Enhancing the Demographic Dividend for Socio-economic Transformation in Africa

Key Lessons

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AFIDEP DD Footprint in Africa

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What is the Demographic Dividend (DD)?

Dependents

Workers

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What is the Demographic Dividend (DD)?

- **First DD** → The economic benefit that arises directly from the increase in the proportion of the working age population relative to dependent children as a result of fertility and mortality decline.

- **Second DD** → Long-term economic benefits from increased investments in children; increased savings and investments by the working age population; and improved wellbeing and life expectancy (which enables people work longer) as the population becomes increasingly aged.
Population by broad age groups - 2015 vs 2050

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2015</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19</td>
<td>Africa: 51, Asia: 33, L. America &amp; the Caribbean: 34</td>
<td>Africa: 52, Asia: 58, L. America &amp; the Caribbean: 58</td>
</tr>
<tr>
<td>20-64</td>
<td>Africa: 45, Asia: 60, L. America &amp; the Caribbean: 58</td>
<td>Africa: 42, Asia: 58, L. America &amp; the Caribbean: 58</td>
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<tr>
<td>65+</td>
<td>Africa: 4, Asia: 8, L. America &amp; the Caribbean: 8</td>
<td>Africa: 24, Asia: 23, L. America &amp; the Caribbean: 58</td>
</tr>
</tbody>
</table>

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Are African countries ready to harness the demographic dividend?
With right investments, EAC countries can harness massive DD – DemDiv Results

Projected Per Capita GDP by Different DD Policy Scenarios (US$)

<table>
<thead>
<tr>
<th>Countries</th>
<th>Current PC GDP</th>
<th>Business as Usual (a)</th>
<th>Economic Emphasis (b)</th>
<th>Combined Scenario (c)</th>
<th>Potential DD Earned (c-b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>907</td>
<td>896</td>
<td>6,693</td>
<td>11,288</td>
<td>4,595</td>
</tr>
<tr>
<td>Tanzania</td>
<td>967</td>
<td>2,063</td>
<td>7,779</td>
<td>11,657</td>
<td>3,878</td>
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<tr>
<td>Uganda</td>
<td>506</td>
<td>927</td>
<td>6,084</td>
<td>9,567</td>
<td>3,483</td>
</tr>
<tr>
<td>Rwanda</td>
<td>735</td>
<td>2,764</td>
<td>9,098</td>
<td>12,555</td>
<td>3,457</td>
</tr>
</tbody>
</table>
Study in four East African Community (EAC) countries - Kenya, Uganda, Rwanda, Tanzania,

Report and related briefing notes first launched in May, 2018


https://www.gov.uk/dfid-research-outputs/regional-analysis-of-youth-demographics
Total population in the EAC will more than double even with the projected fertility decline

<table>
<thead>
<tr>
<th>Country</th>
<th>Scenario outputs</th>
<th>Baseline UN 2015</th>
<th>UN Medium Variant</th>
<th>Accelerated Model</th>
<th>UN Medium Variant</th>
<th>Accelerated Model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2030</td>
<td>2030</td>
<td>2065</td>
<td>2065</td>
<td></td>
</tr>
<tr>
<td>Kenya</td>
<td>Population (Millions)</td>
<td>47</td>
<td>67</td>
<td>66</td>
<td>115</td>
<td>103</td>
</tr>
<tr>
<td></td>
<td>TFR</td>
<td>4.1</td>
<td>3.3</td>
<td>3.2</td>
<td>2.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Rwanda</td>
<td>Population (Millions)</td>
<td>12</td>
<td>16</td>
<td>16</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>TFR</td>
<td>4.2</td>
<td>3.2</td>
<td>3.2</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Population (Millions)</td>
<td>54</td>
<td>84</td>
<td>81</td>
<td>187</td>
<td>151</td>
</tr>
<tr>
<td></td>
<td>TFR</td>
<td>5.2</td>
<td>4.3</td>
<td>4.0</td>
<td>3.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Uganda</td>
<td>Population (Millions)</td>
<td>40</td>
<td>64</td>
<td>63</td>
<td>141</td>
<td>131</td>
</tr>
<tr>
<td></td>
<td>TFR</td>
<td>5.9</td>
<td>4.6</td>
<td>4.5</td>
<td>2.8</td>
<td>2.8</td>
</tr>
</tbody>
</table>
Demand for modern contraceptives will increase 3-fold

