



Youth Employment: Issues and Directions

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Outline

1. Motivation
2. What do we know
3. The role of Education
4. The Development Strategy to meet the challenge

Motivation: Youth and Development

The Millennium Development Goals

Goal 2: Achieve universal primary education

(8) Literacy rates among 15-24

Goal 3: Promote gender equality and empower women

(9) Ratio of girls to boys in sec. & tertiary ed

(10) Ratio of literate females to males 15-24

Goal 6: Combat HIV/AIDS, malaria, and other diseases

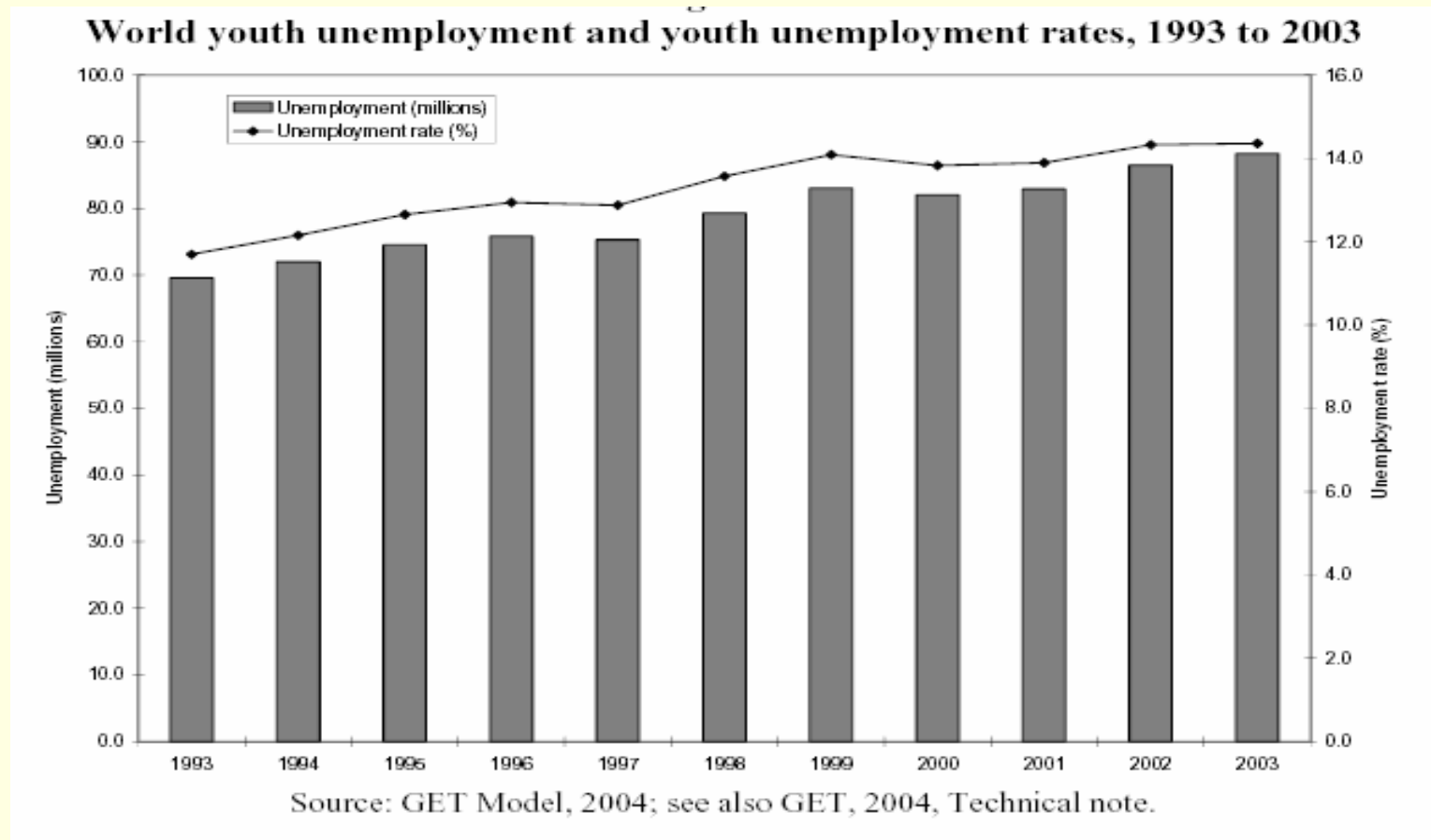
(18) HIV Prevalence among pregnant women (15-24)

