private sector representative put it:

'Having a large number of men and women benefiting from this and other programmes, receiving government support, can also help establish a broad and comprehensive network of people with a vested interest in the continuation of this party and the policies of this administration' (BUS-3).

Indeed, the *realpolitik* argument highlighting the electoral motivation behind the policy should not be entirely dismissed, given that the country's demographic dividend translated into potential voters. Historically, however, the left has openly sought to promote broad-based social policies to rebuild social and political leverage eroded during the structural adjustment period, which also saw the decay of unions and labour representation organisations (Borges, 2022; Gingrich & Ansell, 2015). This failure to provide universal social insurance further underscores the left's approach. All in all, since the JCF's announcement, the opposition has primarily criticised the policy on electoral-political grounds, questioning whether the government was genuinely motivated to address a historically neglected population segment. Some policy stakeholders within the government acknowledged that electoral considerations played an explanatory role to some extent:

‘Whoever can mobilise the youth vote, given our population pyramid, has more opportunities to win elections. I think this political party understood this idea very clearly for a long time because it is not something that emerged only in the last campaign. It is an idea that López Obrador has been advocating for at least a decade. This concept had been circulating within this political circle for a long time’ (GOV-1).

In summary, stemming from criticism of the low-scale and highly focused CCTs of previous administrations, the incoming government justified a broad-based social policy design that aligned with the adaptations made by other leftist governments in the region, particularly Brazil, to reflect their ideological commitments to universal welfare (Borges, 2022). Consequently, AMLO’s government defended a broad-based policy design with universality claims, aiming to include all young people classified as NEETs.

Target Population

So far, I have argued how the government interpreted the diverse problems afflicting youth and recognised the need for an intervention that would allow them to be included in the country’s economic life. The most plausible policy model, therefore, involved a work-based training design aimed at the totality of the NEET population willing to work immediately. Once the course of action was determined, the next step involved delineating and quantifying the target population. As suggested, the government used the most recent national statistics to determine the precise figure of 2.3 million young NEETs willing to join a job immediately (INEGI, 2018) out of a total of 6 million (INEGI, 2015). The reason not all young NEETs were willing to work was largely attributed to domestic responsibilities, particularly along gender lines.

The empirical evidence reviewed here indicates that, beyond the work-based training element, the STPS team had to adopt a novel design to address the scale of their target population. The following quote from Secretary Alcalde highlights how the policy team was aware that the beneficiary target was unprecedented on a global scale and would require not only increased flexibility in the conditionality of the beneficiaries’ activities but also a large deployment of field-level management:

‘One of the programme’s challenges is that other training and apprenticeship programmes worldwide do not operate at this scale. The size of this programme also demands mechanisms to ensure flexibility because, if we are considering including all young people

in these circumstances, we are talking about a very diverse group, different types of young people living in vastly different areas and facing highly complex realities. The same applies to the tutors. It would be a different programme if it were focused only on firms of a certain type or if we did not require so many training workplaces. But understanding that we need placements for at least 2.3 million young people requires a network of tutors coming from equally varied realities. I think this is one of the programme's biggest challenges because, while it must have follow up, clear structures, and rules, it is also a programme that has never existed anywhere else in the world' (COLMEX, 2019).

In this way, aligned with the incoming government's approach to breadth and universality, the figure of 2.3 million was incorporated into the programme's official documents from the start. For instance, the first policy operational guidelines from January 2019 described the programme's main objective in the following way:

'The JCF programme intends to create the conditions of possibility for at least 2.3 million young people who, until now, have not participated in the economically productive processes of Mexican society to see themselves as contributors to these processes and to actively participate in building a new Mexico that recognises and includes them' (STPS, 2019b).

In brief, considering that the problematisation of NEETs was first triggered by the publication of the inaugural national youth surveys and that the issue had persisted for almost a decade, the incoming government opted for a broad-based policy design targeting the entirety of NEET individuals. Based on the National Occupation and Employment Survey (ENOE) (INEGI, 2018), the STPS identified 2.3 million young people aged 18 to 29 who had declared themselves outside of work and education and available to join the workforce as soon as possible (STPS, 2020b, p. 10). Although the universal design formally excluded geographical targeting, the stark differences in poverty and informality across the country's regions, particularly between the industrial north with an average informality rate of 35 percent and the diverse southern states where the rate rose to 77 percent due to a highly fragmented labour market (INEGI, 2020b), suggested a greater presence of the JCF in the south and southeast.

In summary, the JCF design was a programmatic response to anti-neoliberal ideas, grounded in restorative justice and productive inclusion, and emerged from a redefined understanding of youth

issues in Mexico. Recognising that structural labour market conditions had excluded millions of young people from education and work, the incoming government adopted a policy with an explicit focus on productive inclusion. This focus translated into a workplace training component, universally accessible to 2.3 million young people aged 18 to 29, as indicated by recent national surveys. While the JCF's core team drew inspiration from international models of workplace training, the scale and scope of the programme were unmatched, resulting in a distinctive social policy that combined income transfers, a broad beneficiary base, and minimal conditionality.

6.4 Institutionalisation of a Youth Policy

Based on Jessop (2010), the evolutionary mechanism of retention involves institutionalising a selected policy intervention through regulatory and budgetary mechanisms. In the case of the JCF, retention refers to the stage at which the policy became institutionalised through the material and ideational factors that supported its establishment. These factors may be domestic or global. Domestically, drivers include political will, public opinion, existing social infrastructure, and economic conditions that create a favourable environment for policy adoption. Globally, drivers often involve international cooperation led by IOs and collaboration amongst actors from public, private and social sectors.

The main sub-research question that explains the moment of legal and administrative institutionalisation of the JCF policy is: *How did the government secure the support from local and foreign actors and resources to institutionalise the programme?* In the context of the first triumph of a leftist party in recent times, the political movement led by AMLO had to face strong mistrust and tensions from the business and political elites that represented the status quo. After a series of displays of presidential authority, including the cancellation of the construction of an international airport in Mexico City and other significant economic and infrastructure decisions, tensions between the government and the private sector deepened. In this context, the JCF represented a bridge of collaboration through which the organised private sector sought, on the one hand, to ingratiate itself with the government, and on the other, to push their job training agenda inspired by dominant global policies such as the German dual model and other notable 'upskilling' notions.

However, leveraging its political legitimacy and the Mexican institutional architecture, the government institutionalised the initial version of the policy relatively smoothly. Notably, this

leverage extended beyond local boundaries to the international sphere, as the JCF’s local and inward development components garnered support from ECLAC, leading to its adoption in several countries in the region. That said, it is important to clarify that this was not a comprehensive ‘policy transfer’ but rather an international cooperation effort. The JCF was implemented in Central America and the Caribbean, with STPS and AMEXCID retaining control over monetary resources while working with local facilitators. Since its institutionalisation, however, the policy has faced tensions and criticisms that have led to non-trivial design changes, particularly regarding post-participation transitions, regional targeting, and the prioritisation of ‘inclusion’ over ‘employability’. As in earlier phases of policy problematisation and selection, the drivers mediating the retention mechanism remain concurrent, interdependent, and non-linear, each influenced by the others.

Table 6.3 Main retention drivers for the adoption of the JCF

Material	Retention	Ideational
<ul style="list-style-type: none"> -Private sector collaboration -Discretionary policymaking -International policy transfer 		<ul style="list-style-type: none"> -International policy validation -Technical criticisms and policy modifications

Source: Author’s own

6.4.1 How did the government secure the support from local and foreign actors and resources to institutionalise the programme?

Historically, the emergence of leading business groups in Mexico can be traced back over 70 years, during the reign of the PRI, the successor of the Mexican Revolution. In 2000, Mexico experienced its first democratic political shift when the rightist, Christian-democratic PAN came to power, ruling for 12 years. From 1988 to 2018, PRI and PAN governed through close political coalitions that generally advanced neoliberal policies, including privatisation and deindustrialisation reforms. These coalitions heavily anchored the country’s development model in exports and foreign trade, marking what has been referred to as the harshest Mexican neoliberal period. Scholarship on the political economy of skills frequently highlights how such growth models influence the demand for specific types of skills within an economy (Bogliaccini & Madariaga, 2022; Busemeyer & Trampusch, 2012; Sancak, 2023). In Mexico, the neoliberal development model that prevailed from 1982 to 2018 fostered a ‘dependent-downgrading’ approach to skill

development (Sancak & Özel, 2018). This model predominantly aimed to meet the needs of the ‘maquiladora’ light-industry sector, which primarily required low-level, unsophisticated skills.

Due to these factors, the country’s leading business groups, represented by CCE, openly opposed AMLO’s project, beginning with his first presidential campaign in 2006. This political context led to significant tensions and opposition surrounding the JCF from the outset. For example, the unprecedented scale of the policy, reflected in the large number of beneficiaries, and its departure from the prevailing technocratic paradigm, which relied on precise target population definitions, traceability, accountability, clear operational rules, and a robust bureaucratic apparatus, was initially interpreted by the private sector as a possible indication of hidden political electoral motives. Over time, however, the JCF gradually fostered political collaboration between opposing factions, proving its potential to unite diverse stakeholders. The following quote aptly captures the essence of these tensions and the eventual agreement between parties:

‘There was a lot of natural mistrust because after coming from a political campaign, the CCE, let’s remember, was one of the organisations that financed the “López Obrador: A danger to Mexico” (mass media) campaign in 2006, but in any case, they are businesspeople and represent a portion of the country’s business community. If they have to sit down to talk with the government from the beginning, they do it. So, I think we found a bridge of contact in the JCF’ (GOV-2).

Since the government conceived the JCF as a part of a medium to long-term national strategy for social and economic development, for which the role of the private and social sectors was fundamental, they repeatedly highlighted it in policy documents:

‘Mexico will have a more specialised productive force, women will have greater opportunities to enter the labour market, and it will contribute to the national pacification, all this through the articulation and co-responsibility between the public, private and social sectors’ (STPS, 2020b, p. 64).

Therefore, the STPS core team employed the JCF as a platform for engagement with the private sector elite organisations, especially to bridge conflicts and set the ground for collaboration. Negotiations took place mainly through a series of intensive roundtables during the transition phase of 2018:

‘In 2018, we exclusively dedicated the transition months, morning, afternoon, and evening, to engaging with people from academia, civil society, and social policy evaluators. There was also active and insightful participation from the private sector and organisations with a specific political rivalries, such as the CCE, which ultimately became invaluable allies. The programme ultimately served as a bridge between these groups’ (GOV-2).

The then president of CCE confirmed the early mutual rapprochement around the JCF:

‘Since July 2018, when we met with the President, businesspeople have assumed the commitment to support this initiative. We express our interest in continuing to link young people with the productive sector and build a path to a more prosperous, equitable and inclusive country based on employment and talent’ (STPS, 2018b).

The JCF was presented at a national public event on December 7, 2018, just five days after AMLO’s administration took office. It began operating as early as January 10, 2019, with the formal support from private sector business leaders. Although the rapprochement had occurred shortly after the elections in July 2018, followed by work roundtables for months, the JCF presentation sent a significant public message of unity between contending political factions, built around the JCF policy. The formal collaboration of the private sector is a relevant explanatory factor; however, it is crucial to clarify that virtually all of its technical recommendations to influence the policy design were ignored by the STPS without causing their cooperation towards the programme to falter. In other words, they were compelled to join a policy whose design did not change from what had initially been planned by the JCF core team and AMLO himself.

While the upper echelons of the business sector collaborated with the government, not all factions within the industry followed suit. Other influential actors in the private sector took a critical stance against the government, such as the civil organisation ‘Mexicanos contra la Corrupción y la Impunidad’¹⁵, which has consistently criticised the JCF across the years, primarily through individualising arguments that blame young people for their socioeconomic circumstances, or by insisting on the ‘electoral’ motivations behind the social policy. Nonetheless, another plausible explanation has to do with the political tensions that stem from redistributive measures, as pointed out by a public official:

¹⁵ ‘Mexicans Against Corruption and Impunity’.

‘From a political economy perspective, direct transfers often generate significant distributive stress within the middle classes. This is followed by a proliferation of anecdotes in the press, such as: “They do not deserve it; they will not use it properly; they buy alcohol, etc.” This phenomenon has been a recurring issue in Latin America with direct transfer programmes to the poor’ (GOV-4).

Even though vocal groups within the private sector remained stern challengers of the JCF, the CCE justified its adherence to the policy under the idea of ‘corporate social responsibility’. For example, during a public seminar, one of the chief advisors to the president of the CCE argued that the private sector’s involvement with the JCF was a significant demonstration of these purported values that justified their participation:

‘If companies, traditionally in any part of the world, aim to create value for their shareholders, then in this case, with a programme like this and through our collaboration with the government, we are creating public value. This represents a significant change, a profound transformation. By aligning corporate social responsibility efforts with an initiative like this, firms shift their focus from solely creating shareholder value to generating public value. That is how we must view it, how we are collaborating with the government in this important effort’ (COLMEX, 2019).

Several business sector informants agreed that there had not been an inclusion social policy as ambitious as the JCF. The private sector even appeared to shift and embrace, at least discursively, a development vision compatible with the one expressed by the incoming government. At the official presentation event, the president of the CCE declared:

‘In the private sector, we also applaud this programme because it recognises that economic growth is the best path to achieving social well-being for individuals, families, and the citizens of Mexico. This programme not only impacts the youth it directly benefits, but also helps firms find talent and creates incentives for them to join the formal economy. In this way, we are contributing to the productivity and competitiveness of the economy as a whole. Any effective labour policy must foster the development of workers’ experience and skills, and that is precisely what we are achieving through Jóvenes Construyendo el Futuro’ (STPS, 2018b).

One of the most insightful interpretations of the private sector's decision to participate in the JCF posits that it faced no viable alternative. Mexico's path dependency, characterised by a long history of close collaboration between the government and the private sector, extends beyond the neoliberal period's privatisations to include the country's high degree of bureaucratisation, which involves countless permits, concessions, and authorisations. As a result, it was not advantageous for them to adopt a hostile stance towards one of the incoming administration's flagship initiatives. A scholar highlighted this point in the following quote:

'In Mexico, businesspeople have traditionally relied heavily on maintaining a good relationship with the government, as many of their operations depend on authorisations, permits, and contracts of various kinds. Consequently, opposing the government is not a viable option for any businessperson in the country. Andrés Manuel was an enigma when he first took office. His inaugural act of governance was to cancel Texcoco airport project, a move that, in my interpretation, sent a clear message: "I am serious, my threats are credible, and the era of business sector dictating policy is over"' (ACA-2).

Another social sector expert concurred with the interpretation above; however, they characterised it as a strategy of the private sector 'currying favour' with the incoming government:

'What happened is that the large companies, specifically the Mexican Business Council (CMN) and other major Mexican corporations, were initially terrified of President Obrador. However, they saw in the JC an opportunity to align with the President on at least one front, particularly as they were simultaneously engaged in disputes over the electrical reform with companies like Bimbo and Femsas. In the first year of the JCF, companies like Bimbo, Femsas, and Banamex were eager to participate, saying, "How many participants do you want us to take? Five thousand? Done". And they went beyond that, investing in training, assigning instructors, and, in Banamex's case, even providing psychologists for the apprentices' (NGO-2).

In the Mexican context, the term 'discretionary policymaking' does not imply that the government has exceeded its governmental or legal functions. Instead, it highlights the fact that the will behind the policy was supported by strong institutional and budgetary leverage. This leverage stemmed from the incoming government's popular support, when translated into legislative control and budget allocation. Although Mexico is a federal constitutional republic, a presidential tradition

prevails where the President, by constitutional mandate (Article 90), oversees the federal public administration, including all secretaries of State, including the STPS. Furthermore, the LXIV Legislature, in operation from 2018 to 2021, consisted of a simple majority (over 50%) of MORENA deputies, who adhered to the President's agenda along partisan lines. The preeminent legislative control allowed the JCF proponents to adhere rather firmly to the original idea from the Presidency and the STPS core team. The following quote from a public official who participated in the roundtables demonstrates how a political decision had already been made. The JCF design would not be altered based on the deliberations that took place:

'When I attended these meetings, I realised that a political decision had already been made. There was little room left to deliberate on the design or the coverage goals of the JCF. What I proposed, therefore, was to take a different approach: they would make the decisions, and I, as a public policy expert, would help translate those decisions into guidelines, operating rules, diagnoses, and so on. Despite the predetermined political decision, my team and I tried to advocate for some changes, but it was impossible because it was a presidential promise. In fact, the then president-elect had already committed to reaching a target of 2.3 million young people within a year, and ambitious and, frankly, unrealistic figure. Yet that was the plan, and there was nothing we could do to change it' (GOV-4).

Another academic close to the current administration who participated in the technical round tables described this situation in a blunt, picturesque, yet illustrative manner:

'Once the policy was in place, "I tell you to go find me the evidence to support this decision that has already been made". This is not uncommon with Andrés Manuel. On many occasions, he is not driven by evidence; the evidence comes afterwards. The decision had already been made; this was a very clear case. We, as advisers, had to provide supporting elements for an idea that was already set to happen. We did not create the idea; our role was to "dress the doll" so that it could function in the most viable way within the existing reality of the Mexican bureaucracy and the private sector, but the concept of the "doll" and its intended purpose was already in motion' (ACA-2).

Another reason the institutionalisation of the JCF was considered discretionary, or simply not open to scrutiny and public debate, was the lack of greater participation by IOs or NGO experts on youth issues:

‘It was handled in a very secretive manner, unlike other programmes that were opened to broader discussion. It was implemented with great urgency as it was the first programme announced by AMLO. For instance, the IADB repeatedly offered to conduct evaluations and strongly recommended introducing a two-week induction period with induction camps for apprentices. However, this suggestion was not accepted. The IADB made several attempts to collaborate on evaluations from the programme’s inception, but their offers were ultimately declined’ (EXP-1).

In this regard, stakeholders from the social sector, particularly think tanks and youth NGOs, noted that the programme’s selection process appeared somewhat unilateral, as their input on the desired accompaniment and monitoring was disregarded. Ultimately, as highlighted in the review of the national welfare expansion and social policies, Mexico once again demonstrates that the domestic political context prevails over attempts of IOs to directly design or impose social policy (Dion, 2008). Representatives from this sector also attributed the government’s swift and effortless adoption of these decisions to the political control exerted by the incoming administration. This critique portrays the tensions and discursive battles surrounding the policy to this day:

‘The fact that young people receive an income and are not in crime does not justify the programme because the programme was designed, supported, and budgeted based on a goal. You cannot make stuff up. The president does it because he has control of Congress. But as a democratic exercise of defining what to use public resources for, it does not seem the most appropriate way to do it’ (NGO-5).

As made clear, the retention of the JCF, like other policies of the current administration, was primarily driven by the political agenda of the government rather than a formal process of lobbying and negotiation between political forces and critical stakeholders. To summarise, the programme’s design, conceived by AMLO’s government, contemplated the participation of the private and social sectors as a fundamental component in allowing beneficiaries to participate in productive activities. Although the design considered including SMEs, the JCF ended up serving as a bridge for collaboration between opposing political forces. Although there were various roundtables through which the private sector tried to influence the design of the JCF, in general terms, this attempt was unsuccessful. The result was that, supported by financial, institutional and budgetary

leverage, the government adhered to its planned policy design. Simultaneously, the private sector aligned itself with the narrative of corporate social responsibility.

The role of international policy validation

The international validation of the JCF was highly significant. Contrary to what one might expect, it occurred almost simultaneously with the programme's initial presentation in December 2018. During this time, ECLAC proposed positioning the JCF as a central component of the 'Comprehensive Development Plan for El Salvador, Guatemala, Honduras, and Southeast Mexico' (PDI). A Mexican international cooperation informant provided the following insight regarding the early international collaboration efforts around the JCF:

'The Comprehensive Development Plan was introduced in December 2018, prepared by the Economic Commission for Latin America and the Caribbean, ECLAC at the instructions and request of the presidents of Mexico, El Salvador, Honduras and Guatemala. This request was made to ECLAC during the inauguration of President Andrés Manuel López Obrador, marking his assumption of office in December 2018, and ECLAC took responsibility for developing the Plan' (GOV-8).

Notably, the international cooperation sector initially emphasised the JCF's potential to address economic migration, particularly among young people from Mexico and Central America. The government incorporated the migration argument into its National Development Plan, which in Mexico constitutes the main strategic planning document that set specific guidelines for the federal government, claiming that past administrations failed to recognise that the mass exodus of populations from their hometowns was a direct result of neoliberal economic policies. Under that argument, neoliberalism led to the demise of national industries, neglected rural areas, increased poverty, unemployment and marginalisation, dismantled wealth redistribution, and increased insecurity and violence (Presidency, 2019, p. 30). This perspective aligned with the government's broader strategy to address the root causes of migration:

'This was a response to an emergency context. You may recall that in 2018 there was a significant presence of migrant caravans. Throughout that year, a considerable number of people entered the country illegally. So, the PDI's objective is to tackle the structural

causes that drive forced and irregular migration, which is why both Sembrando Vida and JCF were developed in response to the PDI's recommendations' (GOV-8).

While the previous informant's claim that the JCF 'emerged' as an ECLAC recommendation is factually inaccurate, it is noteworthy that a policy so contentious at the local level faced minimal criticism internationally. Remarkably, this emphasis on preventing migration would lead IOs like ECLAC to portray the programme as a paragon of regional development and social inclusion. This focus would also support the later justification for transferring the JCF to Central American countries facing unfavourable conditions of violence and unemployment. Although the international endorsement of JCF by ECLAC took place in late 2018, the Covid-19 pandemic prompted considerable delays in the policy transfer agenda to these countries.

The Comprehensive Development Plan published in 2021, highlighted a critical argument, subtly referencing policies like the JCF, that labour markets in Latin America and the Caribbean face similar challenges, particularly in Central America and southern Mexico. These issues included high informality, considerable disparities in job quality, inadequate social protection, and low labour income, with women encountering even more significant inequalities. Furthermore, informal employment poses a substantial risk, as workers do not have access to social insurance. Given these challenges, the plan recommended improving the quality and relevance of education, promoting lifelong learning opportunities, strengthening technical-professional education and training systems, and supporting broader inclusion and development in both labour and social inclusion domains (ECLAC, 2021a, p. 196).

Given that 40% of Central American and southern Mexican migrants sought higher productivity jobs, Vol. 2 of the plan above recommended that development policies addressing the migration phenomenon should consider the productivity gap in employment rather than solely focusing on unemployment as a whole determining factor. The above entailed promoting strategies to create jobs with higher productivity and increased income generation. Consequently, it is not surprising that the ECLAC document, besides praising the JCF policy design, also emphasised the need for the countries in the region to bolster their domestic markets, encourage import substitution, and implement industrial policies, particularly in rural areas and regions with slower development (ECLAC, 2021b, p. 144). This evidence underscores a dual approach, combining social inclusion

with productive development, exemplified by policies such as the JCF while also advancing other sectors of the economy.

