

Issue Paper

**Harnessing the Dual Global Trends of Urbanization and the
Demographic Youth Bulge**

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Urbanization is the engine that propels the world towards prosperity in the 21st century and youth are the engineers. Youth are society's most essential and dynamic human resource. In the last decade, there has also been a recognition that urban youth in the developing world are growing at a rapid rate. We need to see the city more as an asset and a solution than as a problem to be solved. Urbanization presents an opportunity to solve many of the challenges confronting contemporary human development. Well planned and designed cities can generate higher levels of societal well-being, global economic growth and means of livelihood and foster sustainable development. The key is to promote a more proactive perspective on the city. This will prevent negative, self-fulfilling perceptions of urbanization and piecemeal problem solving.

How can cities deliver this? In two words: urban economy. As economic science has proven, dense networks of people, infrastructure, institutions and innovation possess enormous agglomeration advantages. In many cities these advantages remain untapped. But by leveraging their economies of scale, cities can unlock their inherent potential to create value and wealth, reduce overall costs of societal transactions and promote productivity and innovation.

Youth play a key role in delivering this promise. Youth need to be viewed and treated as assets and drivers of sustainable development. There is currently a demographic "youth-bulge" in the developing world, where more people under the age of 25 today than ever, totalling nearly three billion or almost half of the total global population; 1.3 billion of that total are between the age of 12 and 24. These youth live, by and large, in cities and towns; the cities of the developing world account for over 90% of the world's urban growth and youth account for a large percentage of those inhabitants. It is estimated that as many as 60% of all urban dwellers will be under the age of 18 by 2030. Unemployment is one of the greatest challenges facing youth today globally. The ILO estimate of the number of unemployed 15-24-year-olds stood at 74.6 million, or a rate of 12.6% for 2011.

Between 2000 and 2030, Africa's urban population, which is to a great percentage youth, will grow from 294 million to 742 million, an increase of 152%; Asia's by 94%, and Latin America's by 55%. Should these youth transition into adulthood in an environment that supports equal opportunities, representation in governance, education, and secure employment opportunities, then they can become the engine for the creation of the economic and social capital that is needed to jump-start development in many regions of the world.

This demographic "youth bulge" can be a "demographic gift" to the countries where it is occurring, and it was this gift—a condition in which an economically active population exceeded the economically dependent—that fuelled the economic success of the Asian Tigers in the

1980s. Even halving the world's youth unemployment rate may add an estimated US\$ 2.2 and 3.5 trillion, or between 4.4 and 7.0%, to the global GDP.

Youth, who are in the most productive times of their lives, can leverage the “urban advantage”, a concept relating to the abundance of goods, services such as health, recreation and education, amenities, and opportunities such as ICT found in cities. No developed country has achieved any level of prosperity without urbanization; cities account for approximately 70% of global GDP, and as much as 55% of the GDP in low-income countries. It is anticipated that 80% of future economic growth will take place in cities.

With youth globally being the best educated in history, the assumption would be that this leveraging of the urban advantage can happen exponentially—especially when contextualized within rapid global urbanization.

UN-Habitat's State of the Urban Youth Report 2010/2011 found that inequality and unequal opportunities as well as the related issues of employment and underemployment are by far the greatest challenges faced by urban youth in the 21st century. The inability to create adequate numbers of quality jobs is one of the root causes of economic and social exclusion and a significant root cause of informal economies. When young people in urban areas do find jobs, they are often in businesses which offer low incomes and little or no labour protection. Despite these disadvantages, cities do offer ways of improving the skills and knowledge of youth employed in low-income jobs or of those looking for jobs.

UN-Habitat has been working in the field of urban livelihoods, which is inclusive of employment and entrepreneurship, for the past 10 years. This work includes the creation of One Stop Youth Resource and Training Centres in African cities and the establishment of the Urban Youth Fund, which has given out approximately grants to 212 youth-led projects in more than 56 countries in Africa, Asia and Latin-America.

UN-Habitat calls upon the entire landscape of urban actors to align their own ways of working to the evolving needs of the contemporary city, to combat the socio-spatial challenges of sprawl, segregation and congestion and to help unleash the inherent power of urban agglomeration and youth employment. UN-Habitat supports the Secretary General's call to “educate, employ and empower” youth through meaningful partnerships, and has taken the first step through focusing on youth in his 5-year action plan, and through demonstrating concretely his commitment through the appointment of a Special Envoy on Youth, as proposed by UN-Habitat's Youth 21 initiative. It is as well important that the Post 2015 Development Planning Framework takes into account the fundamental potential of urbanization and youth to promote sustainable development.