(19*) % of pop. 15-24 with comprehensive correct knowledge of
HIV/AIDS

Goal 8: Develop a global partnership for development

(45) Unemployment rate among 15-24

Motivation: Widespread Employment difficulties



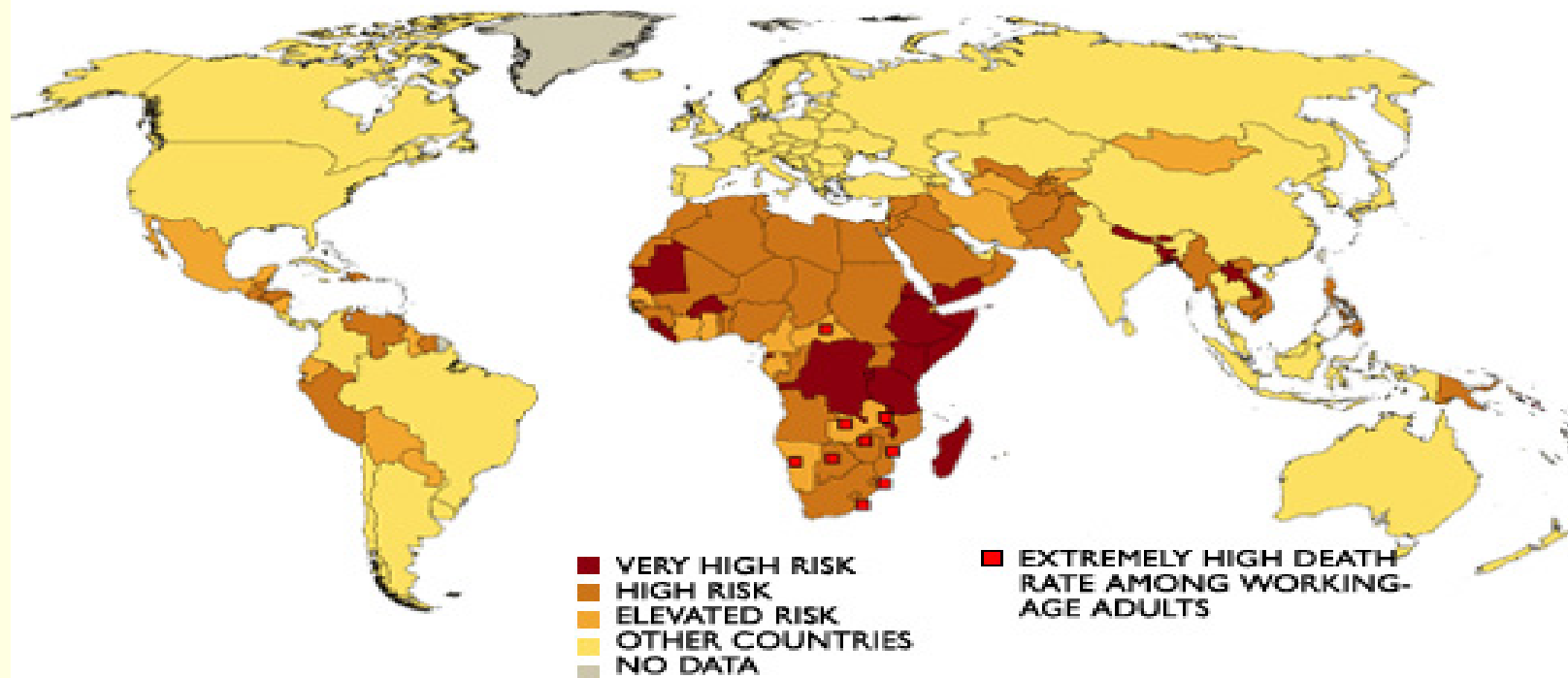
Motivation: Severe consequences

- Human Capital accumulation and growth
- School enrollment and family formation
- Social exclusion and security