The ECLAC understood, validated, and adopted the JCF as an intervention that complied with broader objectives from the 2030 Agenda and the United Nations Sustainable Development Goals (UN, 2015). ECLAC emphasised the interdependence of various aspects, aiming to improve living conditions and promote a new development paradigm, welfare, and social protection regime. The plan also sought to ensure sustainability and human mobility aligned with a rights-based approach. As a result, it contributed to the subregion's compliance with the UN's 'Global Compact for Safe, Orderly, and Regular Migration' (ECLAC, 2021a, p. 20). In addition to the countries involved in the Comprehensive Development Plan (PDI), by 2022, the JCF had started operating on a smaller scale in Belize and Cuba and in select U.S. cities like Los Angeles and Miami. With funding from Mexican AMEXCID, each country arrived at between 3,000 and 10,000 beneficiaries (Romero, 2022).

Although the endorsement by ECLAC and regional countries that adopted the JCF provided international legitimation, there is no evidence that this international recognition served local legitimation purposes. At the local level, political tensions with business elites and opposition parties, notably PAN and PRI, remained prominent in political debates. Nonetheless, neither the JCF nor the government seemed to require additional legitimation. MORENA ascended to power with over 52% of the national vote, and the president maintained popularity levels above 65% throughout most of his six-year term (Oraculus, 2024). In short, while local actors and opponents debated the various programmatic goals of the JCF, ECLAC validated the programme's potential to help reduce migratory flows, contribute to family income, and generate productive opportunities for young people in Central America and Southeast Mexico. ECLAC conceptually validated the policy design and was a vocal institutional actor in exporting the policy to various countries in the region. Technically, the institutionalisation phase of the JCF could be considered complete with the commencement of policy implementation, both nationally and internationally, including in several cities across the USA and Central American countries.

As mentioned earlier, the CPE phases are not distinct or synchronous events but rather unfold diachronically, with blurred boundaries. For instance, the JCF underwent significant programmatic changes following its institutionalisation, while technical discussions and discursive battles in the

media have persisted, at least up to the time of writing. Therefore, the following section critically examines the prevailing critiques and explores policy modifications that continued and evolved beyond the policy retention phase.

6.5 Divergences and Alignments on Stakeholders Perspectives

The JCF policy adoption process brought together a diverse array of stakeholders, each with distinct priorities, critiques, and roles. Therefore, understanding the perspectives of the government, private sector, NGOs, scholars and policy experts, provides valuable insights into the interaction between material and ideational factors that shaped the programme. The following subsections delve into key dimensions of stakeholder perspectives, highlighting their differing priorities and fundamental views.

Perceptions of Policy Goals

Government officials emphasised social justice and productive inclusion, presenting the JCF as a universalist policy explicitly aimed at addressing the marginalisation of NEET youth and breaking with neoliberal paradigms. Public officials framed the programme as a mechanism for economic inclusion and restorative justice, supporting the country's languishing demographic dividend. In contrast, private sector representatives viewed the JCF through a pragmatic lens, focusing on its potential to provide subsidised labour, reduce turnover rates, and address inefficiencies in workforce development. However, the private sector critiqued the lack of a structured framework for skills development, viewing this as a limitation to the JCF's long-term efficacy. NGOs offered a different perspective, warning that the programme's broad and low-conditionality design could unintentionally reinforce informality and fail to secure sustainable outcomes for beneficiaries. Some academic critiques acknowledged the ambition of the JCF's universalist approach and its rejection of exclusionary targeting mechanisms typical of prior policies. However, they raised concerns about the programme's lack of evidence-based design, questioning whether its broad coverage was supported by robust planning to ensure meaningful outcomes. Meanwhile, ECLAC endorsed the JCF as a regional development tool, recognising its role in potentially reducing migration and promoting broader social and economic inclusion.

Stakeholder Visions of Inclusion

Stakeholders diverged in their understanding of what inclusion meant in the context of the JCF. Government officials underscored the programme's universality, aiming to bring all NEET youth into productive activities regardless of socioeconomic background or geographic location. This vision was rooted in notions of social rights and restorative justice, rejecting the exclusionary targeting mechanisms typical of previous policies like the 'POP' CCTs. The private sector, while discursively supporting inclusion, viewed it through a more instrumental lens, focusing on integrating youth into the labour market as skilled workers. NGO representatives, however, cautioned that this inclusive approach risked entrenching informal labour practices. They argued that insufficient oversight or conditionality could hinder the creation of meaningful long-term opportunities. These differences reflect broader ideological tensions, with the government prioritising broad-based inclusion, while private and social sector representatives aligned around more technocratic concerns.

Approaches to Skills Development

Government officials envisioned the programme as a departure from traditional upskilling models, instead emphasising occupational integration through work-based learning. Private sector actors, however, critiqued this departure, stressing the need for structured training to enhance employability and meet specific labour market demands. NGOs took a critical stance, arguing that the lack of formalised skill-building mechanisms could undermine the programme's ability to deliver substantive outcomes for youth, especially in a labour market dominated by SMEs with limited capacity for advanced training. Academics similarly highlighted the need for stronger alignment between the JCF's training mechanisms and specific labour market demands, arguing that the programme's outcomes could remain limited without addressing these structural gaps. These tensions underscore a fundamental divide: the government prioritised accessibility and productive participation, while other stakeholders emphasised quality and relevance in skills development.

Interpretations of JCF's Political Implications

Finally, stakeholders diverged in their interpretations of the programme's political implications. Government officials framed the JCF as an emblem of the administration's anti-neoliberal stance, portraying it as a vehicle for economic inclusion and social transformation. Private sector representatives, while engaging with the programme under the banner of corporate social

responsibility, expressed scepticism about its electoral motivations, particularly given the programme's unprecedented scale and broad coverage. NGOs echoed these concerns, suggesting that the policy's design could serve political-clientelist ends rather than focusing on sustainable outcomes. Meanwhile, international organisations viewed the programme's political implications in a different light, endorsing it as a regional model for addressing migration and promoting inclusive development.

6.6 Post-Retention Policy Modifications

The JCF retention phase was far from discrete since the policy underwent numerous changes. Between January 2019 and December 2021, the JCF had five distinct official operational documents, summarised in Table 6.4 below. Most of these changes included both subtle adjustments and more noticeable revisions to the wording of specific objectives, as well as an adjustment to the stipend amount to align it with the gradual increase in the minimum wage. Nonetheless, the following programme's core components remained unchanged: 1) a monthly stipend equivalent to the minimum wage for one year, 2) social insurance at IMSS, and 3) work-based training in a firm. At least for the first year of operation, the following excerpt from the National Development Plan provides a general overview of the JCF:

'The purpose of the JCF is to provide job training for young people aged 18 to 29 who are not studying or working. The programme aims to reach 2.3 million young people. The federal government provides participants with a monthly stipend of 3,600 pesos to train for one year in firms, public institutions, or social organisations, where they receive training to develop skills that enable them to successfully enter the workforce. The training lasts up to twelve months. Participants also receive medical insurance through the IMSS, which covers accidents, illnesses, maternity, and work-related risks during their time in the programme. Firms of all sizes and sectors can participate as tutors, as well as legal entities such as plumbers, electricians, craftsmen, and professionals. Public institutions, including secretariats, municipalities, local governments, legislative and judicial branches, autonomous or decentralised bodies, and international organisations, can also take part, along with civil society organisations, universities, unions, schools, hospitals, and museums, among others' (Presidency, 2019, p. 39).

As mentioned, the programme underwent non-trivial changes in the wording of its objectives throughout the first four years of operation. As can be attested in the previous excerpt, the notions of pacification and crime prevention vanished after the first year. Similarly, the initial solid emphasis on acquiring skills to enter or integrate into the labour market would later be tempered, shifting towards a more straightforward concept of ‘productive inclusion’ in the latest programme’s rules of operation. Furthermore, alongside the blurring of such an aim, the objectives of developing both ‘technical’ and ‘socio-emotional skills’ were also removed from the normative documents in the first year. Such was the case of the concept of ‘employability’ to which the programme would allegedly contribute, giving way to the ‘modest’ goal of including young participants in ‘productive inclusion’ through on-the-job training and occupation activities.

Some modifications to the programme resulted from ongoing institutional and policy learning processes. For instance, concerns arose about the potential stigmatisation of participants due to repeated associations between youth and crime rates. Other changes, however, stemmed from either misconceptions or significant underestimations of the resources required to provide structured training for millions of participants. This is evident in the following candid statement from a government official:

‘When we started, the Secretary emphasised the importance of soft skills, and we spoke at length about the socio-emotional skills participants would develop. But I must tell you, within the implementation department, when we began planning everything, there was a Skills Training and Certification area that could never achieve what we envisioned because reality overwhelmed us. We wanted to create highly structured training plans, but for a million participants? Impossible’ (GOV-3).

Table 6.4 illustrates the operational evolution of the JCF over time by comparing its general and specific objectives as outlined in the operative documents. Notably, the first set of JCF operational guidelines articulated the second of the programme’s three objectives as: ‘II. Divert young people from unemployment and antisocial behaviours’ (STPS, 2019b). However, this objective was subsequently removed from later operational rules and policy documents. Additionally, the initial guidelines (10/01/2019) do not explicitly mention the term ‘employability’, although the general and specific objectives focus on improving young people’s employability through on-the-job training, technical and soft skills development, and addressing unemployment.

Social and labour inclusion were key focuses of the programme. In the subsequent guidelines (28/06/2019), ‘employability’ was introduced in the general objective, explicitly referring to increasing employability and inclusion in the labour market for young people through on-the-job training. The specific goals at that stage concentrated on developing technical skills, fostering good work habits, and connecting participants with the National Employment Service (SNE). By the Operation Rules (10/02/2020), the focus on employability became less explicit but was still present in the general objective of involving young people in productive activities and fostering connections with economic units that provided on-the-job training. The specific goals shifted to providing grants and medical insurance and merely ‘linking’ participants with productive inclusion mechanisms. In later versions of the Operation Rules (23/12/2020 and 29/12/2021), the objectives were similar to those in the 10/02/2020 version, with only minor changes in phrasing.

Table 6.4 Evolution of the JCF Objectives

Policy Document	Guidelines for the operation of the Youth Building the Future Programme	Guidelines for the operation of the Youth Building the Future Programme	Rules of Operation of the Youth Building the Future Programme	Rules of Operation of the Youth Building the Future Programme	Rules of Operation of the Youth Building the Future Programme
Date	10/01/2019	28/06/2019	10/02/2020	23/12/2020	29/12/2021
Policy Objectives	<p>A) General</p> <p>I. Integrate young people in job training activities and, thus, provide them with tools for a better life.</p> <p>II. Keep young people from unemployment and the path of antisocial behaviours.</p> <p>III. Accelerate the preparation of a reserve of young people for productive activities in anticipation of greater economic growth in the near future.</p> <p>IV. Include the private sector in social responsibility activities for the productive development of young people.</p>	<p>A) General</p> <p>I. Increase employability and inclusion in the labour market for young people between 18 and 29 who do not study or work through on-the-job training.</p> <p>B) Specific</p> <p>I. Encourage young beneficiaries to develop technical skills and good work habits that contribute to their social and labour inclusion for a better life</p> <p>II. Deliver stipend to the beneficiaries during the training period in the</p>	<p>A) General</p> <p>Include young people between the ages of 18 and 29 who neither study nor work in productive activities, promoting their connection with willing economic units and with the possibility of providing them with on-the-job training.</p> <p>B) Specific</p> <p>I. Deliver stipends to the linked apprentices for a maximum of up to (12) twelve months.</p> <p>II. Grant medical insurance to the linked apprentices.</p> <p>III. Grant the training certificates issued by the work centres to the apprentices who have completed their training</p>	<p>A) General</p> <p>Include young people between the ages of 18 and 29 who neither study nor work in productive activities, fostering their linkage with willing economic units and with the possibility of providing them with on-the-job training.</p> <p>B) Specific</p> <p>I. Deliver stipends to apprentices in training for a maximum period of up to (12) twelve months.</p> <p>II. Grant medical insurance to the linked apprentices.</p> <p>III. Grant the training certificates to the graduated apprentices who complete their</p>	<p>A) General</p> <p>Include young people between the ages of 18 and 29 who neither study nor work in productive activities, fostering their linkage with willing economic units and with the possibility of providing them with on-the-job training.</p> <p>B) Specific</p> <p>I. Provide stipends to apprentices in training for up to 12 (twelve) months.</p> <p>II. Grant medical insurance to apprentices in training.</p> <p>III. Grant the training certificates to the apprentices who have completed their training per the provisions of the Activities Plan. Likewise, grant the Letters of</p>

	<p>B) Specific</p> <p>I. Ensure that young people between 18 and 29 develop technical and soft skills contributing to social and labour inclusion.</p> <p>II. Promote the development of technical and soft skills in the stipend recipients through on-the-job training.</p> <p>III. Deliver stipends to the target population during the on-the-job training period for a single occasion.</p> <p>IV. Grant medical insurance to the stipend recipients of the programme.</p>	<p>workplace for a single occasion.</p> <p>III. Grant medical insurance to the stipend recipients of the Program.</p> <p>IV. Validate the training certificates of the apprentices who complete their on-the-job training plan issued by the work centres.</p> <p>V. Promote the approach of the stipend holders to the National Employment Service and its programmes at the end of their training.</p>	<p>per the provisions of the training plan.</p> <p>IV. Promote the approach of the apprentices to productive inclusion mechanisms.</p>	<p>training per the provisions of the Training Plan.</p> <p>IV. Promote the approach of the apprentices to productive inclusion mechanisms.</p>	<p>Accreditation to the beneficiaries who did not complete their 12 (twelve) months of training.</p> <p>IV. Promote the approach of the apprentices in training to productive inclusion mechanisms.</p>
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Source: Author's own

Finally, rather than a modification, the programme saw an addition a year after its launch, the so called ‘13th Month’ subprogramme. This initiative aimed to address the question of what to do with young people graduating from the JCF, a topic that, as admitted by a government official, had evidently not been planned from the outset, as the following quote illustrates:

‘We fell short on the issue of the transition component to the labour market. It was assumed that firms would have a genuine interest in hiring participants. That was the JCF’s big mistake’ (GOV-5).

Since the programme could not guarantee graduates seamless entry into the labour market, the STPS launched a strategy to provide diverse options for facilitating a smoother transition from on-the-job training to employment, self-employment, entrepreneurship, or further education. ‘Month 13’ was not an extension but rather a collection of ‘exit options’ offered through seven modules, each focusing on different personal and professional development opportunities. These modules included job offers and fairs, online high schools and distance universities, collective ventures such as cooperatives, skills certification, business incubators, self-employment strategies, and courses in in-demand knowledge and skills. In brief, the institutionalisation of the JCF was not a one-time event but an iterative process of refining its central objectives. Between January 2019 and December 2021, the initial goals of pacification, youth crime prevention, and skills training for employability gradually disappeared from policy documents. These were replaced by a focus on ‘productive inclusion,’ framed within notions of social justice and broad social policy, though at times overshadowed by competing discourses.

In summary, the retention or formal institutionalisation of the JCF was an accelerated process that began during the transition period between July and December 2018. Rather than a negotiation or technical deliberation, private sector leaders, in an environment of partisan and ideological tensions, chose to support one of the incoming government’s flagship social programmes. Their support aimed to ease political tensions while attempting to influence the programme’s design through a discourse of ‘corporate social responsibility’. They sought to steer it toward a traditional upskilling model with rigorous conditionality, similar to emblematic programmes like Progres/Oportunidades and the Mexican Dual Model. However, the government ultimately implemented a design more aligned with the broad-based social policies adopted by other leftist governments, securing international validation from ECLAC. Rather than arriving at a fixed design

from the outset, the JCF underwent over two years of adjustments to its guiding documents before reaching its final form.

6.7 Chapter Summary

This chapter aimed to answer the overarching research question driving this thesis, namely, *What were the primary material and ideational factors at the local and global level that led the Mexican government to adopt the JCF policy?* as well as the derived sub-research questions. Drawing on the three CPE mechanisms of variation, selection, and retention, the chapter outlined the findings of the phases of problematisation, devising, and institutionalisation of the policy. Firstly, the incoming left-wing government interpreted the problems of youth overrepresentation in unemployment, education (NINI status) and high youth crime rates as a structural consequence of the failed neoliberal economic development model that had prevailed in the country since the late 1970s. The government justified the urgent need to include millions of neglected youth in productive activities based on notions of inclusion and restorative social justice, highlighting the relevance of taking advantage of the country's demographic dividend.

Secondly, during the policy design phase, the JCF broke with the mainstream paradigm of small-scale, highly targeted, and rigorous conditional transfers. It also departed from the traditional logic of training and learning policies (upskilling) that focused on providing structured skills and knowledge to a limited number of beneficiaries, often in collaboration with the formal TVET sector. Contrary to these approaches, the government proposed a broad-based design with claims of universality and elements of flexible conditionality, aligned with the structure of the Mexican labour market, which is characterised by a majority of SMEs. Accordingly, the JCF targeted all young people in a NEET situation who were ready to work, an estimated 2.3 million according to the most recent national statistics. The programme's scale drew sharp criticism from some parts of the business sector, accused of having alleged political-electoral motivations. Nonetheless, the private sector supported the JCF from the transition period onward, as politics acted as a bridge of collaboration between ideologically opposed constituencies. For these reasons, the government succeeded in implementing its initial broad-based policy design with relative ease.

Finally, the swift institutionalisation of the JCF as soon as the government took office in January 2019 is primarily explained by the high levels of political, institutional, and budgetary leverage, along with public support from leading private sector organisations and international validation

from ECLAC, which even facilitated the transfer of the policy to several countries in the region. However, the retention phase of the policy was far from a discrete event. From the outset, the policy underwent significant changes to the objectives stated in its governing documents. Notably, the initial focus on pacification and reducing youth crime disappeared, as did the notion of contributing to beneficiaries’ skills and ‘employability’, giving way to objectives focused on productive inclusion and occupation. Beyond the discursive and semantic implications of these adjustments, which may have been influenced by the internal adoption of fragments of dominant global paradigms of education and training, the changes align with the approach of leftist governments in the region, which have reconfigured social policies to adopt broad designs with claims to universality (Borges, 2022). Similarly, these changes align with the government’s initial problematisation, which highlighted that economic growth and the strengthening of the labour market are fundamental preconditions for achieving significant social welfare. To complement the detailed discussion in this chapter, the table below summarises the main differences and alignments across stakeholder perspectives regarding the JCF policy dimensions explored.

Table 6.5 Differences in stakeholders’ views

Dimension	Government	Academia	Private Sector	NGOs
Perceptions of Policy Goals	Framed as a universalist, anti-neoliberal policy focusing on social justice and inclusion.	Acknowledged its ambition but critiqued its lack of evidence-based design.	Focused on subsidised labour, turnover reduction, and economic pragmatism but criticised lack of skills frameworks.	Warned of risks of reinforcing informality and missing sustainable outcomes.
Visions of Inclusion	Prioritised broad-based inclusion and social rights over exclusionary targeting.	Recognised the importance of inclusion but highlighted operational challenges.	Saw inclusion as integrating youth into productive labour but emphasised measurable outcomes and oversight.	Criticised lack of conditionality, highlighting risks of informal labour entrenchment.
Approaches to Skills Development	Emphasised occupational integration through work-based learning,	Called for greater alignment with labour market needs and	Stressed structured training to ensure employability and meet	Criticised the absence of formalised training mechanisms in

	breaking from traditional upskilling.	rigorous skill frameworks.	industry demands.	the SME-dominated labour market.
Political Implications	Presented as emblematic of anti-neoliberalism and restorative justice.	Questioned its evidence-driven rationale and scalability.	Expressed scepticism about electoral motivations but supported under corporate social responsibility.	Suggested policy design could serve political ends rather than sustainable solutions.

Source: Author’s Elaboration

In conclusion, by analysing policy documents and interviewing central policy stakeholders, the chapter provided empirical answers to the research questions around the Mexican government’s problematisation, devising, and institutionalisation of the JCF policy. While the JCF policy has already met its goal of providing productive inclusion opportunities for 2.3 million young people through work-based occupation and training (Bienestar, 2022), its implementation continues to be the subject of scrutiny as new questions arise about its effects and overall impact and the long-term programme’s sustainability in the face of the 2024 elections. The following chapter will discuss the findings presented here in light of the most relevant theoretical debates with which it intersects and to which it contributes.

CHAPTER 7 – DISCUSSION

7.1 Introduction

This chapter discusses the research findings, situating them within broader academic debates and theoretical frameworks that have been explored throughout the thesis. The emphasis of this discussion is on how these results inform, challenge, or extend key debates that intersect with the JCF policy case. This thesis has contended that while multiple factors have influenced the JCF policy adoption in Mexico, the leftist and anti-neoliberal ideological shift in the governing party, which was accompanied by a major shift in the country's development paradigm, had the most significant impact. The thesis has also argued for the predominance of political and ideological leverage in producing this shift, in contrast with alternative rationalist, incrementalist and technocratic explanations that were more central to explain policy change during the neoliberal period in Mexico (1982-2018).

During that period, social and youth policy design decisions were mostly framed around discourses of human capital and upskilling rationales that overemphasised the individual deficits and shortcomings of the youth. Furthermore, and contrary to expectations, the thesis has shown that international cooperation played a minimal role in shaping the JCF objectives or design, despite its relevance in previous social policy cases across the region (e.g. CCTs, ALMPs, and Dual Model of Apprenticeships). These findings suggest that youth policies in LATAM rarely follow a linear, problem-solving trajectory, as some theories suggest, especially when strong disruptive political mediating factors come into place. In general, these findings underscore the need for more nuanced, context-specific approaches to understanding the emergence of new youth policies in Mexico and LATAM.

This chapter is organised into three main sections. The first section synthesises the contributions of the findings on the JCF policy adoption process and organises them into six current academic debates. The second section presents the practical implications of the gradual shift in the meanings and implementation of the JCF policy over time. While this second section also includes some contributions to debates, these primarily relate to the post-retention or implementation phase, which is why they are addressed in their own dedicated section. This approach allows for a comprehensive examination of both theoretical and practical aspects of the JCF adoption and its evolution. Finally, the chapter concludes with a summary that highlights the main contributions of

the thesis and their interrelation, tying together the theoretical debates and practical implications discussed throughout the chapter.

