



African Institute for Development Policy
Bridging Development Research, Policy & Practice

Challenges and Opportunities for harnessing the Demographic Dividend in Africa

Eliya Msiyaphazi Zulu (PhD.)

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Population dynamics and the African Century

- Population projected to grow from 1.2 to 2.4 billion
- Majority of African to live in Urban areas
- Migration likely to increase, with increasing regional integration and globalization
- Climate change compounding effects of population growth in undermining development efforts
- As mortality and fertility declines, child dependency burden will decline as we have more people of working age – if fertility declines fast, we may benefit from the demographic dividend

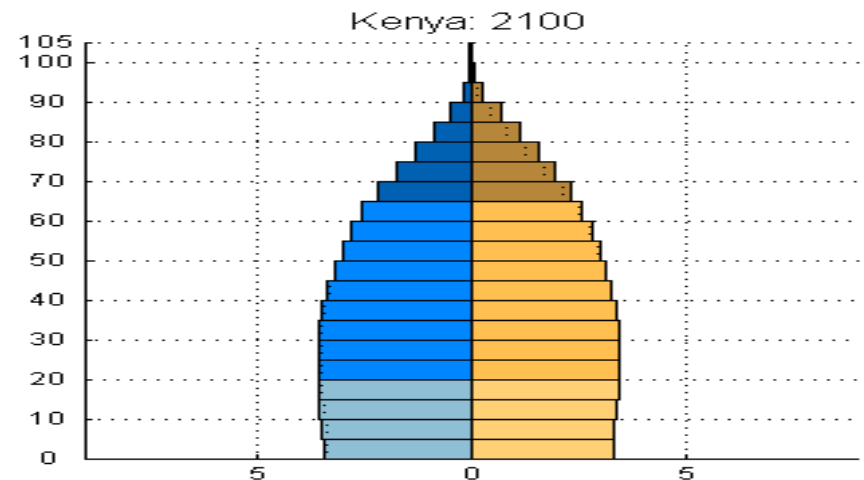
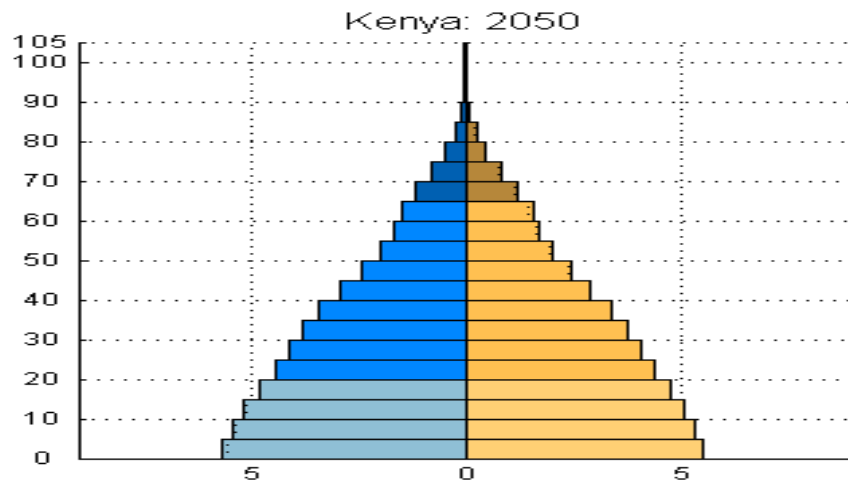
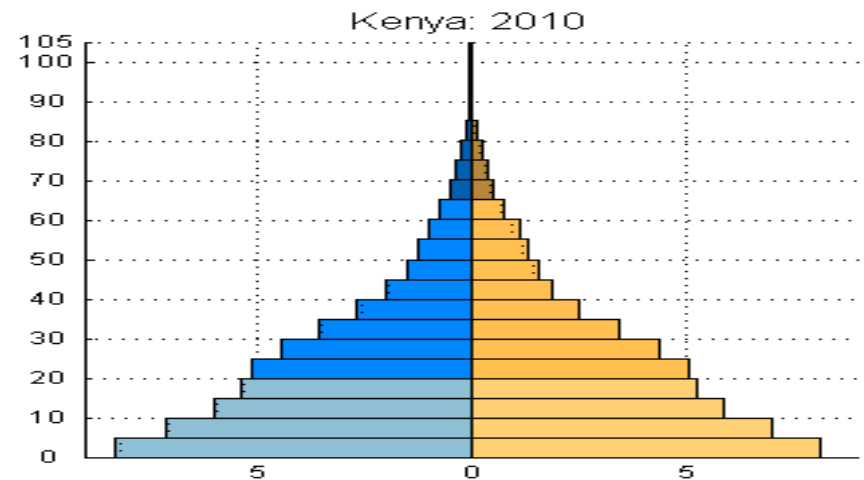
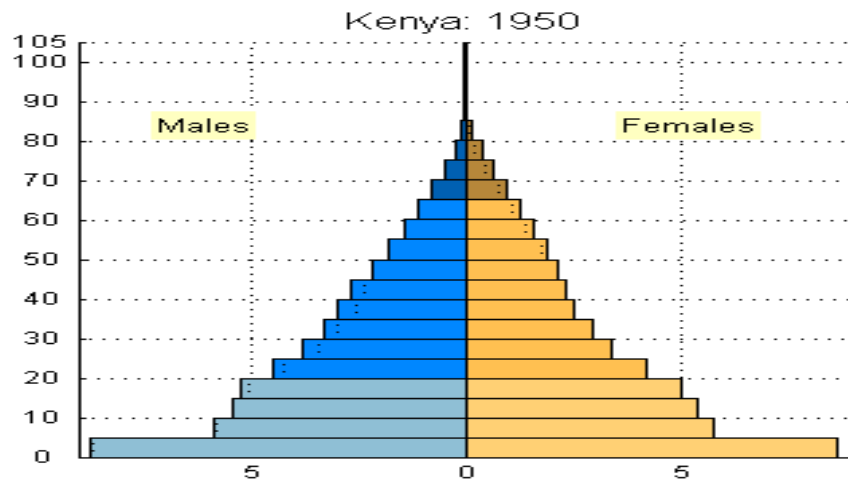
Most of our population will at last double by 2050

COUNTRY	2,013	2,050	2,070
Benin	10.3	22.1	28.0
Botswana	1.0	2.8	3.1
Burkina Faso	16.9	40.9	56.4
Burundi	10.2	26.7	38.8
Cote Dvoire	20.3	42.3	57.0
Egypt	82.1	121.8	132.7
Ethiopia	94.1	187.6	224.8
Gambia	1.8	4.9	6.7
Ghana	25.9	45.7	53.0
Kenya	44.4	79.2	127.7
Malawi	16.4	41.2	59.1
Mali	15.3	45.2	68.5