Severe Consequences: Security

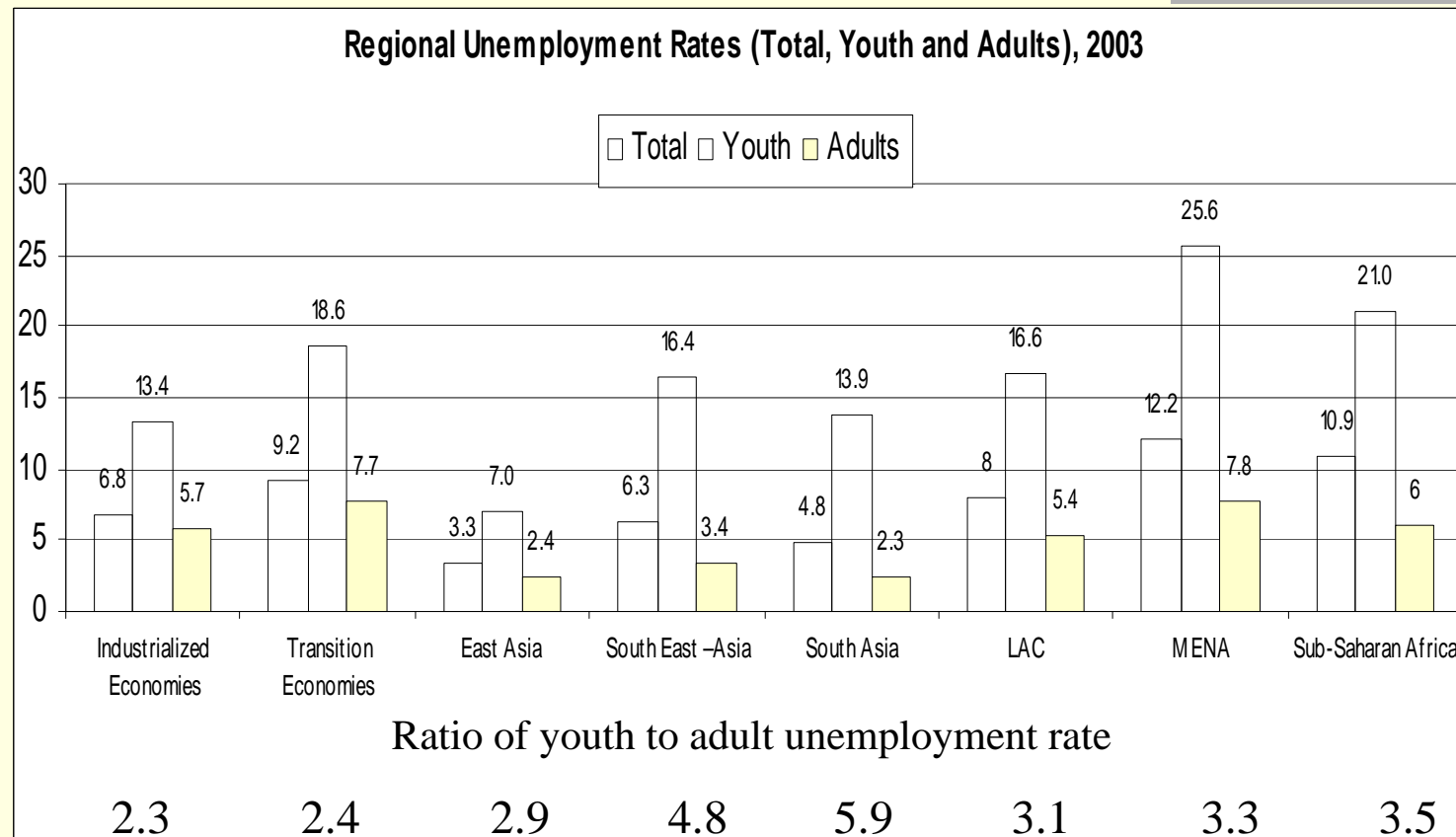
A DECADE OF RISK, 2000 - 2010

