The Demographic Dividend & Rationales for Investments

9th EARHN Coordination Meeting

June 24, 2019
Background

- The demographic dividend lens offers a unique opportunity to focus on sustainable development and to achieve Vision 2040 (Uganda’s framework for wide socioeconomic transformation).
- Uganda's DD roadmap was founded on 5 pillars of investment and action guided by DD modeling.
  1. Demographic transition
  2. Health and Well-Being
  3. Education and Skills Development
  4. Economic Development, Employment and Entrepreneurship
  5. Governance, Rights, and Community Empowerment
- The roadmap advocates for creating an enabling environment that includes framing the discourse to encourage ownership by every stakeholder.
### Summary of Modelling Results

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2017</th>
<th>BaU</th>
<th>Economy</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Expectancy at Birth - Females</td>
<td>64.5</td>
<td>69.8</td>
<td>71.1</td>
<td>75.3</td>
</tr>
<tr>
<td>Total Fertility Rate</td>
<td>5.40</td>
<td>4.29</td>
<td>3.79</td>
<td>2.48</td>
</tr>
<tr>
<td><strong>Total Population (Millions)</strong></td>
<td><strong>37.7</strong></td>
<td><strong>75.9</strong></td>
<td><strong>73.4</strong></td>
<td><strong>67.5</strong></td>
</tr>
<tr>
<td>Annual Population Growth Rate (%)</td>
<td>na</td>
<td>3.0</td>
<td>2.9</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Dependency Ratio (%)</strong></td>
<td>97</td>
<td>76</td>
<td>71</td>
<td>58</td>
</tr>
<tr>
<td>Working Age Population (Millions)</td>
<td>16.4</td>
<td>38.0</td>
<td>38.0</td>
<td>38.2</td>
</tr>
<tr>
<td>Share of Working Age Population (%)</td>
<td>43.4</td>
<td>50.1</td>
<td>51.8</td>
<td>56.6</td>
</tr>
<tr>
<td>Employment (Millions)</td>
<td>8.5</td>
<td>17.7</td>
<td>22.4</td>
<td>22.5</td>
</tr>
<tr>
<td><strong>Gap between Population aged 18-64 years and Employment</strong></td>
<td><strong>7.9</strong></td>
<td><strong>20.3</strong></td>
<td><strong>15.6</strong></td>
<td><strong>15.7</strong></td>
</tr>
<tr>
<td>Gap as a % of Working Age Popn</td>
<td>48.2</td>
<td>53.4</td>
<td>41.0</td>
<td>41.0</td>
</tr>
<tr>
<td>Capital formation per Capita (USD)</td>
<td>163</td>
<td>252</td>
<td>1,525</td>
<td>2,210</td>
</tr>
<tr>
<td><strong>GDP (USD Billions)</strong></td>
<td><strong>27.9</strong></td>
<td><strong>80.9</strong></td>
<td><strong>494.5</strong></td>
<td><strong>642.6</strong></td>
</tr>
<tr>
<td>Implied GDP Growth Rate (%)</td>
<td>na</td>
<td>4.8%</td>
<td>13.1%</td>
<td>14.4%</td>
</tr>
<tr>
<td><strong>GDP per Capita (USD)</strong></td>
<td><strong>740</strong></td>
<td><strong>1,066</strong></td>
<td><strong>6,735</strong></td>
<td><strong>9,523</strong></td>
</tr>
</tbody>
</table>
FERTILITY

Fertility levels in Africa remain much higher than the global average.
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Uganda: 5.4 (UDHS, 2016/17)
Median age at reproductive events:
PMA2018/Uganda R6
Uganda & Kenya: 18-24 year married by 18, PMA/2018

Uganda, TFR*=5.4

- 38.9% of 18-24 year old rural females are in union by age 18
- 18.6% of 18-24 year old urban females are in union by age 18

Kenya, TFR=3.9

- 19.0% of 18-24 year old rural females are married by 18
- 9.9% of 18-24 year old urban females are married by 18

*TFR from recent DHS
Uganda has a very young population. . .

Typical of a population with high fertility and mortality as depicted in the broad base of the pyramid and rapid tapering off with increasing age.

About half the population is under the age of 15.
Challenges

1. Reducing the high child dependency burden is an ingredient for quality human capital and capital accumulation.

2. Creating ownership among constituents, especially, the communities

3. Identifying the situation of the youth/young people.
   - Youth challenges beyond health and education.
   - Young people view their lives and problems as individual, while their problems actually fit directly into the large state issues that youth typically find abstract and distant.
   - Disconnect between youth realities and the apparent political priorities – No support of social and political structures.

4. Gender dividend (Empowerment and Equality)

5. Communicating the dividend - Crafting messages that can help overcome DD apathy and inspiring ownership for own development, while leveraging the spirit of resilience and determination among leaders at all levels.
Ugandan investments in family planning will change lives…
Family planning is key to Uganda’s success
Opportunities cont.

2. **Ownership through the DD Compliance tool** - aims at alignment and strengthening of the DD implementation in NDPs, SDP/SPs, LGDP, and subsequently annual plans and budgets.

3. **Communication is key**
   - Media engagement supported by Population Reference Bureau—part of the activities for the creation of a media campaign to popularize the DD are on going to create awareness and inspire ownership.
   - Development of animated presentations – visual and audio.
   - Strengthen channels of communication between young people and their political leaders.

4. **Partnerships for Multi Sectoral collaboration** in order to utilize the economies of scale for resource mobilization and utilization.

5. **Increasing donor and youth interest in the DD discourse.**

6. **Fast-growing urbanization**
Thank you