

# **The Demographic Dividend in Africa**

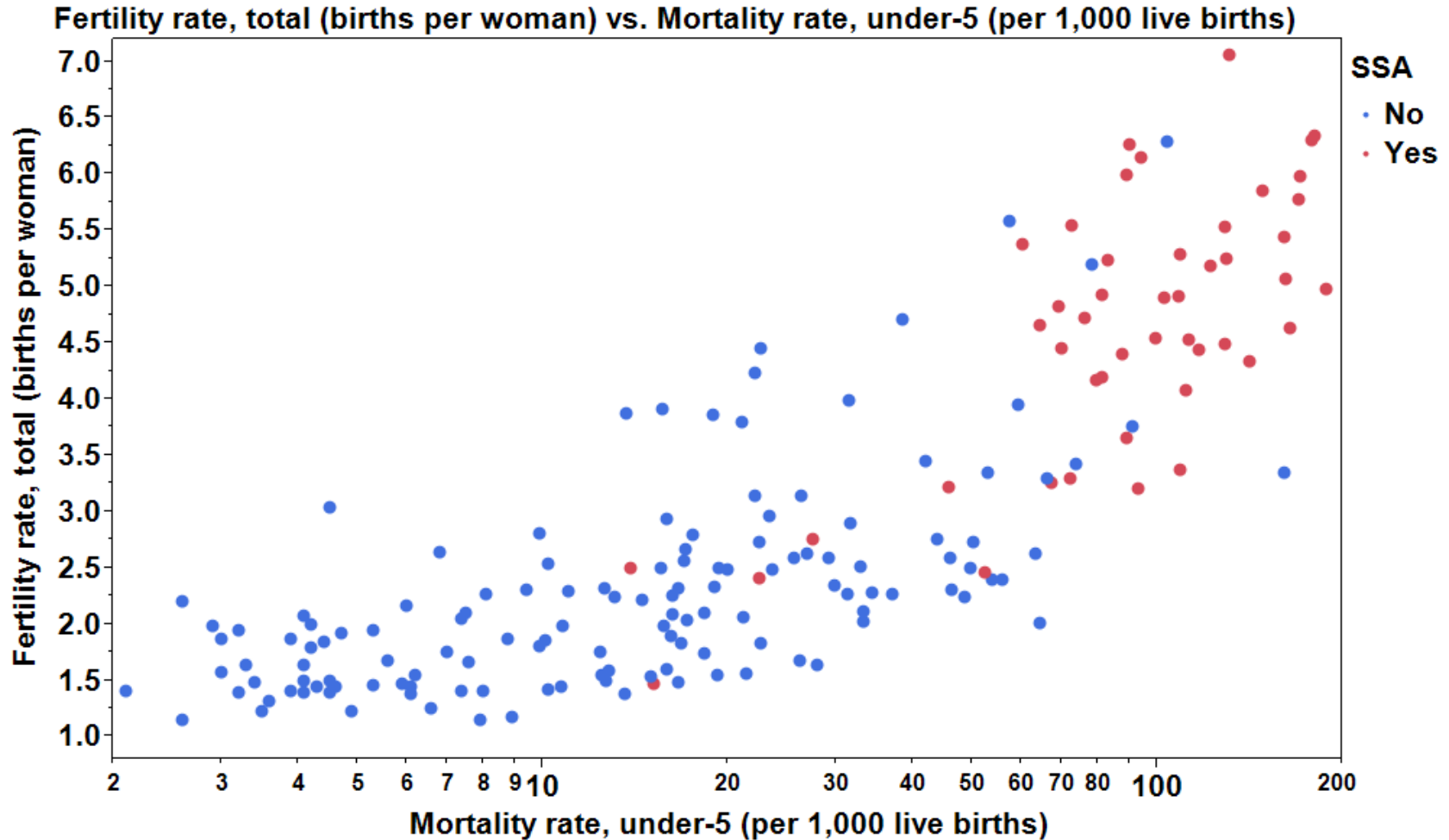
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**Harvard Center for Population and  
Development Studies**