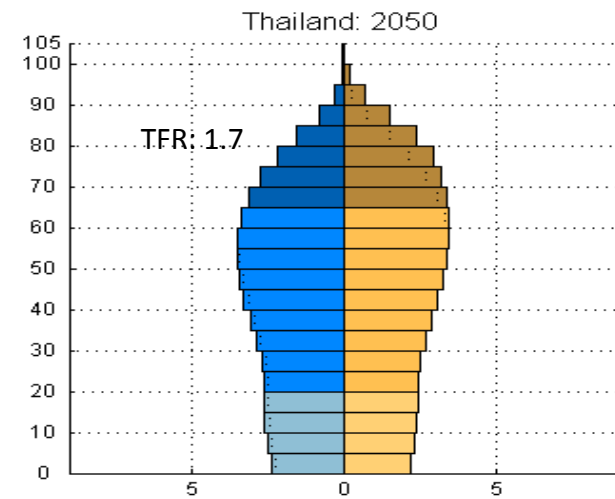
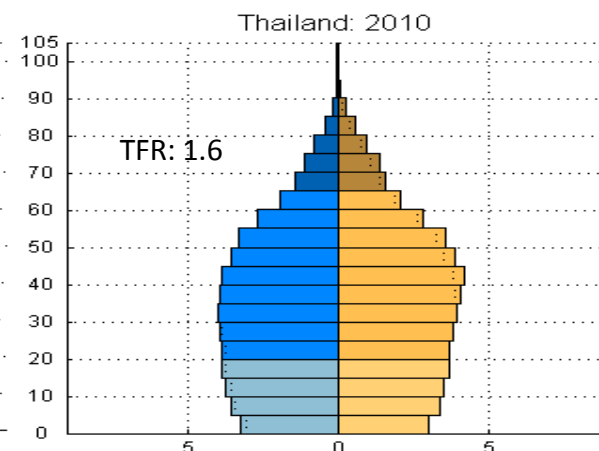
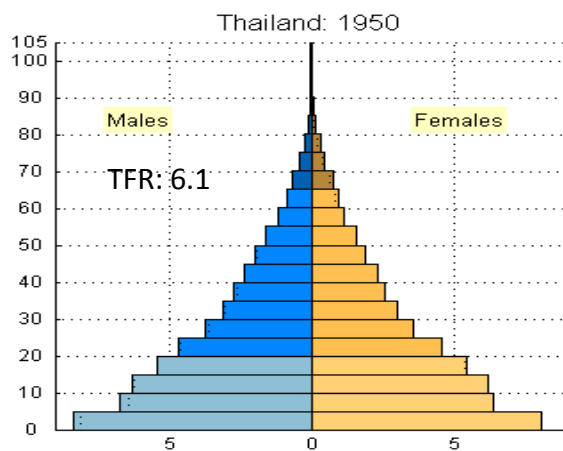
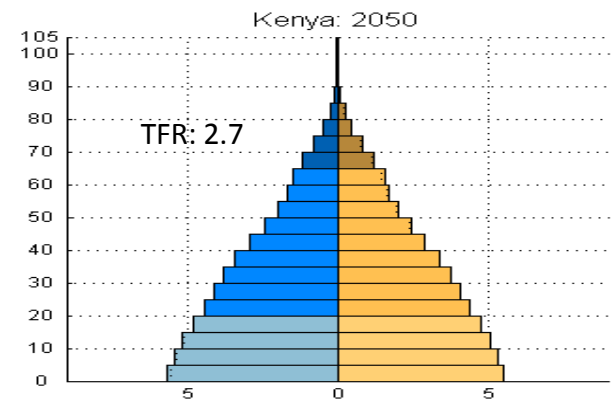
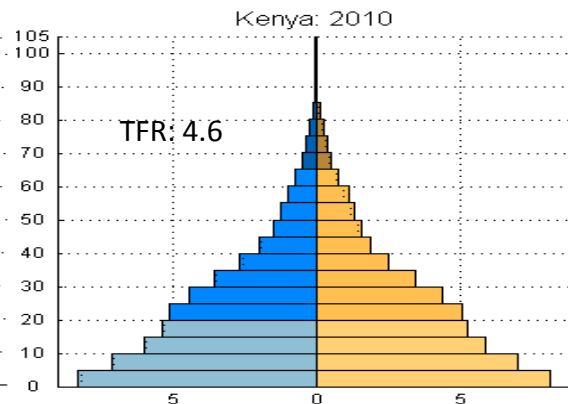
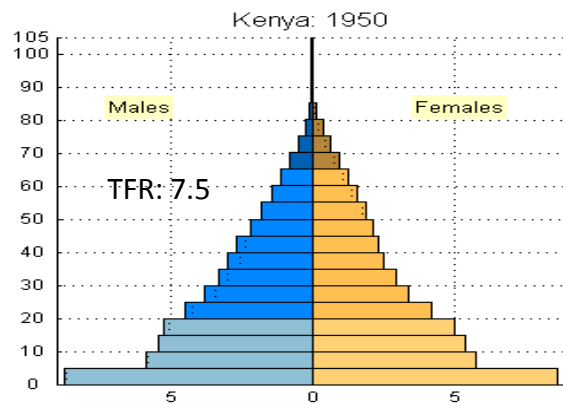
Most of our population will at last double by 2050

COUNTRY	2,013	2,050	2,070
Morocco	33.1	42.9	43.7
Mozambique	25.8	59.9	83.5
Namibia	2.3	3.7	4.2
Nigeria	173.6	440.4	639.3
Rwanda	11.8	25.4	31.7
Senegal	14.1	32.9	44.4
South Africa	52.8	63.4	65.9
South Sudan	11.3	24.8	32.0
Swaziland	1.3	1.8	2.0
Tunisia	11.0	13.2	12.7
Uganda	37.6	104.1	149.0
Tanzania	49.3	129.4	189.1
Zambia	14.5	44.2	71.4
Zimbabwe	14.1	26.3	30.5

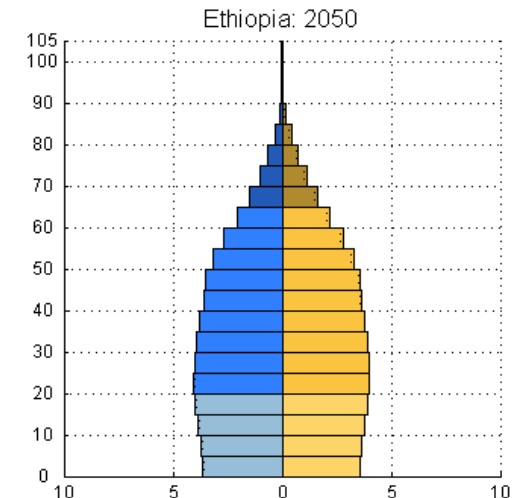
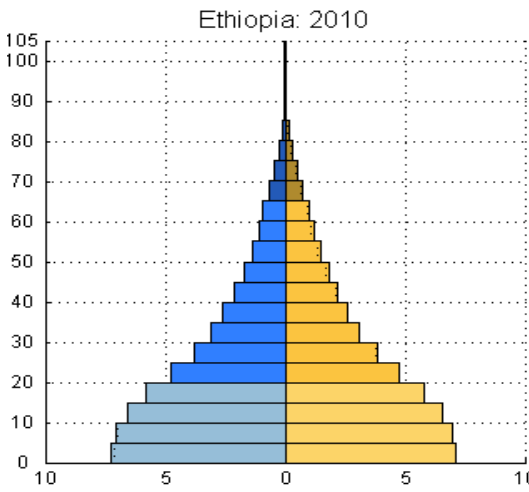
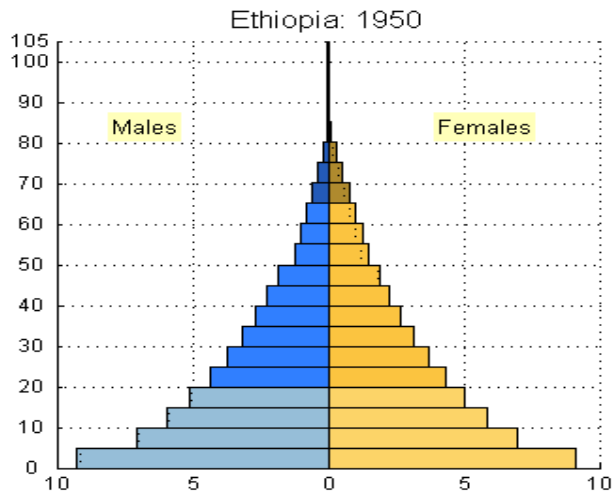
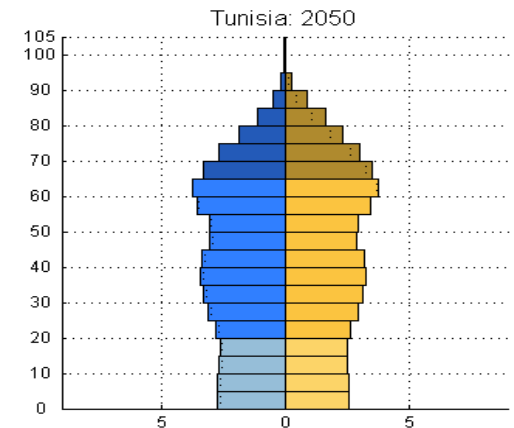
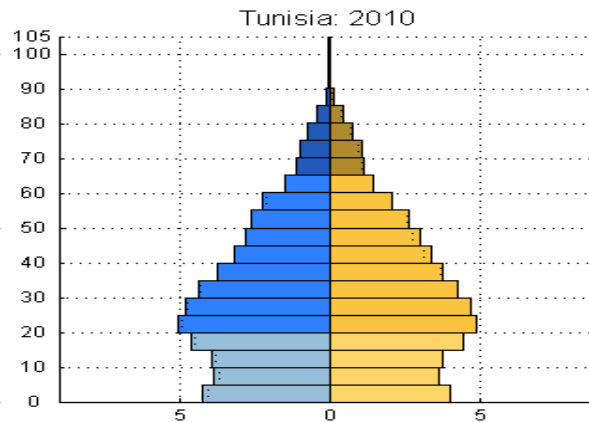
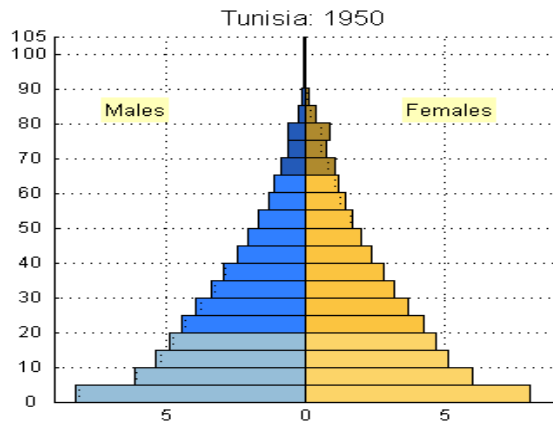
As birth rates fall, Kenya's population will increasingly have more working age population