7.2 Contributions to Current Debates

This thesis contributes to several key academic debates identified through the literature review and critical analysis of the material presented in Chapters 2 to 6. These debates constitute the basis of the following six subsections encompassing youth and social policy, but also extending to political economy discussions. The identification of these debates was guided by their relevance to the JCF programme and their capacity to inform broader issues in social policy adoption in Mexico. Since the analytical approach chosen conceptualises the JCF as part of the broader Mexican ‘social policy mix’ (Haggard & Kaufman, 2009), the contributions naturally extend to intersect with broader debates in political economy and policy studies. For instance, this approach strongly argues that development paradigms shape welfare regimes, which in turn is backed up on empirical evidence of Mexico’s shift from neoliberal to ‘neo-developmental’ approaches through MORENA’s explicit critique of neoliberalism. The chapters also discuss the tension between universal and targeted social policy designs, revealing how the JCF prioritised inclusion over traditional upskilling strategies. Moreover, it showcases the potential dual political motivations behind the JCF programme, of enacting a social policy paradigm shift while attracting historically neglected younger voters. Furthermore, the thesis establishes the convergence of material factors (high NEET rates, crime) and ideational elements (critique of neoliberalism) in policy formation, as demonstrated in this empirical practical case.

Furthermore, the chapter also presents a discussion that challenges traditional institutionalist approaches to public-private coordination, revealing that the JCF case constitutes a prime example of State’s primacy over coalition negotiations, founded on an uncommon partnership with SMEs and the informal sector. Additionally, the discussion highlights the presence of a clear break from institutional path-dependencies in Mexican social policy designs, exemplified by the JCF’s departure from bureaucratic traditions established by pioneer CCTs like Pronasol. Throughout these contributions, the thesis presents a nuanced understanding of the political, economic, and social factors that intervened in the JCF programme’s adoption process. In the following six subsections, I expand upon these contributions in greater detail, delving into specific aspects of

my research and explaining how the JCF programme intersects with broader debates in social policy and political economy, and with what implications.

7.2.1 The role of national development paradigms in the configuration of welfare regimes

This thesis contributes to the debates about how development paradigms shape welfare regimes and social policy designs. Firstly, it provides empirical evidence of how a left-wing party explicitly criticised the ‘neoliberal’ development model for leading to a truncated welfare state and a highly informal and segmented labour market that affected the youth disproportionately. As a consequence of this problematisation (variation), the thesis demonstrates that the government’s chosen alternative, both materially and discursively, was a development paradigm with ‘neo-developmental’ undertones. This approach advocated for greater state involvement in national development, explicitly aiming to support an alternative welfare model designed to assist millions of unprotected Mexicans, including over 2.3 million young people through the JCF, alongside other interventions such as pensions for the elderly.

A vast body of international political economy and comparative politics literature has shown how national development paradigms and economic strategies shape to a great extent, the configuration of welfare regimes and social policy approaches (Bonoli, 2010; Bonoli & Natali, 2012; Esping-Andersen, 1990; Haggard & Kaufman, 2009; Hemerijck, 2011; Jenson, 2011). This perspective emphasises the interconnectedness between economic systems and public policy designs, highlighting how multiple actors and institutions interact in complex ways influencing social outcomes (Lodge, 2017). Multiple factors may underlie these interactions, including interests, profit, power, or ideological objectives, making their study a complex and challenging task. From a political economy standpoint, paradigms function as foundational macro-visions that allow us to account for aspects as broad as the pursuits of actors, or elements as specific as policy designs and objectives (Hall, 1993). Applying this framework to Mexico allows us to discuss how the economic ideas and actions of the country’s first leftist government since the democratic transition of 2000, influenced the social policy approaches conducive to the adoption of the JCF in 2019, alongside a broad repertoire of social and labour interventions and legal reforms.

A first empirical contribution to the literature on VoC and the political economy of welfare regimes in the context of contemporary LATAM, has to do with the evidence provided suggesting how Mexico’s leftist government proposed a deep shift in social policy that was accompanied by non-

trivial adjustments in the development model. AMLO's administration critique against the neoliberal development model was based on the fact that it had promoted low-cost manufacturing labour, which prioritised export-oriented industries at the expense of domestic development and social investment. This led to a dynamic of 'dependent downgrading' (Sancak, 2023), characterised by limited value-added production and weakened labour protections, which in turn contributed to a myriad of social issues, including the plight of the youth, who faced high unemployment rates, precarious working conditions, and restricted opportunities for upward mobility.

In response, the government advocated a shift towards a more 'inward-oriented' development model with clear neo-developmental overtones, aiming to support the quasi-universal and recently constitutionally safeguarded social policies including the JCF. Moreover, I have argued that the JCF's 'subsidised labour' component underscores this shift towards a welfare scheme that emphasises the importance of the domestic market by linking it with a basic income quasi-notion, hence overcoming the traditional interventions based on plain upskilling. This transfer component was expected to benefit not only large companies, as in the previous neoliberal period, but mostly SMEs and the informal sector, which constitute the majority of firms in Mexico. The government justified this in policy documents by arguing that these sectors would gain from increased productivity.

In a context characterised by a 'closing of space' for local development, mostly due to constraints in fiscal policies, limited credit availability, and export measures that hinder domestic industrialisation (UNDP, 2005), various countries in the region have shifted towards anti-neoliberal discourses and political projects. These projects aim to reposition the state as the primary actor responsible for procuring social welfare, addressing the limitations of the initial ISI model through a broad approach often termed 'neo-developmentalism'. Concurrently, since the 2008 GFC, discussions on where to anchor novel social policy approaches have intensified. Current discussions centre on identifying and hypothesising on new economic models and political arrangements that can combine growth and equality, superseding both neoclassical and Keynesian economic theories (Morel & Palier, 2011). Lebdioui (2022) has recently argued that a shift towards state-led development seems to be a rapidly consolidating new conventional geopolitical wisdom. I contend that Mexico's leftist government, in power since 2018, aligns with this regional trend.

Like other leftist governments in 21st century LATAM (e.g. Lula in Brazil, Kirchnerism in Argentina), Mexico has attempted to recover some of the universal social goals that the developmentalism model failed to achieve during the 1950-1970 period.

Another central question of current debates is how the neoliberal social policy paradigm in LATAM can be superseded. This paradigm relied heavily on HCT assumptions, upskilling approaches, and highly targeted CCTs aimed at poverty alleviation. A goal of leftist governments has been to reinvigorate and renew universal welfarist perspectives. This has been reflected by the recent appearance in scene of broad-based social investment policies characterised by universalistic designs, often founded on HCAs or RBAs (Ban, 2013; Borges, 2022; Grugel & Riggirozzi, 2018; Morel et al., 2011). Against the hegemonic influence of HCT and other individualising discourses, social investment literature urges the emergence of new economic model alternatives that could, in turn, underpin new policy orientations tending towards broad-based goals. In this sense, ‘social investment’ can be thought of as a framework that allows us to ‘think beyond the traditional human capital framework’ (Morel et al., 2011, p. 374).

As shown by this thesis’s findings, it can be argued that the JCF aligns with the attempts to overcome HCT and CCT-based social policy models. For instance, the JCF lacked rigid training plans from the outset, and the government intentionally allowed participant entities to include both SMEs and individual tutors from the informal economic sector. This flexible approach was deliberately designed in response to the structure of the national labour market, characterised by a high prevalence of informality and SMEs. As per this argument, the government was aware that most beneficiaries would carry out their ‘productive inclusion’ activities in small and informal firms, hence downplaying the relevance of training while emphasising the virtues of social inclusion and productivity at the micro scale.

In LATAM, the Brazilian ‘Bolsa Familia’, promoted by Lula, stands out as the most successful case within the social investment paradigm, demonstrating greater success as a policy transfer model than the Mexican Progres-Oportunidades programmes. Borges (2022) noted that the Brazilian approach has garnered more appeal in sub-Saharan Africa and among European cooperation agencies, than in LATAM, which could generally be explained by the great influence that IOs have exerted on policy adoption since the time of SAPs. For this very reason, the JCF case is a contrast to the social policies that have emerged in the region in the past four decades. The

dual objective of providing job training and social inclusion opportunities for young people on such a massive scale is undoubtedly unique in the region, which represents a step beyond the broad-based policies initiated with Bolsa Familia, particularly because the latter retained a focus on supporting households rather than directly targeting individuals.

Moreover, as suggested earlier, AMLO's government not only shares similar social policy goals with Lula's administration but also parallels some of its economic strategies, although no direct evidence of explicit policy isomorphism was found. Under both leftist governments, there was a notable increase in infrastructure spending and public investment, alongside significant raises in the minimum wage. These similarities suggest that profound changes in social policies in LATAM may often be supported and preceded by substantial shifts in economic and development strategies. This hypothesis underscores the integral relationship between national economic strategies and the advancement of progressive and broad-based social objectives.

In this thesis, I contend that the JCF could be interpreted as one more policy -the most ambitious so far- from the LATAM region that seems to aim at what Draibe and Riesco (2007) termed as the 'Neo Latin American Development Welfare State' (NLADWS). For these authors, the initial attempt to establish a welfare state in LATAM occurred during the ISI period. However, these welfare efforts failed to consolidate due to the economic crises of the 1980s and the advent of the Washington Consensus. Recently, the new NLADWS attempts are closely aligned with the notions of 'neo-developmentalism' and 'neo-structuralism,' discussed earlier in this study. These development strategies are mainly associated with XXI century leftist governments in LATAM, and are characterised by the centrality and relevance attributed to state-led development strategies (Félic, 2012).

Although the evidence presented in this thesis does not reveal an explicit strategy by the Mexican government to consolidate a welfare regime, the significant investment in social policies, including the JCF, pensions for older adults, and universal scholarships for basic education students, is noteworthy. Moreover, the national development plan includes explicit objectives of strengthening the internal market and enhancing the state's role in directing public investment in infrastructure to achieve its development goals. While the Mexican government had not explicitly framed its policies in these terms, its approach appeared to align with the key characteristics of the NLADWS.

It can be hypothesised that, under AMLO's leadership, Mexico was shaping a distinct version of this model, adapted to the country's unique circumstances and challenges.

These policy choices contrast with the hegemonic approach advocated by most IOs, which emphasises macro-level virtues such as economic competition and the rule of law, while neglecting the potential of state interventions to drive development and economic growth in neglected areas of the country. At the micro level, this approach relies heavily on highly targeted, small-scale upskilling or poverty alleviation interventions. Regarding the latter type of social policies, I term this predominant approach 'intervention fundamentalism', which is an unwarranted and over-optimistic confidence in the efficacy of singular policies to produce significant effects on social issues despite these issues being inherently systemic or structural. This concept is deeply rooted in critiques of traditional, supposedly 'apolitical' attempts by the technocracy to apply science and expertise to public issues (Fischer, 1990; Silva, 2015), as well as in critiques of 'educationalism' (Puiggrós, 1994), which assigns excessive trust and responsibility to education for solving social issues beyond its appropriate sphere of influence.

The previous dominant approach has been prevalent amongst LATAM's 'policy intelligentsia' and IOs like the World Bank and the IADB, often leading to a recurring oversight of other critical systemic failures in the economic system and the labour markets. Despite recent successes in countries as dissimilar as Costa Rica and Taiwan, which have achieved social welfare improvements through broad-based social policies and state-led strategies that boosted labour demand and economic growth, these IOs remain opposed to such measures (Ban, 2013; Barrientos & Hulme, 2009). Instead, they have insisted on remedial solutions for poverty and growth, along with improvements in labour regulations and fiscal reform (Levy, 2018). Such ideological hostility against social policies that focus on stimulating growth and labour demand not only assumes that the structural issues of most countries in LATAM have a policy solution (instead of a structural one), but also implies that social policy ought to be measured exclusively from a cost-effectiveness rationale that evaluates foreign direct investments, labour insertion and upskilling rates.

Building on this critique of 'intervention fundamentalism', it is notable that one of the main omissions in the WB and IADB reports is the lack of reference to the low economic growth and poor productive diversification characterising LATAM as both significant causes and consequences of the low demand for formal jobs in the economy (De Hoyos et al., 2016b; Novella

et al., 2018). When key documents from these institutions do highlight the relevance of labour demand, it is generally to emphasise the importance of aligning youth training programmes with the ‘right skills’ that are currently being required by local markets (Wheelahan et al., 2022, p. 488), clearly adhering to the HCT and the international division of labour discourses. In contrast, the Mexican government under AMLO eschewed that rationale by upholding the values of ‘productive inclusion’ and social justice, which align more closely with the NLADWS model. This approach places greater emphasis on the structural determinants of economic welfare, moving beyond a narrow focus on individual skill development. Consequently, opposing mainstream ALMP and CCT rationales, the JCF carefully justified public expenditure on the youth as a measure that would go hand-in-hand with the state-led development model ‘in anticipation of future economic growth’ (Presidency, 2019; STPS, 2019b), therefore addressing both pressing social issues and medium and long term national economic development needs.

In line with extant literature, this thesis also provides evidence that national development paradigms are crucial to understanding the type of social policies that emerge. JCF can be seen as a ‘heterodox’ social policy that breaks with the mainstream youth policies that have relied mainly on HCT and supply-side assumptions. It also distances itself from the deeply ingrained ‘neoliberal paradigm’ of export-oriented development and remedial poverty-alleviation social policies (CCTs). These ruptures can be considered signs of a significant paradigm shift if one takes into account that broad-based social policies that incorporate elements of inclusion and rights in their design are generally scarce in MICs, despite these normative perspectives being in place for over two decades (Nussbaum, 1997; Sen, 2001; Tomaševski, 2001). Even though the patently neo-developmental and ‘post-neoliberal’ agenda upheld by MORENA is not characterised by openly advocating for a return to the ISI, its national development strategy clearly shows patterns of what authors in this tradition have dubbed the ‘repoliticisation of development’ through an ‘activist state’ (Gezmiş, 2018), which I have argued, is noticeable in the macro-construction projects of airports, highways, refineries and trains that the AMLO administration has undertaken.

The implementation of a broad based social policy such as the JCF, alongside a substantive shift in the state’s development strategy to stimulate economic growth, still in progress with its medium and long term effects yet to be seen, suggests that this is not a coincidental phenomenon. In other words, the problematisation of the youth sphere, as well as the precarious situation of the entire

population, was blamed on the failed neoliberal strategy, revealing through this criticism an alternative both at the policy and development levels. This argument aligns with the literature urging for ‘new economic models’ that can support the post-neoliberal ‘social investment’ and ‘neo-LADWS’ paradigms, which by the way, are underpinned by both capabilities and rights-based rationales (Draibe & Riesco, 2007; Morel et al., 2011). It is crucial to point out that although the government attributed the critical numbers of young NEETs and the overproportion of young people in crime as a direct consequence of the lack of opportunities ensuing from a failed economic development model, the JCF was not conceived as a solution to this structural issue. Instead, the solution to this problem would come more as a byproduct of growth and the creation of alternative opportunities for inclusion. However, this approach certainly does not identify a concrete theory of change on how this would be achieved, and those results are also yet to be further evaluated in the future.

In closing, the centrality of the change in development strategies for the JCF’s adoption was evidenced not only by explicit meanings and intents present in informants’ testimonies and key policy documents but also through actions such as public works that reflected this shift in practice. These included the repeatedly employed argument on the ‘squandering of the demographic bonus’ to justify two simultaneous actions: the adoption of a massive social-productive inclusion youth policy and the launching of massive public investments in strategic infrastructure like refineries, airports, and railways. In other words, per this finding, a policy such as JCF should not be analysed in isolation from the broad development strategies announced just after the government took office. This view implies that the JCF can be interpreted as a coherent social policy counterpart of a ‘neo-developmental’ agenda that aims to strengthen the internal market and the state’s role in economic growth in order to support, amongst other goals, a broader welfare system. In this sense, the current Mexican government’s efforts can be analytically and theoretically grouped with previous regional attempts to advance neo-structuralist projects, particularly Brazil’s under Lula, who similarly sought to expand the national aggregate demand through state investment in infrastructure (Ban, 2013; Bresser-Pereira, 2011; Lin, 2011).

7.2.2 Universal vs. targeted social policies in a post-neoliberal era

This thesis contributes to debates on universal versus targeted social policy designs by showing how an anti-neoliberal leftist government in LATAM eschewed dominant orientations in youth

and labour policies that favoured upskilling, instead, opting for a more universal or broad-based design supported by notions of social inclusion and minimum income. The evidence demonstrated that high-level policy implementers were aware of and committed from the outset to prioritising inclusion over considerations of training effectiveness and labour insertion of participants. Hence, these findings contribute to the ongoing debate between normative and positive approaches in youth policy by examining an empirical case at the national level. Namely, it shows how normative criteria, specifically considerations of equity and social justice, took precedence over the dominant positive approach, which traditionally emphasises measurable outcomes like skills development and job placement rates. Given that the prevailing approach in Mexico and LATAM had typically focused on measurable outcomes such as skills development and job placement rates, this case study suggests a significant shift embodied by the JCF, by revealing a transition in policy priorities from purely quantifiable results to broader societal values, illustrating the tension between these two policy paradigms in a contemporary context.

To a certain extent, the debate between normative and positive stances is well represented in the field of social policies in LATAM by the universal versus targeted policy design debate. This thesis has shown how governments that have proposed social policies rooted in, or indifferent to, neoliberal and HCT assumptions have fundamentally relied on highly targeted designs, thereby disregarding broader issues of social inclusion. The CCT model, popularised by IOs and policy entrepreneurs during centre-right governments in Mexico and Brazil in the 1990s and early 2000s, quickly became the dominant social policy approach in LATAM (Buarque, 1999; Levy, 1991). This model, exemplified by Progresa and the first Bolsa Familia, prioritised means-tested interventions on families. As evidenced in stakeholder interviews, this orthodox view considered the JCF's broader approach fundamentally flawed, underscoring the programme's departure from established norms on both technical and ideological grounds. Despite this criticism, the findings on the main rationale and ideas behind the JCF demonstrate that the Mexican government's attempt aligns with a small number of regional cases, notably including Brazil, in implementing a broad-based social policy with lax conditionality (Borges, 2022). Hence, the JCF represents one more empirical instance of policy shift that distances itself from the orthodox CCT model on both normative and technical grounds.

Moreover, I contend that recent shifts towards universal social policy in LATAM, as exemplified by the JCF, represent a fundamentally political project led primarily by leftist parties and coalitions. This assertion is based on a critical examination of the region's recent policy history post-2008 GFC, to which this thesis's findings also contribute. As shown, the Mexican government explicitly problematised youth struggles as a consequence of neoliberalism, acknowledging the characterisation of CCTs and similar targeted policies as manifestations of 'humanitarian capitalism' originating in the neoliberal era (Wilson, 2018). The push for universalisation marks a decisive break from previous approaches since it conveys more than a mere technical adjustment. It enacts a deeply ideological move, reflecting a broader contestation of neoliberal principles in the field of social policy. Thus, by framing universalisation as an eminently political endeavour, this study highlights the role of left-leaning political actors in challenging the prevailing paradigm of remedial social assistance and advocating for a quasi-universal¹⁶ unprecedented social inclusion approach to support young people.

Another facet of the current debate between universal and targeted schemes focuses on issues of financial inoperability. Critics argue that these schemes face significant challenges, primarily due to severe fiscal constraints exacerbated by high levels of labour informality, which inherently limits the pool of formal taxpayers and hence of general public income (Van Parijs, 2018; Van Parijs & Vanderborght, 2017). Additionally, concerns have been raised about their political unfeasibility (Borges, 2022), stemming from the distributive stress such programmes may place on the middle and upper classes. As the evidence showed, the JCF faced stern critiques that characterised the monetary component as mere vote-buying, clientelism, or squandering of public resources on 'lazy young people'. The findings strongly suggest that the government addressed both fiscal challenges through a massive campaign of strategic budgetary cuts across the federal public administration, mainly by cancelling public trusts and eliminating institutions that had been created chiefly during 'neoliberal' administrations. Alongside the adoption of the JCF and other broad-based social programmes such as pensions for older adults, the government conducted a major budgetary adjustment to sustain the new welfare strategy, rather than relying on extraordinary tax increases. No fiscal reform was conducted whatsoever during AMLO's term, which ended in September 2024. By maintaining this approach, the government demonstrated a

¹⁶ Universal at least within the 18-29 age group.

commitment to its welfare policies while overcoming fiscal constraints and political opposition. This was reflected in unusually high approval and popularity rates of between 60% and 70% throughout the period.

Furthermore, the universal versus targeted debate has also been referred to as that existing between ‘progressive’ and ‘regressive’ policy designs. Progressive designs aim to reduce inequality through broad redistribution, while regressive designs may inadvertently widen disparities through narrow targeting (Ocampo, 2008). In his work on ‘human capabilities’, thinking of contexts of developing countries, Sen (1992) advocated for ‘self-selection’ methods, such as setting a single support amount, arguing that this allows participants to make decisions based on their individual values motivations, and needs. As evidenced by the thesis findings, while the JCF does not strictly adhere to the capabilities approach, its design does incorporate a self-selection strategy. This is manifest in the support it provides in exchange for work-based training at firms, which, as per the programme’s guidelines, is capped at one minimum wage. Following Sen’s reasoning, I contend that criticisms of alleged regressivity in a quasi-universal programme like the JCF, which incorporates self-selection elements are not fully warranted, and often stem from a technocratic standpoint.

Building on the previous arguments, I contend that the JCF can hardly be classed as either a training programme, an ALMP, or a CCT. Instead, I propose conceiving the JCF as a quasi-universal ‘youth policy’ that incorporates diverse social rationales. During the selection or policy devising stage, the STPS integrated various elements including productive inclusion, on-the job training, minimum income provision, and crime prevention measures. The notion of ‘minimum income with conditionalities’ proposed by Cotta (2009, p. 284) to describe the Bolsa Familia in Brazil also seems fitting for the JCF. This is due to the JCF’s lenient conditionality and monitoring, particularly when compared to the rigorous conditionality of Progresá and other CCTs. Nevertheless, the JCF can still be considered conditional, as receiving the monthly allowance is contingent on firms reporting beneficiaries’ attendance, at least according to the programme’s operational rules and guidelines.

The JCF policy adoption has already reignited intense debates about the efficacy of universalist versus targeted social policies in LATAM, echoing the broader normative and positive policy approaches discussed earlier. From a revitalised ‘neo-developmental’ perspective the hegemonic

CCT approach appears as fundamentally inadequate to address deeply embedded socioeconomic challenges faced by Mexico and most of LATAM countries, which include high rates of labour informality, low technological sophistication, limited economic comparative advantages, and scarce opportunities for skilled labour (Lebdioui, 2022). As mentioned, these structural issues have historically motivated some leftist parties in the region to oppose CCTs, instead favouring the adaptation of existing social policy frameworks to align with more universalistic goals. (Borges, 2018; Huber & Stephens, 2012). As the findings have shown, alongside its novel social policies, the Mexican government put forward reform measures like the minimum wage increase, enhanced labour regulations for unions, and an expansion of social transfer programmes for the elder and basic education students. I argue this comprehensive strategy reflects a broader contestation of neoliberal principles in social policy and underscores the profoundly political-ideological nature of the push towards universal welfare programmes in Mexico. This suggests that it is challenging for a country in the region to advance broad social policies without framing them within a political-ideological discourse aimed, to some extent, at resisting and counteracting dominant global actors and ideas.

