

Why the Future of Business Depends on the Young World Rising Rob Salkowitz

More than half of the world's 6.8 billion people are under the age of 30, and most of them live in countries where the per-capita income is lower than \$1000 per year. Meanwhile, projections show the average age of the United States, Europe, Russia, Japan and even China pushing dramatically upward, with declining numbers of young workers struggling to support mushrooming populations of elderly retirees. As the old centers of the global economy face aging workforces and declining fertility rates, the future increasingly depends on tapping into the energy and ideas of the rising Young World.

Fortunately, the past decade has seen an unprecedented convergence of demographics, technology and ideology that has unleashed the creative energy of billions. The rapid spread of information and communication technology (ICT), combined with a new ethic of entrepreneurship that applies market principles towards solving social and systemic problems, is enabling a new generation to drive change from the bottom up. All over the Young World—in Asia, Africa, Latin America—new talent is finding expression, new solutions are emerging, and new organizations are forming to meet the challenges of the 21st century. Consider these examples:

- In Ghana, an innovative public-private venture, mPedigree, uses text messages and simple mobile phones to combat counterfeit pharmaceuticals.
- Four undergraduates from the remote mountains of Colombia invented a new technology to help the visually-impaired read computer screens, and gained recognition through an Internet-enabled infrastructure of innovation contests and development.
- Suahas Gopinath of Bangalore, India taught himself Web development at a local cyber café when he was 14, and in 6 years, built his business, Globals Inc., into a thriving multinational IT firm. At age 21, he is a member of the World Economic Forum.
- New social networks like SiliconIndia and Brave New Talent, developed by entrepreneurs with a global vision, are uniting diaspora populations, spreading business knowledge, and creating a worldwide market in talent.

These individual successes are part of a larger story—perhaps the most important economic development of the new decade—and it's bound to scare the hell out of a lot of people. Seeing past the threats of competition and the challenges to Old World hegemony won't be easy, especially when so much of the world is still staggered by economic crisis. "Globalization" is a tarnished brand. In the zero-sum world of capitalism, the rise of a new set of players seems to require someone's decline and fall.

That perspective is completely understandable, and dead wrong. The new organizations and new models of growth being pioneered by Young World entrepreneurs have the potential to create win-win situations that can uplift impoverished populations, open new markets and new sources of talent for stagnant Old World businesses, and solve some of our most pressing global problems with new ideas and new innovations. As we move toward a mid-century peak population of nearly 9.7 billion, our survival depends on finding a new balance between the rich old world and the poor young world.

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Three Trends Shaping the Future

Three forces are reshaping the world of the 21st century: youth, information and communication technology (ICT), and entrepreneurship. Each is powerful on its own, as demonstrated by a wealth of statistics and analyses. Together, they have the potential to fire like the pistons of a high-performance engine, each building on and reinforcing the others' impact and driving the global economy in new directions, at high velocity.

These three forces converge around the concept of the global Net Generation: a worldwide cohort born after 1980, also known as Millennials, that has grown up in tandem with the spread of the Internet and digital media, and been socialized with a unique set of expectations, based in part on the capabilities of the new information environment.

Like all young people, the Net Generation wants to change the world. Unlike most previous cohorts, they actually have the means at their disposal: overwhelming numbers; unprecedented connectivity and access; a sense of global community that transcends old boundaries; and a recognition that market forces can be the ally rather than the enemy of progressive change.

Throughout the past 15 years they have been making their influence felt, first as consumers, then as citizens, and now as workers and entrepreneurs. The Net Generation is the bright face of the Young World, and the economic prospects of youthful countries are intimately tied to how quickly and deeply this entrepreneurial and tech-savvy cohort can have an impact.

In developed economies, the rise of the Net Generation, particularly in the workplace and business world, is necessarily a gradual process. Established organizations must reorient decades or centuries of existing practices and existing investments to accommodate the more transparent, immediate and globally-connected workstyle of the digital natives. Even after Millennials constitute a plurality of the working population (estimated around 2020 in the United States), they will still need to accommodate large numbers of older colleagues, partners and customers – not to mention the persistent political influence of an aging population demanding services and transfer payments.

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Elsewhere in the world, it's a different story. The vast majority of the 4.2 billion global Millennials live in emerging economies and less developed countries (LDCs), where the median age of the population is significantly lower. 33% of India's population of more than 1.1 billion is under the age of 15, with only 7.1% over 60. This means that Millennials outside North America, Europe and Japan have significantly more potential influence within their societies, and considerably greater prospects to make an immediate economic impact if the required skills and resources are accessible.

Change is poised to rip through large swaths of the globe like a brushfire across the savannah.

For the past 20 years, providing access to ICT skills and the Internet has been a cornerstone of the efforts of governments and NGOs around the world to promote workforce development, especially in emerging economies and LDCs. However, in many of those countries, the cost of the equipment and the poor state of the surrounding infrastructure made it difficult for these efforts to spread much beyond a limited core, or to take hold in the larger society.