Kenya and Thailand's age structure differ remarkably due to differences in birth rates



Due to differences in rates of decline in birth rates, age structures in Africa vary widely



Defining the Demographic Dividend

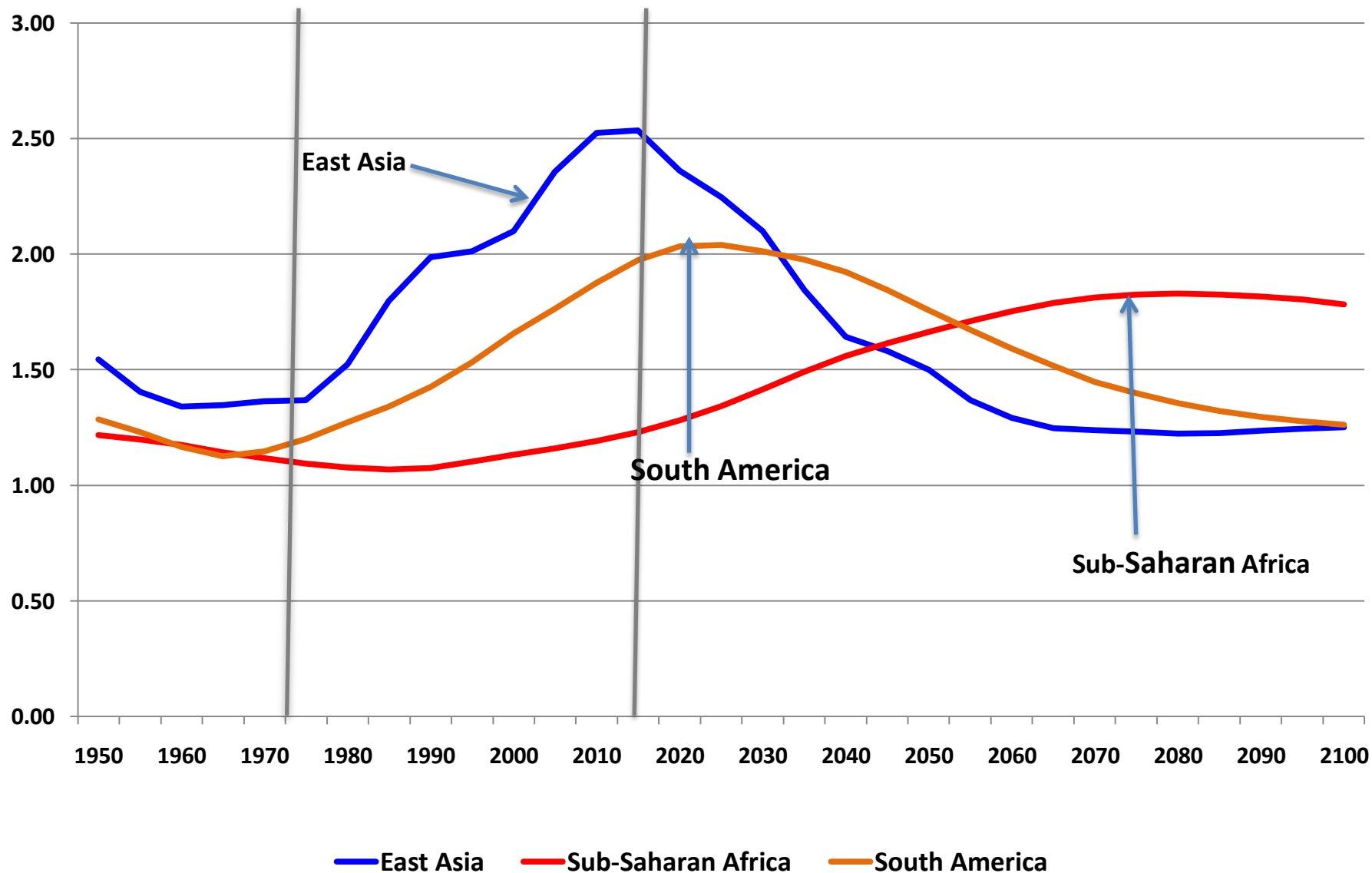
- The Demographic Dividend is the economic benefit arising from a significant increase in the ratio of working-aged adults relative to young dependents.
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- When birth rates decline significantly, the age structure shifts in favor of more working-aged adults, accelerating economic growth through increased productivity, greater household savings, and lower costs for basic social services provided to a young population.