A Global Assessment of the Demographic Risk of Civil Conflict



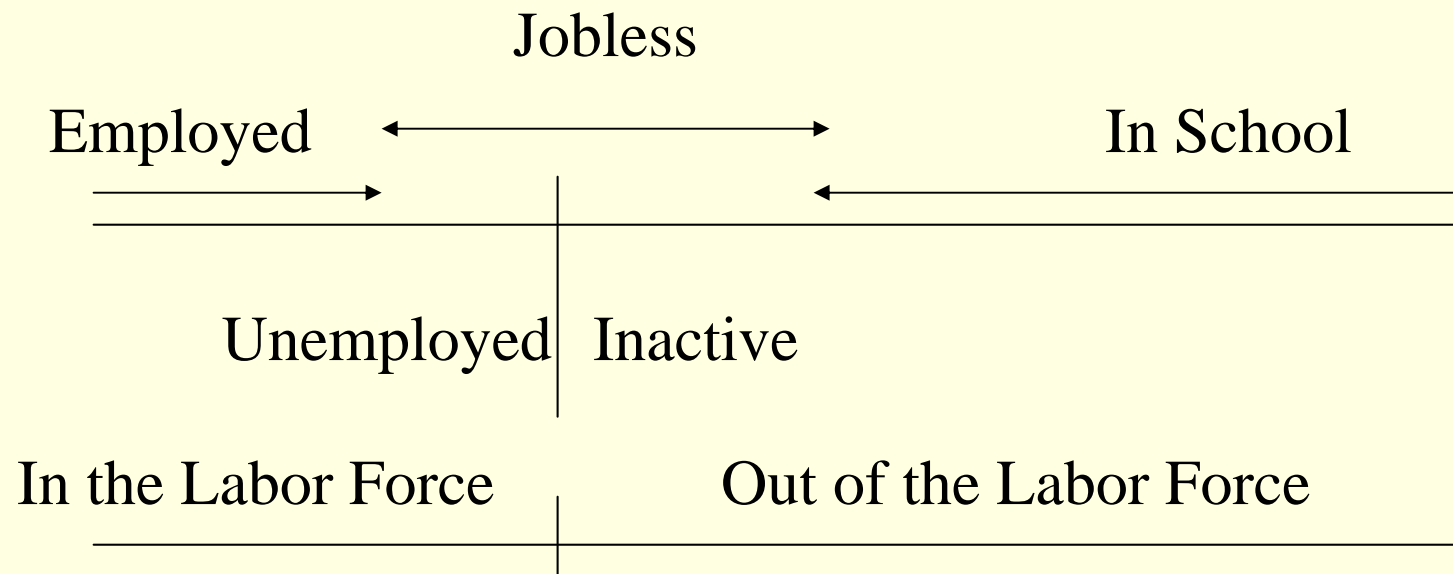
What do we know?

