The Demography and Economics of the World’s “Youth Bulge”

BY DAVID LAM

There are currently 1.5 billion people aged 12–24 in the world, with 1.3 billion of them in developing countries. Many developing countries have reached or will soon reach a historical peak in the size of their youth population, a peak that is probably the largest number of young people these countries will ever see. This “youth bulge” is one of the important reasons for the recent attention given to the economic and social situation of youth around the world, including the 2007 World Development Report and the Growing up Global report of the U.S. National Academy of Sciences (Lloyd, 2005).

Figure 1 shows the number of 12–24 year-olds in the world and in three major developing regions—Asia, Africa, and Latin America—according to United Nations projections. For each region the population numbers are shown relative to the number in 1950, which is set equal to 100. We can see from Figure 1 that current youth cohorts are the largest in history, with a period of rapid growth in the world’s youth population coming to an end. While the world’s population aged 12–24 more than doubled between 1950 and 1985, an unprecedented rate of growth, the size of this group will be relatively stable after 2010. This stability masks significant diversity across regions. Youth populations in Asia and Latin America will reach a peak around 2010 and then begin to decline, while Africa’s youth population is projected to keep growing beyond 2050. Africa’s youth population, already more than four times its 1950 level, is projected to be eight times that level in 2050.

Why are current youth cohorts so large?

The current youth bulge is a product of the “demographic transition,” the pattern of fertility, mortality, and population growth that has played out with great regularity around the world. The demographic transition begins when mortality, especially infant and child mortality, begins to fall
but birth rates remain high, generating population growth. Birth rates eventually decline, slowing the rate of population growth. High-income countries went through the demographic transition in the 1800s or early 1900s, with a long, slow mortality decline. Population growth rate was modest, rarely exceeding 1% per year. The demographic transition in developing countries was quantitatively quite different. Mortality declined much faster, generating population growth rates that sometimes exceeded 4% per year, implying doubling times of less than 20 years.

For many developing countries—and for the world as a whole—the most rapid population growth occurred in the 1960s, when death rates had fallen rapidly but birth rates were still high. The world’s population growth rate reached a maximum of about 2% per year around 1965, the peak of the “population explosion.” The rapid growth in the size of birth cohorts in the 1960s caused rapid growth of the childbearing-age population some twenty years later, a process demographers call “population momentum.” Today’s youth cohorts are the children of this population explosion generation.

**Demographic diversity**

While the basic elements of the demographic transition are the same all over the developing world, the pace and timing differs across regions. Figure 2a shows the size of the youth population for four countries that represent four major patterns in the timing of the peak in the youth population. The timing of the youth bulge is directly related to the timing and pace of fertility decline. China is one of a small group of developing countries that had a peak in the youth population before 2000. China’s youth population reached its maximum in the mid-1980s, the result of China’s early and very rapid fertility decline. The other major developing country in this group is Thailand, which also had rapid fertility decline in the 1970s. Brazil is one of a large group of countries experiencing a relatively flat peak in the youth population between 2000 and 2010. Other countries in this group include Mexico, Indonesia, and Vietnam, all of which have already experienced large declines in fertility, though somewhat later than China and Thailand.

A third large group of countries is represented by India. These countries, which include Bangladesh and the Philippines, will have a peak in the youth population between 2010 and 2030. These countries had later and slower fertility declines than the previous two groups and are projected to experience 20 or 30 years of relatively constant youth
populations after they reach their peak. The fourth country shown in Figure 2 is Kenya, representing a large group of mostly African countries that will continue to have growth in the youth population after 2030. Kenya's youth population grows to such large numbers that they are plotted on a different axis. Kenya's youth population is projected to be over seven times its 1950 level in 2010, and over 12 times its 1950 level in 2050. Other countries with Kenya's pattern, which results from a later start and slower pace of fertility decline, include Pakistan and most countries in sub-Saharan Africa.

Large cohorts but small families

A PARADOXICAL FEATURE of today's large youth cohorts is that they were born into significantly smaller families than their parents. Their parents—the population explosion generation of the 1960s and 1970s—were large in number but tended to have smaller families than previous generations. In Brazil, for example, the average number of siblings of 12-14 year-olds fell from 6.0 to 3.5 between 1960 and 1990, a period in which the absolute number of 12-14 year-olds more than doubled. Brazilian cohorts born between 1960 and 1962 competed with rising numbers of children their same age in the population, but competed with decreasing numbers of siblings at home. In most developing countries, even those in sub-Saharan Africa, today's young people have fewer siblings than their parents did, a factor that may partially offset the pressures of large cohort size.

In addition to declining family size, there is another positive side to the demography of today's youth bulge, offsetting the pressures created by historically unprecedented absolute numbers. If we look at relative cohort size, measured as the number of young people per working-age adult, the pressures created by today's youth cohorts are less than those created by the youth cohorts of previous decades. As shown in Lam (2006), the ratio of the population aged 12-24 to the population aged 25-59 reached a peak around 1980 in most developing countries. Even in Kenya, where the absolute number of young people will continue growing for several decades, the number of young people per working-age adult is already falling. From an economic perspective, the relative size of the youth population may be more important than the absolute size. Providing secondary schools, for example, will be easier when there is a smaller number of school-age youth per taxpaying-age adult. By this sort of measure, the pressures generated by today's youth cohorts are smaller than the pressures created in the 1980s.

Another economically important measure is the percentage growth rate of the youth population. Pressure on youth unemployment, for example, may be more severe when the youth labor force is growing at 4% per year than when the youth labor force is large but growing very slowly. The annual growth rate of the youth population has been declining in most developing countries for 20 to 30 years. In all of the countries and regions shown in Figures 1 and 2, the percentage annual growth rate of the youth population was significantly higher in the 1970s than it is today. Even in Kenya, for example, the population aged 12-24 grew at an annual rate of 5% per year in the 1965-69 period, compared to 1% per year in the 2005-09 period.

Economic challenges and opportunities

FROM AN ECONOMIC PERSPECTIVE, there is understandable concern that the current youth bulge poses serious challenges to developing countries in the areas of job creation, education, and service delivery. In most of Asia and Latin America these will be the largest youth cohorts in history, while in Africa the numbers will continue to grow for several more decades. Governments and international agencies need to be aware of these demographic pressures and make sure appropriate investments are made in this critical generation.

The demography of youth is not entirely gloomy, however. In almost all developing countries the growth rate of the youth population is significantly lower today than it was 30 years ago. The number of young people per working-age adult is also significantly smaller than in the past. This means that fiscal pressures to finance secondary school and other youth services may be less severe than in previous decades. For many countries in Asia and Latin America, the current youth bulge is a sign that the largest cohorts ever born will soon become adults. For these countries, some of the biggest challenges of the population explosion will soon be behind them. In contrast, most African countries face significant ongoing challenges in the coming decades, as their already large youth populations continue to grow.

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References


Endnotes

1 Figures 1 and 2 are based on the U.N.'s "medium variant" projections (United Nations Population Division, 2005).

2 Lam and Marteleto (2005) analyze the interaction of cohort size and family size during the demographic transition, with particular focus on Brazil.