Asian Tigers: Success Story

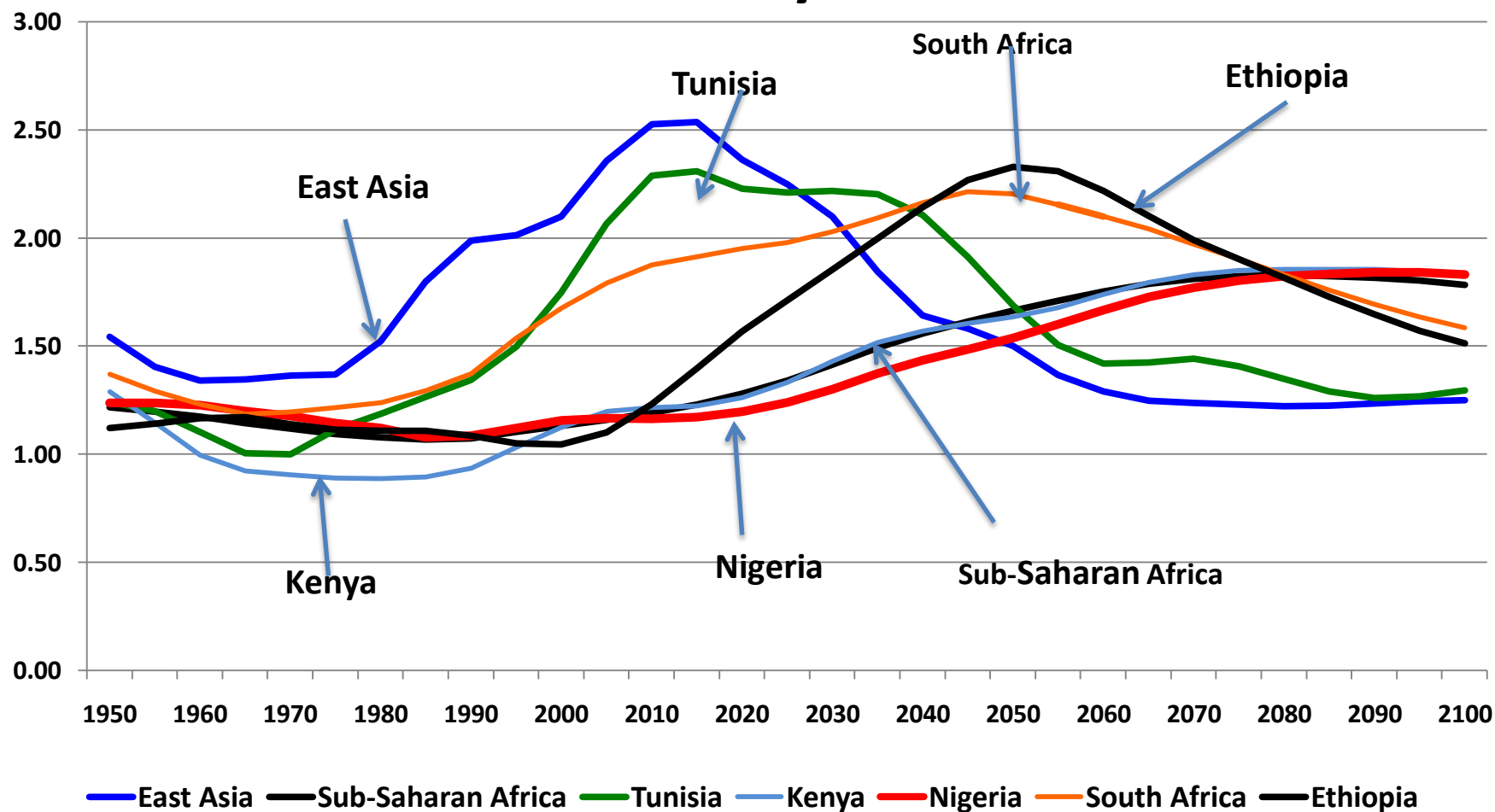
- Between ¼ to 1/3 of economic growth since 1970 in East and South East Asia can be attributed to the “Demographic Dividend” (Bloom and Williamson, 1998; Mason, 2001)
- The economic success was made possible by sustained investments in education, health, family planning, and economic reforms



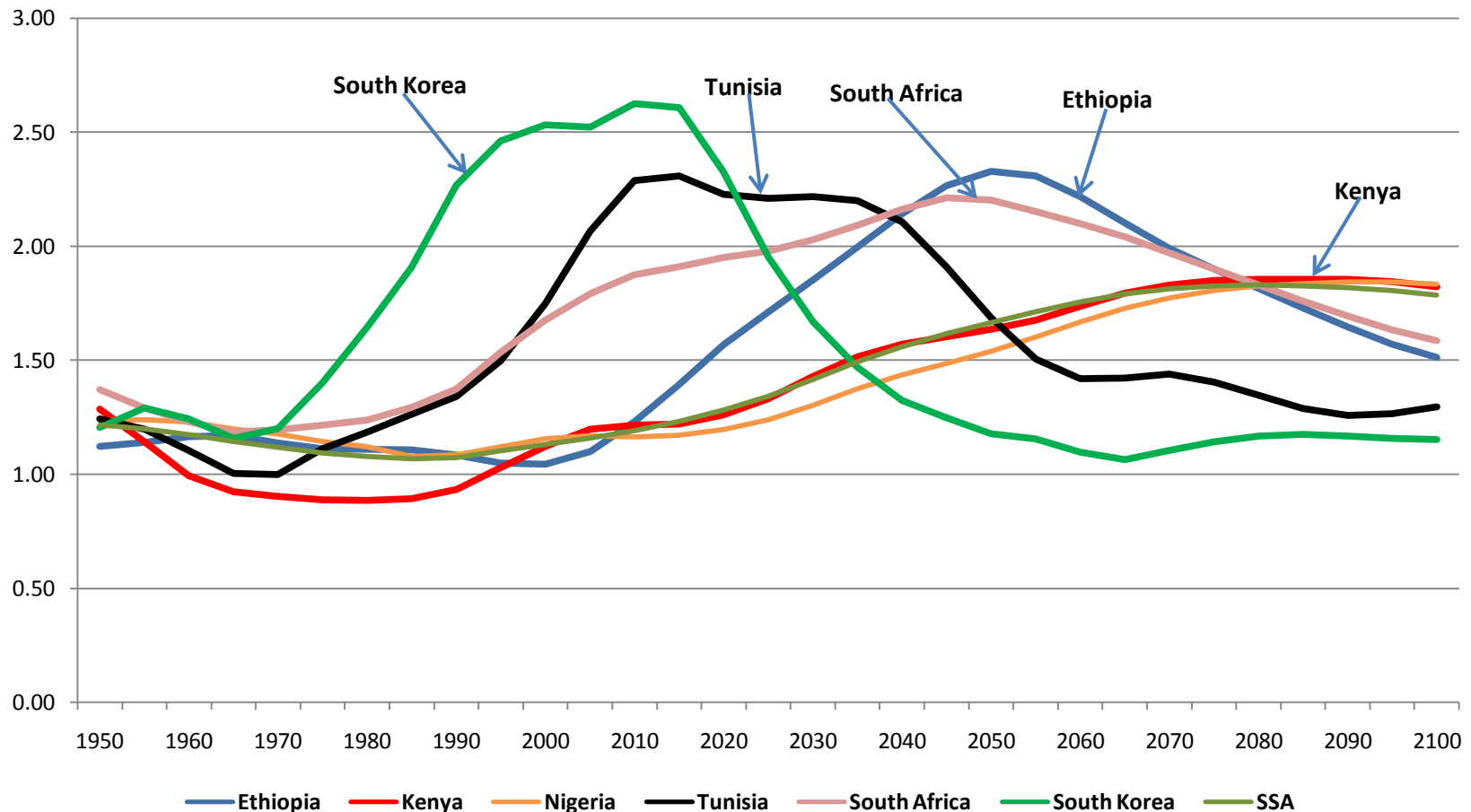
Ratio of working age to dependent population



Sub-Saharan Africa's labour force surplus will peak later & at a lower level if fertility continues to decline slowly



