The 9th edition of the International Economic Forum on Latin America and the Caribbean addressed the challenges posed by globalisation in the region and how youth can improve the performance of Latin American economies.

Economic growth has been negative for two consecutive years in Latin America and the Caribbean. Seven million people have fallen into poverty in the last three years, reaching 29.2% of the population\(^1\). In addition, the region retains the highest global rate of inequality with 70% of the region’s wealth and income concentrated among 10% of the population. This current weak economic performance is expected to ameliorate slightly in the coming years\(^2\). However, the expected increase is below the global average and insufficient to preserve policies implemented in the last decade to reduce poverty and inequality.

Several factors are not taken into account in the growth forecasts. For example, commodity exporters faced deep contractions as a result of weak global growth and low commodity prices over the past years. Protectionist policies are growing in popularity among some of the region’s major partners and there is a lot of uncertainty about the direction of trade. Participants to the Forum

---


\(^2\) Ibid.
mentioned that Latin American countries cannot continue to rely so heavily on exporting commodities since their prices are too volatile. Concerns that the benefits incurred from globalisation are not equally shared are rising around the world, and as a result the benefits of globalisation are being questioned. Latin America and the Caribbean need to adapt their policies and trade strategies to ensure sustainable and inclusive growth.

To face the challenges of protectionism and low economic growth, the forum’s participants stressed the need to increase regional integration, improve youth inclusion and invest in youth entrepreneurship.

REGIONAL INTEGRATION

Latin American and Caribbean (LAC) countries cannot continue to rely so heavily on extra-regional trade. Only 15 to 20% of LAC’s trade volume is intra-regional. Increasing regional trade and expanding regional value chains could boost Latin American productivity significantly. Participants to the Forum noted the opportunity for the region to leverage the comparative advantages of the members of Mercosur and the Pacific Alliance to better integrate the two sub-regional entities. Integrated regional markets can offer opportunities to meet expanding consumer demand, achieve economies of scale and attract greater foreign direct investment³.

Improved infrastructure is needed to strengthen regional integration. Participants to the Forum stressed that it is often more expensive to ship a container intra-nationally and intra-regionally than to ship it to China. They urged LAC countries to drastically cut national and regional connectivity time. Infrastructure improvement can serve as an instrument to spur economic growth and reduce the region’s over-dependence on global economic trends. Nevertheless, participants noted that the investments would be costly, from 200 to 250 billion dollars, hence the need for LAC countries to keep advancing with public-private partnerships (PPP) initiatives to raise funds necessary for infrastructure⁴.

YOUTH INCLUSION

With 25% of the region’s population aged between 15 and 29, Latin America and the Caribbean are in the midst of an important demographic bonus. All of the participants to the Forum noted the importance of improving the educational systems of the region to ameliorate youth inclusion in the workforce. Regional scores in the Programme for International Student Assessment (PISA) average

³ Ibid.
⁴ Ibid.
400 points in the LAC region, falling below the world average of 500\(^5\). This result reflects young Latin Americans disadvantage with the rest of the world in terms of competencies which reduces their chance of finding employment.

Likewise, the region has a gap between the pool of available skills and those skills that economies and businesses require. Participants urged firms to train young workers with the objective of hiring them afterwards. In addition, they also highlighted the role of governments in increasing access to vocational education to help those who have become disaffected with academic education to re-engage with the education system and help solve the skills mismatch.

“In the future, the countries that develop their human resources better will be the most successful”
Luís Alberto Moreno, President, Inter-American Development Bank

Technology offers a great opportunity to solve the mismatch among youth in the region. However, the LAC region lags behind in terms of innovation. Governments need to take into account the advances in technology and incorporate policies that facilitate access of young people to the job market while keeping up with the global trends.

