

# Development and the Next Generation



World Development Report 2007  
January 2007 (S)

[www.worldbank.org/wdr2007](http://www.worldbank.org/wdr2007)

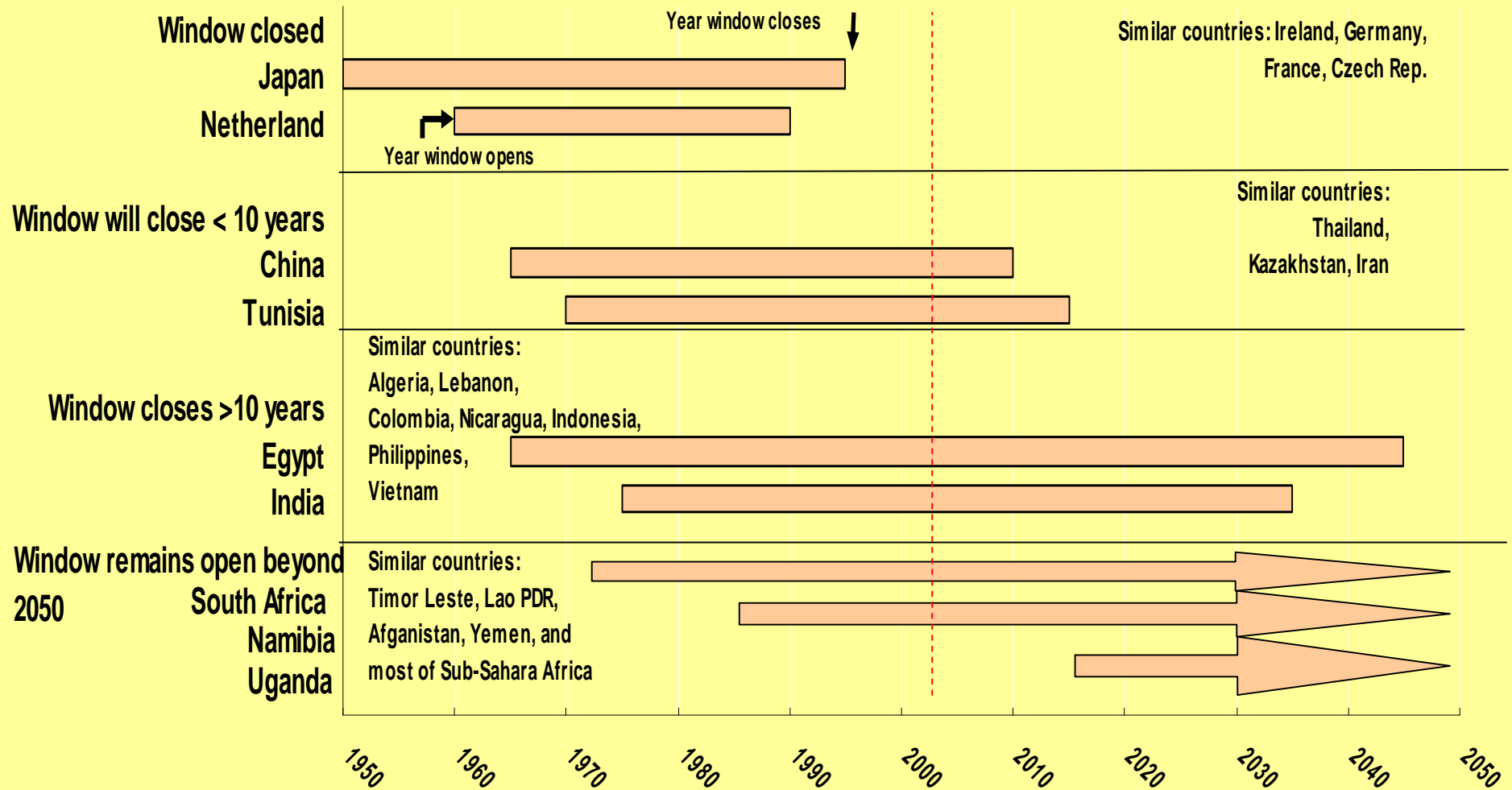


# Outline

- **Motivation**
  - **A higher base on which to build human capital to grow and reduce poverty even more**
  - **A large youth cohort is a potential demographic dividend**
- Structure/framework of the report
- Applying framework: policy messages