Ratio of working age to dependent population



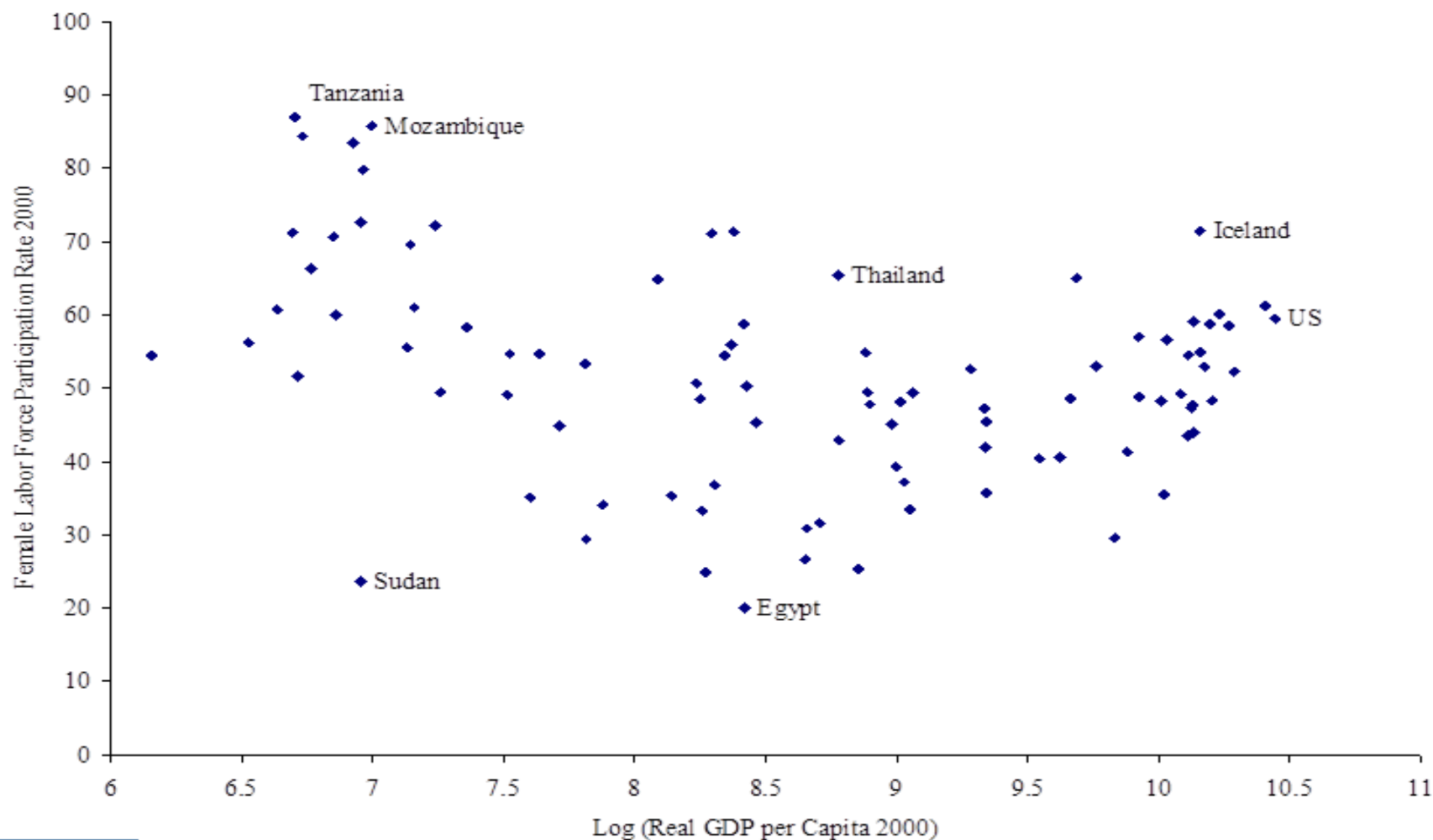
Pathways for Accelerated Economic Growth through the Demographic Dividend

1. Increased productivity from surplus labor supply generated through:
 - Rapid fertility (and mortality) decline
 - Productive employment of the extra workers
2. Reduced child dependency and higher incomes fuel further economic growth through:
 - Increased savings and investment capital stock
 - Improved human capital due to higher investments in health and education and reduced childbearing burdens for women
 - Growth in domestic demand and purchasing power due to higher incomes

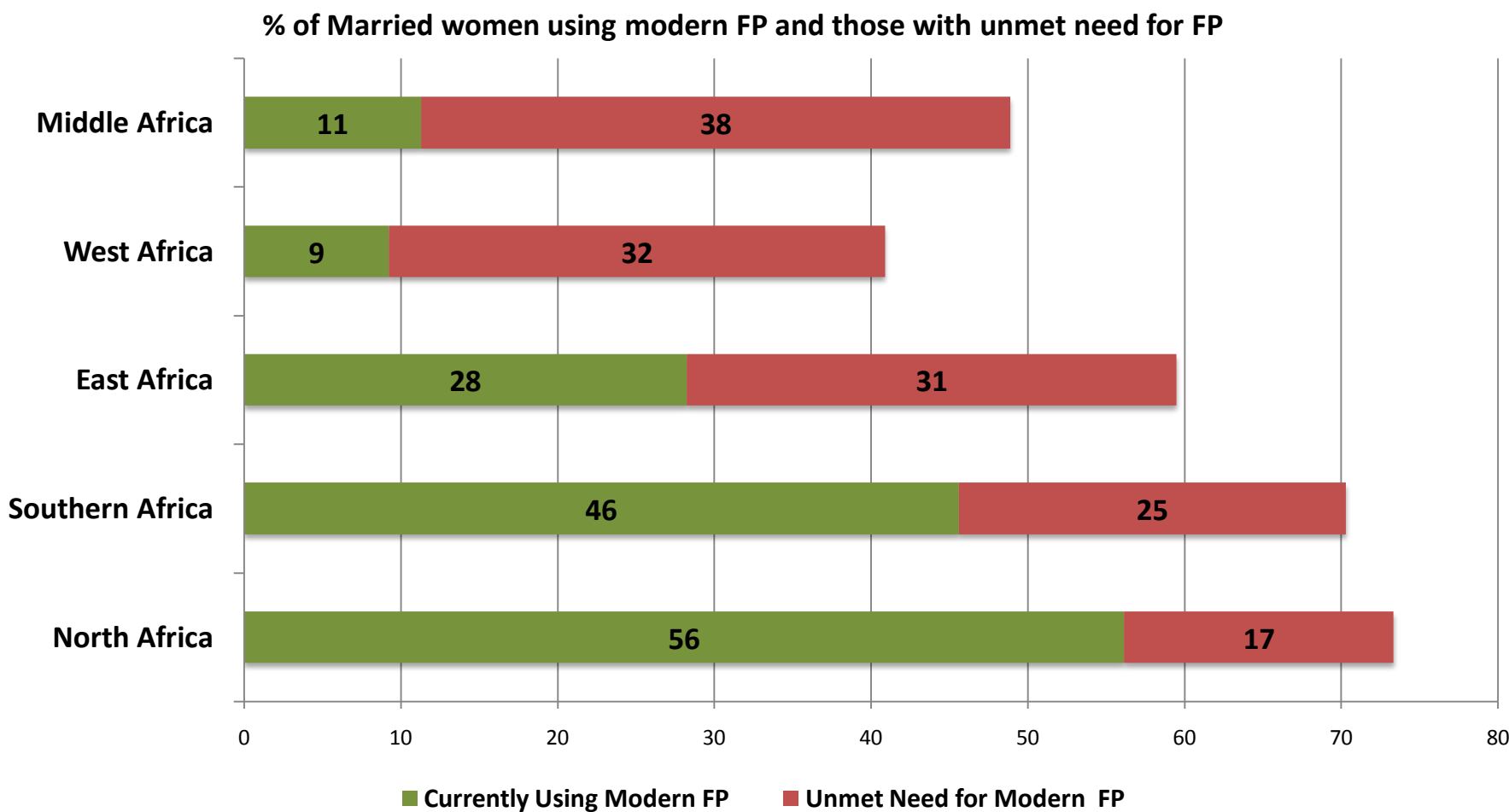
Speeding the Demographic Transition

- Reduce child mortality – replacement effect
- Enhance education, particularly female school enrollment and general female empowerment
- Expand access to family planning, focusing on underserved sub-groups such as youth

