

Special Summit of CARICOM Heads of Government on Youth Development

Youth development: To invest or not to invest?

(CARICOM Secretariat, Turkeyen, Greater Georgetown, Guyana) The long awaited Report of the 15-member CARICOM Commission on Youth Development (CCYD) is in. It is no longer speculation that youth in the Caribbean suffer from many social and economic challenges that invariably force them to engage in risky behaviors, which consequently impose considerable economic burden on the societies in which they live.

Three years of research by the CCYD and an accompanying comprehensive cost/benefit analysis conducted by former World bank Economist **Jad Chaaban** have tested what several youth related organizations have been chorusing over the years: "the future of the region depends heavily on its young people which make up two-thirds of its population, hence the need for greater and more strategic investment in youth NOW.

So when CARICOM Heads of Government meet on Friday, January 29 at a Special two-day Summit in Suriname, to discuss the critical role of youth in the development of the region, one of the major questions that will be debated cannot be whether the Community should invest more in youth development –but the extent and nature of such investment in search of greater returns for the Community's future

Chaaban, in his Study - **Costs and Benefits from Investing in Youth in the CARICOM Member States : A Quantitative Assessment of the Youth Development Strategy** - quantifies the economic impacts of young people's socio-economic challenges, by focusing on youth unemployment, early school leaving, adolescent pregnancy, HIV youth infections and crime and violence committed by young people. By accounting for the costs of negative youth behaviours and creating awareness about their existence, the estimates, he states, may help to correct the systematic underinvestment in youth development programmes in the region.

The Study reveals some very disturbing, yet in some cases not surprising, trends among Caribbean youth; trends, which Chaaban asserts, are wreaking serious havoc on the economies of the Caribbean.

According to the Analysis, the average youth unemployment in the Caribbean is high compared to the rest of the world: 23 % in the Caribbean as opposed to 17%, for 75 developed and developing countries.

Primary education dropout rate is at a staggering height and in some countries, the drop-out rate has climbed to almost a quarter of the corresponding age cohort in those countries. The picture he paints at the tertiary level is just as dismal: many CARICOM countries have a tertiary dropout rate exceeding 80% of the institution's population.

According to the Study, murder rates in the Caribbean—at 30 per 100,000 annually—are higher than any other region of the world and have risen in recent years for many of the region's countries. Adolescent fertility exceeds 50 per thousand in many CARICOM countries; and of course we already know that the incidence of HIV in the Caribbean is the highest in the World outside of Africa. It is estimated that about one third of the new infections are contracted by youth aged 15-24.

In quantifying the costs incurred by governments and individuals as a result of these risky behaviours, Chaaban points to estimates that indicate that if youth unemployment were to be reduced to the level of that of adult unemployment (i.e. on average for the Caribbean a reduction from 23% to 8%), the Caribbean economy as a whole would benefit from an average increase of 1% in GDP.

As for school dropouts, the data shows that a young Jamaican with primary education earns 20% more in his/her lifetime over someone with no education. Similarly, continuing to secondary education ensures a 16% increase in lifetime income over primary education, while a tertiary degree provides a 20% premium over secondary level related lifetime earnings.

Based on the findings of the Study, teenage pregnancy is seemingly costing CARICOM governments on average \$US2000 per year for every young pregnant mother. These mothers are also losing potential earnings they could have achieved, if they had been able to delay their motherhood and continue to higher educational levels.

With regard to HIV/AIDS, the Study illustrates that CARICOM countries are spending US\$17 million per year on HIV treatment, with an average cost of antiretroviral therapy estimated at US\$641 per person. But this is not the only costs imposed by HIV/AIDS: According to the Study, every young man or woman with untreated HIV faces a risk of death, and society would lose much of its human capital as a result of the AIDS epidemic. Each person dying from AIDS could have joined the labour market at prevailing conditions and earned annual income, which if summed up across individuals would represent a potential for each youth cohort of nearly US\$1 billion for the CARICOM region in future earnings.

The Study reveals that the economic costs of youth crime have two components: the first are direct financial costs related to public expenditure on security, policing, arrest, judicial processing, and incarceration. The second component is indirect costs, linked to the foregone earnings of the criminal while he/she is in prison, and to the losses in tourism revenues linked to youth crimes. Lost tourist revenues as a result of crime reach in excess of US\$200 million per year for the CARICOM region, and overall youth crime is costing at least 7% of the region's GDP.

Undoubtedly, the trends also indicate that interventions and programmes aimed at reducing the unemployment rate; increasing school enrollment especially at the tertiary level; reducing adolescent pregnancy; increasing the proportion of youth with access to HIV treatment; and fighting violence and crime; could all result in great benefits for societies in the region. These benefits Chaaban says, "materialise in the form of reduced economic costs and impacts of these negative youth behaviours, reaching into billions of dollars; and gains in productivity and GDP growth as young people become more industrious and empowered."

He also makes it clear that addressing negative youth behaviours in CARICOM Member States can be achieved in a cost effective way, by focusing on programmes with proven impact and high benefit-cost ratios.

While the Study will be discussed in greater detail at the CARICOM Summit, the initial cost estimates are a call for action for governments and policymakers in the region, to address the development issues facing the youth population.

So the question therefore is not whether we should invest in youth development within the Caribbean Region but how strategic the investment should be and whether the collective will exists to dismantle those programmes, which do not work; frame and implement youth policy driven interventions that will work or even start afresh, if we have to do so.

The Community will also need to transform the mindset towards youth in order to embrace youth as equal partners in the decision making and problem solving machinery of the Region. One thing is also sure that whatever the investment is, continued impact assessments and evaluation of any interventions within the region must be done to ensure that such investment guarantees the returns that will not only advance the youth development agenda but also the agenda of the CSME.

These are decisions and challenges which will be tackled beyond the two-day Summit. In the mean time, we wait to see the direction in which our leaders will take us as they tackle the challenges which come with youth and development.

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