Adolescents and Youth: Their Numbers and Economic Roles

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Overview of Presentation

Part I. Three important demographic trends

Part II. Economic status - adolescents and youth

– Disparity in spending on health and education

– Drivers of disparity
  • Poor countries have limited resources
  • Children in poor countries depend heavily on their families. These children cannot access national or public resources
  • Quantity-quality tradeoff: more children means less health and education spending per child

Part III. Conclusions
Sources of Information

• Population estimates and projections

• Economic estimates
  National Transfer Accounts ([www.ntacounts.org](http://www.ntacounts.org))
Baseline for Adolescent and Youth Population
Estimates for 2010

Less developed countries

- Non-youth: 4,121
- Age 10-17: 855
- Age 18-24: 736

28%

More developed countries

- Non-youth: 1,064
- Age 10-17: 110
- Age 18-24: 115

18%

Population numbers in millions
Part I. Three Important Demographic Trends

• Worldwide, rapid growth of the adolescent and youth population is ending and an era of stability is beginning.

• In Africa the adolescent and youth population will grow substantially, while in Europe, Latin America, and many countries in Asia it will decline significantly.

• The share of the adolescent and youth populations will remain high in Africa for the foreseeable future, but decline elsewhere.
Global Growth has Ended

1.5% annual population growth, 1950-2010

0.1% annual population growth, 2010-2060

More developed countries
Less developed countries
Percentage Change, Adolescent and Youth Population, 2010 to 2060

- Africa: 103%
- Oceania: 34%
- Northern America: 23%
- Europe: -12%
- Asia: -20%
- Latin America and the Caribbean: -21%
Adolescent and Youth Populations, Selected Countries

- Nigeria
- Brazil
- United States
- Japan
- China
- India
- Germany

2060 youth population for China is less than half its peak of 1985

Nigeria projected to pass China in 2085
Adolescent and Youth Populations, Selected Countries

- Rapid growth for Nigeria
- Substantial growth for the US
- By 2060, decline from peak of:
  - 37% for Brazil
  - 40% for Germany
  - 50% for Japan
Adolescent and Youth Populations
Percent of Total, 2010
Adolescent and Youth Populations
Percent of Total, 2060
Part II. Economic Status of Adolescents and Youth

• Employment opportunities
• Disparity in spending on health and education
• Drivers of disparity
  – Poor countries have limited resources
  – Children in poor countries depend heavily on their families. These children cannot access national or public resources
  – Quantity-quality tradeoff: more children means less health and education spending per child
Disparity in Human Capital Spending

Education and health spending per child, 10-24 age span, US$ (PPP conversion)

Human capital spending in US is 115 times value in Kenya

Kenya
Senegal
India
Nigeria
Vietnam
Philippines
Indonesia
China
Brazil
Thailand
Chile
Peru
South Africa
Costa Rica
Jamaica
Argentina
Mexico
Uruguay
Colombia
Hungary
Slovenia
Spain
Finland
Japan
France
Austria
Sweden
Germany
Australia
Finland
US

- 50,000 - 100,000 - 150,000

10-17  18-24
First Driver of Disparity: Differences in Income

Differential is much lower if expressed relative to income.

Rich countries investing 3 to 4 times annual labor income of persons 30-49.

Poor countries are investing 1 to 2 times annual labor income of persons 30-49 with lower value for Kenya.
Second Driver: Dependence on Families, 10–17 Year Olds in 24 Countries

Own resources include labor income, asset income, and credit.

High consumption: average for 10-24 > $5000

Low consumption: average for 10-24 < $5000.
Consumption for 18-24 year olds is funded from own resources and family transfers. Net public transfers are very small in all countries. For countries to the left of the triangle, taxes paid exceed benefits received.
Third Driver: Quantity-Quality Tradeoff

• Quantity-quality tradeoff: countries and families with more children spend less on each one.

• National transfer account estimates show that countries with a large youth population devote a large share of their resources to the material needs of those children.

• However, human capital investment is affected by the quantity-quality tradeoff.
Aggregate Consumption and Labor Income by Age

Philippines

- Consumption: Blue
- Labor income: Green

Germany

- Consumption: Blue
- Labor income: Green

[Charts showing consumption and labor income by age for the Philippines and Germany]
Human capital spending is health and education spending per child over the 10-24 age span relative to labor income of those 30-49.
Part III. Conclusions

• In many low income countries in Asia and Africa, adolescent and youth populations are large and growing.

• The young are a potentially valuable resource for these countries but only with:
  – Dynamic, job-creating economies
  – Strong investment in human capital
Conclusions

• Many countries are struggling to provide resources needed by adolescents and youth.
  – Their own resources are limited
  – External resources are inadequate
  – Governments are doing too little to create access to resources for adolescents and youth
  – Too many youth and adolescents are competing for too few resources
Conclusions

• Success is possible
  – Poor countries can turn struggling economies into dynamic ones
  – External resources can be increased and targeted at adolescents and youth
  – Governments can engage more in health and education
  – Poor countries can emphasize smaller families and greater investment in every child