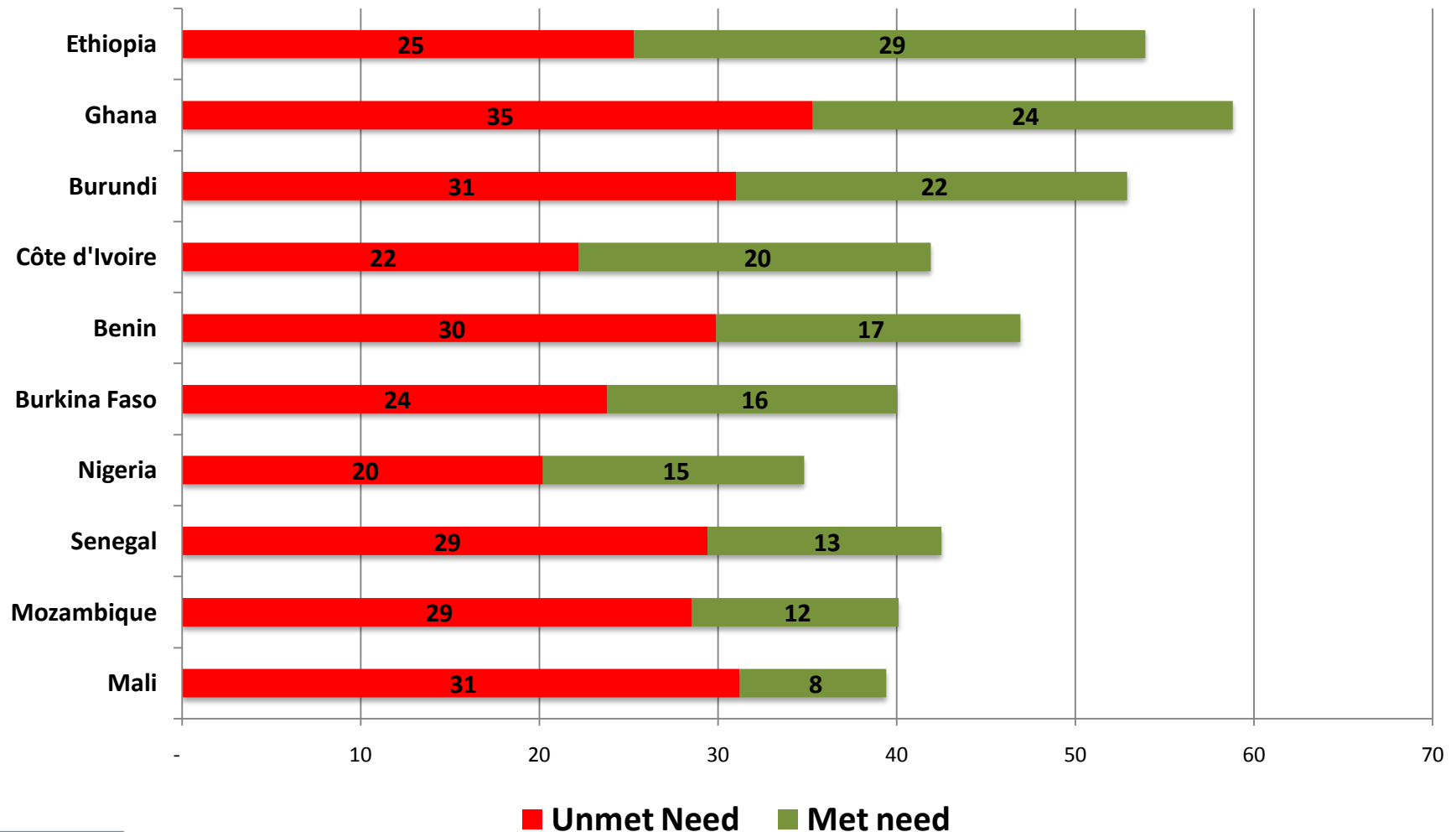
Women in many African countries are already involved in informal economic activities. In order to seize the DD, there should be a shift to the formal sector



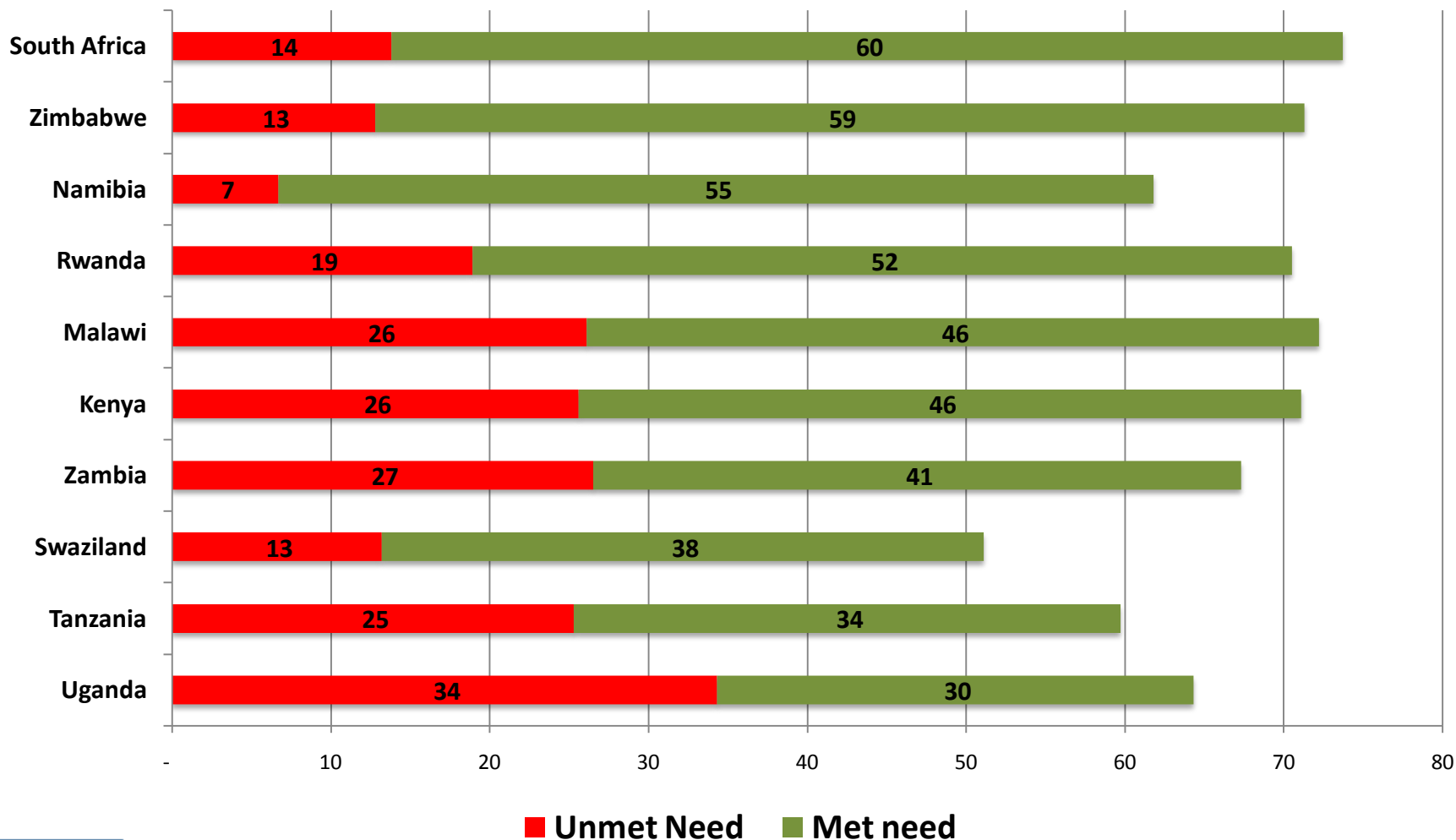
Addressing barriers to contraceptive use would reduce unmet need and fertility substantially