# Demographic Windows of Opportunity



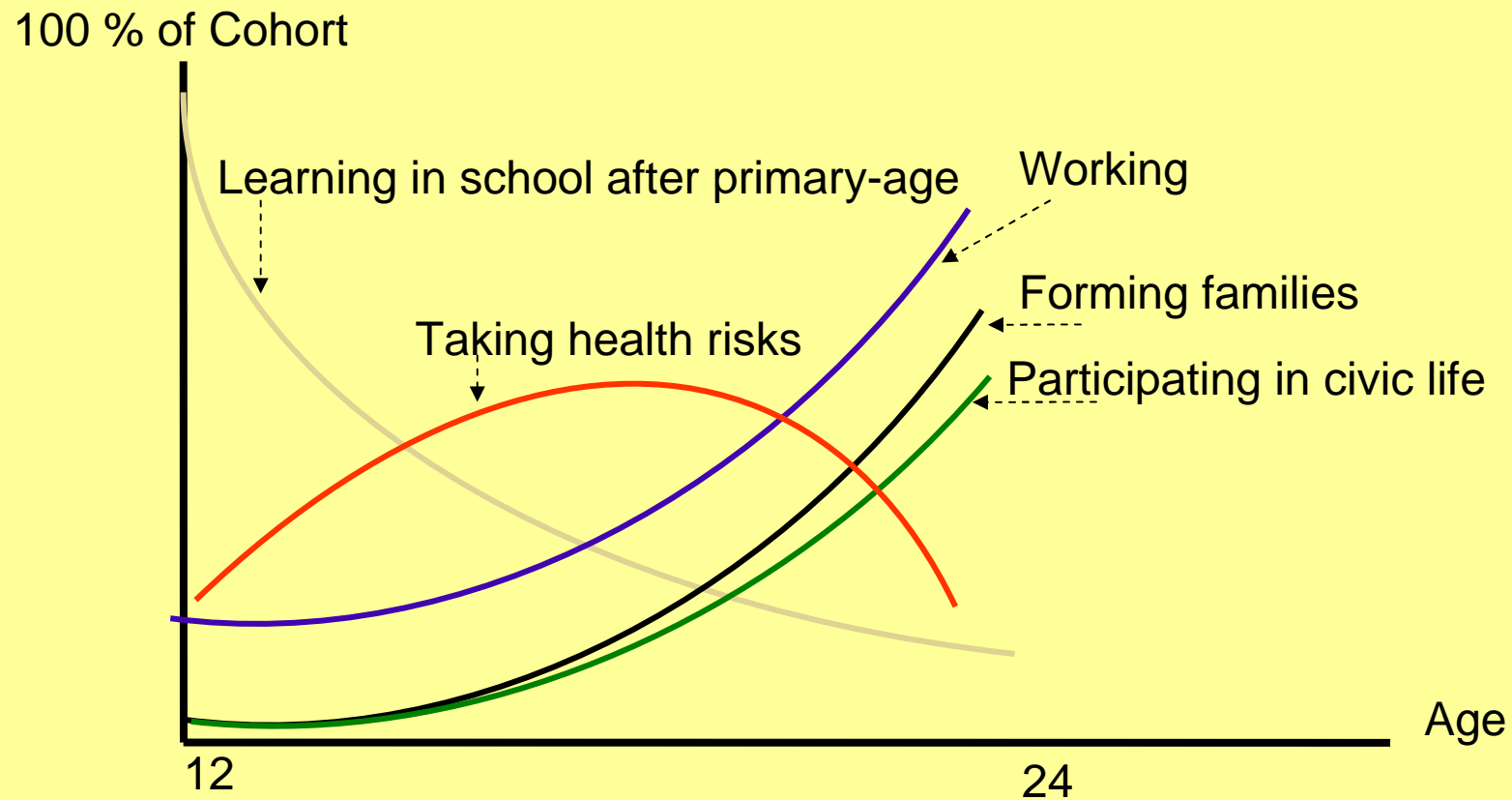


# Outline

- Motivation
- **Structure/Framework of the Report**
  - **5 Transitions**
  - **3 Policy Lenses**
- Applying Framework: Policy Message



# Human capital during 5 youth transitions key for poverty reduction and growth



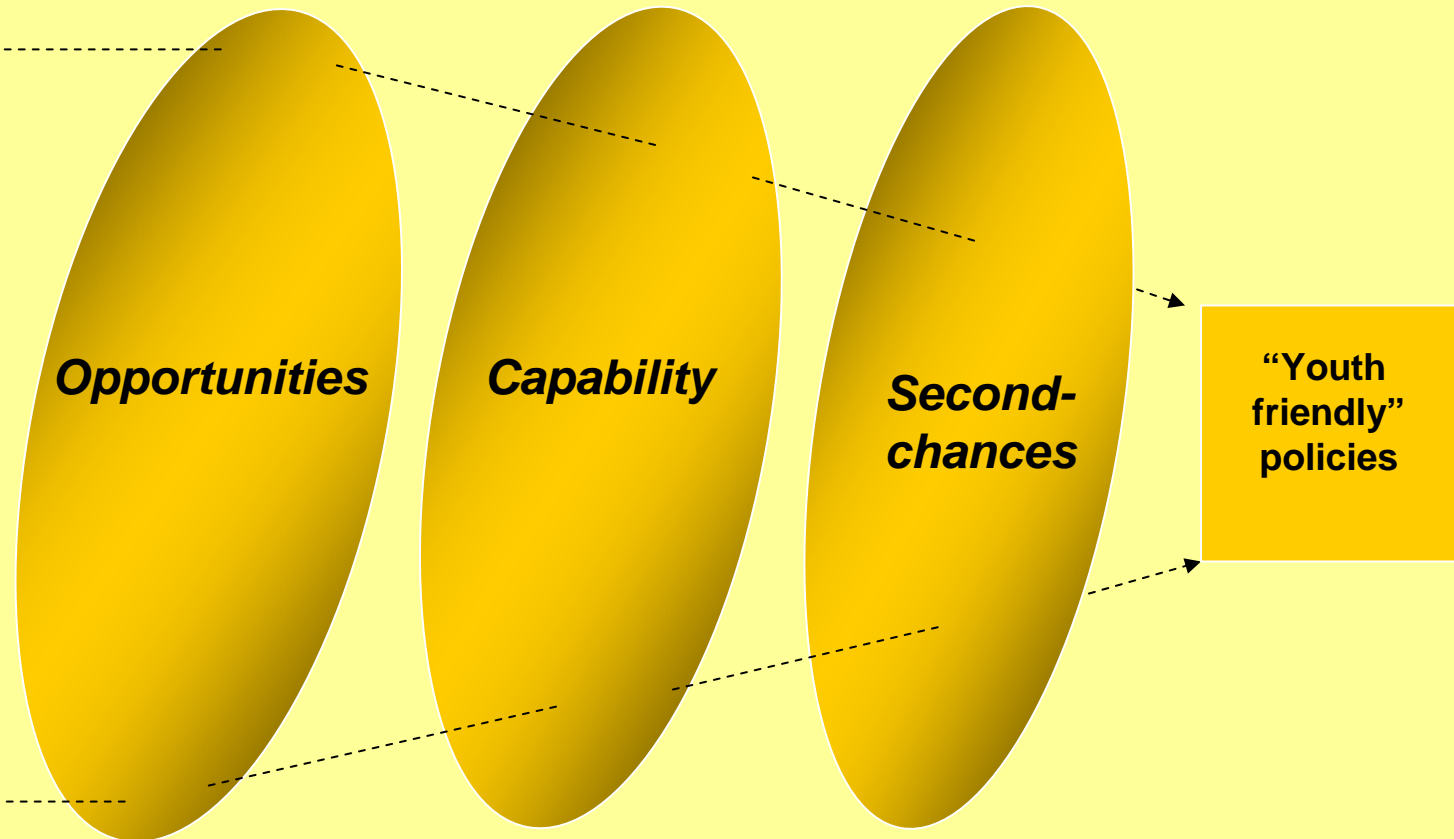


# 3 types of questions asked of each transition: a 'youth lens' on policy

## Youth 'Lenses'

Policies affecting human capital formation during Youth transitions:

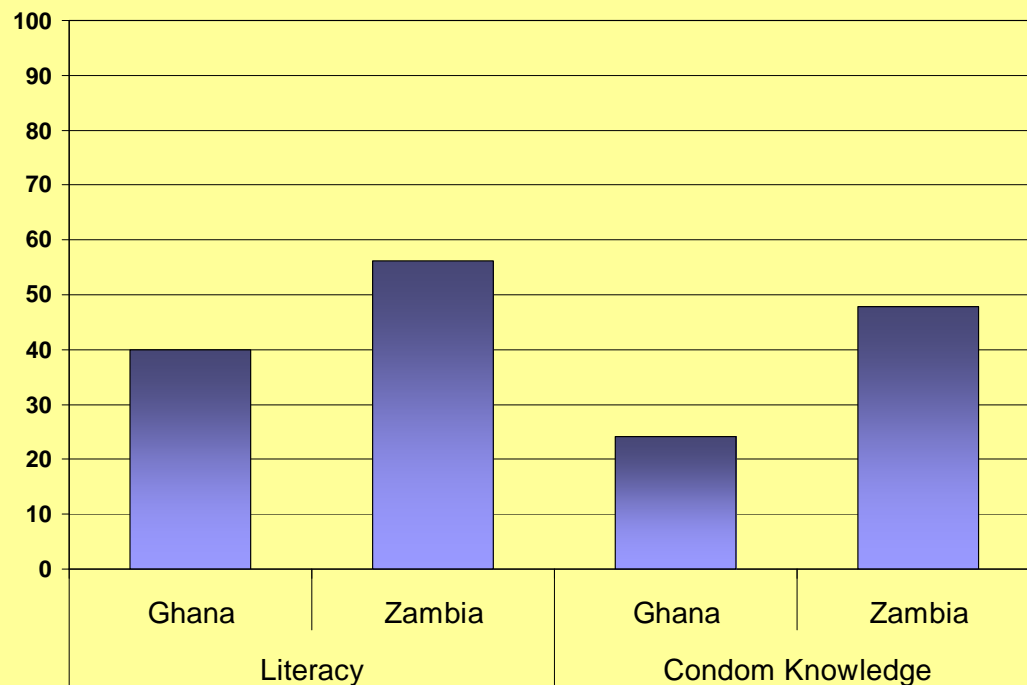
- Economy wide policies and insts: macro stability, invest. climate, governance, labor market regulations
- Education
- Training
- Health services
- Welfare & family services
- Infrastructure