Important Regional Differences



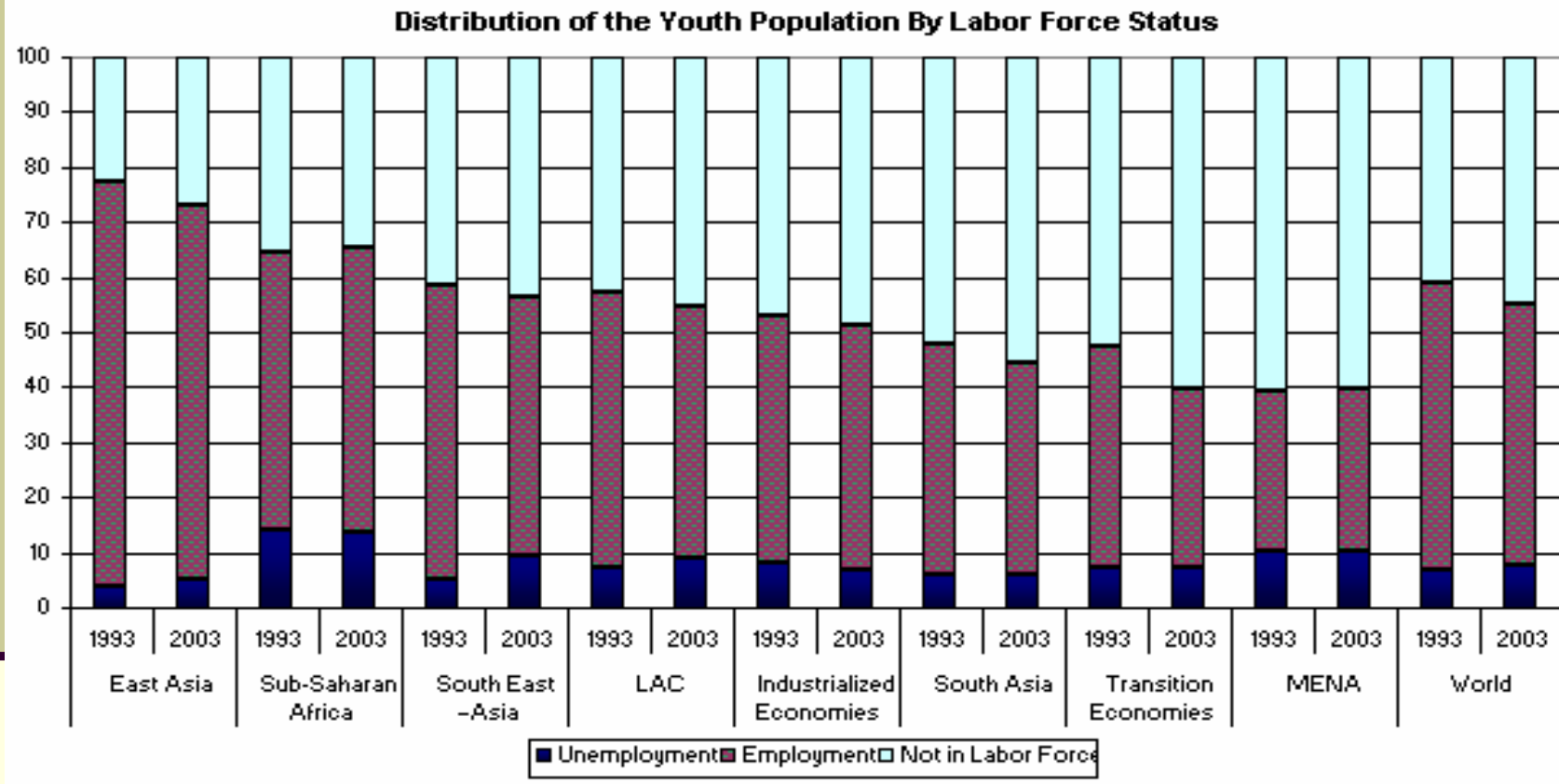
What do we know?

Different indicators are important



What do we know?

Different indicators are important



What do we know?