Now, those barriers are falling fast. Though landline broadband connections remain rare and expensive outside the developed world, wireless, satellite-based, and high-speed cellular networks are driving rapid and widespread adoption, even in very poor countries. Mobile phones are ubiquitous, and increasingly provide data connectivity as well as voice and short message service (SMS). Internet cafes, government-sponsored community centers, and digital divide-oriented NGOs provide Internet access. Most local businesses and nearly all local affiliates of multinational companies provide high-quality Internet access for their employees. Usage of digital media, video games,

social networks, blogs and voice-over-IP (VoIP) services is as common among urban Millennials in emerging economies as in any other community of young people anywhere in the world.

Early exposure to ICT is building skills and capacity among the Young World workforce, but that's only the tip of the iceberg. The transformative effects of mass collaboration are just beginning to be understood in the developed world, as they flatten hierarchies, expose ideas and organizations to the light of day, and make it ridiculously easy (and cheap) to form communities around common interests.

Now imagine the impact of these technologies in parts of the world where, less than a generation ago, the primary economic activities were agriculture, extractive industries, low-level manufacturing, and bureaucratic government work. All across the Young World, widespread and immediate access to information and global markets has only become mainstream in the past five to ten years, and enormous majorities of the population fit the demographic profile of “early adopters.” Change is poised to rip through large swaths of the globe like a brushfire across the savannah.

The important question is *what kind of change?* For that, we should look to a new set of ideas—or perhaps, old ideas newly packaged—that are capturing the imagination of policy-makers and opinion leaders focused on economic development, as well as on young populations eager to put the mistakes of the past behind them. Governments and NGOs that once saw capitalism and consumerism as enemies of progress are discovering the virtues of free markets and entrepreneurship, with an emphasis on engaging low-income populations as customers and partners, rather than passive recipients of aid and services. These “bottom of the pyramid” strategies speak boldly in the language of opportunity and empowerment to a generation bristling with enthusiasm and armed with unprecedented access to global information, resources, and markets.

Young World Rising

The spread of mobile and network technology is introducing the billions in the Young World to the new ways of thinking, working and collaborating; more and more of these young people are looking to make an impact by creating organizations that succeed on both social and commercial terms. Their efforts are driving a swelling wave of ICT-based entrepreneurship, distinguished by six features that reflect their unique generational outlook. These unique Young World organizations:

1. Blend social and commercial objectives
2. Creatively align public, private and NGO resources
3. Leverage communities and collaboration
4. Are well-adapted and sustainable in Young World environments
5. Embrace the globalization of the knowledge workforce
6. Solve systemic problems while meeting market needs

Each of these features enables the growth and spread of innovative ventures in areas where adverse conditions have made indigenous economic development nearly impossible in the past.

Blend social and commercial objectives: In low-income countries, the very act of creating a business that employs others serves an important social purpose. However, the new generation of Young World entrepreneurs sees its mission in broader terms than that. Because they have personal experience with and proximity to the difficult conditions that prevail in their environments, their business ventures tend to put explicit discretionary effort behind social goals such as workforce development, community-building, local problem-solving and civic society initiatives, even when they are primarily market-oriented. In fact, Young World entrepreneurs show a particular genius for finding market opportunities in developing solutions to social problems, incorporating the social aspect seamlessly into the DNA of their organizations.

Creatively align public, private and NGO resources: In the past, government, private finance, and non-government organizations tended to pursue different and often contradictory paths in regards to commercial and social development, reflecting their different agendas. Young World entrepreneurs, working within the framework of private companies, NGOs or even governments themselves, look for ways to bring those objectives into alignment by designing programs that satisfy multiple constituencies simultaneously. These efforts are effective because they recognize the legitimacy of the market goals of the private partners and appreciate the political complexities facing their public partners, rather than simply relying on good intentions and lofty ideals.

Leverage communities and collaboration: Young World entrepreneurs have built out entire platforms for knowledge sharing and collaboration based on everything from simplest text-messaging features found the most rudimentary mobile phones to the latest Web 2.0 technologies. For the generation that grew up alongside the Internet, this networked mode of organizing is the default, as opposed to the central command-and-control style that predominated in years past. As consumers, citizens and entrepreneurs, they exploit the possibilities of these platforms by creating self-organized communities to reduce costs, deliver critical information, develop open source software solutions, share business practices, and build bridges across geographic and social divides.

Are well-adapted and sustainable in Young World environments: Young World entrepreneurs don't have the luxury of being extravagant in the design or marketing of their products. Their customers may have limited resources, but this makes them even more sophisticated and value-conscious. Consequently, successful Young World ventures make intensive use of the latest ICTs to drive down costs and carefully target their offerings with lean-and-mean precision. Then, once they are able to meet global standards of performance, they can leverage their process efficiency and relatively lower labor costs to compete effectively in high-income markets.