Improving graduation rates in secondary schools, increasing the quality of tertiary education and the number of women in the field of science and technology are crucial initiatives to prepare the youth for the demands of the market. Additionally, primary schools need to offer better nutrition for children to fight against anaemia. Participants suggested that school enrolment for children under 18 should be a condition for beneficiaries of social programmes. Countries and citizens in the region need to realise the benefits that investing in youth inclusion will have on economic growth, and adopt policies accordingly.

Political participation is one of the main, but often neglected vehicles for the social inclusion of young people. Confidence in governing institutions needs to be restored to foster young people’s participation in their democracies. Only 36\% of Latin American youth expressed confidence in the transparency of election results\(^6\). New expectations for progress and employment, coupled with the highest rate of unemployment among the youth in over a decade, have pushed them to lead protests across the region. Participants stressed the need to channel the youth’s energy as a force for good. However, without access to services and employment, the youth cannot express their potential. Youth inclusion needs to be improved before the demographic trend of the LAC region gradually resembles that of Europe.

---

\(^5\) Ibid.
YOUTH ENTREPRENEURSHIP

For Latin America and Caribbean countries to create a sustainable environment with long-term growth, they need to prepare the youth for the needs of tomorrow. Youth entrepreneurship is one of Latin America’s many youth-related opportunities. Evidence shows that governments that provide their citizens with business and managerial training are the most successful in increasing self-employment, firm creation, earnings and psycho-social well-being. There is a desperate need for effective social policies and strategies to facilitate the access for young people to the job market, which in turn will enhance sustainability of the economic growth.

Panellists argued the importance of empowering young people in the region to become entrepreneurs and engage in sustainable work environments. Many focused on the importance of self-employment as the formal private sector is not able to provide work opportunities for all. Young people in different countries do not face the same obstacles. It is therefore imperative for countries to diversify their strategies and programmes and be creative. Should governments fail to invest in creating more job opportunities and foster youth entrepreneurship, they will continue to experience high levels of poverty and unemployment.

“Investment plus youth is an excellent sum”
Jimmy Morales, President of Guatemala
Media Outreach

The Forum was well attended and covered by news agencies as well as TV, print, radio and online media. The organisers were pleased to collaborate with Radio France Internationale, France 24 and EFE Agency.

Some selected headlines following the Forum include:

- **France-Amérique latine : un agenda partagé pour une mondialisation plus juste** (La Croix)
- **L’Amérique latine tourne le dos à deux ans de récession / « Le Brésil va poursuivre** (Les Echos)
- **Amérique latine : à Paris, les Latino-Américains affirment une volonté de libre-échange** (Le Moci)
- **Gurría: En Latinoamérica hay un problema "muy grave" de gobernabilidad** (EFE)
- **OCDE: la recuperación en Latinoamérica, insuficiente para cubrir expectativas** (EFE)
- **Ocde advierte que recuperación en Latinoamérica es insuficiente frente a ciudadanos desconfiados** (EFE)
- **Kuczynski quiere un cambio tecnológico en Latinoamérica, que está atrasada** (EFE)
- **La desconfianza por la corrupción oscurece la recuperación en Latinoamérica** (EFE)
- **Peru President takes part in OECD Forum in Paris** (Andina)
- **Presidentes de Guatemala y Perú asisten a foro económico en Francia** (Prensa Latina)
- **Presidente Kuczynski se reunió con su homólogo de Guatemala y con el titular del BID** (Radio Nacional)
- **Jefe del Estado se reunió con secretario general de la OCDE** (Radio Nacional de Peru)
- PPK: "No tenemos suficiente educación tecnológica, estamos atrasados en innovación" (RPP)
- PERÚ: Fotogalería: así fue la presentación del presidente Kuczynski en la OCDE (Entorno Inteligente)
- Kuczynski: Crecimiento económico con respeto al medio ambiente (Crónica Viva)
- Perú y América Latina necesitan crecer 5% a 6% para generar empleos y oportunidades (AméricaEconomía.com)
- PPK desde París: Tenemos la esperanza de recuperar crecimiento del 5% (El Comercio)
- La desconfianza por la corrupción ensombrece la recuperación en Latinoamérica (Notimex, picked-up by main media))
- PPK ofreció discurso en Foro Económico de América Latina y el Caribe (Panamericana.com)
- Presidente Kuczynski participa del Foro Económico OCDE en París (Andina)
- Perú cree en crecimiento con apertura y respeto al medio ambiente (Andina)
- Perú aspira a ser miembro pleno del club de los países desarrollados, la OCDE [infografía] (Andina)
- Perú tiene posibilidad de ingresar a la OCDE (El Universal)
- Morales viaja a París para incorporar a Guatemala a la OCDE (La Estrella de Panamá)
- Guatemala, a punto de salir de países no cooperante (Prensa Libre)
- Presidente buscará en Francia integrar al país en grupo de transparencia (Publinews)
- Guatemala, a un paso de salir de lista de no cooperantes fiscales de la OCDE (AFP picked up by main media)
- Aboga presidente de Guatemala por mayor acercamiento con Francia (Notimex)
- Morales: Latinoamérica necesitará tiempo para recuperar la confianza perdida (Terra)
- Planificación, en foro sobre inserción laboral (EL Deber)
- El gobierno expuso ante empresarios extranjeros en París: "Los resultados ya empiezan a verse" (Telam)
- BID considera "buena noticia" que justicia investigue en Brasil la corrupción / (EFE)
- Meirelles apuesta por la continuidad de Temer y de su política económica (AFP)
- Un 60% de jóvenes trabajadoras pertenecen a la economía informal en Latinoamérica (Noticiaaldia)
- Cuestión de riqueza 2/2 (Vanguardia)
- L’Amérique latine se redresse peu à peu (Le Figaro)
- Mejora la escolaridad de los jóvenes en AL, según la OCDE (LaJornada)
Web visibility

The Forum’s official website (www.oecd.org/development/lac-forum) registered 18,066 visitors in the lead-up to and on the day itself of the event. The official photos of the event are available on the OECD Development Centre’s Flickr account. Feel free to use these images, including the OECD copyright and the photographer’s credit. This year, 1,080 tweets were sent using the hash tag #LACForum on 9 June, and in the days before and after the Forum, reaching approximately 4,643,039 million accounts and generating 28,308,170 million impressions (see graph below).
About the organisers

The mission of the Organisation for Economic Co-operation and Development (OECD) is to promote policies that will improve the economic and social well-being of people around the world. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. The OECD Development Centre, whose membership is open to both OECD and non-OECD countries, occupies a unique place within the OECD and in the international community. The Centre counts ten member countries from the Latin America and Caribbean region. The 2016 edition of the Centre’s Latin American Economic Outlook explores how Latin America should deepen and improve its partnership with China as part of its development agenda. -- www.oecd.org/dev

The Inter-American Development Bank (IDB) is the largest source of development financing for Latin America and the Caribbean. Since its creation in 1959, the IDB has worked for the economic and social development of the region. It provides loans as well as grants and technical assistance. The IDB counts 48 member countries, including 26 Latin American and Caribbean borrowing members, who have a majority ownership of the IDB. -- www.iadb.org

The Ministry of Economy is tasked with implementing the French Government’s economic, financial, consumer and fraud-control policy, as well as policies targeting industry, services, small- and medium-sized enterprises (SMEs), craft industries and trades, commerce, postal and electronic communications. It also oversees and supports the tourism policy. To fulfil this mission, the Ministry defines the appropriate measures for promoting the growth and competitiveness of the French economy, and for encouraging and guiding investment. The Ministry prepares macroeconomic scenarios for France and its international environment. It can provide debt and equity financing for companies, in particular SMEs and mid-tier companies. It is responsible for entrepreneurship policy. It also supervises the Chamber of Trades and Crafts and the Chamber of Commerce and Industry networks. -- https://www.economie.gouv.fr/