The Determinants

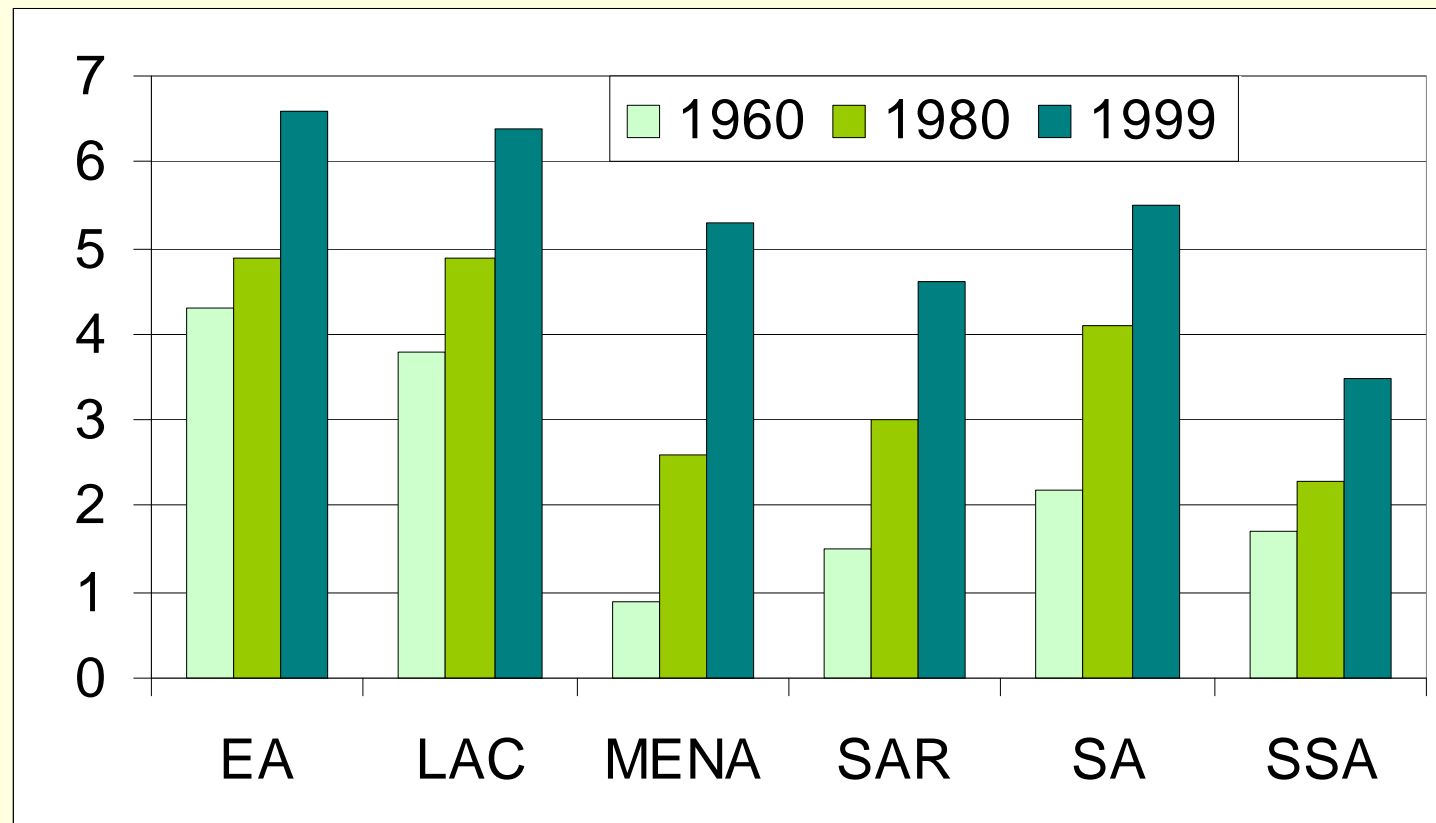
- Supply matters e.g. demographic changes, education: Baby Boom and the demographic transition in developing countries
- Demand matters e.g. aggregate conditions, labor market regulations
- Adverse demand dominated favorable supply in OECD.

What do we know?