In closing, this thesis's findings situate the JCF within a burgeoning broader regional trend of social policy transformation in LATAM spearheaded by some leftist projects, as illustrated by the case of Lula in Brazil (Borges, 2022). This parallel development indicates a relevant ideological repositioning in the region, where social policies are increasingly designed to address structural inequalities rather than just palliate poverty, as was the norm under neoliberal governments. The JCF case thus provides valuable insights into the evolving social policy environment in LATAM, highlighting the tension between targeted and universal approaches and underscoring the profoundly political nature of welfare programme devising. As such, it offers a critical perspective and valuable evidence on how a leftist government in the region reimagined and enacted a novel social intervention in response to the perceived inadequacies of past neoliberal policy orthodoxy.

7.2.3 The leftist political determinant of broad-based social policies

This thesis contributes to debates about the political determinants of social policies by arguing that the leftist government sought, through the JCF, the dual purpose of enacting a paradigm shift in social policy whilst potentially attracting the historically neglected younger voter population. The modest advances in organised labour and welfare regime achieved during the ISI declined rapidly

during the neoliberal period spanning from 1982 to 2018. Consequently, a plausible hypothesis emerges that a broad-based social policy such as the JCF also sought to secure the required political clout and influence among the young masses of working age, which the Mexican state had institutionally neglected. This dual strategy of policy reform and electoral appeal is not unique to Mexico but reflects a broader pattern observed in left-wing governments' approaches to social policy across contexts.

In examining the multiple determinants of social policy and welfare regimes, the political preferences of ruling parties constitute a prolific line of research across various academic fields. Two key issues emerge: firstly, how these political preferences shape the adoption and implementation of social policies; and secondly, whether policy design (targeted or universal) aims to gain political-electoral followers. Notably, leftist parties often employ social policies as a response to the deindustrialisation process that began in the 1980s, which they deem responsible for undermining their traditional voting bases and for having weakened labour unions (Häusermann, 2010). However, in light of my previous arguments, I contend that the JCF should be analysed beyond a purely electoral and partisan perspective, viewing it instead as an integral component of a broader shift in Mexico's political and economic stance. As has been pointed out, MORENA's social and labour agenda, which includes both the JCF and the 2019 labour reform aimed at democratising unions and enhancing collective bargaining transparency (Armando et al., 2019), suggests the emergence, if only burgeoning, of a new social pact characterised by neo-developmental overtones that prioritise inclusion and state-led economic growth.

The JCF dual purpose, would also fit with broader theoretical understandings of how leftist parties can employ social policies to achieve both ideological and political-electoral objectives. From a theoretical perspective, diverse literature on welfare regimes covering a broad range of social policies (i.e. education, labour, healthcare) has shown how electoral and partisan politics constitute central political determinants of the adoption of these policies (Aspalter, 2006; Bonoli & Natali, 2012; Busemeyer & Schlicht-Schmälzle, 2014; Busemeyer & Trampusch, 2012; Gingrich & Ansell, 2015). Historically, left-wing parties have played a central role in adopting progressive social investment policies to achieve full employment (Esping-Andersen, 1990), usually opting for broad-based and universal designs over means-tested or highly targeted designs (Aspalter, 2006; Esping-Andersen, 1990; Gingrich & Ansell, 2015). Likewise, authors that distinguish

between social consumer policies (direct transfers) and investment policies (mostly ALMPs and CCTs) have shown how left-wing parties tend to pursue higher levels of progressivity through income transfers and fiscal policy (Beramendi et al., 2015a; Gingrich & Ansell, 2015). Research has also shown a relationship between leftist partisan politics and the provision of ‘occupation’ universal policy designs (Bonoli, 2010) for the unemployed.

In this vein, Borges (2018) has compellingly argued that in LATAM, leftist parties’ rejection of ‘investment policies’ such as CCTs have arisen primarily due to 1) their narrow targeting designs departing from more universal objectives, 2) the risk of ‘clientelist’ use of these programmes, primarily if aimed at partisan bases as had happened in the past (e.g. Pronasol), and 3) the association these programmes have with right-wing governments and IOs, who were deemed responsible of having promoted structural adjustments at the cost of dismantling import-substitution industrialisation development models in the region. The three previous reasons for resistance against CCTs, allow us to understand better that the design of the JCF could imply alternatives to all of them. Firstly, it does aim for broad-based goals; unlike traditional clientelism, which requires monitoring and stern conditionality (Vommaro & Combes, 2019), the quasi-universality itself evades the feasibility of a merely electoral and instrumental intention of the programme. Unlike the CCTs, which were a global device transferred vertically by IOs, the JCF implies a novel and mostly local alternative.

Nonetheless, it is worth expanding on the political dimensions of social policy adoption, particularly the dual nature of partisan politics, which encompasses both electoral-political and distributive consequences. Political parties have incentives to strengthen their electoral base, and to achieve this, they often influence the extant policy setting. In this sense, Gingrich and Ansell (2015) argued that parties tend to be both ‘opportunistic’ and ‘ideological’ since they may engage in social investment policies that serve both electoral and ideological ends to attract new voters and internally bolster their political coalitions. How attractive a political party would deem a social investment policy would depend on the existent institutional arrangements of each policy realm. Moreover, it cannot be overlooked that there is robust evidence on how CCTs have disproportionately benefited incumbent governments (De La O, 2013; Zucco, 2013).

These arguments, when considered in the context of this study, indicate that broad-based policies like the JCF and other initiatives involving transfers can be interpreted as surrogate mechanisms

for the role unions and formal employment play in core countries, in strengthening the leverage and influence of organised labour. The thesis's findings are also consistent with existing literature on VoC and the political economy of welfare regimes, in terms of the centrality of the political-electoral balance of power, in shaping the breadth and profile of welfare and social policy objectives. Specifically, this thesis has shown how the incoming Mexican government managed to impose its social policy agenda, largely due to the overwhelming electoral legitimacy that supported it in the 2018 federal election. Moreover, the role played by the contextual material factor of a segmented labour market with high levels of informality and precariousness served as a favourable receptacle for this agenda, judging by MORENA's sustained popularity throughout the presidential term, further facilitating its implementation.

Beyond the Mexican case, these findings may contribute to better understand theoretical concepts applicable in analogous contexts and situations. For instance, this study underscores that the left-right cleavage remains a useful explanatory tool in analysing social policy developments, particularly when left-wing political parties or coalitions challenge narrow social policy conceptions and instead advocate for the broader inclusion of marginalised populations lacking protection and social insurance. Essentially, I contend that the inclusion of broad segments of the population becomes a crucial political move precisely because historical structural constraints such as the absence of strong unionised workers, insufficient industrial workers organisations, and truncated welfare regimes in general had allowed previous neoliberal social policies and rationales to reign unopposed. This argument underscores the political significance and far-reaching implications of expansive social policies in addressing longstanding gaps in social welfare. Broad-based social policies, in this view, can serve as surrogates for the historical role of labour institutions in organising the workforce, whether to counterbalance capital or to challenge local and foreign political elites.

To further develop this understanding of the political dynamics behind broad-based social policies, we can turn to a more specific theoretical framework. Gingrich and Ansell (2015) proposed a hypothesis resting on two premises to inquire why and when a determinate social investment policy results attractive to politicians under any given circumstance. First, they argue that parties do not simply follow the preferences of their current supporters but look to maximise their support base through broader distributive goals. Secondly, they contend a common way to achieve such a

goal is through policies that align interests from both their base of supporters and new voters. The authors state that social investment policies are primarily adopted due to political economy determinants. How ‘pro-labour’ or ‘pro-employers’, ‘regressive’ or ‘progressive’ a policy is, fundamentally depends on each country’s political contextual features such as the balance of power and the degree of organisation of relevant actors. From this perspective, the JCF is highly progressive, as it incorporates both ‘pro-labour’ elements for the young participants and ‘pro-employer’ elements for the informal sector and SMEs. This unusual combination helps to establish that we are dealing with a groundbreaking policy.

Beyond LATAM, the historic cases of East Asian welfare states (i.e. Japan, Korea and Taiwan) also support these authors’ hypotheses. For instance, Aspalter (2006) argues that the main reasons behind the development of universal social policies in East Asia included overcoming legitimacy problems and as an instrument of competition and distinction between political parties. The Mexican context presents an analogous case. In 2018, the country’s first democratically elected leftist government, despite its strong popular support, faced the need to secure legitimacy through concrete redistributive social policies, aiming to deliver on its political campaign agenda and promises. These policies aimed to distinguish the new administration from its neoliberal predecessors. The new administration’s approach is illustrated not only by the launch of a massive youth policy like such as the JCF, but also by several other initiatives, including universal pensions for older adults, the ‘bankarisation’ of social programmes (replacing local intermediaries), and the prioritisation of developing large-scale infrastructure projects in the country’s most neglected areas, as was the case of the Tren Maya in the south-eastern states.

Building on these cross-regional examples, it can be further clarified how to fit the JCF within the broader LATAM political and welfare challenges. Recent leftist social policies such as JCF essentially pursue a ‘collectively pro-outsider’ goal (Rueda, 2007), as far as they inevitably benefit people who exceed a specific political-ideological party supporter base. The straightforward hypothesis that the vast majority of young people or older adults who receive welfare support automatically become MORENA’s voting base may turn out to be extremely far-fetched, and in any case, will undoubtedly represent a central question for future inquiries. What is undeniable is that historically leftist parties have promoted broad-based policies, particularly in response to scarce ‘employment protection legislation’ and high labour informality rates. This is especially

evident in LATAM, where labour informality averages around 50%, even in the region's top economies (Maurizio, 2021). Such is the case of Mexico, where weak employment protection legislation ensued after the adoption of an eminently outward-oriented national market strategy during the SAP period. From a political economy perspective, by pre-eminently focusing on light manufacturing ('maquila' model) and primary goods exports (e.g. unrefined oil), such strategy undermined the bargaining power of organised labour. In this context, a broad-based social policy approach can be understood, beyond the pursuit of general well-being, as a strategic move by a leftist coalition to align the interests of the working class and dispossessed populations.

If the above hypotheses are accepted, simplistic accusations of 'clientelism' are challenged, prompting new questions about the most effective ways to achieve broad-based social programme objectives in contexts with low levels of political organisation. This would entail a complete research programme in its own right. MORENA's landslide triumph in 2018, as the first-ever electoral victory of a leftist party in Mexico, demonstrates that their success was not predicated on pre-existing institutional leverages or path-dependencies. Once in power, however, their social policy agenda exemplified the strategic use of broad-based programmes to consolidate both welfare goals rooted in ideology and political-electoral objectives. This approach is particularly salient in contexts characterised by weak employment protection and high informality, where such policies can serve as a powerful tool for building a new social contract and expanding a coalition's supporter base. While critics of broad-based programmes often highlight concerns about fiscal sustainability, Korpi and Palme (1998) argued that the political leverage needed for requisite tax reforms is more likely to be supported in universalistic pursuits. This perspective is consistent with the hypothesis that parties maximise their support base through broader distributive goals (Gingrich & Ansell, 2015). In the case of the JCF, the evidence discussed within the context of current debates supports two plausible hypotheses: one positing purely welfare-oriented and broad-based objectives driven by left-wing ideological aims, and another highlighting the strategic effort to consolidate new bases of political support in a context characterised by high labour market segmentation and low levels of workforce organisation.

7.2.4 Material-ideational convergence and domestic-international dynamics

This thesis contributes to the understanding of how material and ideational factors converge to shape policy decisions. It provides evidence of how high rates of young NEETs, specifically seven

million young people, along with elevated crime and violence rates, a precarious labour market, and a truncated welfare system, generated a material context that was interpreted ideologically as the consequence of a flawed neoliberal economic model. This model, which had prevailed from 1982 to 2018 favouring market liberalisation and an outward focused development strategy (exports and maquila model), was seen as detrimental to the internal market (problematization). Notably, the findings suggest that local or domestic factors, especially strong electoral legitimation prevailed during this policy shift, with little influence from IOs, unlike the earlier implementation of neoliberal CCTs. The overall evidence suggests that during changing political landscapes, such as those marked by the first and second ‘pink tides’ in LATAM, ideational factors like anti-neoliberal discourses may result in considerable shifts in youth policy orientations.

According to policy cycle theory, the actor whose problem definition dominates the public sphere is also most likely to influence the proposed solution (Birkland, 2017). In this sense, the evidence reviewed showed that having defined youth issues as a consequence of the ideational factor of neoliberalism, paved the way for the government to dictate a solution that broke with said ideology on several levels, from the theoretical to the programmatic. In contrast, material drivers such as electoral legitimation and budgetary leverage, proved to be more determinant during the selection and retention policy phases. This analysis demonstrates that neither material nor ideational factors alone can fully account for any JCF policy adoption phases by the Mexican government. Instead, a combination of both was observable at every phase. Such interplay becomes clear also retrospectively: had material aspects been sufficient, it is plausible to think that other youth policies would have emerged in previous administrations, particularly considering the gradual deterioration of educational and labour conditions for youth since the 1980s, which was a consequence of the demographic boom and the advent of neoliberalism. However, I contend it was the 2018 political-electoral critical juncture, resulting in the first leftist party coming to power in the recent electoral-democratic era, that provided a ‘policy window’ (Kingdon & Stano, 1984) for the incoming government to problematize the youth policy realm, leading to the JCF’s adoption.

The government’s definition of the neoliberal development model as the primary factor causing youth issues facilitated the agenda-setting phase for the JCF policy (variation). The empirical evidence of this study has shown how the entrant government interpreted the situation of the youth as a direct consequence of the failed neoliberal development model that had prevailed since the

1980s. Such causal interpretation directly paved the way for the adopted broad-based policy design. In this context, the JCF constitutes an example of a counterhegemonic policy design, diverging from the 'broader ideational environment' (Verger, 2012) which, for youth and work-based training policies, was overtly reliant on upskilling and other human capital theory (HCT) related notions. The government and the STPS core policy team implicitly questioned the efficacy of traditional human capital or upskilling CCT designs in addressing the structural constraints faced by young NEETs.

The government's framing of the issue, coupled with its strong popular support and legitimacy, positioned it as the most powerful actor in negotiations with political opponents, resulting in a relatively smooth policy adoption process. This case illustrates how the convergence of ideational factors and political power dynamics can shape policy outcomes. While both CPE and policy studies literature recognise the centrality of ideas in argumentative practices and discursive struggles for problem definition and framing (Stone, 1997; Sum & Jessop, 2013), this research provides empirical evidence of how these processes unfold in a specific LATAM context. The creation of a 'particular policy image' (Baumgartner & Jones, 2010, p. 55) that linked youth unemployment to the failures of the neoliberal model allowed the government to establish a 'plausible definition of the problem' (Stone, 1997) that resonated with its political base. This framing, combined with the government's political clout, demonstrates that beyond the 'objective load' of a problem (Jann & Wegrich, 2007, p. 46), the power to define and frame issues remains a crucial factor in policy agenda-setting phase.

Building on this understanding of policy framing, the literature further asserts that policy actors often employ images and symbols as tools to define problems and prescribe solutions. In this context, the name 'Jóvenes Construyendo el Futuro' (Youth Building the Future) conveys a carefully selected meaning, invoking positive values of hope and empowerment for young people. The causal story associated with the JCF revolved around the neoliberal development paradigm, which was portrayed as the root cause not only of the challenges faced by the youth but also of the broader material issues afflicting the country, mainly poverty, inequality and drug-related violence. Consequently, the incoming government undertook the task of addressing these issues not through narrow sectoral policies but by pursuing a significant economic and political transformation, emphasising a more active state role in promoting economic development.

The government's framing of the issue was not solely a response to material conditions, but also reflected strong ideational elements and political motivations. Although the material factors affecting youth set the stage for the initial problematisation of youth policy, they were not the only explanatory factors. The strong ideational element of anti-neoliberalism also plausibly accounts for the political motivations of the left coalition in promoting a policy like the JCF. Firstly, the need to strengthen the party support bases, which, without relevant, organised labour force organisations (unions) heavily undermined during the neoliberal period, suggests that a plausible solution was precisely implementing a broad-based social policy. Secondly, in line with the argument about squandering the demographic dividend, the incoming government justified the JCF as a suitable policy to incorporate a productivity component within its broader neo-developmental strategies.

The JCF policy illustrates how problems are 'socially constructed' and can be framed in ways that align the proponents' broader objectives. By adopting a clear anti-neoliberal stance, the incoming Mexican government challenged the status quo, seeking to present itself as an alternative to the prevailing economic model while strengthening its electoral base. This approach supports the argument that problem definition is central to the persuasive process, even as it is shaped by existing social, political, and ideological structures (Birkland, 2017). The government's handling of 'policy images' involved the use of symbols and 'causal stories' that linked youth unemployment to the failures of the neoliberal model. This framing challenged the neoliberal 'policy monopoly' (Baumgartner & Jones, 2010) giving way to a new agenda-setting and policy change process. The result aimed at a novel youth policy design combining a work-based training element with a conditional monetary transfer conditional on the former. Hence, the government not only redefined the problem but also attached a specific solution to it, showcasing how agenda-setting by new legitimate political actors can lead to a challenging of established policy paradigms and traditional policy solutions.

On a different note, it is relevant to highlight that the interplay of material and ideational drivers adds another layer of complexity through the role of domestic and international influences in the policy outcomes. While the JCF exemplifies how problems can be socially and politically constructed to suit proponents' goals, it is crucial to consider this policy within the broader context of global policy diffusion and change. When talking about global drivers that influence policy

adoption, we refer to the international factors (ideas and material resources) behind the diffusion of policy ideas. From this perspective, it is essential to question whether, in adopting the JCF, the Mexican government merely acted as a passive recipient of programmatic ideas from international organisations or other countries or if it was a genuinely original local initiative that challenged mainstream global social policies. Up to now, the central argument has been that the JCF exemplifies a counter-hegemonic approach within social policy, challenging orthodox social policies such as CCTs and upskilling programmes, with roots deeply entrenched in domestic politics. However, to argue that it represents a significant rupture, it is necessary to rule out potential explanations rooted in more gradualist and institutionalist approaches (Mahoney et al., 2009; Thelen, 1999). Since these theories typically emphasise evolutionary rather than revolutionary changes and given that MORENA's rise to power in 2018 marked a considerable shift across several policy realms, the applicability of gradualist approaches appears limited, especially in the context of significant political shifts.

While domestic political factors have historically played a significant role in shaping national social policy configurations in LATAM (Dion, 2009), this study argues that this pattern persisted in the Mexican case, although with important caveats. An argument can be made that ECLAC's involvement was not coincidental, given the organisation's historical role as a cornerstone of dependency theory and ISI projects in the region. ECLAC's longstanding expertise and policy positions lend credibility to the view sustained in this work, that AMLO's administration aligns with neo-developmental approaches emerging in the region. The cooperation between ECLAC and the Mexican government in transferring the JCF policy to several Central American countries and various US cities would entail a novel case of 'vertical diffusion' (from IOs to countries). In this model, both a government and an IO collaborate to fund and transfer a policy, contrasting with the more common 'horizontal' policy diffusion processes (from country to country), such as the adoption of the Progresas/Bolsa Familia-model CCTs by various LATAM countries during the previous two decades of neoliberal consensus. The insights gained from examining this novel case of 'vertical diffusion' can contribute to a broader understanding and theorisation of policy adoption processes in comparative contexts.

Contrary to the crucial role played by IOs like the WB and IADB in the dissemination of CCTs in LATAM (Borges, 2022; Tomazini, 2019), and the spread of the 'Chile Joven' model (Huber &

Stephens, 2012), the Mexican government thwarted their involvement (e.g. IADB) since the early transition phase of 2018, impeding them from participating as technical advisors. Instead, the government approached ECLAC, the seedbed organisation for developmentalist ideas during the heyday of ISI models in the region (Haggard, 2018). While ECLAC had long been criticised for its passivity on proposing alternative development models since the advent of neoliberalism (Grugel & Riggirozzi, 2018), its approach to the JCF marked a significant shift, by becoming its foremost regional policy entrepreneur, having included it as a core element of its regional development agenda for Central America (ECLAC, 2021a, 2021b). While ECLAC's involvement represents a unique pattern of international support, the primary drivers of the JCF's adoption remained rooted in the domestic political shift carried out by MORENA.

Moreover, this thesis advances the understanding in the field of comparative policy by highlighting the importance of considering the unique characteristics of political systems in LATAM, particularly the centrality of local factors in shaping policy outcomes. For example, the way the government achieved legal retention of its main social policies including JCF, demonstrates how domestic political dynamics, rather than external influences, were more determinant in driving the whole policy change process. The empirical evidence in this study underscores the need for more comparative policy analyses, especially focused on the left-right cleavage and their stances on social policy, in order to understand the distinctive political and institutional advancements in the region. Unlike the ideal models often depicted in 'global north' literature, which emphasise negotiations and the decisive use of evidence, the tradition of strong presidentialism in LATAM can restrict and exert determinant influence in any policy adoption process (Fenwick et al., 2017; Lehoucq et al., 2005). The JCF case showcases how the executive power, enhanced by constitutional prerogatives of control over the public administration apparatus, achieved a relatively smooth policy adoption process.

Beyond its domestic adoption, the JCF case also provides insights into Mexico's evolving role in regional policy dissemination (retention). Therefore, more than a recipient of policies, the evidence of this thesis shows that the Mexican government quickly became a disseminator of two of its most emblematic social policies, the JCF and the agricultural support programme 'Sembrando Vida'. It is interesting to understand the mechanisms of such policy transfer events. As Sum and Jessop (2015) have argued, social crises can result in expedited policy transfer processes, especially in

acute situations requiring urgent action. This seems to be the mechanism that played out with the fast-track approval of the adoption of the JCF by the Central American countries, whose NEET and crime rates were also high when the Mexican International Cooperation Directorate offered the policy solution. Similarly, policy diffusion literature in the region (Borges, 2018, 2022; Huber & Stephens, 2012; Weyland, 2009) has argued that the CCT model spread across LATAM countries through a process of ‘bounded rationality’, which is based on ‘heuristic’ shortcuts influenced by factors such as ideological orientations. In this context, the rapid but small scale adoption of the JCF in Central America and the Caribbean could also be attributed to a similar mechanism. While these mechanisms of policy transfer and diffusion offer insights into the spread of the JCF, other well-established theories of policy change can also offer insights on how rapid and fundamental shifts in policy orientation occur.

