

The Power of 1.8 Billion: Adolescents, Youth and the Transformation of the Future ASIA

About the Report

The 2014 State of the World Population Report, *The Power of 1.8 Billion: Adolescents, Youth and the Transformation of the Future*, discusses the enormous potential for economic growth and social development in countries with large youth populations, given the right investments in human and social capital for youth development are made.

The Demographic Dividend

The **demographic transition** occurs when a population shifts from high fertility rates and high mortality rates to low fertility rates and low mortality rates. There has historically been window of rapid economic growth in countries experiencing the demographic transition, a benefit called the “**demographic dividend**.” This accelerated growth occurs when a country’s working age population grows larger than the non-working age population, creating a more productive economy in a state facing fewer costs associated with non-workers, like children and the elderly.

The Importance of Youth for Asia

- **The majority of the world’s youth population lives in Asia**
- **India** has the world’s highest number of 10-to-24 year-olds at 356 million, followed by **China** with 269 million, **Indonesia** with 67 million, **Pakistan** with 59 million, and **Bangladesh** with 48 million.

Current Conditions for Youth in Asia

Asia is a highly **demographically** and **developmentally diverse** region, meaning countries are at **widely varying stages** of the demographic transition.

- Southeast Asia has achieved **mixed results** in capturing the demographic dividend.
 - There has been **a 57% decline in maternal mortality rates** since **2000** in Southeast Asia
 - **Thailand** - has experienced relatively higher growth than other countries in Southeast Asia by investing in health and education, but was not as aggressive as East Asian tigers and therefore not as successful.
 - Problematic “policy and institutional settings” meant Thailand did not capture all its potential economic growth, despite a dependency ratio and initial population size similar to South Korea.
 - Thailand did, however, experience **GDP per capita growth** of **220%** between 1950 and 2008.
- East Asia – the **model** for how populations can capitalize on the demographic dividend.
 - The demographic dividend accounts for up to **one third** of the **rise in income in East Asia** between 1965 and 1995 and **6% annual average growth in per capita income**.
 - **Income per capita** (USD 1995) more than **quadrupled** (\$2296 to \$9777) between 1965 and 1995.
 - East Asia now has **2.4 workers for every non-worker**
 - Approximately **2% of annual per capita income growth** in East Asia over past two decades is attributable to **shifting demographics**.

Policies and Initiatives for Youth Development in Asia

UNFPA identifies **Afghanistan, Nepal, and the Lao People's Democratic Republic** as countries at the beginning stages of the demographic transition.

South Asia:

- Gender inequality continues to challenge youth development. Governments have only recently begun to implement policies addressing child marriage, equal access to education, and women's economic empowerment.

East Asia and certain countries in Southeast Asia have already experienced the demographic transition.

- In Korea, Taiwan Province of China, and Thailand, investment in **health, education, gender equality** meant that **female enrollment in secondary school increased** significantly between 1965 and 1980, resulting in fewer children and later marriage, and greater female work force participation".
- World Bank estimates that **maintaining unemployment at 2005 levels** for the working age population in 2020 requires **an additional million jobs per month** between South Asia and East Asia. This demand **will ease in East Asia** due to **declining fertility**.

UNFPA Identifies a Way Forward

Nepal, Afghanistan, and the Lao People's Democratic Republic must invest in youth development to benefit from the demographic dividend to the extent that East Asian countries already have.

1. The successful implementation of policies that **empower women and girls and promote gender equity** in social and economic environments are vital to securing the demographic dividend.
2. The focus of policy initiatives should be on **expanding employment** and **increasing the living standards** of broad sections of the population.
3. Governments must create **legal and regulatory environments** conducive to investment.

Case Study: Republic of Korea

- In 1962, Republic of Korea began its **national family planning campaign** including maternal and child health services, supplies, and information.
 - Korea's 1950 **GDP per capita** was \$854, which **grew 2,200%** by 2008.
 - Korea's population of **children under the age of 15 declined by 13%**, while the **working age population** grew by **245%**. The total population increased by **159%**.
 - Total population is now approximately **50 million**.
- *In comparison, the Philippines had a similar population, a higher GDP per capita of \$1070 in 1950, but the country did not implement a family planning campaign.*
 - **GDP per capita growth** over the same period was only **170%**.
 - *The child population* grew by **320%**,
 - *The working-age population* grew by **549%**.
 - *The growth of the total population* was **448%**, and the current total population is approximately **101 million**.
- Korea provided **preventive** public health services to the population.
- Korea focused on **lower-end manufacturing in 1960's-70's** and implemented policies to develop skills among workers, **expand higher-end manufacturing and services in the long run**. This created jobs for semi-skilled workers and the country anticipated demand for more skilled labor in the future.