Demand is necessary by not sufficient

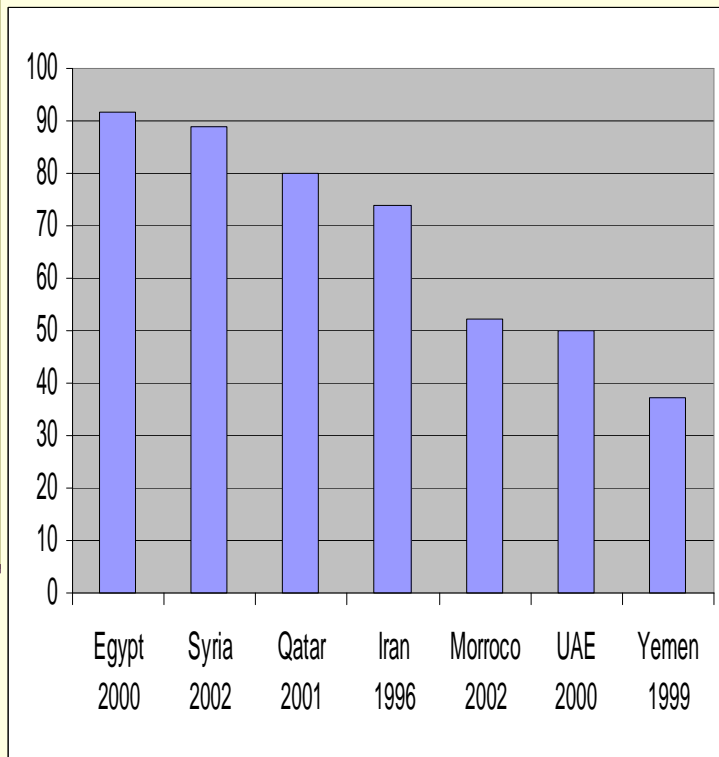
- Age Specific demand shocks
- Differential effect of shocks and institutions
- School to work transition