## Opportunity: Invest more, but focus on quality and relevance

% of young women, 15-24, who can read a simple sentence or know condoms can prevent HIV/AIDS after six years of primary school

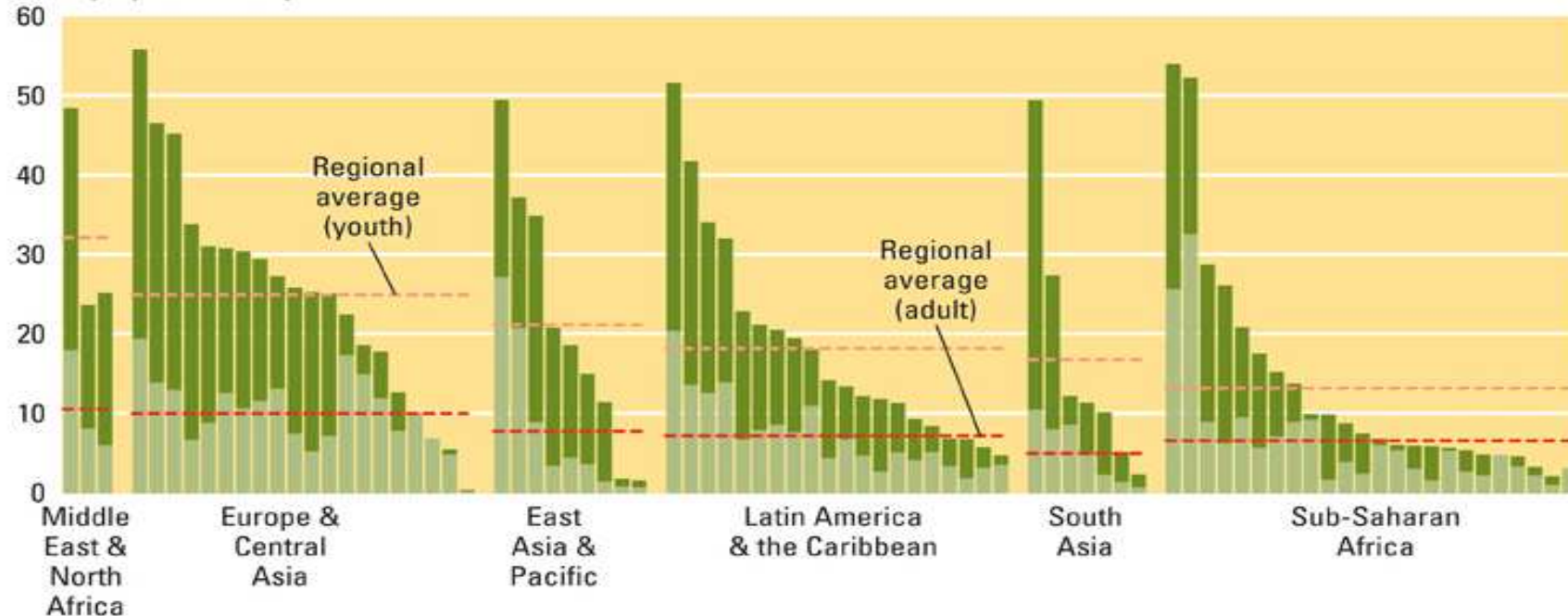


- Inadequate preparation for adolescence →
- improve quality of basic
- Relevance of education for jobs →
- Curriculum reform, Flexibility in educ systems



# Opportunity: Facilitate entry to work

Unemployment rate (percent)



Source: Authors' calculations based on Fares, Montenegro, and Drazem (2006a). Country names available on request.

Note: The full length for each bar shows the unemployment rate of youth in a single country; the light segment shows the unemployment rate of adults in the same country.

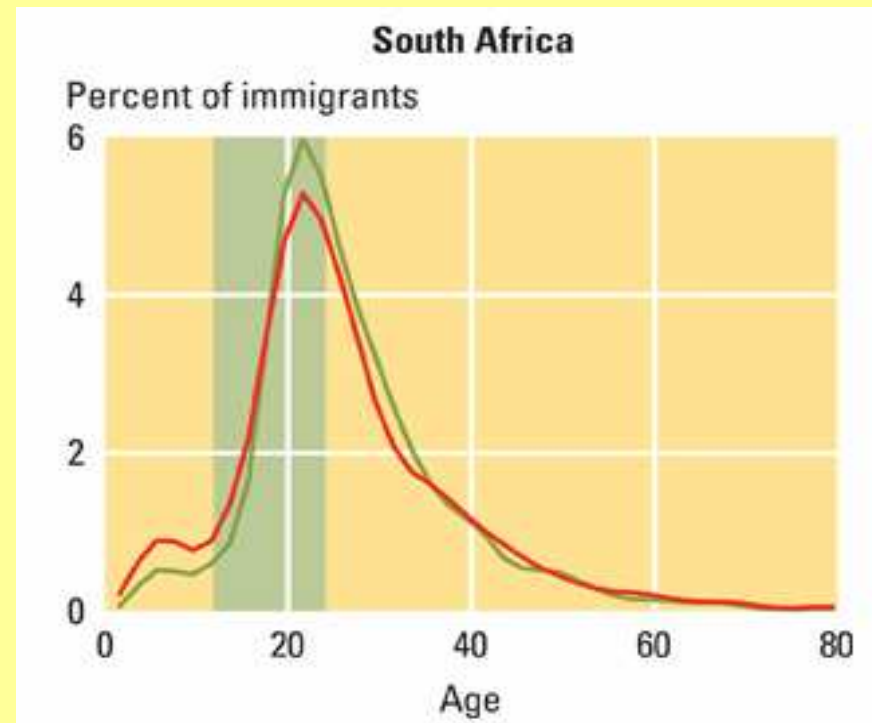
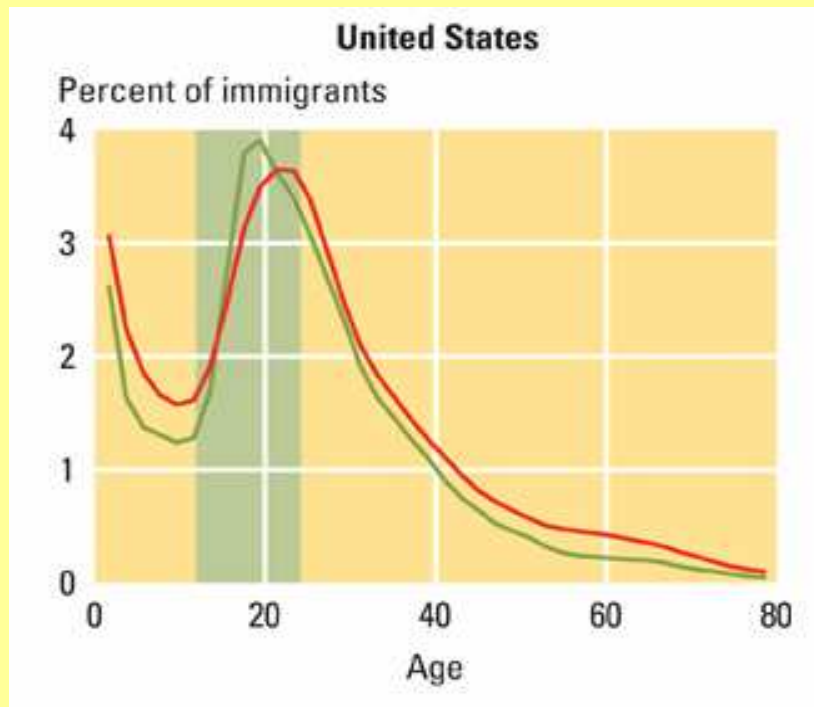
- Promote growth that leads to greater youth employment
- Reform institutions that inhibit job creation for and mobility of unskilled young people
  - Excessively high minimum wages or employment protection
  - Opening up opportunities to migrate