In most of the NEAPACOH countries, more women have unmet need for FP than those whose needs are met



Even countries with high contraceptive use have high unmet need for FP



Political will and commitment are is very Key

**“We believe that it will be difficult for us to
make sustained progress on MDGs without
making methods of family planning universally
accessible to all women who want to use
them”**

**Pierre Damien Habumeremyi (PM Rwanda)
MelesZenawi (PM Ethiopia)**

Lancet, July 2012

“We can not develop into a middle income country without addressing high population growth and reducing the high dependency burden”

Dr. Ntawukuliryayo, Senate President, Rwanda



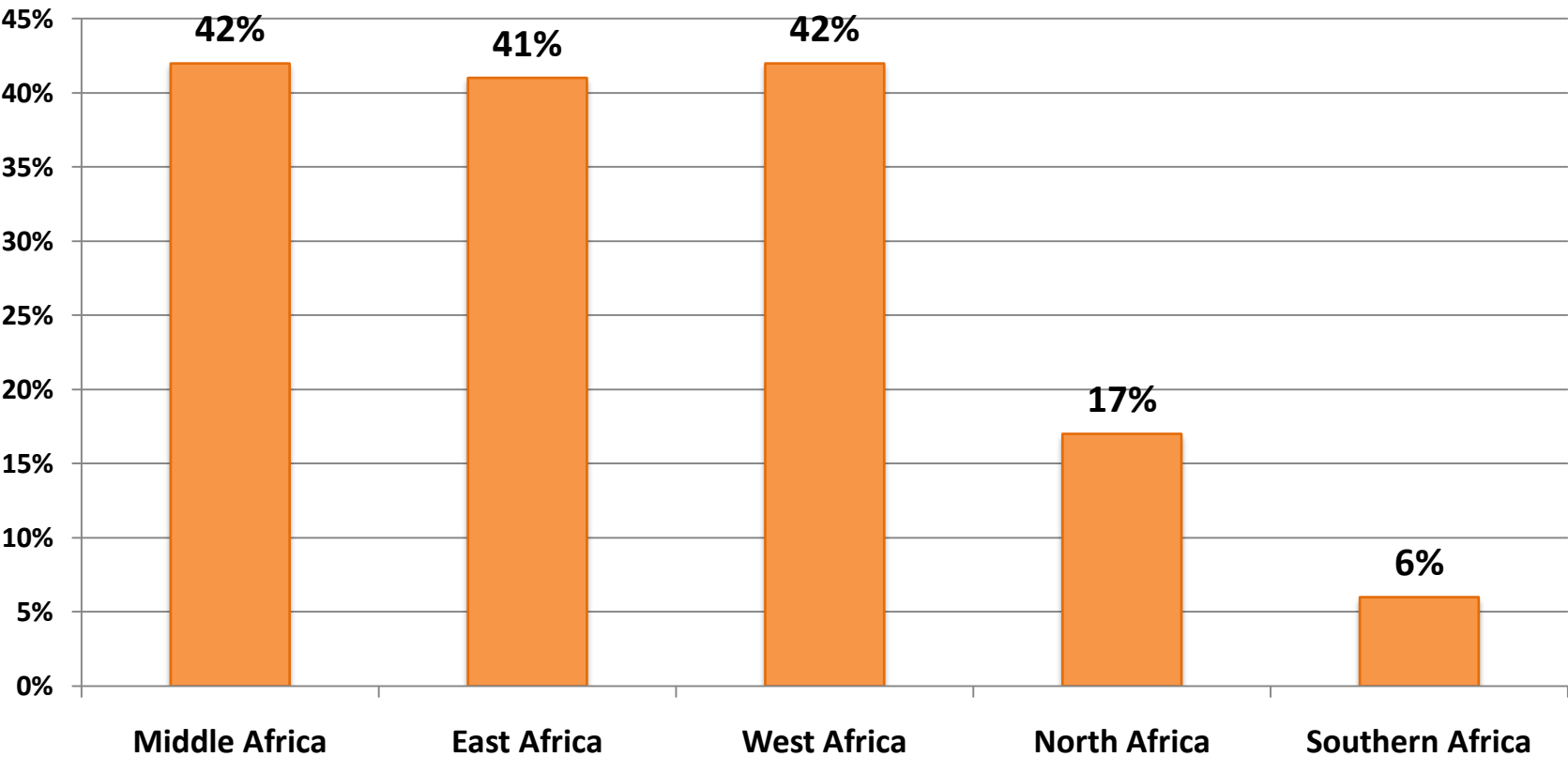
“We understand population is a huge development challenge for us, how should we reach men and young people more effectively?”

Vice President of Malawi, September 2012



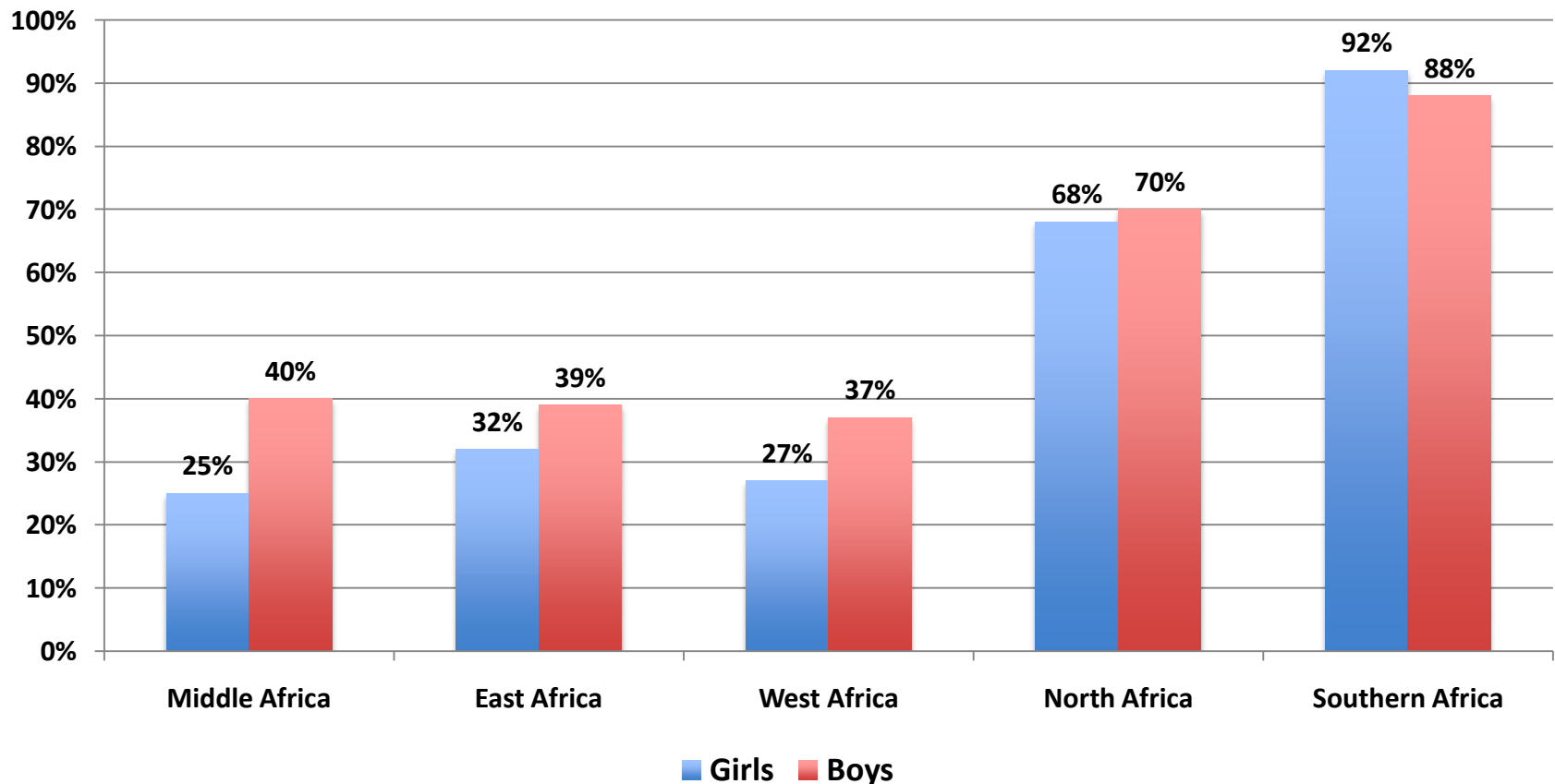
There is urgent need to address relatively early entry into marriage in West, Middle, and East Africa