Building on the discussion of gradualist approaches, several theories of the policy process might offer alternative explanations. The ‘Punctuated Equilibrium Theory’ (PET) and the ‘Innovation and diffusion models’ (IDM), both highlight the crucial role of partisan politics and the local ‘policy-making environment’, including events and ideas influencing policy change (Heikkila & Cairney, 2018). However, these approaches tend to assume certain regularities that allow for gradual and incremental changes in local institutional contexts. For this reason, it can be argued that these theories are better suited for explaining variations in ‘cognitive’ and ‘programmatic ideas’ rather than analysing changes in contexts undergoing paradigm shifts, such as Mexico since 2018. In this period, broader ‘normative’ and ‘paradigmatic’ ideas, such as neoliberalism and CCTs, have been challenged alongside the adoption of the JCF. For instance, IDM would be suitable to explain global policy adoption processes, as in the case of the Germanic apprenticeship models adopted by Mexico and other countries in the region throughout the past decade. Conversely, it can be argued that the JCF entails a more fundamental shift that challenges these incremental models that often presuppose certain continuity in the underlying economic and institutional arrangements, which as has been shown, the Mexican government disrupted in a non-trivial way.

7.2.5 State-led policy adoption and private sector adaptation

This thesis contributes to debates on the role of public and private sector coordination in policy adoption processes by showing the explanatory limitations of traditional institutionalist and

advocacy coalition approaches in explaining a recent paradigmatic case. While it has been traditionally held that political systems tend to favour elites and insiders, this thesis shows that state action prevailed over the negotiations between private sector coalitions, which have been determinant in past cases. This thesis argues that Mexican private-sector elites played only a secondary role in the adoption of the JCF, highlighting how interest groups sometimes adopt facades when their core interests cannot be imposed in specific political junctures where they lack political leverage. Additionally, the thesis provides seminal evidence of a unique partnership between the government and SMEs and the informal sector, despite the latter's lack of formal representation. These findings challenge existing frameworks in the literature on public-private coordination and policy adoption processes, which often presuppose the necessity of high-level negotiations between industrial or labour representatives and the government (Busemeyer & Trampusch, 2012).

Some of the limitations of current frameworks can be exemplified by examining the Advocacy Coalition Framework (ACF). As mentioned in the literature review, the ACF is a recent analytical approach alongside several disciplines, useful for dealing with 'wicked' problems involving a diversity of goal-conflicts, technical disputes and actors (Sabatier & Weible, 2019). However, in the light of this study, ACF carries some limitations, especially since it presupposes a certain degree of pluralism in the policy-making process, as well as a degree of active mobilisation by the actors that integrate the coalitions (Sabatier & Weible, 2019; Schlager, 1995). Most authors employ the analytical categories of 'policy stakeholders', 'constituencies', or 'groups', often acknowledging how these influence or constitute local or international 'epistemic communities' (Haas, 1992). In the case of the JCF, as with more gradualist and institutional explanations, these approaches would be of limited relevance. The evidence reviewed indicates that government's leadership through STPS was predominant, with negotiations between private and social sector stakeholders playing only a secondary role as exemplified in the few working tables held prior to January 2019 and the ease with which the policy was eventually legally institutionalised.

Despite these limitations, the ACF approach has been applied to social policy analysis in LATAM, providing a useful point of comparison for the JCF case. Authors like Ascher (2023) and Tomazini (2019) applied the ACF approach to inquire on social policy in LATAM. They identified three key advocacy coalitions operating around CCTs and other social policies: the 'human capital', the

‘poverty alleviation’ and the ‘food security’. Most private sector members, academics and national experts clearly aligned with the ‘human capital advocacy coalition’, as evidenced by their insistence on maintaining learning standards in the policy design and their assumption that the JCF would adopt an upskilling focus, only to later regret and critique this aspect after its implementation. The evidence reviewed also showed how the recent ‘Mexican Model of Dual Training’ (MMDT), where the CCE had acted as the leading policy entrepreneur and enjoyed both political and economic returns (i.e. administering international cooperation grants), served as a yardstick for assessing the JCF design.

By discussing these applications of the ACF, it is possible to delve deeper into the nature and function of advocacy coalitions during policy debates in the selection phase. Identifying advocacy coalitions or groups of policy stakeholders becomes crucial to unveil what more-or-less discrete discursive and political positions exist in specific policy domains. Tomazini (2022) refined the notion that advocacy coalitions tend to constitute themselves around three types of ‘ambiguities’, which ultimately reflect arbitrary and ideological-political divides that guarantee continuous tension around whatever policy choices get adopted. These ambiguities can be ‘axiological’, ‘partisan’ and ‘electoral’. As shown in the JCF case, theoretical expectations often prove discordant, especially when values such as ‘poverty’ or ‘inclusion’ are wrapped in ideological layers that are sought to be modified through political means. While the ACF provides valuable insights, it is important to consider this approach within the broader research on public-private coordination in policy adoption from a political economy perspective.

Indeed, a prolific line of research in comparative politics and related fields has long questioned how power relations between the government and various stakeholders influence policy adoption across a wide range of areas including education, skill formation and social policies (Ashton et al., 2000; Beramendi et al., 2015b; Bogliaccini & Madariaga, 2022; Busemeyer & Schlicht-Schmälzle, 2014; Busemeyer & Trampusch, 2012; Schneider, 2013; Verger, 2012). While Schneider (2013) argues that political systems generally favour elites and insiders who tend to reinforce existing institutions and policies, the JCF programme in Mexico presents a compelling case that challenges this conventional wisdom. Following MORENA’s electoral triumph, previously marginalised popular masses effectively became the new ‘insiders’, reshaping policy priorities (selection). This dynamic is evident in the interactions and negotiations surrounding the JCF between the incoming

government and the organised private sector. While economic elites and technocrats, entrenched since the structural reforms of the 1980s, continued to reproduce global discourses centred on upskilling and focused on human capital, the new government implemented policies diverging from this established neoliberal archetype. The JCF case thus illustrates how democratic transitions can shift the composition and definition of political insiders, leading to the recognition of the interests of newly enfranchised groups. In consequence, this redefinition encountered resistance from traditional elites who disputed a universality policy rationale. This reluctance, one might assume, stemmed from a deep suspicion that a universal welfare system in a semi-peripheral country would eventually require extensive fiscal reforms or, alternatively, disrupting the prevailing productive regimes and arrangements.

Building on the JCF case study, this thesis also has provided evidence and conceptual refinement concerning the relevance of state and economic elite agreement on social policies that support or sustain the predominant development model. Specifically, it shows how the economic elites, represented by the organised private sector (CCE) that engaged in dialogue with the Mexican government about the JCF, were highly sceptical of the programme's design. One significant concern was that the programme seemed to favour SMEs and the informal sector rather than the large national industries, constituting less than 2% of all firms in the country. Ultimately, whether because of the 'subsidised labour' component or because the programme's design did not position the private sector as the primary partner, the JCF was sidelined in disputes and negotiations. Hence, this study offers seminal evidence and insights into the little-explored phenomenon of the relationship between the government and SMEs as primary beneficiaries and partners of a youth social policy adoption. This is notable because there has been, and continues to be, an absence of a unified representative structure for SMEs in the policy adoption process. Instead, the government appears to have undertaken this effort primarily to build 'political capital' by supporting a sector historically excluded from public institutional support.

Examining the JCF policy adoption further illuminates the unique dynamics of public-private coordination during major political shifts. Despite the government's unquestioned leadership in promoting the policy, the evidence showed how it also sought instrumental collaboration with key social and private sector actors. This collaboration primarily aimed at securing training positions in relevant firms for young participants. Moreover, the evidence on the lack of significant

opposition to the policy may also be interpreted as resulting from the fact that most firms in the country (98%) are SMEs which operate without organised representation. Therefore, the ‘subsidised labour’ element of the policy could have appealed to both small and large firms, as well as unemployed NEET individuals. This appeal may account for why the retention phase proceeded smoothly for both firms under the CCE and SMEs, leading to the formal launch of the policy as early as January 2019, just one month after AMLO assumed office. Since the subsidised labour element rendered both SMEs and large firms as ‘policy beneficiaries’, this could also weaken to some extent the political-electoral-clientelist hypothesis surrounding the programme.

Furthermore, this study has shown how the business elite and NGO ‘expert’ sector, after failing to influence the JCF’s design to align more closely with typical HCT upskilling policies, ultimately agreed to a nominal collaboration framed under the guise of corporate social responsibility. This finding is significant for future policy adoption studies, as it reveals the facades that interest groups may adopt when their main interests are thwarted. The reluctant support of the business elite’s leadership for the government’s flagship social policy, despite ongoing disputes in other areas, reflects a nuanced political rationality rooted in Mexico’s political economy. As previously argued, the country’s predominant outward and extractivist development strategy had historically required close public-private collaboration (Heredia, 1992), making it unlikely for elite business actors to openly contest the federal government’s policies. Therefore, the reluctant support for the JCF, driven more by political necessity than genuine conviction, reflects the complex dynamics of public-private coordination in policy-making processes, especially in contexts where established economic paradigms are being challenged by new political forces.

In conclusion, this research reveals a nuanced public-private coordination during the adoption of the JCF policy, which challenges traditional understandings of policy adoption processes. While the organised private sector’s initial attempts to influence policy design were foiled, their subsequent collaboration highlights the often unpredictable interplay between political and economic actors in policy adoption. This case extends beyond the limitations of the ACF, demonstrating how state-led initiatives can reshape the policy arena even in the face of entrenched interests. The JCF’s ‘subsidised labour’ element and its appeal to both large firms and SMEs suggest a need to reconsider how we conceptualise stakeholder interests in policy design. Moreover, this case illustrates how significant political transitions can alter the composition of

policy entrepreneurs, potentially leading to policy outcomes that reflect a different set of interests and priorities than those traditionally dominant. Future research could further explore how such shifts in political power dynamics affect public-private coordination in other policy domains and investigate the long-term implications of policies that bridge diverse stakeholder interests (e.g. SMEs and informal labour) like the JCF.

7.2.6 Institutional Path-Dependency Disruption in Social Policy

This thesis contributes to the literature on institutional path-dependencies in policy adoption by demonstrating how the JCF markedly departed from Mexico's traditionally bureaucratic social policies, exemplified by Pronasol. This departure represents a 'critical juncture' (Capoccia, 2016) in Mexican social policy, breaking from established norms and potentially setting a new institutional trajectory. The break can be attributed to two primary factors: the need for extreme budgetary austerity to finance the new social policy's redistributive objectives, and the imperative to eliminate embedded political intermediaries in favour of a new street-level operational scheme, represented by the 'Servants of the Nation'.

In the case of social policies and CCTs in LATAM, there seem to be three main factors that affect governments' choice of policy design: presidential ideology, path dependency and practical considerations (Borges, 2022). In the case of the JCF, we have already seen how the incoming government's ideology conditioned a break with the targeted CCTs in favour of a universalist-leaning policy, which, must be said, also implied a break with the highly bureaucratized institutional path dependency of the Mexican State that dates back to the days of Pronasol in the 1990s (De La O, 2015). Díaz-Cayeros and Magaloni (2009), in tune with the theories of the authoritarian-bureaucratic state, argued that any policy with high conditionalities required a robust bureaucratic apparatus and even the development of corporatist dynamics. Such were the institutional, budgetary, and territorial characteristics of the Mexican state when AMLO assumed office.

Building on this historical and theoretical context, evidence suggests that beyond shifting the social policy paradigm from a narrow human capital formation approach to a universalist vision of inclusion and social justice, the JCF also deliberately departed from the institutional path dependency of previous CCT policies. This critical juncture, although seemingly counterintuitive for a leftist government, saw the elimination of intermediaries and the implementation of direct

monetary transfers via bank card, justified as a more efficient resource distribution mechanism. This significant adjustment required extensive institutional reform, as evidenced by considerable bureaucratic reductions and reliance on informal management structures such as the ‘Servants of the Nation’ (González-Vázquez et al., 2023). While these changes suggest a diminishment in the formal institutional capacity of the Mexican state, a comprehensive assessment of whether these changes represent a fundamental departure from the traditional features of the LATAM ‘bureaucratic-authoritarian state’ lies beyond the scope of this study.

This research demonstrates a stark contrast between the JCF and other left-wing approaches to CCTs in LATAM, particularly when compared to Brazil. While the emblematic left-wing government of Lula in Brazil did not break with the path dependency of the neoliberal CCT paradigm but rather appropriated and customised it to achieve more universalist minimum income goals through Bolsa Família (Ban, 2013; Borges, 2022), AMLO’s government in Mexico took a more radical approach. This study reveals how the Mexican administration went much further, completely breaking with the path dependency established by Progresá and other targeted policies that relied heavily on a robust bureaucratic apparatus and prioritised interventions at the household rather than at the individual level.

The rationale behind the current administration’s massive bureaucratic apparatus reductions, including widespread employee dismissals and programme discontinuations (Moreno-Brid, 2019), can be understood in light of the argument that detailed targeting and rigorous conditionality enforcement are expensive and require substantial bureaucratic consolidation (Ancelovici & Jenson, 2013; Borges, 2022). These factors contributed to the government’s decision to modify the operational structure of newly adopted programmes. Consequently, the implementation of social policies, including the JCF, primarily fell on informal social facilitators. This shift represents what González-Vázquez et al. (2023) have recently termed ‘parabureaucracy’, a novel public-administrative phenomenon that merits further investigation and constitutes an attractive future research pathway. In conclusion, the JCF case exemplifies a critical juncture in Mexican social policy, demonstrating how ideological shifts can lead to significant departures from established institutional paths. This break with tradition, manifested through both programme design and implementation strategies, opens up new avenues for understanding the evolving nature of social policy in LATAM, especially when it is so overtly traversed by political-ideological determinants.

7.2.7 Reflecting Through a Critical Realist Lens

As explained in the methodological chapter, this study opted for critical realism (CR) as the main research philosophy underpinning most of its theoretical and conceptual choices. An advantage of CR is that it offers a deep understanding of the study's object (the JCF's policy adoption process) by recognising that policy change unfolds across multiple ontological layers (Archer et al., 2013; Bhaskar, 2008). For instance, instead of viewing the JCF's design and rationale solely as products of concrete political shifts and discursive reframings, CR acknowledges how entrenched development strategies, historical welfare regimes, evolving political ideological imaginaries, and other material and ideational factors interact in ways that are not always directly observable. CR thus guided the research focus beyond superficial events, considering the enabling and constraining powers of underlying structures and institutions that exist in the 'real' domain (e.g., neoliberal paradigm), even when their effects only become partially visible as 'actual' events (e.g., policy adoption process), and ultimately as 'empirical' outcomes (Yang, 2022), such as the resulting policy documents and the material enactment of the JCF. This approach also resonates with Robertson and Dale (2020) view that culture should not be reduced solely to discourse but recognised in its broader dimensions, including lived experiences, practices, and reflexive interpretations. Reflecting this perspective, the thesis moves beyond analysing policy discourses alone by incorporating interpretations from diverse stakeholders, enabling a more comprehensive understanding of the interplay between material and ideational factors in the adoption and enactment of the JCF.

By integrating CR with the Policy Cycle Model's (PCM) more procedural approach and Cultural Political Economy's (CPE) interpretive lens, the study was able to account for layered causal explanations. Following Yang (2022), CR helps resolve the 'paradox of embedded agency' by showing that policy stakeholders navigate a stratified social reality where structures and institutions are not monolithic determinants of actions and outcomes. Instead, they are mechanisms with potentialities that agents can activate, resist, or reshape. Furthermore, CR provides versatility in dissecting specific governmental decision-making processes (Melia, 2020). In the JCF case, factors such as political legitimacy, development paradigms, and broader ideological shifts were not merely surface-level occurrences but deeper, generative forces that shaped the strategies and leverage points available to both Morena's policymakers and policy opponents and critics.

Through a CR lens, the partial and ongoing nature of the JCF's paradigm shift becomes more understandable. Agents are embedded in complex relational networks, informed by multiple institutional logics, and engaged with evolving discourses. Although some elements of old policy logics (e.g., stern conditionality and targeting) persist alongside newer agendas, CR reveals that such coexistence is not a sign of analytical failure but a natural outcome of a stratified reality. Consequently, blending PCM's structured stages, CPE's focus on semiosis, and CR's emphasis on ontological depth together allowed us to appreciate that the JCF's adoption phase and its subsequent refinements were not definitive events occurring in a single moment in time. Instead, they were instances of convergence between deep mechanisms, interactions, and meanings becoming partially actualised in practice, illustrating the rich explanatory potential of a critical realist approach.

7.3 Gradual Change of Policy Meanings

Methodologically, this thesis contributes a case study employing CPE, where the retention phase did not manifest as a discrete process. Instead, it emerged as an open and ongoing process spanning several years of intense policy design adjustments. This finding invites further reflection and theorisation on the post-retention phase and its implications for studying policy adoption processes. Specifically, this section argues that the JCF case illustrates how policy adoption and change can occur through a gradual, continuous process rather than distinct phases. By examining the evolution of the JCF's policy meanings and implementation strategies, we reveal that policy change often involves a complex interplay of contradictory discourses, strategic framing, and adaptive responses to practical constraints. This perspective challenges conventional understandings of policy retention and invites a reconsideration of how we conceptualise and study policy change, particularly in the context of 'post-neoliberal' social policies in LATAM.

There is a robust and current tradition of literature regarding policy change and the mediating role of various ideational, institutional, and material factors (Béland, 2009; Bonoli, 2000; Cerna, 2013; Hacker, 2004; Schmidt, 2011; Streeck & Thelen, 2005). It follows that policy adoption processes often result in changes in policy environments. For example, as referred previously, Ban (2013) highlighted how the CCTs were 'edited' domestically by the Lula administration to reformulate their goals and components in discursive and material accord with the social and development strategy put in place in Brazil. However, the JCF adoption was far from discrete since multiple

non-trivial policy changes persisted from 2019 to December 2022, when the current operation rules were published. Therefore, although this phenomenon extends beyond the traditional phases of policy adoption, it is worthwhile to analyse it, as the gradual change in policy meanings can itself constitute a significant aspect of inquiry.

Based on the empirical evidence of this study, a pronounced coexistence of frequently contradictory policy meanings was found around the policy's core team, especially regarding the apparent multiple policy objectives that included upskilling, HCT investment, crime prevention, and first job opportunities. Despite the initial aspiration of the JCF of contributing to the 'employability' of beneficiaries, mainly through the procuring of soft and hard skills and the overcoming of young people's 'lack of work experience', the evidence showed how, as time went by, the programme ended up breaking up with the ideological HCT assumptions that relied on a supply-side rationale, instead focusing on the value of 'productive inclusion'.

As per the famous Gramscian notion of 'the old is dying, and the new cannot be born' (Gramsci, 2011), the JCF case illustrates that no paradigmatic shift is ever complete since material and ideational remnants endure embedded within the new dominant configuring discourse (Fraser, 2019). The JCF would not be a singular case in such regard. As Gezmiş (2018) argued, central elements of economic liberalism and the global capitalist order remained rooted within the leftist political regimes of Kirchner and Lula, primarily due to global geopolitical constraints on the practical state capacities, which ended up constraining what those 'post-neoliberal' projects were able to accomplish. Among the many questions that arise is how such restrictions can condition the development, lifespan, and chances of success of 'counter-hegemonic' policies like the JCF.

This investigation has shown that during the first year (2019), the government employed several 'hegemonic' discourses to frame and justify the JCF as a valid programmatic alternative, such as the use of a 'skills jargon' (initial emphasis on soft and hard skills) and HCT assumptions (lack of experience as a determinant of youth unemployment), as well as initial confidence in the crime prevention potentialities of the programme. Subsequently, there was a rapid 'editing' and policy change process that led the government to ultimately decide on the central 'productive inclusion' and 'social justice' imperatives through cash transfers conditioned on work-based training in firms of all sizes and legal status throughout the country. The accelerated and recurrent policy editing arguably represented a relatively uncommon process of policy change, posing diverse theoretical

and methodological openings that exceed the focus of this work. While it is unclear whether the changes during the implementation phase were deliberate or organic, the earliest evidence from 2017 suggests a profound conviction on the fact that issues in the Mexican labour market, rather than a lack of skills supply, were the primary root cause for the problems affecting young people and the general population. Therefore, the likely hypothesis is that the terms from the HCT jargon filtered into early policy documents represented a strategic approach to policy framing by the STPS.

First, it highlights the need for policy change studies to consider contradictory discourses within policy core teams. Secondly, this case study raises the question of whether social policy can pursue multiple seemingly unrelated goals, particularly when approached from an unorthodox perspective that challenges the assumption that complex social issues (e.g., the NEET phenomenon) must be addressed through narrow intervention designs (e.g., first job, employability). Such a provocation further enriches debates in policy studies, particularly those that challenge narrow perspectives rooted in an ‘intervention fundamentalism’, as has been argued.

7.4 Chapter Summary

This chapter discusses the main contributions of this thesis to six academic debates related to the JCF case. Firstly, this thesis provides empirical evidence demonstrating how national development paradigms play a crucial role in shaping welfare regimes and social policy approaches. The case of the JCF illustrates how a policy proposed by a left-wing government represents a shift away from neoliberal social policies that emphasised cheap labour and led to ‘dependent downgrading’, reflected in conditional social policies. Consequently, it shows the relationship between the Mexican government’s promotion of an inward-oriented development model and the adoption of universal social policies. Since states play a proactive role in shaping training systems to align with their dominant economic growth models (Sancak, 2023), the JCF reflects the Mexican government’s strategic response to an economy with 98% SMEs and a longstanding export-oriented, low-skills paradigm. Consequently, the policy prioritises both formal and informal SMEs as crucial actors, acknowledging their central role in the labour market.

Secondly, this thesis contributes conceptually to the normative and positive debates on universal versus targeted social policies by demonstrating that in Mexico, as in other LATAM countries, neoliberal social policies primarily consisted of small-scale, highly targeted interventions subject

to means testing, rooted in human capital theory and the individualisation of inequalities. In contrast, the JCF represents an attempt at universalisation based on principles of ‘productive inclusion’. Alongside Brazil’s Bolsa Familia, the JCF stands out as a prominent example of universal and heterodox social policy with relaxed conditionality in LATAM, reflecting the broader pattern of neo-developmental left-wing governments in the region pursuing similar initiatives.

Thirdly, from a theoretical perspective, this thesis contributes to the literature on welfare regimes by demonstrating that partisan politics are crucial in determining the types of policies adopted. Since the 21st century, LATAM leftist parties have favoured broad-based and universal designs over the highly targeted and limited approaches historically promoted by neoliberal governments and their alignment with IOs. In this context, the Mexican case supports and expands these assumptions. Additionally, from the perspective of partisanship and coalition-building, I argued that the JCF served both to implement a paradigm shift in social policy and, hypothetically, to attract the neglected young voter population to a nascent political coalition.