# Across Borders: Migration broadens opportunity for youth

Migrants are concentrated among youth.

(Figures: Migrants to South Africa and Migrants to United States)



- Facilitate movement
- Reduce remit costs
- Info campaigns to reduce risks
- Improve invest climate at home



# Outline

- Motivation
- Structure/Framework of the Report
- Applying Framework: Examples
  - **Opportunity: Countries HAVE invested in access to human capital; lens → focus on quality and relevance to labor market**
  - Capability
  - Second-chances

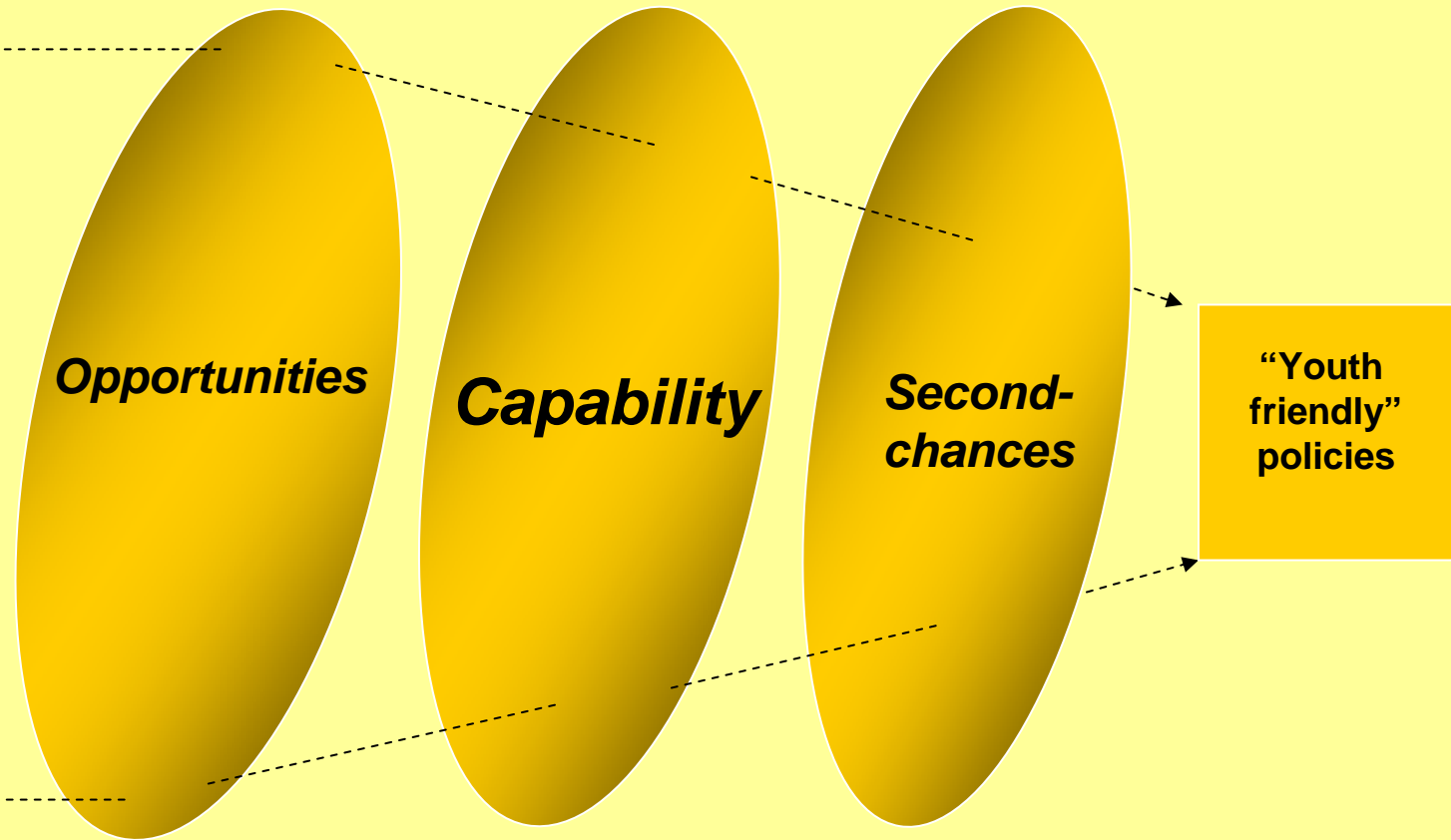


# 3 types of questions asked of each transition: a 'youth lens' on policy

## *Youth 'Lenses'*

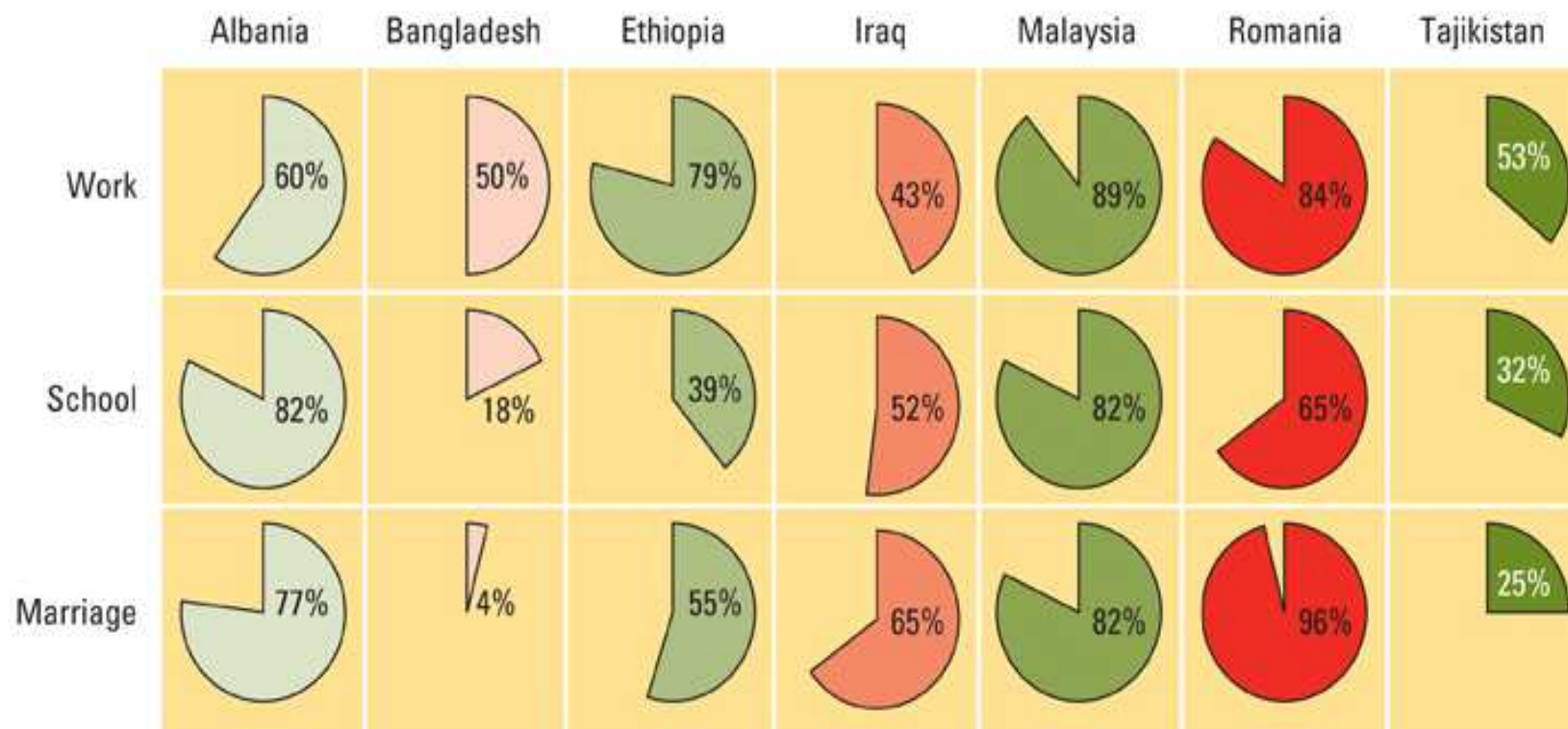
