

# WORLD DEVELOPMENT REPORT (WDR) 2007

## Development and the Next Generation

### REGIONAL HIGHLIGHTS—East Asia & Pacific

This is a summary of references in *WDR 2007: Development and the Next Generation* to policy directions, actions, and programs particularly relevant to youth in East Asia and the Pacific (EAP).

#### **Huge benefits reaped from growth of (and investment in) working age population...**

- The number of young people aged 12-24 in the East Asia and Pacific region (dominated by China) peaked at roughly 450 million, and is set to decline. However, a few countries are peaking now (Indonesia, Vietnam); a few will peak between 2010 and 2030 (Malaysia and the Philippines); and Cambodia will not peak in the foreseeable future.
- Bloom and Canning (2004) attribute over 40 percent of the higher growth in East Asia over Latin America from 1965 to 1990 to the faster growth of its working age population and better policies for trade and human capital development.
- Sound investments in primary education alone have accounted for approximately one-third of the growth rate of the East Asian boom economies between 1960 and 1985 (World Bank, 1993).
- Export orientation and foreign direct investment have also been cited as one of the sources of growth that explain the “East Asian miracle”.

#### **...but challenges remain**

- Some challenges such as secondary school capacity, future access to jobs, rights of migrants from rural to urban areas, and health issues remain only partially addressed. Governments will need to continue investing in education, create more jobs, and disseminate health-related information more widely, the report says.
- Dependency rates in China are expected to start increasing as early as 2010 due to rapid ageing of the population.
- Even in high-performing countries, there is a concern about equity, especially regarding young people’s access to basic services – those from ethnic groups, recent migrants and other vulnerable groups.

#### **Facilitate school to work transition**

- A 2001 UNICEF survey of young people in East Asia indicates that access to jobs, along with physical security, is their biggest concern. More education, on paper, has raised expectations that, if unfulfilled, can potentially lead to economic and social instability. The answer is not less education—but more jobs.

#### *Priorities*

- Consider policies that expand the demand for young workers.
  - Heavily export-oriented sectors such as electronics and textiles have been particularly youth-friendly in countries like Indonesia, where youth employment shares in these sectors are more than twice the national average, and Malaysia, where young women entering the labor market in a fledgling electronics industry 20-30 years ago fueled growth and altered social gender stereotypes.

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- Focus on quality and relevance of education. While schooling levels are comparatively high in East Asia compared to other regions, more relevant curriculum is needed in high-school and in tertiary education.
  - Vietnam, for instance, has enjoyed high growth in schooling, but now needs to reorient the curricula so that young people learn relevant practical skills such as languages and information technology, and life skills such as problem-solving and working in teams.
- Begin early. Early investment in nutrition, health, and psychosocial development will pay off in the long run, the report says, citing several studies that show good results.
  - In the Philippines, enriched childcare and preschool programs have led to higher achievement test scores and high school graduation rates, and even lower crime rates for participants well into their twenties.
- Increase secondary capacity. Higher completion rates at primary levels often strain secondary school capacity.
  - In Indonesia, almost all children attend six years of schooling, with 80 percent of even the poorest children completing primary school. After this, enrolment levels drop dramatically, especially among poor children.
- Forge closer link between employers and providers of education.
  - Universities and research institutes have contributed much to the growth of the Chinese economy. In Beijing, they collaborate with local industry through joint projects and technology transfers, and establish firms to commercialize their inventions. Some of these firms are among the largest Chinese high-technology firms (Chen and Kenney, 2005)
- Encourage firms to provide training to employees. World Bank surveys show that nearly 60 percent of firms in East Asia and the Pacific provide training on the job. However, leaving training to enterprises does not ensure access to all.
  - In Malaysia and Indonesia, large manufacturing firms are more likely to train than smaller ones (Tan and Batra, 1995).

### Increase opportunities and reduce risks from migration

- Geographic mobility can broaden opportunities for young people.
  - In China, 118 million rural youth, mostly male, have sought employment outside their home villages.
  - In Vietnam, more than 2 million migrants under the age of 25 moved across provincial borders between 1994 and 1999, seeking better employment and economic opportunity.
  - In the Philippines and small Pacific island nations, international migration is extremely important for youth.

### Priorities

- Develop policies that recognize the rights of rural-to-urban migrants, giving them the same access to social services as those with an urban residence permit, and the full range of social security and safety net benefits.
- Expand social protection programs for vulnerable migrants.

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- Follow the example of the Philippines in actively expanding opportunities to migrate. Take steps to increase the benefits from existing young migrants, by lowering remittance fees and removing barriers to return migration.

#### **Increase access to information, encourage decision-making among youth**

- Young people often do not know basic health and safety facts that could save them from illness and injury.
  - In Indonesia, almost 60 percent of all young males aged 15 to 24 are currently smoking.
  - A survey of otherwise well-informed and educated Vietnamese youth aged 14-25 (Govt. of Vietnam, UNICEF and WHO, 2003) shows that fewer than 60 percent of rural youth had heard of syphilis or gonorrhea, and only a third had heard of the menstrual cycle.
  - Also, despite traffic accidents being the leading cause of death and serious injury among those aged 15-19 in Vietnam, and despite motorcycle use by urban youth exceeding 70 percent, only about a quarter use a helmet, many being simply unconvinced about its usefulness.
  - More than 40 percent of all 10 to 14 year olds in the Philippines are anemic (Kurz et al, 1994).
- While ICT use is 53 percent in China among 15 to 24 year olds, it is only 12 percent in Indonesia. Also, in Indonesia, 8 percent of urban male youth use internet cafes, twice the number of urban female youth (Intermedia Surveys)

#### *Priorities*

- Four main things can be done to better inform youth about the costs and benefits of human capital investment, the report says: use schools, use the broader media, improve the content of dissemination campaigns and harness new technology.
- Sustain and expand ICT use among young people, the report recommends.
- Expand school-based career guidance services.
  - This fairly new initiative has shown promise in the Philippines. The report quotes evidence that success depends on the quality of information available to counselors, and encourages train-the-trainer programs to improve delivery and management of information.
- Direct information—besides making it available in schools—to youth outside traditional skill-forming institutions.
  - Evidence from a 2004 World Bank study shows that Cambodia and Thailand were able to contain the threat of HIV/AIDS through structured information campaigns that worked through the media and information providers in all sectors of the economy.
- Develop decision-making ability in young people.
  - A UNICEF (2001) survey of East Asian countries indicated that half the people aged 9 to 17 in some fast-growing countries like China, Korea and Malaysia, felt that their opinions were not considered sufficiently at home; fewer than a fifth felt this way in poorer settings such as Mongolia.