Fourthly, this thesis provides empirical evidence on the significance of both material and ideational factors and their convergence in explaining policy adoption processes. Material factors such as the precarious labour market, the truncated welfare system, and the seven million NEETs were crucial but insufficient on their own to compel any given government to enact such a policy as the JCF. Equally important was the ideational-ideological perspective of the incoming government in justifying the specific design and rationale of the JCF. For example, I contended that the government’s interpretation of youth issues as a direct consequence of the neoliberal economic model that prevailed from 1982 to 2018 was particularly ideational. The thesis also shows that domestic political factors (e.g., strong presidentialism) largely account for the configurations of national social policies. However, it also proved that ECLAC’s support was meaningful, considering its historical role in developmental projects in LATAM. Additionally, a theoretical contribution is made to the literature on policy transfer by examining the ‘horizontal diffusion’ model, wherein the Mexican government and ECLAC collaborated to transfer the JCF policy to several Central American countries and cities in the USA. This contrasts with the ‘vertical diffusion’ processes that characterised the transfer of CCTs in LATAM, facilitated by IOs.

Fifthly, this thesis provides empirical evidence to the literature studying the power relations and negotiations between the government, business elites, collective actors, and other groups influencing policy adoption across various domains. Specifically, this case study shows that Mexican economic elites, entrenched in their positions since the structural reforms of the 1980s, upheld a discourse centred on skills improvement and human capital formation and were resistant to the universal design of the JCF, which seemed to favour SMEs and the informal sector over large national industries. Despite this, the private sector eventually supported the policy, framing it as part of a corporate social responsibility discourse. An additional theoretical hypothesis from this study is that the lack of more significant opposition to the JCF could be attributed to the appeal of its 'subsidised labour' component to both SMEs and large firms, facilitating smooth implementation.

In sixth place, this thesis provides evidence of how a political paradigm shift can result in a deliberate break with the institutional dependency on social policies dating back to the 1990s. Unlike Brazil's Lula, who expanded CCTs into broad-based programmes, AMLO's government ultimately shifted away from a reliance on targeted policies, reducing the bureaucratic apparatus and using social facilitators known as 'Servants of the Nation'.

Finally, this thesis contributes methodologically by presenting a case study employing Cultural Political Economy where the retention phase did not manifest as a discrete process but as a continuous series of significant policy design adjustments spanning several years. This finding encourages further reflection on the post-retention phase and its implications for studying policy adoption processes. The adoption of the JCF demonstrates non-trivial changes throughout the first implementation years regarding policy objectives and meanings, including the tension between improving 'employability' through skills enhancement and focusing on fostering 'productive inclusion' and 'social justice'. Therefore, this research reveals the incomplete nature of paradigm shifts, as elements of previous hegemonic macro-visions inevitably linger within new burgeoning dominant discourses.

CHAPTER 8 – CONCLUSIONS

8.1 Introduction

This chapter summarises the main findings and contributions of this thesis to various academic literatures. The study examines the material and ideational factors influencing the adoption of the ‘Jóvenes Construyendo el Futuro’ (JCF) youth policy, providing significant evidence and insights into the crucial phases of policy variation, selection, and retention. Specifically, the contributions engage with global and LATAM debates on the political and economic determinants of welfare and social policy regimes, while focusing on the local political-electoral context in Mexico, particularly since the 2018 elections. This thesis elucidates how the interplay of political, economic, and ideological factors may lead to the emergence of novel social policy interventions with unique designs and rationales. It addresses several research gaps within the broader social policy field by exploring the JCF programme in the context of Mexico’s first leftist government electoral victory, marking a notable political shift since the country’s transition to democracy in 2000. More than merely questioning existing knowledge, this study contributes to several research gaps on policy adoption processes taking place amidst profound political-ideological shifts. The findings demonstrate that a combination of material and ideational factors, particularly a stern anti-neoliberal discourse and significant political-electoral legitimacy, mediated the policy adoption process throughout.

This study has employed a novel approach to the study of youth policies, by examining the main material and ideational drivers from a political economy perspective through the combined lenses of Cultural Political Economy (CPE) (Jessop, 2010) and the ‘policy cycle model’ (PCM) (Jann & Wegrich, 2007). The research has drawn on thematic analysis of key policy documents and first-level interviews with key stakeholders from the public, private and social sectors. By sustaining the argument that youth policies should be analysed as part of the ‘social policy mix’ (Haggard & Kaufman, 2009), situating them within the broader framework of national welfare regimes, this study has warranted the need to engage with a range of academic debates and perspectives, offering it as a distinctly multidisciplinary qualitative case study. A political economy approach has been instrumental in analysing how dominant development models, such as Import Substitution Industrialisation (ISI) and Structural Adjustment Programmes (SAP), co-determined the

rationales, designs, and scope of social and youth policies in middle-income countries (MICs) like Mexico.

Building on these approaches, this study aligns with the body of literature that has examined the evolution of social policy following the rise of leftist governments in the region, which have attempted discursive and programmatic departures from the hegemonic ‘neoliberal’ and ‘technocratic’ paradigms (Ascher, 2022; Borges, 2018, 2022; Sugiyama, 2008). In this sense, Mexico is of particular interest as it has only recently joined the leftist wave and is currently undertaking, through the JCF and similar programmes, new institutional and policy pathways in LATAM. The adoption of the JCF policy suggests that the ability to move beyond neoliberal policy paradigms is primarily, if not entirely, rooted in a fundamental counter-hegemonic discursive and ideological underpinnings.

Building upon the broad summary outlined above, the defining elements of this study can be summarised in the following key three features:

- I. Provides a novel analysis of a youth policy adoption process in Mexico by combining a cultural political economy (CPE) with the policy cycle model (PCM) frameworks to inquire into political struggles to adopt redistributive policies outside the context of ‘central’ or ‘global north’ countries, with a specific focus in LATAM.
- II. By conceiving welfare regimes and social policies as dependent on the development paradigms or national market strategies in place, this study argues that a broad-based social policy aiming at social and ‘productive inclusion’ like the JCF, should be interpreted as the ‘programmatic’ translation of a broader ‘post-neoliberal’ paradigm break attempt with ‘neo-developmental’ undertones that supports it both materially and ideologically.
- III. Presents evidence of the concrete discourses, rationales and political struggles between policy stakeholders from the public, private and social sectors during a policy adoption process within a broader context of political-electoral transition.

The general hypothesis (Ch.1) regarding the influence of political ideology on the adoption of the JCF programme was confirmed. More significantly, however, the research elucidated the various material and ideational factors that mediated the JCF adoption process. The remainder of this

introductory section summarises the main findings of this thesis, organised according to the mechanisms of CPE and PCM.

Variation / Problematisation and Agenda Setting

The sweeping rise of Mexico's first leftist government in 2018 occurred against a backdrop of escalating drug-related violence, which had intensified since the 'War on Drugs' initiated by the rightist President Calderón in 2006 and the erosion of neoliberal orthodoxy, underscored by the financial crisis of 2008. These circumstances, coupled with an average young national demographic (29yo), contributed to the disproportionate representation of young Mexicans in both crime and unemployment rates. Under these conditions, the incoming leftist government reinterpreted and framed the challenging living conditions, high crime rates, and bleak prospects faced by Mexican youth, as a consequence of the prevailing neoliberal development model since the early 1980s. Moreover, the government argued that neoliberalism had exacerbated regional disparities, resulting in more prosperous northern states, supported by the 'maquila' light-industry model, and marginalised and neglected southern states.

The control over material resources and processes, derived from the substantial legitimacy conferred by the government's decisive victory, enabled the administration to translate its anti-neoliberal ideological stance into various cross-sectional policies. These included major shifts in economic and social policies, increases in the minimum wage, and the construction of strategic 'mega-projects' such as airports, refineries, and passenger and cargo trains. Alongside these developments, there was a comprehensive reengineering of public spending and budget allocation. This reorganisation aimed to rationalise the state apparatus and reallocate public savings towards social welfare measures, resulting in unprecedented universal, non-conditional and non-contributory social policy designs. Since the government interpreted the precarious situation of young people as resulting from a systemic lack of opportunities, the JCF needed to supersede the rationales of previous social policies, which largely focused on upskilling and educational discourses and often involved stringent targeting and conditionalities.

Selection / Policy Formulation

The departure from neoliberal social policy diagnoses and rationales led to a novel programmatic translation, with the JCF prominently focusing on ‘productive inclusion.’ This approach aimed to integrate marginalised youth into national economic activities, grounded in social justice and equitable growth (STPS, 2018b). To achieve this, the programme adopted lenient conditionality, allowing participation from all types of firms, including arts and crafts and independent professionals. It also featured a broad-based design targeting all NEET young people aged 18 to 29, linking them to a work-based training scheme that provided social insurance and an income transfer equivalent to a minimum wage for twelve months. Such a policy design is reminiscent of what Cotta (2009) termed a ‘minimum income with conditionalities’ in the case of Bolsa Familia under Lula in Brazil. The JCF, however, stands out as a unique intervention in the region, where policies including components of job assistance or workplace training are rare, constituting less than 5% of all the youth policies in the region (Escudero et al., 2019). Moreover, no other regional policy has matched the scale or number of beneficiaries of the JCF, which targeted over 2.3 million individuals.

Retention / Decision-Making

The high levels of political legitimation, institutional and budgetary leverage, and popular support enabled MORENA's leftist government, led by Andrés Manuel López Obrador (AMLO), to navigate the three critical policy adoption phases: agenda-setting (variation), policy formulation (selection), and policy institutionalisation (retention), achieved by January 2019. Although initial doubts from business and political elites posed challenges, the government's strategic inclusion of the ‘subsidised labour’ component and the opportunity for the business sector, despite its diminished influence, to publicly align with a key government initiative were instrumental in alleviating these suspicions and opposition. The productive inclusion and subsidised labour components were instrumental in incorporating neglected sectors, such as SMEs, the informal labour market, and young NEETs, as key beneficiaries of the policy. This innovative broad-based design garnered international support from regional organisations like ECLAC, amplifying the policy's impact across the region and facilitating its swift institutionalisation, including small-scale policy transfer initiatives.

Before moving on to the key arguments and implications in Section 8.2, it is worth reiterating the theoretical significance of the ‘productive inclusion’ concept. Throughout the thesis, ‘productive inclusion’ has served as a conceptual anchor for explaining how the JCF and other social policies adopted by the leftist MORENA party in Mexico are currently undergoing a shift beyond narrow, skill-based interventions to address deeper structural inequalities for certain vulnerable groups such as NEETs and the elderly. By highlighting this concept, the study moves beyond simply providing an empirical account, offering a conceptual perspective with the potential to inform policy discussions well beyond the Mexican case. In this way, it positions expansive and highly progressive youth policies as tools for broader socio-economic transformation rather than mere human capital enhancements. As the following sections will show, this conceptual contribution complements the empirical insights and advances ongoing debates in the fields of social policy and development, particularly in LATAM contexts, where structural challenges to youth living conditions and prospects persist.

8.2 Key Arguments and Implications

The previous findings contribute to the existing literature by presenting a novel case study from a LATAM government. Mexico’s youth policy challenges neoliberal public policy orthodoxy at multiple levels. Specifically, it contests several core assumptions embedded in social policy, particularly the individualised conditionality and upskilling rationales that underpin most ALMPs and CCTs. These elements, largely unexamined within policy studies, have hindered discussions about the factors sustaining ‘truncated welfare states’ (Holland, 2018) and overlooked the structural reasons behind the ‘precocious Keynesianism’ that has characterised Mexico and other LATAM countries (Waldner, 1999). More importantly, this case study underscores the critical importance of placing political-ideological factors at the centre of social policy analysis, in the hope of transcending the conventional technocratic-positivist tone prevalent in many policy studies, which often succumbs to what has been termed ‘intervention fundamentalism’.

Moreover, this case study enriches the literature on social policy adoption by providing seminal evidence of a national attempt of superseding dominant policy paradigms primarily based on HCT assumptions, in what can be termed a ‘post-neoliberal’ reinterpretation of social policy. This contribution is particularly significant given that most youth-oriented upskilling and training

policies, whether implemented through education systems or broader welfare institutions, have been characterised by traits of ‘supply-side fundamentalism,’ often subtly embedded or explicitly presented (Capsada-Munsech & Valiente, 2020). A key aspect of this debate is that policies grounded in HCT assumptions have perpetuated the discourse that the labour and educational challenges faced by young people stem primarily from individual deficiencies in education or training. This ideological construct has been described by several authors as the ‘educationalisation of social problems’ (Depaepe & Smeyers, 2008; Tröhler, 2016).

Furthermore, this thesis argues that the ongoing leftist political project with ‘neo-developmental’ undertones (Ban, 2013; Gezmiş, 2018) largely explains the adoption of a programme like JCF. This explanation, though it should be approached with caution due to ongoing political changes, suggests that the findings may be analytically applicable to other LATAM countries. This potential extrapolation is rooted in shared economic and historical trajectories, characterised by unsuccessful import-substitution-industrialisation attempts and subsequent neoliberal adjustments (Baer, 1972; Hirschman, 1968) These factors have arguably contributed to the persistence of ‘primarised’ national development strategies, low value-added economic activities (Katz, 2022), and the dominance of local ‘rentier elites’ across the region (Bogliaccini & Madariaga, 2020). In essence, the adoption of broad-based policies like the JCF, alongside state-led development strategies, is not coincidental. Rather, it reflects a response to the frustrated industrialisation projects that resulted in truncated welfare regimes. This approach echoes the original ‘developmentalism’ that preceded the SAPs of the 1980s.

Finally, this study offers critical insights into policy change amid political and ideological tensions, highlighting how departures from neoliberal orthodoxy provoke material and ideational opposition. These conflicts often involve political and social actors as well as local and international elites, including private and social sector stakeholders. The findings are particularly valuable for understanding policy adoption processes and offer lessons applicable to other countries in the region undergoing or anticipating leftist political shifts. The following subsections provide a detailed exploration of five key thesis arguments, examining their theoretical, practical, and methodological implications, as well as potential research pathways to deepen the understanding of youth policies in Mexico and LATAM. While the arguments primarily contribute to theoretical debates, they also offer practical insights. Following this discussion, the chapter

addresses the anticipated impacts of this research on youth training policies in Mexico. Finally, it concludes by outlining the study's limitations, paving the way for further scholarly inquiry in this critical field.

I. Relevance of the study of youth policies from a political economy approach

The first key argument of this study lies in its novel methodological approach, which integrates the frameworks of Cultural Political Economy (CPE) and the Policy Cycle Model (PCM). This integration combines critical perspectives, focused on the political and structural factors shaping policy adoption, with the conventional study of youth policies. This is particularly significant as traditional studies often neglect adoption processes, especially given that most youth interventions were developed during the period of neoliberal stability (1980s-2008). By adopting this analytical path, the study offers a distinctive examination of the policy adoption phase, addressing an empirical gap in the politics of reform surrounding Mexico's most ambitious youth policy.

Traditionally, studies on youth policies have predominantly focused on assessing the implementation and impacts of such policies on individual characteristics and life trajectories, such as employability and socio-emotional skills. Accordingly, most studies have primarily adopted an 'economicist' and quantitative approach that tends to overemphasise the focus of inquiry on the provision of human capital and skills, therefore remaining heavily reliant on HCT and supply-side assumptions (Acevedo et al., 2020; Attanasio et al., 2017; Attanasio et al., 2011; Betcherman et al., 2007; González-Velosa et al., 2012). Conversely, the approach taken here narrows the focus to the frequently overlooked policy adoption phase, thereby providing valuable insights that enhance the existing body of research on youth policies. It achieves this by illustrating how an incoming government formulated, framed, negotiated with stakeholders, and implemented a policy that challenged the region's social policy orthodoxy and the conventional approaches to youth policy.

A lot of the academic work reviewed in this thesis shares the commonality of criticising how the HCT assumptions have dominated the educational, labour and youth policy rationales, but most of the time without firmly holding on to a specific development counter-theory. As this thesis argues, HCT and gradualist development frameworks, such as modernisation theory, form the foundation of most theories of change underpinning orthodox social and youth policy interventions. Therefore, this study offers empirical evidence and theoretical developments to contribute to

escaping from such impasse by revitalising concrete political economy approaches that include updated discussions on the significance of Dependency Theory (Katz, 2022) and World-System analysis (Wallerstein, 1996) and their relevance to scholarly debates concerning welfare regimes. In short, this study highlights the importance of examining the connection between the adoption of universal social policies and state-led economic development strategies, emphasising their potential as a pathway to ensuring long-term welfare sustainability and fostering progressiveness, particularly in the global south.

This study establishes a foundation for future research on youth policies by presenting a qualitative case study that employs an innovative application of CPE and the PCM through diverse qualitative research methods. It challenges the conventional boundaries of youth policy research, which has often been constrained by a neoliberal framework that, while disrupted by the 2008 GFC, has undergone further transformation with the rise of leftist parties to power. Traditional approaches tend to focus disproportionately on measuring the effects of youth policies on employability and upskilling. In contrast, this study advocates for a broader political-economic analysis that emphasises structural labour market conditions, productivity, and the diversity of jobs available to young people (demand-side factors). By situating youth policies within the wider debates on the political economy of welfare regimes, this research contributes to a more comprehensive understanding of their role and impact (Draibe & Riesco, 2007; Esping-Andersen, 1990; Holland, 2018; Holland & Schneider, 2017; Laruffa & Hearne, 2023; Segura-Ubiergo, 2007).

II. Centrality of political leverage and legitimation to enact change in welfare regimes and social policy

The second key argument takes a more theoretical approach. As highlighted in the introduction chapter, extending theoretical discussions on the political determinants of welfare regime, traditionally focused on ‘global north’ countries, to the LATAM context constitutes a necessary undertaking that expands the scope of extant inquiries (Draibe & Riesco, 2007; Grugel & Riggirozzi, 2018; Holland & Schneider, 2017; Segura-Ubiergo, 2007). This is especially pertinent given the substantial theoretical gaps in this area (Holland, 2018; Waldner, 1999). In this vein, this thesis has insisted that social policy devising, along with its underlying rationales and components, is shaped by the power dynamics between the state, organised labour (typically unions), and capital (Esping-Andersen, 1990; Sancak & Özel, 2018). The JCF case has shown that in contexts of weak

labour markets, high informality, and a significant lack of trade unions, the state and political legitimacy become even more relevant factors in explaining the emergence of broad-based social policies.

The preceding arguments underscore the importance of recognising that, in many middle-income or ‘peripheral’ countries, shifts in social policy implementation away from neoliberal orthodoxy often prioritise political-normative values such as inclusion and social justice. These values must be supported discursively and enacted politically in material terms, including through the securing of electoral support. In the case of the JCF, the evidence indicates that the pursuit of inclusion and social justice has allowed for overcoming the traditional components of upskilling, narrow targeting, and stern conditionalities that characterised neoliberal social policy. Moreover, this shift also challenges the assumption that there should be purely technical solutions to inherently political problems (Silva, 2015). The resulting approach does not imply a complete abandonment for technical expertise but rather suggests a recalibration of priorities is required in specific socio-political contexts. The adoption of the JCF represents an unprecedented political effort to reshape social welfare systems within an emerging post-neoliberal regional context. A key theoretical implication of this study is that future research on LATAM social policy should emphasise political leverage and legitimacy as central drivers of substantial reforms. Additionally, the evidence suggests that the informal sector and SMEs, for the first time on such a large scale in Mexico and possibly across LATAM, have emerged, albeit indirectly and intangibly, as significant actors in policy adoption processes. These actors remain underexplored within advocacy coalition frameworks, offering promising avenues for further inquiry.

III. Connection between ‘leftist’ political power and the customisation of social policy towards universalist goals

This thesis advances both theoretical and practical arguments through a LATAM case study, contributing to conceptual discussions on the political determinants of welfare regimes. It does so particularly by validating several key concepts of the influential ‘Power Resource Theory’. According to PRT, the expansion of social policies is influenced by the relative strength of the political left (Borges, 2018; Fudge, 2017; Huber & Stephens, 2012; O’Connor & Olsen, 1998). Political lefts are increasingly tailoring their social policies to achieve social inclusion through universal or broad-based designs. As a significant body of literature has shown, Brazil customised

and tailored various social policies, including CCTs, towards a more universal and broad-based approach (Ban, 2013; Borges, 2018, 2022; Sugiyama & Hunter, 2013). Hence ideology appears as the primary explanatory factor in this quest, which is often underpinned by stern anti-neoliberal criticisms highlighting the inadequacies of human capital and market-oriented philosophies.

This study contributes to the existing academic literature by providing novel first-hand evidence on the adoption of a broad-based youth policy implemented by a leftist government. It demonstrates how the policy's objectives, support components, and participant selection strategies marked significant departures from the highly targeted social policies of previous administrations, including CCTs. Consequently, the arguments presented in the thesis constitute grounds that will allow future research to discuss, elucidate and validate the strategies, discourses, policy designs and political arrangements that leftist governments have employed to promote universal social policy. The CPE approach proved instrumental in identifying both material and ideational factors, highlighting the role of political ideology and legitimacy in shaping the adoption of these social policies.

IV. Theoretical discussion on the national development model required to support welfare shifts and broader social policy designs

The fourth central argument of the thesis is also theoretical. It discusses and expands on the profound and unavoidable connection between the development model or national market strategies, and the welfare regimes and social policies that they can sustain both politically and materially (e.g. financial, fiscal, electoral). While acknowledging the logical and theoretical links to political and ideological factors outlined in the previous arguments, this argument emphasises a distinct perspective. It focuses on how each country's economic development paradigm constrains, delimits, and co-determines the feasibility of social policies, independent of political and ideological superstructures.

Throughout this thesis, the argument has been made that without policies promoting economic diversification and better alignment between job demand and skill supply, traditional CCTs and work-based training programmes based on HCT assumptions fall short of addressing structural inequalities and widespread poverty in Mexico and LATAM (Borges, 2022; Brown et al., 2020). The JCF stands out as a notable case because it is designed as a work-based training programme that prioritises social inclusion. It implicitly acknowledges that addressing structural limitations

requires more than upskilling; it demands a fundamental shift in the development model. Therefore, JCF can be understood as a programme that stimulates labour demand primarily for inclusion rather than for upskilling purposes. The Mexican government seemed to have acknowledged that the latter goal should be driven by state-led economic growth and not solely by improving the skills of young NEETs. The JCF's ambitious social inclusion goals, 'in the meantime of future economic growth' (STPS, 2019b) indicate an alignment with demand-side interventions and even with the European ALMPs inserted within the social investment paradigm (Morel & Palier, 2011).

These arguments draw support from broader economic history, particularly the experiences of LATAM's import substitution industrialisation (ISI) model. Despite its frustrated attempts, the ISI approach has not been entirely abandoned, as evidenced by the current PND. Instead, it appears to have been reinvigorated by the successes of the East Asian model, exemplified by China, South Korea, and Taiwan. In these cases, evidence suggests that advancements in welfare and social policy were initially subordinated to the goals of rapid economic growth (Aspalter, 2006). This argument is crucial as it underpins the theoretical, discursive, and political efforts of the LATAM left to revitalise statist-heterodox or neo-developmental models, alongside attempts to strengthen its truncated welfare regimes (Ban, 2013; Bresser-Pereira, 2017; Draibe & Riesco, 2007; Gezmiş, 2018; Katz, 2015, 2017; Lebdioui, 2020). In the Mexican case, this quest is exemplified by the construction of mega infrastructure projects that coexist with the simultaneous change in social policy represented by the adoption of programmes like the JCF.