% of women aged 20-24 who got married by age 18



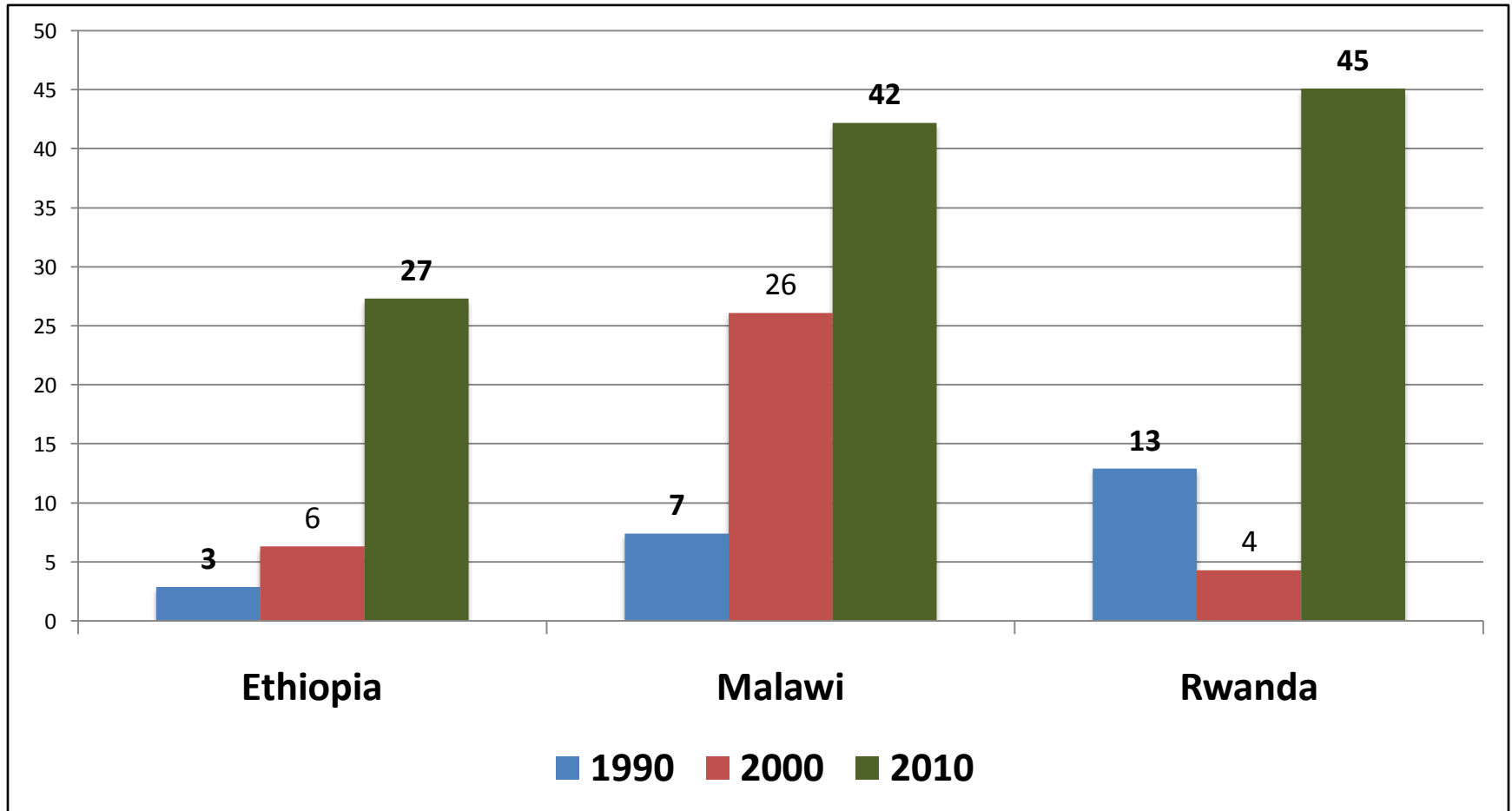
Governments and development partners must pledge universal secondary education, especially in West, Central and East Africa

% of secondary school age boys and girls who are enrolled in school



Emerging Success Stories: With increased political will, funding and health system strengthening, it is possible to address FP challenges in Africa

% of married women using modern FP



Earning the Demographic Dividend

- Macro-economic policies – the demand
 - Public health
 - Education
 - Youth and Female Employment
 - Unemployment and underemployment
 - Export orientation for labor demand
- Channeling savings into investment
- Address huge inequities in demographic transition and opportunities between the rich and the poor

Opportunities and Challenges for Mass Job Creation in Africa

- Economies expected to continue growing at a steady rate, despite global recession
 - In 2014, Sub-Saharan Africa economies to grow by 6.1% (global average of 4%) – IMF, April 2013
 - Foreign Direct investment projected to increase from \$37 in 2012 to \$54 billion in 2015
 - Infrastructure development is improving across the continent, especially in East and Southern Africa
 - "It is expected that by 2020, only four or five countries in the region will not be involved in mineral exploitation of some kind" (World Bank)

Opportunities and Challenges for Mass Job Creation in Africa

- Economic growth not resulting in substantial poverty reduction and mass creation of secure jobs
 - High levels of underemployment and reliance on the informal sector, especially among women and youth
 - Heavy reliance on mining and mineral resources, which are often mismanaged
 - Agricultural sector, which provides livelihood to most people, is still largely underdeveloped and vulnerable to climate change
 - Rapid but poorly managed urbanization not effectively used as an engine for socioeconomic development
 - "Better governance will need to underpin efforts to make growth more poverty reducing," (World Bank)

Conclusion: Africa can harness the Demographic Dividend

- Emerging success or promising cases in accelerating demographic transition and economic growth show that the continent's perennial development shackles can be overcome
- Promoting family planning and empowerment of women from a development perspective should reduce the uncalled for tensions and controversies surrounding these issues

But much more needs to be done...

1. Enhance political will and investments for **strong family planning programs, education, and general empowerment of women**
2. Enhance investments in public health for **greater child survival and healthy workforce**
3. Adopt economic policies and reforms that help develop industries of comparative advantage to ensure mass **job creation** and enhance savings and investments
4. Improve governance and accountable use of public resources – **invest in people!**

Developments on DD in Africa

- July 2012 – Joint meeting of ministers of Finance and Health endorsed the DD platform (Tunisia)
- Joint AUC and UNECA joint conference for Ministers of Finance and Development Planning endorsed DD
- ICPD Beyond 20 Africa Regional Report: Harnessing the Demographic Dividend: The Future we want for Africa

Thank You

www.afidep.org

info@afidep.org

Eliya.Zulu@afidep.org