The Role of Education: Increased Education Attainments

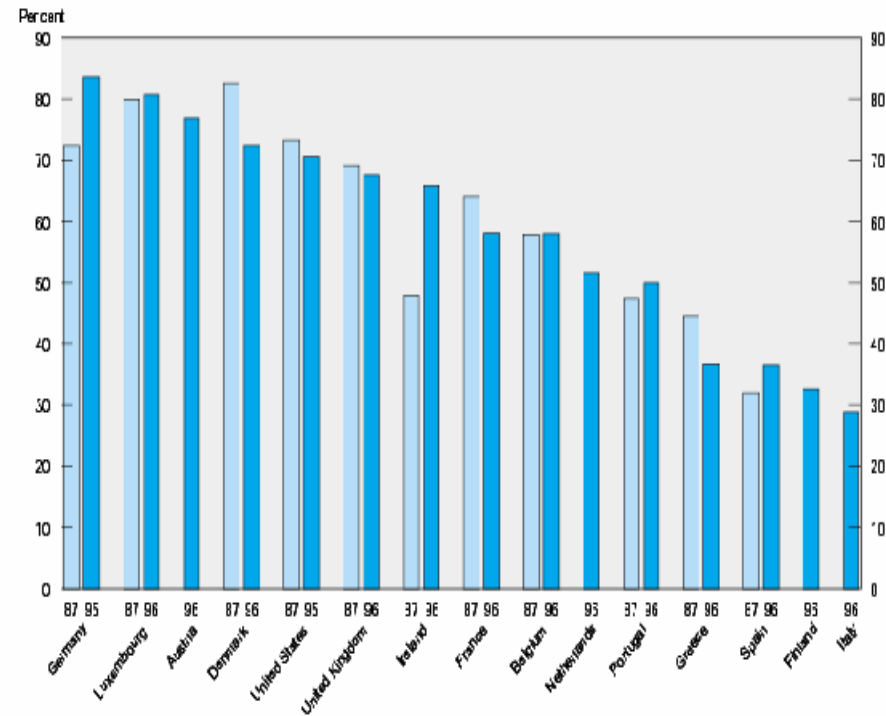


The Role of Education: School to work transition

Proportion of First Time Job Seekers

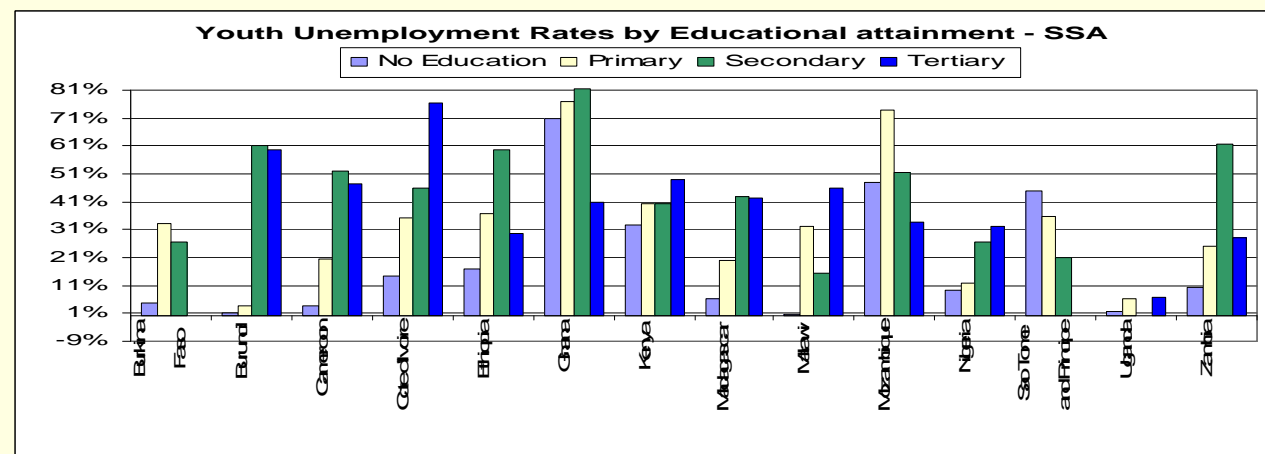
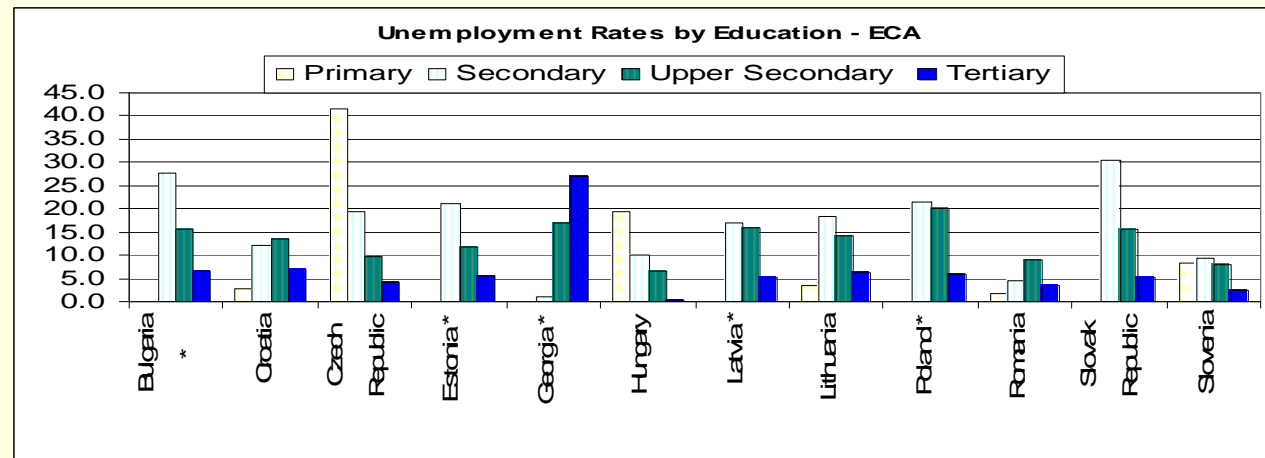


Percentage of youths in employment one year after leaving education



Source: OECD School to Work Database.

The Role of Education: Education and unemployment



The Challenge/Opportunity

- The largest cohort to enter the labor force, with increased educational attainment
- Improving demand conditions, through better investment climate, crucial element to take advantage of this opportunity.

Development Strategy

Two major pillars for development

- Investment climate
 - Finance, infrastructure, labor market reform, etc...
- Investing in people
 - Education, health, social protection, HIV/AIDS