An inductive hypothesis that would arise from these arguments is that the shift towards universalist social policy promoted by the political left in LATAM, is currently based on an updated version of pre-neoliberal development models that sought to consolidate universal welfare regimes until such goal was politically and economically truncated during the early 1980s. The thesis has shown and discussed the robust connection between policies with work-based training designs and inward-oriented or statist development models. The Works Progress Administration (WPA) in the USA during the 'New Deal' serves as an example of a broad-based social policy aimed at stimulating economic demand and deliberately referenced in key JCF policy documents (López Obrador, 2019). This study therefore contributes to the emerging debate, already discussed in Europe (Morel et al., 2011) and LATAM (Draibe & Riesco, 2007), about the new economic

models capable of supporting new social policy paradigms. These include ‘rights-based’ (Cornwall & Nyamu-Musembi, 2004; Gauri & Gloppen, 2012), ‘social investment’ (Gingrich & Ansell, 2015; Lundvall & Lorenz, 2011; Morel & Palier, 2011), and universal basic income goals (Borges, 2022; Van Parijs, 2013).

The overall implication of these arguments is that they can help advance the understanding of state-led development models as essential foundations for supporting broad-based social policies. The argued simultaneous shift in social policy orientations with a non-trivial change in the national development model carried out by the Mexican government can be highly indicative of a broader development break currently underway. Consequently, the JCF case may have numerous lessons to offer in terms of the required macroeconomic adjustments needed to support a universalist or broad-based national youth policy.

V. Negotiations and power dynamics between policy stakeholders and competing advocacy coalitions in varying political junctures

The fifth final central argument of this study is empirical. It is based on evidence about the central tensions between diverse stakeholders of the adopted policy, including politicians, public officials, national experts from youth-focused NGOs, and IOs such as the IADB, ECLAC, and UNESCO. The JCF case study showed that during the policy formulation (selection) phase, various groups of policy stakeholders employed multiple means and strategies to tailor and customise the policy. Their aim was to ensure alignment between the policy and the specific interests and objectives from each group. The thesis employs and validates the usefulness and theoretical value of the ‘advocacy coalition framework’ (ACF). The literature has identified central coalitions advocating for ‘human capital’, ‘universal basic income’, or ‘food security’ (Ascher, 2022; Tomazini, 2019, 2022). This research revealed that two predominant advocacy coalitions emerged during the JCF adoption process: the human capital coalition, represented by the private sector and national NGO experts, and the broad-based social inclusion coalition, represented by the STPS and the Mexican government. While the former sought to influence the JCF design to resemble conventional apprenticeship programmes like the ‘Germanic Dual Model’, the latter, which ultimately prevailed, advocated for a disruptive design of broad-based social policy with lax conditionality.

The ACF proved to be particularly useful for exploring the often-overlooked endogenous factors that influence policy adoption, even within the broader context of international comparative

politics. By focusing on these internal factors, the ACF offers valuable insights into the motivations and rationales of actors involved in institutional or policy changes (Tomazini, 2019). In the case of the JCF, this study suggests that endogenous factors may play a more significant role in shaping policies during the post-neoliberal period, particularly when aligned with broader political contexts, such as leftist governments actively promoting a transformative social policy agenda. This contrasts with earlier periods when exogenous factors, like World Bank support for CCTs, were dominant.

The study also shed light on the primary criticisms and oppositions against the broad-based and lax conditionality elements of the policy, by the hegemonic business elite and the technocratic intelligentsia (national experts and NGOs). Their main arguments included that the JCF implied a waste of resources, a reward for laziness, and a lack of individual effort, ultimately reflecting both a deeply entrenched technocratic and individualist perspective. The study also highlighted a consistent argument from JCF opponents regarding the type and quality of training provided to beneficiaries. This was often presented as the ultimate test of the programme's adequacy or as evidence of its potential failure, reflecting an 'intervention fundamentalism' stance. This thesis uses the term to describe the overestimation of the impact that public policies can have on problems rooted in deep structural causes. Despite resistance from conservative forces, JCF advocates framed the initiative as grounded in 'rights-based' and social justice approaches, emphasising the state's obligation to ensure a baseline of well-being and rights for all. This framing, I argue, was explicitly tied to broader shifts in national development plans focused on economic growth and development.

Given that the organised private sector represented by the CCE, which includes the nearly 500 most important firms in the country, committed on supporting the JCF, the evidence provided in this study can be valuable for the study of the struggles between multisectoral actors around the adoption of progressive and universal social policies. Employer participation in progressive social policies is emerging as a new area of research, particularly in countries where specialised economic activities do not require the same level of close collaboration seen in other nations, such as the Germanic countries (Busemeyer & Schlicht-Schmälzle, 2014; Busemeyer & Trampusch, 2012). In this way, this study presents several relevant perspectives for regional policymakers and left-wing political coalitions across LATAM or other MICs. For example, it was shown how business

and technocratic elites, traditionally favouring policies aligned with the designs and rationales of global youth policy orthodoxy (e.g., HCT, upskilling), can be persuaded by the sufficient political-electoral legitimacy and by subsidised labour components. This shift enables the successful implementation of policies that prioritise SMEs and the informal sector over large firms, marking a departure from conventional elite-driven policy models.

Lastly, this study has provided empirical evidence on the agenda-setting, policy formulation, and decision-making processes led by a politically dominant coalition. The findings highlight how different policy realms and political junctures involve varying actors. In some cases, non-governmental actors like cooperation agencies or the organised private sector play pivotal roles as policy entrepreneurs (Bravo et al., 2022; Verger, 2012). In others, particularly during turbulent political tensions and anti-neoliberal shifts, the government takes a more prominent role in policy adoption. This thesis distinguishes between policies adopted in contexts of paradigm change, such as the JCF, and those during periods of greater stability or ‘neoliberal consensus’ (Madariaga, 2020). For instance, the 2013 adoption of the ‘Mexican Model of Dual Formation’, inspired by German dual apprenticeships, involved significant contributions from the organised private sector and international cooperation agencies (Valiente et al., 2020b; Wiemann & Pilz, 2020).

VI. Expected Impacts on Youth Policy debates in Mexico

This thesis offers several reflections on its potential positive social impacts, extending beyond the academic realm, particularly in the fields of social policies and youth training. Firstly, it aims to serve as a call for greater incorporation of critical analytical approaches, such as political economy in general and CPE in particular, into research on the adoption and impacts of youth policies and interventions. Such approaches can deepen our understanding of the structural constraints faced by young people, moving beyond a focus on individual capabilities and skills. Secondly, this research aspires to contribute to politically engaged studies that challenge the neoliberal orthodoxy in Mexico and LATAM, which asserts that effective social assistance must be highly targeted, conditional, and guided by cost-benefit logic. If this research manages to contribute something towards these two goals, I believe it would help make the case for considering youth policies as a central part of broader debates, such as those concerning politically-mediated economic development and equity strategies that can sustain more comprehensive social inclusion interventions for young people.

VII. Reflections on Theory and Methodology

Throughout this thesis, the integration of Critical Realism (CR), Cultural Political Economy (CPE), and the Policy Cycle Model (PCM) has demonstrated the importance of aligning philosophy with theory and theory with methodology to address intricate social phenomena like policy adoption processes. CR provided the ontological depth to conceptualise a stratified reality with multiple generative mechanisms underpinning natural and social phenomena, while CPE offered an operationalisable and interpretive framework to examine the interplay between cultural, political, and economic factors. This theoretical framework guided concrete methodological choices, including the design of fieldwork instruments like semi-structured interviews and the formulation of specific questions for informants. Together, these frameworks ensured a coherent, multi-layered analytical approach that enriched both the empirical findings and the conceptual contributions of this study. Ultimately, this approach underscores the value of theoretically informed methodological choices in policy research and offers a model for future studies in similar contexts.

8.3 Limitations of the Study

One of the main limitations of this study on policy adoption is that data collection, mainly the interviews with key policy stakeholders, commenced well after the initiation of the adoption process. This timing precluded access to some crucial informants involved in the early stages. For instance, at the time of data collection, some highly relevant individuals had moved to different roles in other state secretariats or public assignments, making successful contact with them unattainable. This represents a limitation because interviews act as a counterbalance to the official narratives found in documents, providing insights from individuals who may offer differing views or interpretations of those documents.

Another temporal drawback is that the events under discussion occurred approximately two years prior to the interviews, compelling subjects to recall events from a somewhat 'distant' past, which inherently risks biases such as 'reconstructive memory' or the omission of concrete details. Nevertheless, the study sought to partially address these limitations by supplementing the information provided by the informants with policy documents and vice versa. Another limitation relates to the programme's implementation gap, which refers to discrepancies between the initial objectives and the perceived or actual results reported during key informant interviews. This gap,

along with potential distortions in recalling the original discussions and events, may have shaped informants' perspectives, particularly as influenced by current public perceptions of the policy's performance, as portrayed in the media. These factors could have affected the reliability and impartiality of the information shared by the informants to some extent.

Another limitation lies in the difficulty of documenting and explaining changes in the meanings and objectives of policies without incorporating a longitudinal component in the study. Without this perspective, subtle yet crucial changes that occur gradually may go unnoticed. To partially mitigate this limitation, the strategy followed was to analyse how the textual phrasing of the primary objectives in policy documents changed over time, for instance, how the upskilling rationale gradually dissipated between 2019 and 2023. However, it was not possible to delve deeper into the informants' explanations for these changes, as a longitudinal approach was not feasible in this study.

Reflecting on these limitations, if I were to initiate this study anew, I would implement two key improvements. First, I would expand the pool of informants to include not only direct stakeholders but also 'proxy' informants, such as close colleagues or advisors. This approach would help mitigate potential biases resulting from the unavailability of certain key informants due to the time elapsed since the policy adoption. Second, to address issues related to reconstructive memory during interviews, I would incorporate specific memory aids. These could include detailed policy timelines, lists of events, and key document excerpts to enhance the accuracy of interviewees' recollections and reduce memory-related distortions. I think that employing these strategies would significantly improve the robustness of a similar study in the future.

8.4 Future Research Pathways

This final subsection sets out future research pathways based on two key areas: the study's scope regarding policy phases and evaluation methods, and the critical debates surrounding the characterisation of Mexican social policies in post-neoliberal contexts. The first aspect suggests potential frameworks for future research on the implementation and impact of the JCF policy. The second aspect examines the characterisation of the social policies of the current Mexican government, challenging the use of terms like 'clientelism' and 'populism' while proposing further research into the nature of social policies in the post-neoliberal era in LATAM.

I. Policy Implementation and Evaluation Perspectives

This thesis focused exclusively on the policy adoption phase, intentionally leaving out the implementation and evaluation stages. Initially, I considered addressing all three phases: adoption, implementation, and evaluation, but by the end of the first year, it became clear that covering all phases was unfeasible due to time constraints. Consequently, the study was not positioned to independently verify whether the programme achieved its stated objectives, as this was beyond the intended scope. Furthermore, the research was conducted before any official policy evaluation studies or comprehensive analyses of the policy were released. Exploring these omitted stages could provide a valuable direction for future research, potentially offering insights into the programme's actual impacts.

For instance, the evaluation of the programme would be necessary to uncover hidden dynamics and unintended consequences in its implementation and operation. When analysed retrospectively, these findings could challenge assumptions previously taken for granted in the policy documents from the adoption phase. Similarly, including the voices of the beneficiaries would enhance our understanding of the programme's impact and acceptability in real-world settings. This inclusion would help ascertain whether the actual outcomes align with the objectives established at the start of the adoption phase.

This study has argued that the JCF represents a shift towards a demand-side social inclusion policy within a broader national development model, moving beyond a sole focus on human capital enhancement for employability. Nonetheless, this does not negate the importance of coherent analytical methods to evaluate the JCF's impact on participants' life trajectories. One promising approach is the 'Realistic Evaluation' (RE) framework (Pawson & Tilley, 1997), which I recently recommended for the JCF policy (Cervantes-Gómez, 2022). Unlike traditional econometric assessments, which primarily analyse labour market outcomes like salaries and employment status, RE offers a more nuanced perspective. It acknowledges that the benefits for participants may range from enhanced aspirations and self-esteem to broader empowerment through the provision of a basic income. Furthermore, aligning with authors who describe poverty and exclusion as a 'capability handicap' (Nussbaum, 1997; Sen, 1992, 2001), the human capability approach (HCA) also offers a valuable framework for evaluating policies like the JCF.

II. Clientelism, Populism or Post-Neoliberal Social Policy?

Different authors from the fields of political science and policy studies have classified the current Mexican government and its social policy as ‘clientelist’ and ‘populist’ (Castro Cornejo, 2023; Castro Cornejo et al., 2020; Dussauge-Laguna, 2022). However, both terms have become so burdened, deteriorated, and analytically unclear that they are highly confusing and lack theoretical strength (Arditi, 2010, 2024; Dussel, 2016). For this reason, and in light of the findings and discussions presented in this thesis, mainly the critical focus on the political and economic determinants of a welfare system that supports broad-based social policies as the JCF attempts, a future research aspect would involve the theoretical contrast between such concepts. Such inquiry would contribute to a better characterisation and understanding of the social policies promoted by leftist governments, especially in LATAM in post-neoliberal (post-2008 GFC) contexts (Cervantes-Gómez et al., 2023).

In Mexico, Pronasol (1989-1994) employed ‘unconditional’ cash transfers primarily to secure political support for the then-governing PRI in strategic electoral districts (Díaz-Cayeros et al., 2006; Díaz-Cayeros & Magaloni, 2003; Dion, 2000; Tomazini, 2019). Such contentious reputation of the cash transfer policies might explain the existence of profuse investigations on the potential clientelist usage of the CCTs that increased in LATAM, starting with Progresa and Bolsa Familia in 1996-1997. In the case of the latter, to the surprise of many critics, thorough research did not find clientelist use of resources. Sugiyama and Hunter (2013) argued that one design feature that might have mitigated clientelist risks was that transfers were managed from a central financial institution that credited funds to beneficiaries through cards instead of cash-in-hand allocated through local political groups. In addition to the centralised management and direct distribution of resources in policies such as the JCF and pensions for older adults, it can be argued that the quasi-universalist design of these programmes, for practical purposes, prevents clientelist management. This is because the necessary conditions for its existence, such as the monitoring and coercibility of the vote (Vommaro & Combes, 2019), are unviable when support is universal on a national scale.

This future research pathway would require a refreshed approach to the literature on political clientelism in the region and its main assumptions, which, in light of the evidence presented in this study, do not meet the typical characteristics that traditional conceptions of clientelism assume

(Berens & Ruth-Lovell, 2021; Hicken, 2011; Hilgers, 2020; Robinson & Verdier, 2013; Sugiyama & Hunter, 2013), namely, the ability to monitor the people who receive benefits, as occurred in the highly targeted CCTs, and that by design, is not feasible to carry out under a universal policy design like the ones adopted by the Mexican government.

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APPENDICES

Appendix I. Selected JCF Policy Documents

No.	Document	Type	Author	Date	Rationale for Selection
1	2018 La Salida: Decadencia y Renacimiento de México (2018 The Way Out: Decline and Renaissance of Mexico)	Book	AMLO	30 January 2017	In this book the JCF is mentioned for the first time with the name and design that it ended up having almost two years later when it was officially adopted by the Mexican government.
2	Ideas del Cambio: Sociedad Segura (Ideas of Change: Safe Society)	Audio-visual content	AMLO (MORENA) Official YouTube Site	11 February 2017	From a year and a half before the 2018 elections, this document commences the problematisation of youth as particularly vulnerable to crime and unemployment, which remain the main problems the policy aimed at decreasing.
3	Pejenomics Explicado (Pejenomics ¹⁷ Explained)	Press interview	Gerardo Esquivel	15 May 2018	Interview with AMLO's then-main economic advisor during the presidential campaign. It is possible to detect the turn taken if the election was won. The shift from targeting towards the universalisation of social policy and inward-oriented development ideas is notorious.

¹⁷ Portmanteau of AMLO's cognomen 'Peje' plus 'economics', denoting the economic ideas of the then presidential candidate.

No.	Document	Type	Author	Date	Rationale for Selection
4	Temas estratégicos 60. Oportunidades de educación y empleo para la juventud, 2000-2017 (Strategic issues 60. Education and employment opportunities for youth, 2000-2017)	Government strategic document	Senate of the Republic	15 July 2018	A month before the newly elected senators took office along with AMLO, this document from a Senate think tank offers valuable information on the situation and trends in education and employment for young people in Mexico, contributing to the problematisation of the youth policy realm.
5	Folleto del Programa Jóvenes Construyendo el Futuro (JCF Policy Brochure)	Policy Brochure	Labour Transition Team	13 September 2018	First official JCF brochure that was made public to promote the programme among young people. It presents a succinct diagnosis of unemployment and youth crime and anticipates the elements of transfer conditional on taking on-the-job training.
6	Manual del Programa Jóvenes Construyendo el Futuro (JCF Policy Manual)	Policy manual	Labour Transition Team	13 September 2018	It constitutes the first operational document of the programme in which the objectives and the target population are established and the electronic platform from which the policy would be managed.
7	Comunicado 011. Presidente Electo presenta programa	Official press release	AMLO / President Elect	13 September 2018	Official press release of the protocol event, where it was

No.	Document	Type	Author	Date	Rationale for Selection
	Jóvenes Construyendo el Futuro (Release 011. President-Elect presents the JCF programme)		Official Website		announced that the JCF would be adopted as soon as the AMLO government took office. At the event, the private sector and IOs beginning to express their intention to cooperate were publicly recognised.
8	Luisa Alcalde te presenta el programa de empleos para jóvenes, llegará a zonas marginales (Luisa Alcalde presents the employment programme for young people, it will reach marginalised areas)	Audio-visual content	Aristegui Noticias	21 September 2018	First interview with Luisa María Alcalde, who would serve as Secretary of the STPS, in a national media platform. In the interview, she talked about the JCF objectives and how it would operate through a central registry through a platform as soon as the government takes office.
9	Presentación del Programa Jóvenes Construyendo el Futuro (Launching of the JCF policy)	Audio-visual content	STPS Official YouTube Site	19 December 2018	Official JCF national launch event at the National Museum of Anthropology and History. It is relevant since most policy stakeholders attended and expressed their support for the program. This policy document was instrumental in identifying numerous future interviewees for this study.
10	Lineamientos para la operación del Programa Jóvenes Construyendo el	Operation Guidelines	STPS	10 January 2019	First formal operating policy document that, unlike the September 2019 Manual, already

No.	Document	Type	Author	Date	Rationale for Selection
	Futuro (JCF Policy Guidelines)				has legal validity to begin operating. With this document, it can strictly be considered that the JCF was legally ‘retained’ by the Mexican government.
11	Seminario “Jóvenes Construyendo el Futuro” (JCF Seminar)	Audio-visual content	El Colegio de México	25 March 2019	Public event at COLMEX, where the JCF core team was present, and national and international academics and experts on social policy and youth. The presentations and discussions raised are revealing of the tensions and diverse ideas that surround the JCF.
12	Plan Nacional de Desarrollo 2019-2024 (National Development Plan 2019-2024)	Government strategic document	Presidency of Mexico	1 May 2019	It is the principal strategic document of the federal government, and its relevance for this study comes from the fact that it defines the JCF as one of the nine main social programmes of this administration, associating it with the achievement of broad welfare objectives.
13	Lineamientos para la operación del Programa Jóvenes Construyendo el Futuro (JCF Policy Guidelines)	Operation Guidelines	STPS	28 June 2019	Second formal operational document of the JCF. Although it maintains overt similarity with the first guidelines, it is already beginning to show some non-trivial

No.	Document	Type	Author	Date	Rationale for Selection
					differences in phrasing in the objectives, especially around critical terms (e.g. employability, skills, crime) that are appropriately discussed in chapters 5 and 6.
14	Boletín 192/2019 Inserción al sector productivo y educativo, desafío para Jóvenes Construyendo el Futuro en 2020 (Bulletin 192/2019 Insertion into the productive and educational sector, challenge for JCF in 2020)	Official press release	STPS	5 November 2019	Key press release by the STPS published upon reaching the milestone of one million young people participating in the JCF. It is relevant in that it shows how the government began to consider the issue of ‘labour insertion’ as the next challenge for participants who completed their 12 months, which is why it prefigures the ‘Mes 13’ strategy.
15	Boletín 193-2019 Exporta STPS el Programa Jóvenes Construyendo el Futuro a Centroamérica; presenta alcances a comitiva de Honduras (Bulletin 193-2019 STPS exports the JCF policy to Central America; presents scope to the Honduran delegation)	Official press release	STPS	5 November 2019	Key press release from the STPS in which the intention to transfer the JCF policy to other Central American countries, specifically Honduras, is announced for the first time. This statement prefigures the Mexican collaboration through AMEXCID with several countries in the region.

No.	Document	Type	Author	Date	Rationale for Selection
16	Hacia Una Economía Moral (Towards a Moral Economy)	Book	AMLO	1 December 2019	The inclusion of this document is fundamental since it exposes central elements of the political, economic and policy paradigm shift that AMLO explicitly intends to carry out through his arrival to power, including policies and programmes, such as the JCF.
17	Reglas de Operación del Programa Jóvenes Construyendo el Futuro (JCF Operation Rules)	Operation Rules	STPS	10 February 2020	The operating rules constitute the regulatory document of social programmes in Mexico that have a more significant budget and degree of operational complexity than those that only have guidelines. Therefore, it is relevant to include this document, in addition to the changes in phrasing of the objectives, where employability and skills are left behind, and the policy is consolidated around 'productive inclusion.'
18	Boletín 19/2020 Mes 13, una gama de opciones de salida para los aprendices que concluyeron su capacitación en Jóvenes	Official press release	STPS	16 February 2020	In this press release, a substantial addition to the programme's operation was announced. It proposed a platform called 'Mes 13' (Month 13) with

No.	Document	Type	Author	Date	Rationale for Selection
	Construyendo el Futuro (Bulletin 19/2020 Month 13, a range of exit options for trainees who have completed their training at JCF)				possible job or training opportunities for participants who complete their 12 months.
19	Programa Sectorial de Trabajo y Previsión Social 2020-2024 (Sectoral Labour and Social Prevision Programme 2020-2024)	Government strategic document	STPS	24 June 2020	It is the principal strategic document of the STPS, in whose priority objectives the JCF was included as an intervention leading to achieving the inclusion of young people through on-the-job training. The document confirms the modifications of previous operational programs, making it a central reference for how the administration envisioned the JCF within its broader government strategies.
20	Acuerdo por el que se modifican las Reglas de Operación del Programa Jóvenes Construyendo el Futuro (Agreement modifying the Operating Rules of the JCF Policy)	Operation Rules	STPS	3 September 2020	This agreement expanded the operating rules to admit operational cases where young people wish to change their workplace. These are implementation changes, which, however, reveal how the JCF was gradually modified.

