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The Voice of Youth

Adapt, adjust, and never stop learning

Christine Lagarde

THE OLD, as Oscar Wilde once remarked, believe everything; the middle-aged suspect everything; the young know everything.

That's why I appreciate hearing young voices—from students, to budding entrepreneurs, to fresh-faced community leaders. Their stories resonate with me because they are deeply felt, insightful, and inspiring.

Like those of everyone, young people's concerns vary by region and culture. But there are some questions that I hear nearly everywhere I go: can I find meaningful work that allows me to help my community and support my family? Is there a place for me in my own society? Can I start my own business—and if so, how successful will it be?

There is much hope and excitement in these questions, but they also convey a sense of doubt and trepidation—and for good reason. Unfortunately, young people today are twice as likely to be unemployed as the general population.

In France, for example, youth unemployment is nearly 20 percent, while overall unemployment is about 10 percent, with Brazil and Egypt facing similar problems. Around the world, youth

unemployment will reach 71 million this year, according to ILO estimates.

To make matters more complicated, young people who do find work are facing rapid technological disruptions that could eliminate their newfound industries. This transformation leaves everyone—especially young workers—guessing which jobs will still be around a decade from now and how they can train themselves to adapt.

Ready to adapt

Fortunately, young people have the tools in hand to prepare themselves for the tectonic shift that is underway.

In my conversations, I quickly pick up on the fact that this generation operates on a steep learning curve. Many students now embrace the idea of continuous training and take it as a given that they must add skills throughout their lives.

I have seen firsthand the incredible resourcefulness of millennials as they try to take control of their future. Many are not willing to wait for a job in the civil service or in a large company. They strike out and start their own businesses. They devise new online platforms and discover markets that previously did not exist. What I see is a generation that, if faced with unemployment, innovates to create fresh opportunities.

But this approach alone is not enough. Governments have a responsibility to build an environment that allows young people to fully realize

their potential. This means breaking down regulatory barriers, supporting entrepreneurs who may not succeed on their first attempt, and investing in mentorship across generations. How can this be done?

Tailored approach

There is no magic formula that works in all countries, but I see several practical solutions. One is structured vocational training, which has kept youth unemployment low in countries such as Austria, Germany, and the Netherlands. Another solution is giving young women better access to child care centers and flexible maternity benefits. These efforts can reinvigorate labor markets.

Take for example Mali, where the IMF has emphasized the economic benefits of girls' education. Or Mauritius, where we are examining ways of expanding women's access to finance.

In certain countries, a 10 percentage point decrease in gender inequality could boost growth by 2 percentage points over the next five years.

At the same time, our member nations need to remove barriers to competition and cut red tape. These reforms must of course be country specific—in advanced economies, we estimate that if research and development were increased by 40 percent, nations could grow GDP by 5 percent in the long term.

All these changes would benefit youth just embarking on their careers.

Smart policy choices can liberate young people to work for themselves or start a company. At the same time, young entrepreneurs face increased financial uncertainty because they can no longer rely on employer-based health insurance or pension plans.

How can the IMF help?

IMF work

Our mission at the IMF is to promote economic stability and growth around the world. And that means helping our member countries create better employment opportunities for the next generation of workers.

This is particularly important in countries where youth unemployment has remained high over many decades.

The IMF can help address these challenges by encouraging greater public investment in education and job training programs—and we are pushing for such reforms in our lending programs.

We also need more public-private partnerships that can make training programs more effective. A good example is Singapore's Skills Future program, which offers unconditional grants to all adults for training throughout their working lives.

But training is only one piece of the puzzle. There is so much more that governments and business can do to harness the power of innovation. Fintech, for example, is a fascinating field where more investment is needed.

Just look at Kenya and the innovative use of mobile-phone-based money transfer through M-Pesa. The government now permits phone-based payment of taxes, reducing compliance costs and delays.

The world cannot afford to waste so much precious human talent.

Some studies estimate that developing and emerging market economies can save \$110 billion annually by switching from cash and checks to digital payments. These savings can make all the difference when a young person is on the verge of starting a new business.

A career in the 21st century

If I were entering the job market today, I would focus on two things. First, a willingness to learn throughout your life. There is no "end" to education; there are simply milestones of progress.

Second, an openness to changing course. You do not have the luxury of being trained in one field or one profession only. In my life, I started as a lawyer, became a finance minister, and now lead the IMF. The generation about to enter the workforce will face even more twists and turns on their professional journey. Embrace those changes and bring new perspective gained from each position into the next.

Returning to Wilde, he said, "To define is to limit." There is no precise definition of what a career or job will look like for the world's youth in the new economy. This opacity leads to understandable anxiety and uncertainty. At the same time, there is no limit to the possibilities. This is the great opportunity for the next generation, and I trust the entire global community will help them seize it. **FD**

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