Policies affecting human capital formation during Youth transitions:

- Economy wide policies and insts: macro stability, invest. climate, governance, labor market regulations
- Education
- Training
- Health services
- Welfare & family services
- Infrastructure





# Capable decision-making: % of youth who think they have the most influence on human capital decisions

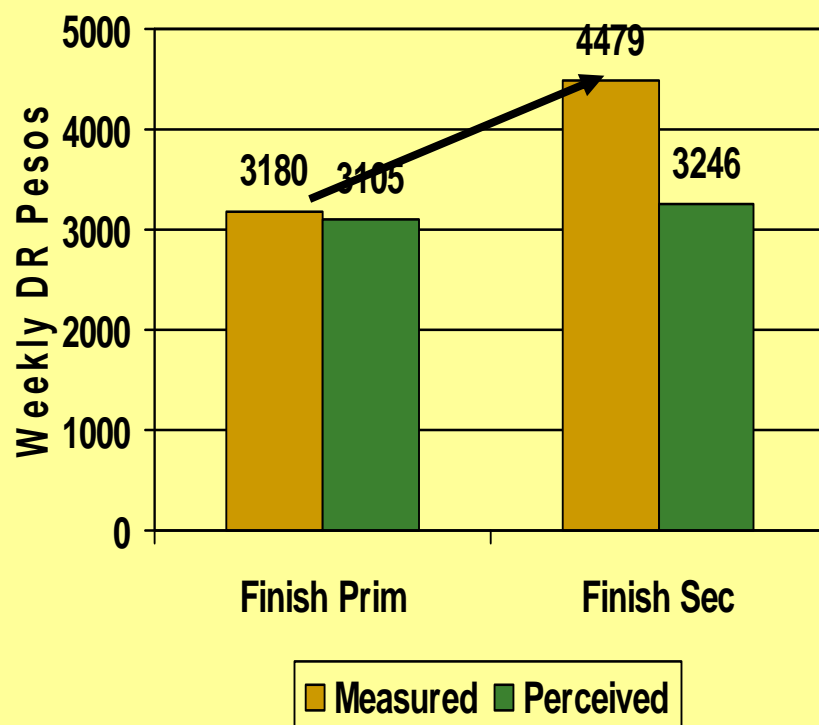


Source: WDR 2007 InterMedia surveys.

Note: The figure shows the percentage of people ages 15–24 who answered “myself” (rather than parents, government, or other) to the question: “Thinking of [each transition: your current or most recent occupation, your years of schooling, and your marriage partner], who has had the most influence?”



