

Special Report: The World's Youngest Populations

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At the beginning of 2012, the size of the world population surpassed the seven billion milestone and the population aged below 30 accounted for more than half of the world's population.

The size of this young population continues to grow at a robust pace, particularly in developing economies where an unprecedented number of children are moving into adolescence.

Decisions made about size and birth spacing of their families will determine population and consumer trends over the coming decades.

Key points

- The proportion of population aged below 30 in the global population stood at 50.5% in 2012, down from 62.1% in 1980. Over decades, social and cultural changes towards smaller family sizes have lowered birth and fertility rates. Meanwhile public health initiatives and advances in modern medicine have lengthened life in both developed economies and developing economies;
- The size of the population aged below 30, however, continues to increase and reached 3.5 billion in 2012, up from 2.7 billion in 1980. Emerging and developing economies, particularly in the Middle East and Africa, have a younger population than developed economies. At the beginning of 2012, 53.1% of the population in emerging and developing economies was aged below 30 compared to 35.6% in developed economies;
- In 2012, India and China had the youngest population in terms of size with the number of people aged below 30 at 704 million and 497 million respectively. According to the United Nations (UN), India's total population is forecast to overtake China's by 2025 despite falling fertility from 4.7 children born per female in 1980 to 2.6 in 2011;
- Countries in sub-Saharan Africa had the youngest proportion of population in the world with over 70% of the region's population aged below 30. In terms of median age (middle value of age distribution), Niger had the youngest population in 2011 at 15.4 years, followed by Uganda (15.7 years) and Mali (16.2 years);
- The sheer size of the global young population and their decisions about size and birth spacing of their families will immensely influence population and consumer trends over the coming decades. The young population in many emerging and developing economies will benefit from a demographic dividend - a rise in the rate of economic growth due to a rising share of working age people in a population.

Youngest population in developing economies

In 2012, 89.7% of the global population aged below 30 lived in emerging and developing economies :

- Although improved public health initiatives, advances in modern medicine and immunization campaigns, particularly after World War II decreased death rates in both, developed and developing economies, birth and fertility rates continued to remain high in emerging and developing economies. In 2011, emerging and developing economies had a birth rate of 20.9 per 1000 people and a fertility rate of 3.1 children born per female compared to a birth rate of 11.2 and a fertility rate of 1.8 in developed economies;
- At the beginning of 2012, India had the youngest population in terms of size with 704 million people aged below 30, followed by China (497 million), the USA (127 million), Pakistan (126 million) and Indonesia (123 million). Unlike China, India is not facing an ageing population and has a young age structure with a median age of 25.4 in 2011 compared to 39.3 in China. In 2012, India's population aged 0-4 at 126 million was almost double the entire population of France;
- The Middle East and Africa region had the highest proportion of population aged below 30 in 2012 at 66.8% compared to Latin America (52.9%) and Asia (48.8%). Over 70.0% of the population in sub-Saharan Africa was aged below 30 at the beginning of 2012 owing to higher birth and fertility rates, and improvements in child survival;
- With over half its population aged below 15 in 2012, Uganda stands out as one of the world's youngest age structures as a result of lower mortality rates and a high fertility rate of 6.1 children born per female in 2011, only slightly lower than 7.1 recorded in 1980;
- Niger had the lowest median age of 15.4 years in 2011, followed by Uganda (15.7 years) and Mali (16.2 years). On the

other hand, developed economies like Japan and other economies in Western Europe are facing an ageing population. In 2011, Japan had the highest median age at 45.2 followed by Germany (44.1), Italy (43.1) and other economies in Europe.

Opportunity for a demographic dividend

- Population trends over the next few decades will largely be governed by decisions made by the 3.5 billion young people aged below 30 in 2012. This is the largest generation to enter adolescence and their decisions regarding size and birth spacing of families will shape population trends and consumer trends over coming decades;
- There will be an unprecedented increase in the working-age population giving the labour force a 'bonus' of human resources and hence more potential for economic development. Between 2012 and 2020, the working age population in emerging and developing economies alone is forecast to grow by 9.8% to reach 4.3 billion;
- According to the UN, many developing economies in Africa (Algeria, Morocco), Asia (India, Malaysia, Turkmenistan and others) and Latin America (Colombia, Ecuador, Mexico, Peru and others) entered the demographic window in 2010. South Africa, Philippines, Egypt, Saudi Arabia and Bolivia will enter this phase by 2025 and most countries in sub-Saharan Africa will enter this phase after 2040;
- These countries will benefit from a demographic window that stretches between 30-40 years bringing improvements in society by allowing more investments in education, healthcare, technology, and skills to support a growing economy;
- A large youth population can be an opportunity for countries to build a strong economic base and reverse poverty trends in many developing economies. As more people work, aggregate disposable incomes and spending rise. The massive growth in market size will provide opportunities for businesses targeting young age groups;
- Like developed economies, the trend of young women and men marrying later and having fewer children is emerging. The global average number of children per household is forecast to reach 1.1 by 2020 compared to 1.9 in 1980, while the number of global households continues to grow by 1.9% per year during the same period. This suggests that families will tend to spend more on essential and non-essential goods for their children.

Potential challenges

The lack of education and investments in infrastructure and job creation could waste the potential benefits of a large global young population:

- According to the International Labour Organization in 2010, 81.0 million of the 620 million economically active youth from ages 15 to 24 globally or 13.0% of that age group were unemployed in 2009 (latest data available), largely because of the world financial and economic crisis;
- Scarcity of employment opportunities can lead to social unrest among the youth population. In 2011, in addition to social unrest in the Middle East and North African region, developed economies like Greece, Italy, France and the USA were also affected by social unrest caused by high unemployment and lack of opportunities for young people;
- In many developing economies, like countries in sub-Saharan Africa, although economic growth rates remain high, job creation remains low due to lack of government intervention to create employment building policies and programmes. In countries like India where infrastructure is weak, the government struggles to meet demand for public services;
- Insufficient educational opportunities pose another challenge, as education is a critical factor in determining the level of economic development and business environment of a country. For example, in many developing economies in Asia like Vietnam and Indonesia, higher education is poorly developed and many universities have low-quality education due to lack of investment.

Prospects

According to the UN, the youth will be the "new global power reshaping the world":

- By 2020, 3.6 billion people in the world will be aged below 30 with a median age of 31.5, up from 29.7 in 2012. 90.1% of the global population aged below 30 is forecast to live in emerging and developing economies. The Middle East and Africa region will have the youngest proportion of population aged below 30 at 63.9% with a median age of 21.7 in 2020;
- With 726 million people aged below 30 in 2020, India will have the youngest population in size followed by China (456 million). While India's government is confident that its large population will benefit the economy, demographers are concerned about the wide disparities in fertility rates across the nation and the country's skewed sex ratio at birth in favour of males;

- The young global population has immense potential for economic development and the creation of business opportunities for sectors across industries. However, the key would be to see how government policies and programmes tackle this 'youth bulge' and turn them into assets by providing them with them with the right set of skills.

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