Embrace the globalization of the knowledge workforce: "Globalization" may be a dirty word in some quarters, but to Young World entrepreneurs, it spells opportunity. Young World ventures

not only take into account the instant access to world markets afforded by networks and expanded connectivity, they also capitalize on the transnational fluidity of talent, and what this means for the future of work. Employment relationships in the knowledge economy are evolving to the point where the knowledge-workers see themselves as self-contained entrepreneurs, their employers as clients, and their workplace skills as a capital portfolio requiring constant attention and diversification. Young World entrepreneurs deliberately cultivate workplace cultures that attract and nurture the global creative class, and blend work and social activities in ways that represent significant departures from their countries' traditional workplace experiences.

Solve systemic problems while meeting market needs: Entrepreneurs in emerging or less-developed countries face challenges related to the underdeveloped physical and civic infrastructure. These range from unreliable power transmission to dishonest governments, poor access to capital and credit, a workforce that does not meet global employability standards, high-priced computers and Internet connections, a “brain drain” of educated expatriates, and unfair competition from foreign multinationals. Rather than wait for a top-down, institutional response to these problems, Young World entrepreneurs are filling the gaps in their own entrepreneurial ecosystem at multiple points, simultaneously, from the bottom up. They are building capacity, creating connections, solving problems, and becoming globally-competitive in the knowledge economy—and making money doing so. Each new success reinforces the system as a whole, providing a model for others who would follow in their footsteps and providing reassurance to risk-averse creditors, partners and customers.

Because we are so accustomed to the slow pace of top-down development through government programs, aid, foreign direct investment, and the arrival of established multinationals to signal the maturation of Young World markets, it can be difficult to perceive how this swarm of small-scale indigenous entrepreneurship is effecting such a massive and consequential transformation in parts of the world that are, frankly, easy to ignore if you are sitting in New York, London or Tokyo. They are about to become much less easy to ignore.

Promise and Peril

The rise of the Young World is not a foregone conclusion. In fact, despite all the momentum and energy, it remains an unlikely hope. The young entrepreneurs trying to ride market forces toward a sustainable future face not only the traditional obstacles of their rugged surroundings, but also the anxieties that their success will breed among those already established, be they local competitors, multinationals, governments, or cultural traditionalists.

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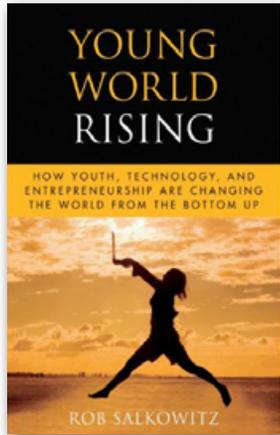
In a sense, accommodating the disruptive new approaches of the Young World entrepreneurs into the current system of globalization is analogous to trying to find a place for the Net Generation in workplaces dominated by competitive Baby Boomer values and anxious Boomers paralyzed by fears of their own potential obsolescence. Transition is inevitable, but it can be managed well or poorly. Technology can facilitate a smooth transfer of knowledge, or expose underlying conflicts.

Especially at this moment—in the midst of a global recession—it’s easy to view any change with alarm and interpret the “rise of the rest” as necessitating somebody’s decline and fall. Globalization can appear to be fulfilling its negative destiny of driving a race to the bottom, where the emer-

gence of a vibrant IT development community in Africa, for example, means wages in the US and Europe will sink to sub-Saharan levels. Maybe so, and if that's the case, we all have bigger things to worry about.

It's important to remember, however, that entrepreneurship is about the creation of wealth, the growth of organizations, and the ideals of meritocracy. The new kind of knowledge economy entrepreneurship made possible by information and communication technology holds even more potential than that. It is the creation of something—content, data, insight, entertainment—from nothing: nothing except human talent and imagination. And from that seed can spring entire ecosystems of prosperity in concentric circles—services, goods, luxuries, public amenities, social cohesion, political stability.

The Young World can rise and pull the rest of us up with it. We just need to help where we can, and get out of the way where we must. 🇺🇸



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Rob Salkowitz is the author of *Young World Rising: How Youth, Technology and Entrepreneurship are Changing the World from the Bottom Up* (Wiley). He is a writer, entrepreneur and consultant specializing in the social implications of new technology. Rob is a founding partner in MediaPlant, LLC, a digital communications and consulting firm based in Seattle, Washington. An entrepreneur since age 24, he participated in the launch of seven companies and serves on the Board of Directors of Older Adults Technology Services, a New York-based non-profit. Rob is author of a previous book *Generation Blend* and coauthor (with Daniel W. Rasmus) of *Listening to the Future*. He lives and works in Seattle, Washington.

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