# Relieving the Information Constraint: Education in the Dominican Republic



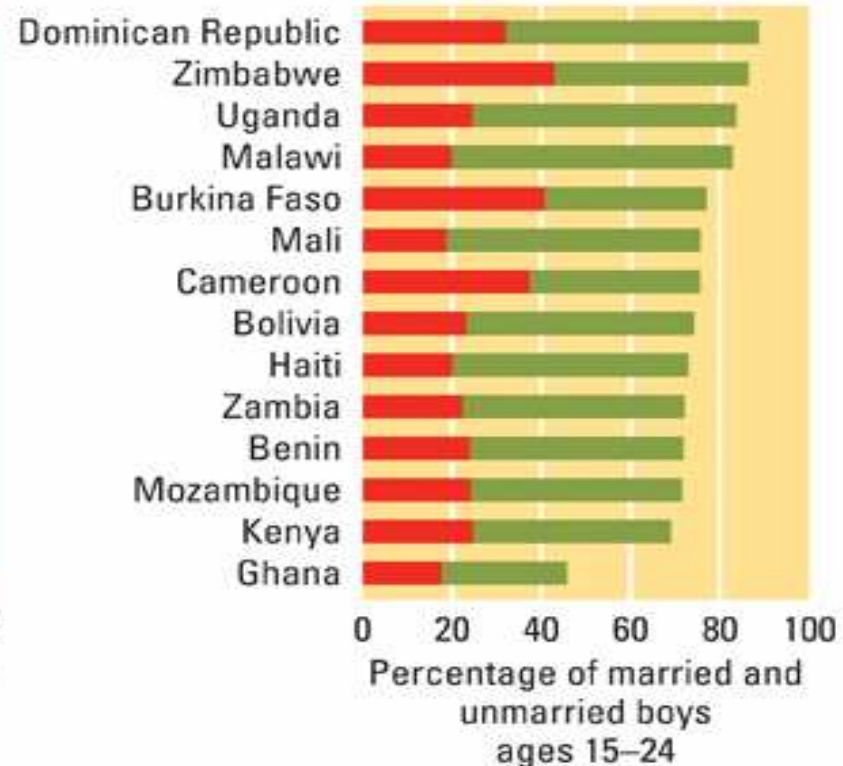
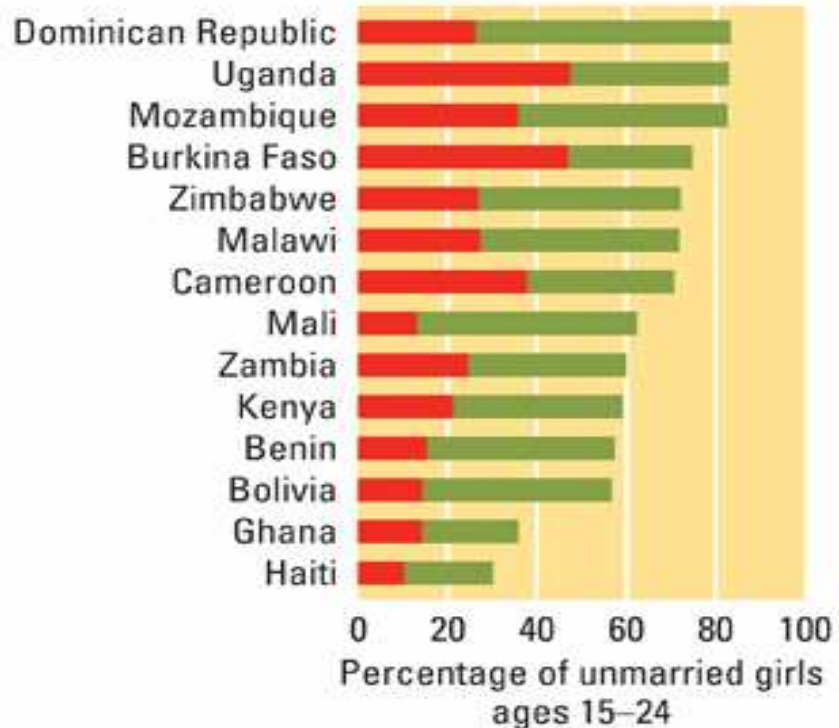
- Measured = Actual earnings based on worker surveys
- Perceived = Earnings perceived by 8<sup>th</sup> grade boys if they finish prim or sec
- Perceived returns < measured returns



Information campaigns in  
AND outside schools



# But sometimes information may not be enough...



■ Know about and use condoms ■ Know about but do not use condoms

Source: Demographic and Health Surveys conducted between 1997 and 2003.

Note: The total length of each bar represents the percentage of sexually active young people who know that condoms can prevent HIV transmission.

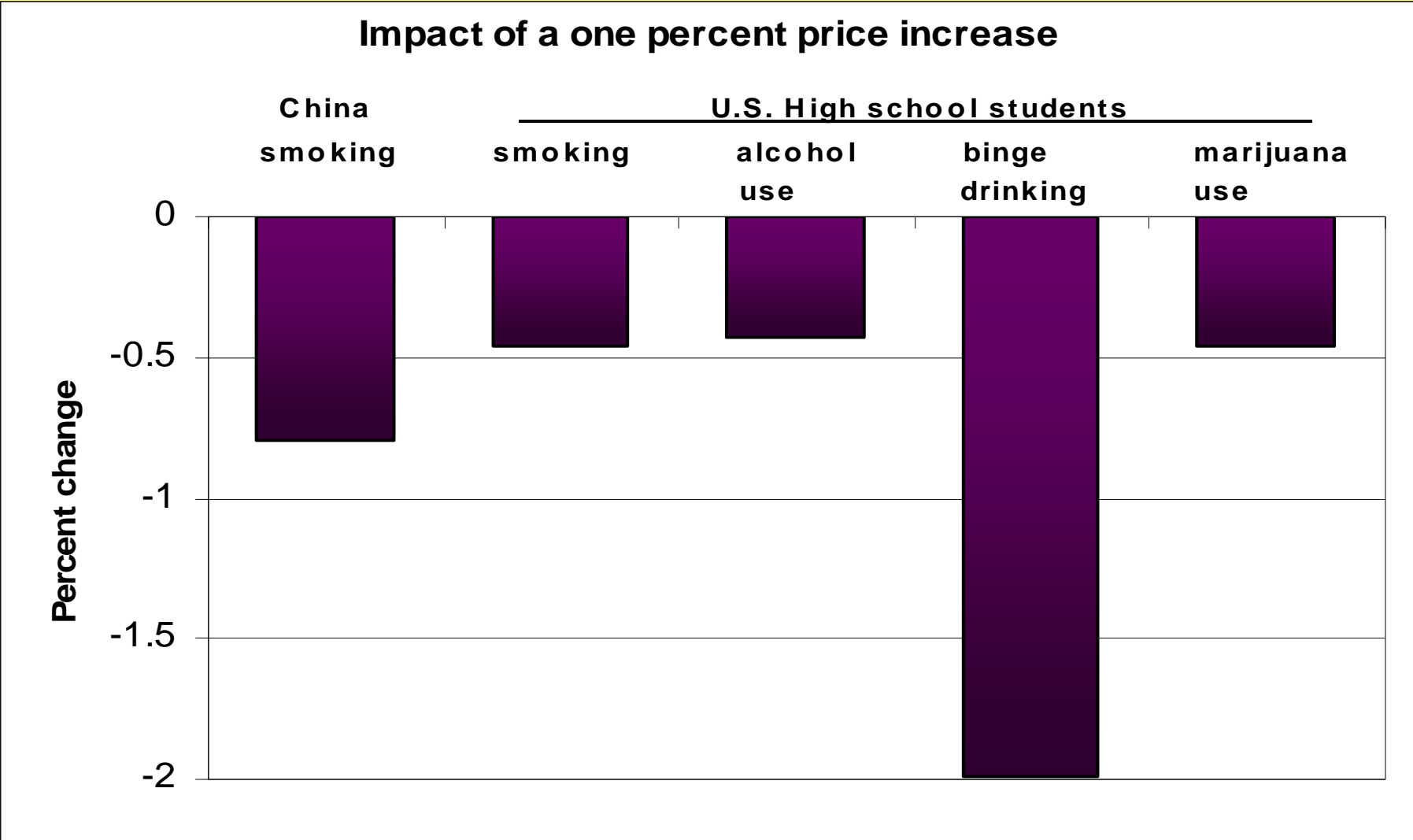


## ...Incentives also matter. Positive ones, like

- conditional cash transfers:
  - Mexico's Oportunidades:
    - .2 more years of schooling at 13-15
    - reduced child morbidity and mortality
  - Bangladesh's Female Secondary Stipend Program
  