No.	Document	Type	Author	Date	Rationale for Selection
21	Reglas de Operación del Programa Jóvenes Construyendo el Futuro (JCF Operation Rules)	Operation Rules	STPS	23 December 2020	Similar to the rest of the programme's operational rules, this document was incorporated to assess alterations in the goals and backing of JCF. It upheld the aim of fostering productive inclusion through workplace training.
22	Plan de Desarrollo Integral para El Salvador, Guatemala, Honduras y el sureste de México. Volumen 1 (Comprehensive Development Plan for El Salvador, Guatemala, Honduras and the south-southeast of Mexico. Volume 1)	Regional planning document	ECLAC	17 September 2021	In the three volumes of this ECLAC regional strategic development document, the JCF is mentioned as part of the strategy to reduce migration and create employment opportunities and well-being for young people in the southeast of Mexico and Central American countries. Its inclusion within the key policy documents is significant. Although it addresses an aspect of the "post-retention" mechanism of policy adoption, it established a basis for cooperation with IOs and policy transfer dynamics.
23	Plan de Desarrollo Integral para El Salvador, Guatemala, Honduras y el sureste de México. Volumen 2 (Comprehensive Development Plan for El Salvador, Guatemala, Honduras and the south-southeast of Mexico. Volume 2)	Regional planning document	ECLAC	17 September 2021	
24	Plan de Desarrollo Integral para El Salvador, Guatemala, Honduras y el sur-	Regional planning document	ECLAC	17 September 2021	

No.	Document	Type	Author	Date	Rationale for Selection
	sureste de México. Síntesis (Comprehensive Development Plan for El Salvador, Guatemala, Honduras and the south-southeast of Mexico. Synthesis)				
25	Reglas de Operación del Programa Jóvenes Construyendo el Futuro (JCF Operation Rules)	Operation Rules	STPS	29 December 2021	Similar to the rest of the programme's operational rules, this document was incorporated to assess alterations in the goals and backing of JCF. It upheld the aim of fostering productive inclusion through workplace training.
26	Reglas de Operación del Programa Jóvenes Construyendo el Futuro (JCF Operation Rules)	Operation Rules	STPS	29 December 2022	Similar to the rest of the programme's operational rules, this document was incorporated to assess alterations in the goals and backing of JCF. It upheld the aim of fostering productive inclusion through workplace training.
27	38 Parliamentary gazettes on discussions about the JCF in the Chamber of Deputies	Legislative Debates Journal	Chamber of Deputies	11 December 2018 - 13 February 2020	These thirty-eight parliamentary gazetted sessions, spanning more than two years, were selected from a systematic search on the Chamber of Deputies website. The sole search criterion included all those sessions in which deputies from the

No.	Document	Type	Author	Date	Rationale for Selection
					different benches elaborated or discussed issues related to the JCF to detect the different visions and ideas involved in said tensions.
28	17 Parliamentary gazettes on discussions about the JCF in the Senate	Legislative Debates Journal	Senate	7 February 2019 – 24 September 2019	These seventeen published parliamentary sessions, spanning eight months, were selected from a systematic search on the Senate website. The only search criterion included all those sessions in which senators from the different groups elaborated or discussed issues related to the JCF, aiming to detect the different visions and ideas involved in these tensions.



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Semi-structured Interview Guide

Objective
Inquire about the different phases of adoption of the JCF policy with relevant actors. The guide is structured around the three evolutionary mechanisms of CPE variation, selection and retention to analyse policy adoption.
Type of Informants
Federal Public Officials, Representatives of the Business Sector, Academics, National Experts

I. Introduction and Background

1. Could you please introduce yourself and tell me about your role in your organisation and your career path to this role?
 - Prompt about other key informants and organisations.
2. When and how did you first get in touch with the JCF policy?
 - Prompt about specific roles and responsibilities

II. Variation

3. Why did the government adopted the JCF policy in 2018?
4. What main factors drove the adoption of JCF?
5. What were the problems the policy sought to solve?
6. What were the programme's goals?
7. Were the goals appropriate and achievable?
8. Besides the government, what other actors participated in setting up the programme?
 - Prompt about individuals and institutions, local and global.
9. Was there resistance to the policy?
 - Prompt about main opponents and arguments / interests.

III. Selection

10. How did the national policymakers arrived at the policy design?

- Prompt about the evidence base and influences by previous national / international policies.

11. How would you assess the JCF design compared to other previous social policies?

IV. Retention

12. What are the main drawbacks or difficulties faced by the policy prior to its institutionalisation? (Political, economic, institutional, budgetary, organisational)

- Prompt about main policy's organisational partners and opponents.

13. Have there been any legal attempts to institutionalise any aspects of the policy beyond the federal public administration?

V. Other prompts

- Types of participant firms
- Types of programme participants
- Programme's main benefits.
- Programme's main drawbacks
- Covid-19 pandemic effects on the programme's operation
- Additional comments and suggestions



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Participant Information Sheet

Title of Project: Youth Building the Future: An Analysis of the Political Economy of the Adoption, Implementation and Outcomes of an Apprenticeship Policy for Young Adults in Mexico

Researcher: José Antonio Cervantes Gómez

Course: PhD in Education

Supervisors: Dr Oscar Valiente, Dr Queralt Capsada-Munsech, Dr Adrián Zancajo

You are being invited to take part in a research study about the policy Youth Building the Future in Mexico. You are being invited to take part in this research because you were or are currently a policy stakeholder whether in the public or private sector. I am interested in learning about your opinions and experiences during the adoption and implementation of this policy. Before you decide to take part, it is important for you to understand why the research is being done and what it will involve. Please read the following information carefully and ask me if there is anything that is not clear or if you would like more information. Take some time to decide whether or not you wish to take part. You can discuss it with others if you wish.

This research is centred on the recently launched apprenticeship policy in Mexico ‘Jóvenes Construyendo el Futuro’ (Youth Building a Future) (JCF). JCF is operated by the Secretariat of Labour and Social Prevision (STPS) of the federal government and seeks to support the labour market insertion of 2.6 million young people between 18 and 29 years old. I want to learn how was this policy adopted and implemented, and what are the main outcomes for participating young adults transitions to decent working conditions, to further training or studies, and for their expectations and future life plans in general.

The project can help the Mexican government to make better apprenticeship and active labour market programmes for young adults. The project will also produce knowledge that can aid scholars who study vocational education, labour economics and issues concerning young adults. If you decide to participate in this research, you will be asked some questions about your background; about the nature of your involvement with JCF programme, about what you think were the main influences on the policy design; the main problems it sought to solve; its main objectives, about the current implementation, operation and challenges of the policy, etc. These questions will take approximately 40 to 60 minutes to answer, and the interview will be recorded through Zoom. Video files will be immediately disposed of, and only the interview audio files will be saved.

I will analyse the data collected from participants and present it in my PhD Thesis and in academic journal articles. All participants will receive a written summary of the results. Since the information collected may be useful for further research, other researchers and policy-makers may also use it. But they will only be able to use information that is anonymised. That is, they will only be able to use information which does not identify individual persons.

When your information is used in the research results, your real name will not be used. Instead, a pseudonym (a made-up name) will be used, so that your information remains confidential. When I write about the research to share with others, the information used will be about policy stakeholders as a group; or policy stakeholders in a particular part of the country as a group; or about policy stakeholders from a particular sector (e.g., industrial, sales) as a group; etc. The information provided will not be about any single individual. This is for the protection of your identity. Please note that your confidentiality will only be maintained in line with any legal and professional rules.

All the information collected in the interview will be used only for purposes related to research. All the information, including the audio-recordings of interviews, will be stored securely and protected by a password. All the information will be saved on password-protected computers at the University of Glasgow for a period of ten years.

Your participation is entirely voluntary. You can stop your participation at any time. After the interview, if you do not wish for your information to be used in the research, it will be erased.

This research project is being funded by a College of Social Sciences Scholarship and has been considered and approved by the College Research Ethics Committee.

If you have any questions or comments after your participation in the research, you can contact me (j.cervantes-gomez.1@research.gla.ac.uk) or my lead supervisor Dr Oscar Valiente (oscar.valiente@glasgow.ac.uk)

To pursue any complaint about the conduct of the research: contact the College of Social Sciences Ethics Officer, Dr Muir Houston, email: Muir.Houston@glasgow.ac.uk

Thank you for reading this.



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Consent Form

Title of Project: Youth Building the Future: An Analysis of the Political Economy of the Adoption, Implementation and Outcomes of an Apprenticeship Policy for Young Adults in Mexico

Researcher: José Antonio Cervantes Gómez

Supervisors: Dr Oscar Valiente, Dr Queralt Capsada-Munsech, Dr Adrián Zancajo

PLEASE TICK THE BOXES BELOW TO CONFIRM YOUR CONSENT TO PARTICIPATE

- Yes No I confirm that I have read and understood the Participant Information Sheet for the above study and have had the opportunity to ask questions.
- Yes No I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason.
- Yes No I consent to interviews being recorded. Only audio files of the interviews will be saved.
- Yes No I acknowledge that I will be referred to by pseudonym.
- Yes No I acknowledge that there will be no effect on my employment arising from my participation or non-participation in this research.

I agree that:

- Yes No All names and other material likely to identify individuals will be anonymised.
- Yes No The material will be treated as confidential and kept in secure storage at all times.
- Yes No The material will be destroyed once the project is complete.
- Yes No The material will be retained in secure storage for use in future academic research
- Yes No The material may be used in future publications, both print and online.
- Yes No I agree to waive my copyright to any data collected as part of this project.
- Yes No I understand that other authenticated researchers will have access to this data only if they agree to preserve the confidentiality of the information as requested in this form.
- Yes No I understand that other authenticated researchers may use my words in publications, reports, web pages, and other research outputs, only if they agree to preserve the confidentiality of the information as requested in this form
- Yes No I acknowledge the provision of a Privacy Notice in relation to this research project.

I agree to take part in this research study

I do not agree to take part in this research study

Name of Participant Signature

.....

Date

Name of ResearcherSignature

.....

Date

Appendix V. Final Data Codebook

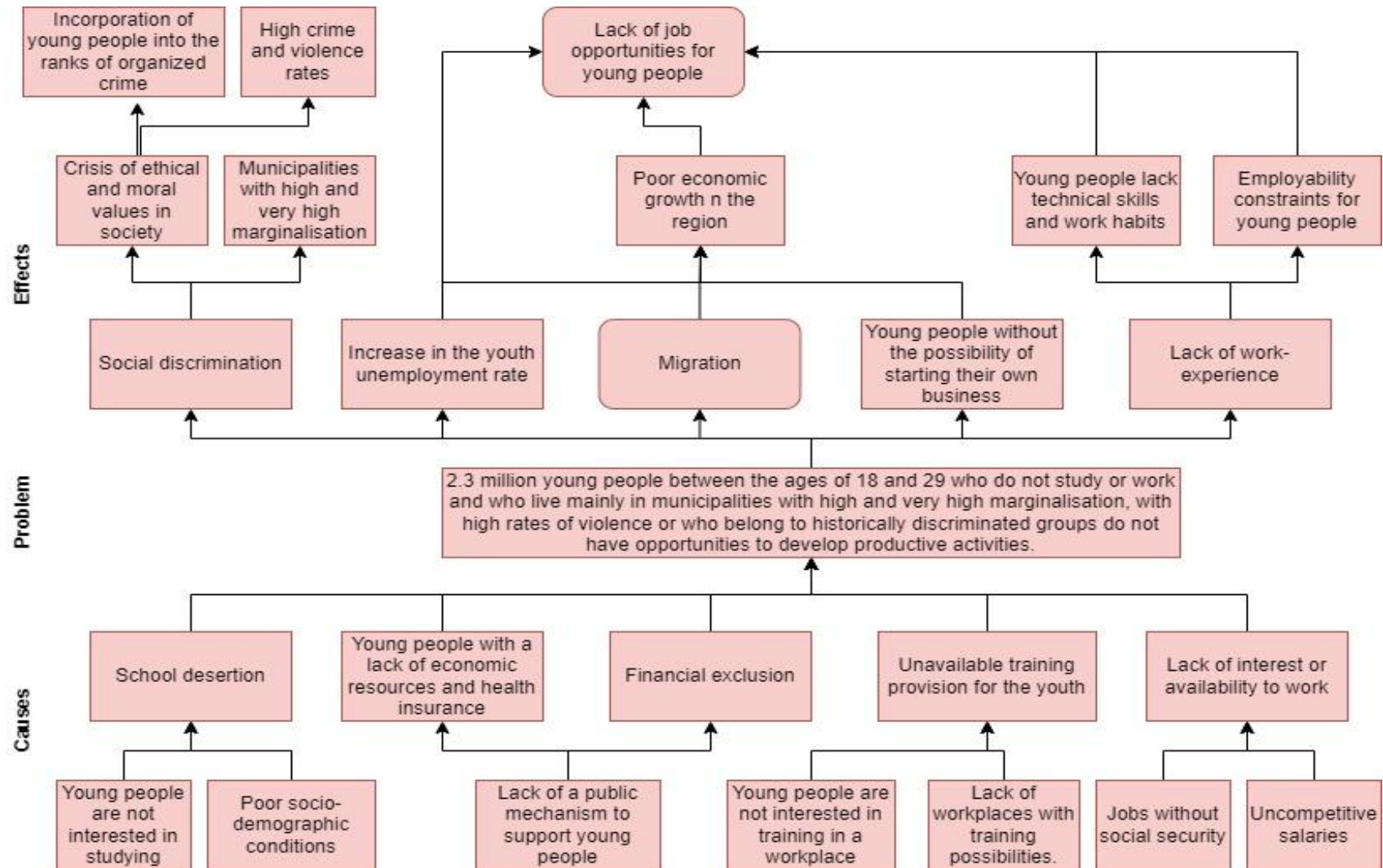
No.	Thematic Code	Evolutionary Mechanism(s)	No. of appearances in the dataset	Description
1	Supply-side assumptions	Variation Selection	62	Quotes or excerpts referring to topics including the educationalisation of social problems, a skills supply side fundamentalism, Say's Law, or individualisation of inequalities.
2	Criticisms and questionings	Retention	53	Technical or political arguments against the programme's objectives, design, or implementation.
3	Abandonment of the youth	Variation	43	Quotes or excerpts referring to the NEET condition of the Mexican youth, including the increased precarisation, youth, unemployment, overrepresentation in poverty, and informality.
4	Labour market issues	Variation	39	Quotes or excerpts that acknowledge the distinct characteristics of the Mexican labour market, including the lack of economic growth, regional differences, and job-demand-side issues.
5	High youth crime rates	Variation	38	References to young people being more vulnerable to being drawn into criminal drug-related groups and being overrepresented as victims of the ' <i>War on Drugs</i> .'
6	Institutionalised policy design	Retention	31	Quotes or excerpts related to the policy's objectives, policy components, and expected outcomes it aimed to achieve.
7	Productive inclusion value	Variation Selection	29	Quotes or excerpts that suggest why the government opted for a policy based on a productive inclusion or work-based learning design.

8	Discretionary policymaking	Retention	29	References to the institutional and administrative capabilities that the government employed to select and implement the policy, including budget allocation and adjustments.
9	Public-private tensions and collaboration	Selection Retention	28	References to initial ideological and political tensions that eventually panned out into public endorsement and technical cooperation by the private sector.
10	Electoral-political agenda and popular support	Variation	27	References to the electoral and popular support that backed the current government, as well as problem interpretations and campaign promises that went back in time.
11	Anti-neoliberalism	Variation	25	Quotes and excerpts that involve a direct or indirect critique of the dominant neoliberal paradigm from previous governments.
12	Inward oriented development	Variation	25	Quotes and excerpts that denote steadfast confidence in the active role the state should have to promote development and economic growth.
13	Subsequent policy modifications	Retention	24	References to the various policy design modifications the JCF suffered during the post-institutionalisation phase, including objective phrases, new modalities, and adjustments in the policy's components.
14	Universal design	Selection	24	References to the intended universal targeting strategy, the breakage with traditional policies from neoliberal periods, and the advance towards a rights-based approach.
15	Perception of skills mismatch	Variation Selection	22	References related to the interpretations that held a significant issue were the skills mismatch between the supply and demand of labour.
16	International prestige of apprenticeships	Selection	21	References related to the example of apprenticeship policies worldwide and other work-based learning strategies, including their mechanisms: soft skills, technical skills, and networks of social capital

17	Private sector collaboration	Retention	18	Quotes and excerpts regarding the formal collaboration of the private sector with the policy, including references to corporate social responsibility discourse and <i>realpolitik</i> considerations.
18	Post-training transition	Retention	18	References to normative policy modifications regarding the transition of beneficiaries to 'exit options' and institutional support.
19	Subsidised labour and training	Selection	16	References that suggest that the subsidised workforce component played an essential role in the policy, as well as the interpretations that were made of this element.
20	Gender inequalities	Variation	16	References of widespread awareness of women being overrepresented within the NEET population., as well as overlooking this fact in the policy design.
21	International validation and policy transfer	Retention	16	References to how the Mexican government underwent processes of JCF policy transfer to other countries in the region in collaboration with IOs.
22	Faulty technical design	Retention	16	Criticisms against the non-technical approach followed during the policy design phase and deliberation, especially put forward by academics and independent experts.
23	Use of national and international evidence	Variation	15	Quotes and excerpts citing technical evidence produced by international organisations, especially during the problematisation phase.
24	New policy idea	Selection	12	References of the JCF constituting a novel approach to social policy for the youth, to the detriment of social learning processes from other international or local experiences.
25	Faulty social policy from the past	Variation	11	References made against concrete previous social policy during the problematisation phase.

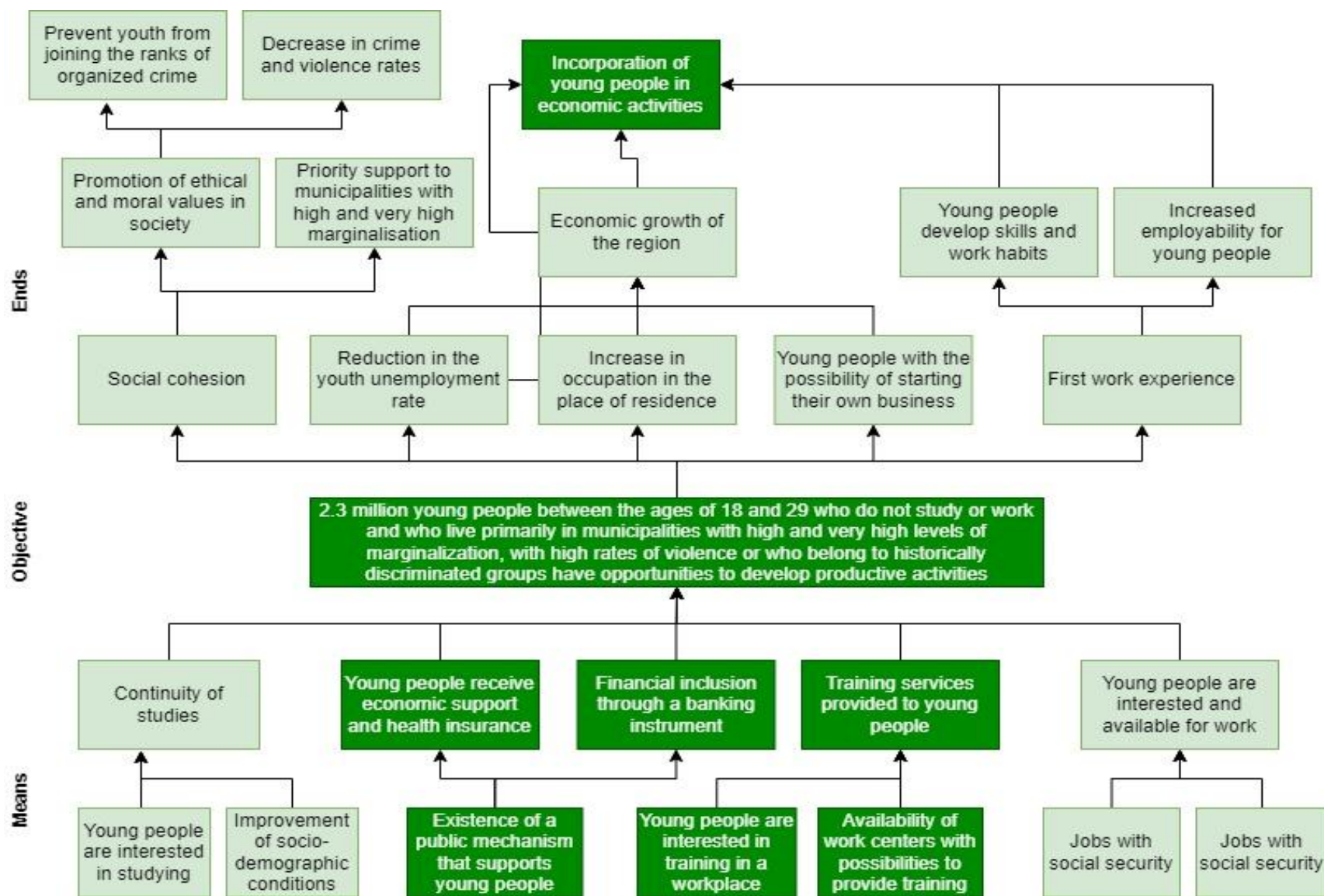
26	First job logic	Selection	11	References to the existence of entry barriers to the labour market, namely experience, that the policy should attempt to overcome through its design.
27	Demographic dividend	Variation	11	References to the productivity waste and loss of opportunity of having wasted the country's demographic dividend.
28	Unstructured training	Selection	11	References to the final unstructured training design, the policy adopted, and the arguments backing up such choice, such as the labour market and firm heterogeneity that prevailed in the country.
29	Social justice	Variation	9	References to how the JCF was justified as a matter of historic vindication for a historically neglected age group.
30	Low educational opportunities and dropout	Variation	9	References to the educational inequalities that, alongside unemployment, were suffered by the NEET population.
31	Regional development differences	Variation	9	This reference is closely related to the labour market issues and alludes to the heterogeneous productive activities in different regions.
32	Faulty technical implementation	Retention	7	Criticisms around the implementation phase of the policy, namely the lack of supervision mechanisms.
33	Migration	Variation	6	Quotes and excerpts regarding how the JCF was considered an alternative to the national and international migration issues.
Total References (Codes)			731	

Appendix VI. JCF Policy Problem Tree



Source: Author’s translation and adaptation, based on STPS (2021a)

Appendix VII. JCF Policy Objectives Tree



Source: Author's translation and adaptation, based on STPS (2021a)