Number of youth, 15-24 years (‘000s) in need of modern contraception, UN Medium Variant Scenario (2015-2065)

- **Kenya**: 2,999 (2015), 5,776 (2050), 7,425 (2065)
- **Rwanda**: 501 (2015), 1,306 (2050), 1,659 (2065)
- **Tanzania**: 3,150 (2015), 8,700 (2050), 11,550 (2065)
- **Uganda**: 2,246 (2015), 6,863 (2050), 8,869 (2065)
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The school-age population will increase significantly

*Estimated number (‘000s) of secondary school places, 2015-2065*
Number of youth who are Not in Education, Employment or Training (NEETs) will grow 3-fold under UN Medium Variant
Highlights from the Botswana Demographic Dividend Study
Aggregate Labour Income vs Consumption, Botswana 2010

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Botswana’s surplus is shorter and smaller...
The demographic dividend could boost living standards by 36% in Botswana

Rate of Change of the Support Ratio (medium fertility variant)

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Botswana has harnessed a significant DD – the window of opportunity to maximize it is short.
How much would Botswana benefit from shifting the earning profile of its youth to the global average?

Cumulative boost to living standards between 2015-2035 would be 21% with the shift versus 11.7% at status quo.
Shining a lens on inequality: Female-male differences in income and consumption in Senegal, 2011

Source: NTA Calculations, CREFAT 2016
Shining a lens on inequality: Rural-urban differences in income and consumption in Senegal, 2011

Source: NTA Calculations, CREFAT 2016

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Operationalising the Demographic Dividend
Operationalising the Demographic Dividend at National Level

National DD Profile
- Evidence generation, synthesis & translation
- Secure policy declaration

National Strategy/Roadmap
- Define long terms goals & strategies
- Identify game-changer policies and programs
- Define coordination & accountability mechanisms

Planning
- Embed DD actions into development planning, M&E & budgeting processes

Implementation
- Pilot & scale-up programmes
- Monitoring & Evaluation
- Accountability mechanisms

Source: AFIDEP & UNFPA, 2017
## DD Milestones: Kenya, Malawi, Uganda & Zambia

<table>
<thead>
<tr>
<th>Key Milestones</th>
<th>Kenya</th>
<th>Malawi</th>
<th>Uganda</th>
<th>Zambia</th>
</tr>
</thead>
<tbody>
<tr>
<td>National DD Study</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Strategy (Roadmap)</td>
<td>✔</td>
<td>✗</td>
<td>✔</td>
<td>✗</td>
</tr>
<tr>
<td>Planning (NDPs)</td>
<td>MTP</td>
<td>MGDSIII</td>
<td>NDPII</td>
<td>7NDP</td>
</tr>
</tbody>
</table>

### Implementation

<table>
<thead>
<tr>
<th>Coordination mechanism</th>
<th>NCPD  (MDP)</th>
<th>PDU (MFEPD)</th>
<th>NPA &amp; NPC (MFPED)</th>
<th>SPD (MDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural changes</td>
<td></td>
<td></td>
<td>SAGs→CAGs</td>
<td></td>
</tr>
<tr>
<td>Budgeting process (Pilot)</td>
<td></td>
<td>ABB→OBB</td>
<td>ABB→OBB</td>
<td>Citizens’ Budget</td>
</tr>
</tbody>
</table>

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Factors that propelled success so far

• Generating and packaging evidence (National DD Studies)
  – Demonstrated demographic trajectory and potential dividend
  – Ignited DD discussion
  – Advocacy to secure political buy-in

• Use of strategic champions to secure political buy-in
  – Government ownership of the DD agenda

• Strategic partnerships
  – Government, development partners, private sector & CSOs
Challenges to overcome

I. In-depth policy prioritisation and performance analysis

II. Systems thinking and integrated planning capacity

III. Sustainable funding for demographic dividend interventions

IV. Reinforce the role of the private sector and other stakeholders
Thank you!