- involve youth in program design esp those to change attitudes



# ...Or negative ones like taxes





# Outline

- Motivation
- Structure/Framework of the Report
- Applying Framework: Examples
  - Opportunity:
  - **Capability: Policy targets Govts and now Parents; lens → improve the capacity of youth to decide among opportunities**
  - Second-chances:

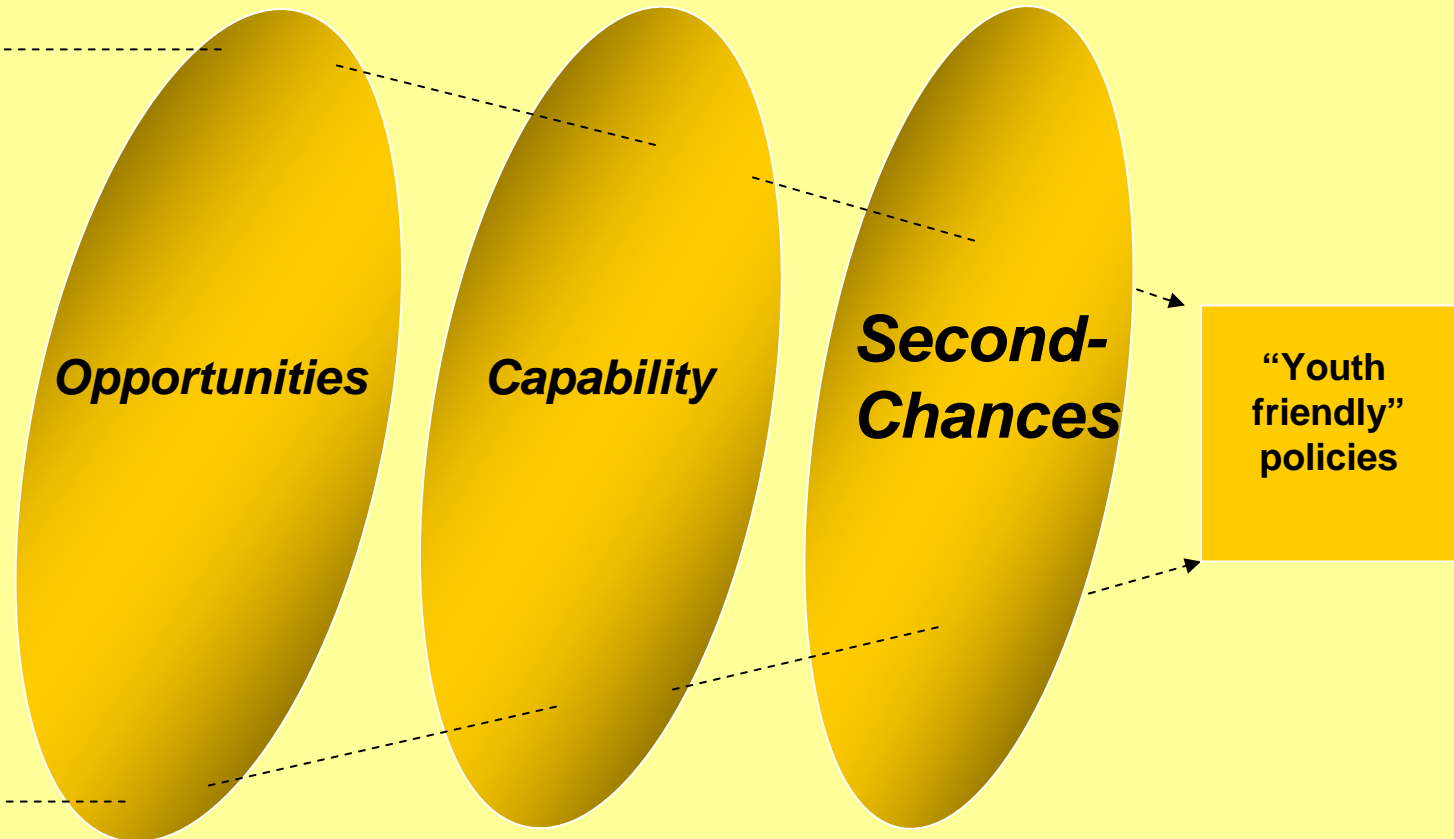


# 3 types of questions asked of each transition: a 'youth lens' on policy

## Youth 'Lenses'

Policies affecting human capital formation during Youth transitions:

- Economy wide policies and insts: macro stability, invest. climate, governance, labor market regulations
- Education
- Training
- Health services
- Welfare & family services
- Infrastructure





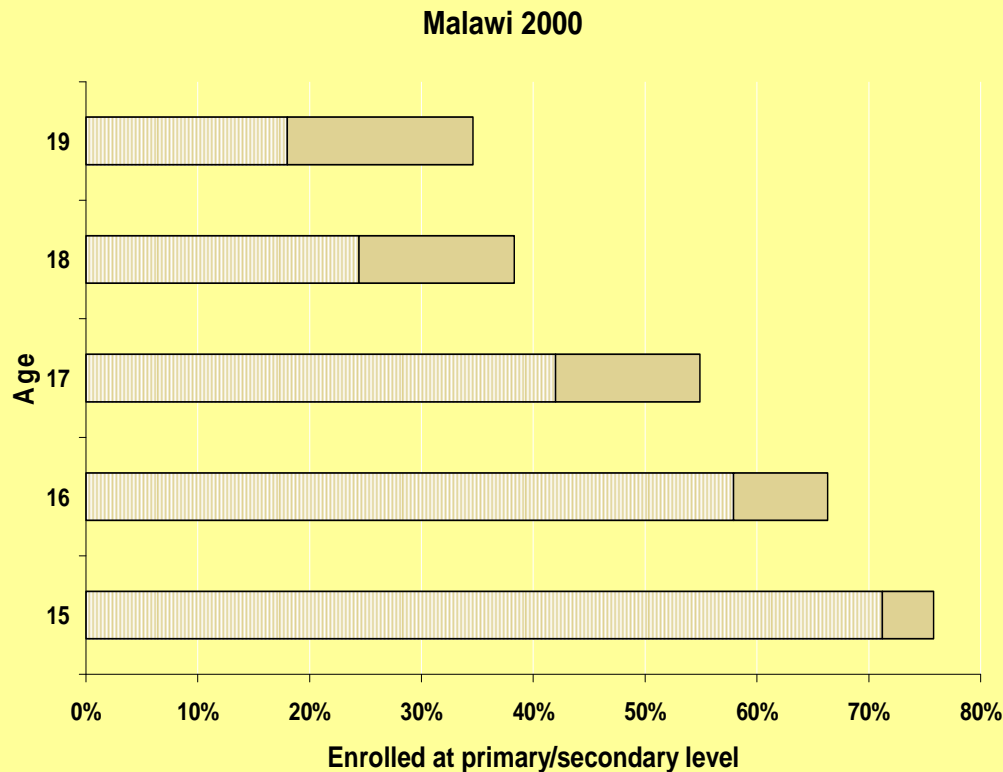
## Second-chances: Recovering from poor outcomes

