

Determinants and Impacts of Youth Education:

An Empirical Analysis using Household Survey Data in Timor-Leste

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<Abstract>

We identify the determinants of youth education and employment and the impact of education on youths' time allocation and wages using the Timor-Leste's Living Standard Survey (TLSS) 2001. This paper uses the multinomial logit method (MNL) to identify the determinants of youths' schooling and work in a single econometric model, as well as the Heckman model to estimate returns from schooling. The analysis suggests that 1) household wealth is a key determinant in youths' allocation of time between employment and enrollment and that 2) education has a positive effect on futures earnings, although its returns are lower than the international average.

<Keywords> Youth, Human capital development, Idle, Multinomial logit method (MNL)

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