High costs of not giving young people another chance to recover:

- Effects are long-lasting
- Later recovery as adults is more costly
- May inhibit investment by others (e.g., high HIV/AIDS prevalence leads to lower investment)



## Second-chances: Programs are more sustainable if ...



- They are designed to attract young people (e.g., age-specific education, such as 1/2 of Malawian 19 yr-olds are in primary school)
- They are well-targeted
- They help youth reenter the mainstream (e.g., graduate equivalency programs)



## Second-chance employment programs: Success factors

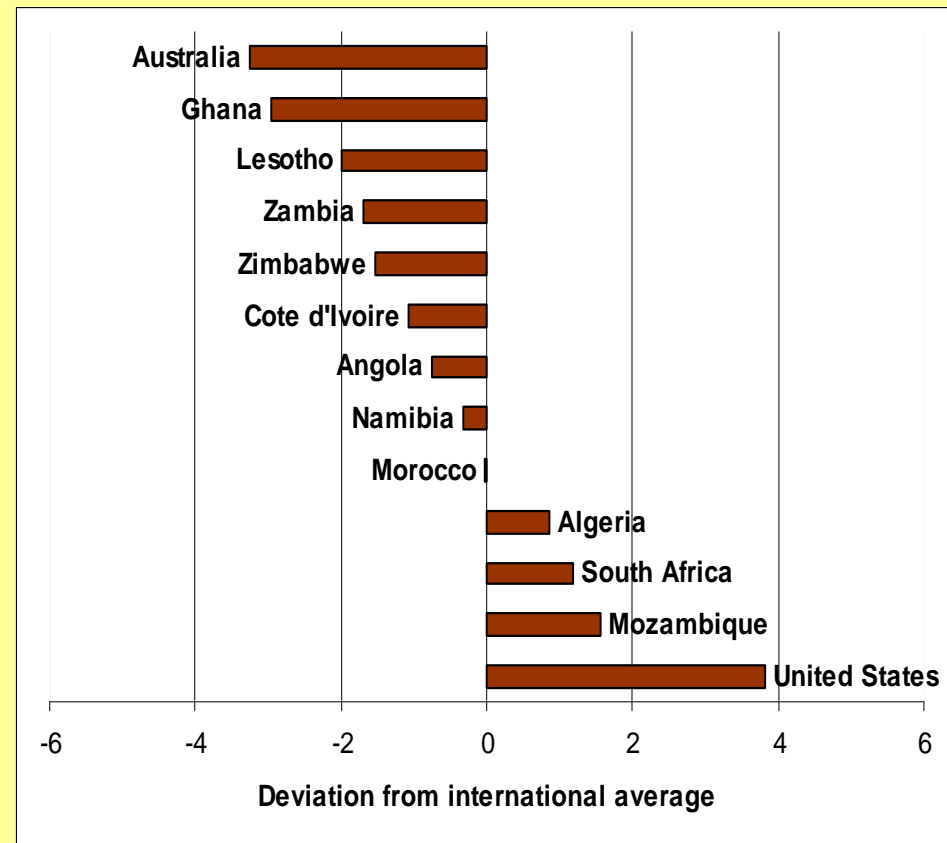
- Provide work experience -- e.g., Senegal's AGETIP builds infrastructure
  - contractors agree to labor-intensive tech.
  - use inexperienced but trained youth
  - 35,000 person-yrs of employ in 7 yrs
- Provide relevant skills: Joven programs combine tech and life skills training
- Foster competition among providers



# Crime and Violence: legally recognized second chances

Countries incarcerate youth at different rates

- Avoid harsh penalties: countries incarcerate youth at different rates
- Don't incarcerate youths with adults
- Provide access to justice
- Promote restorative justice over retribution (South Africa's Truth and Reconciliation Program)



Source: WDR 2007



# Outline

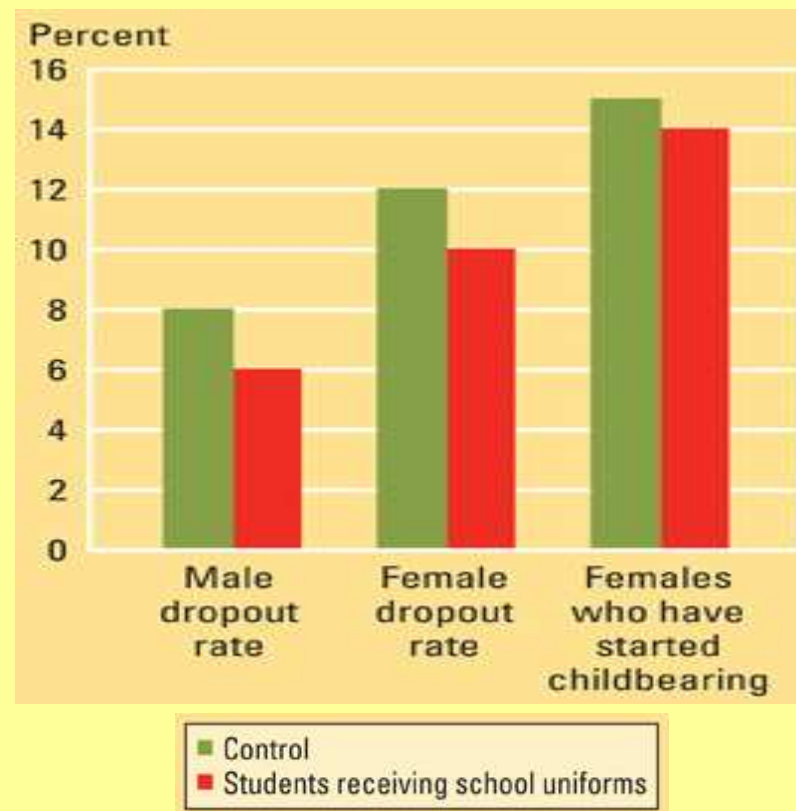
- Motivation
- Structure/Framework of the Report
- Applying Framework: Examples
  - Opportunity
  - Capability
  - **Second-chances: Prevention; lens → Help young people recover from poor outcomes**



# Moving forward in Countries

- **Coordination:** youth outcomes require improved multi-sector efforts
- **Voice:** the constituency of youth is weak (which is why for this Report, we had extensive consultation)
- **Evaluation:** many youth-specific initiatives are still new; impact must be studied

Providing school uniforms not only increased enrollment in Kenya – it lowered teenage pregnancy



Source: Duflo and others (2006).

Note: The differences between treatment and control groups are statistically significant.