**Wilson Center, Washington DC**

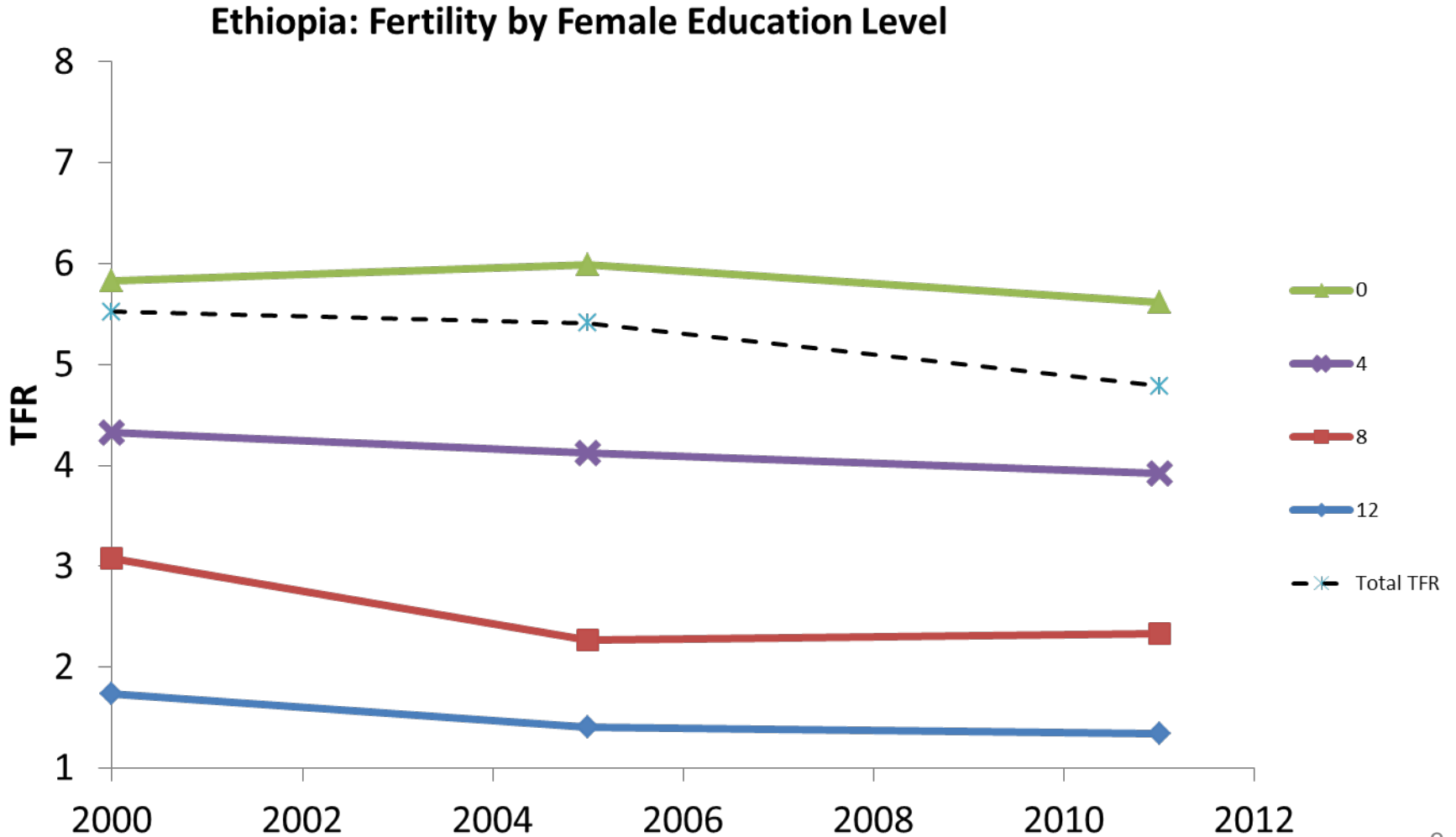
**October 15th 2013**

# Policies for Fertility Decline Decrease Child Mortality

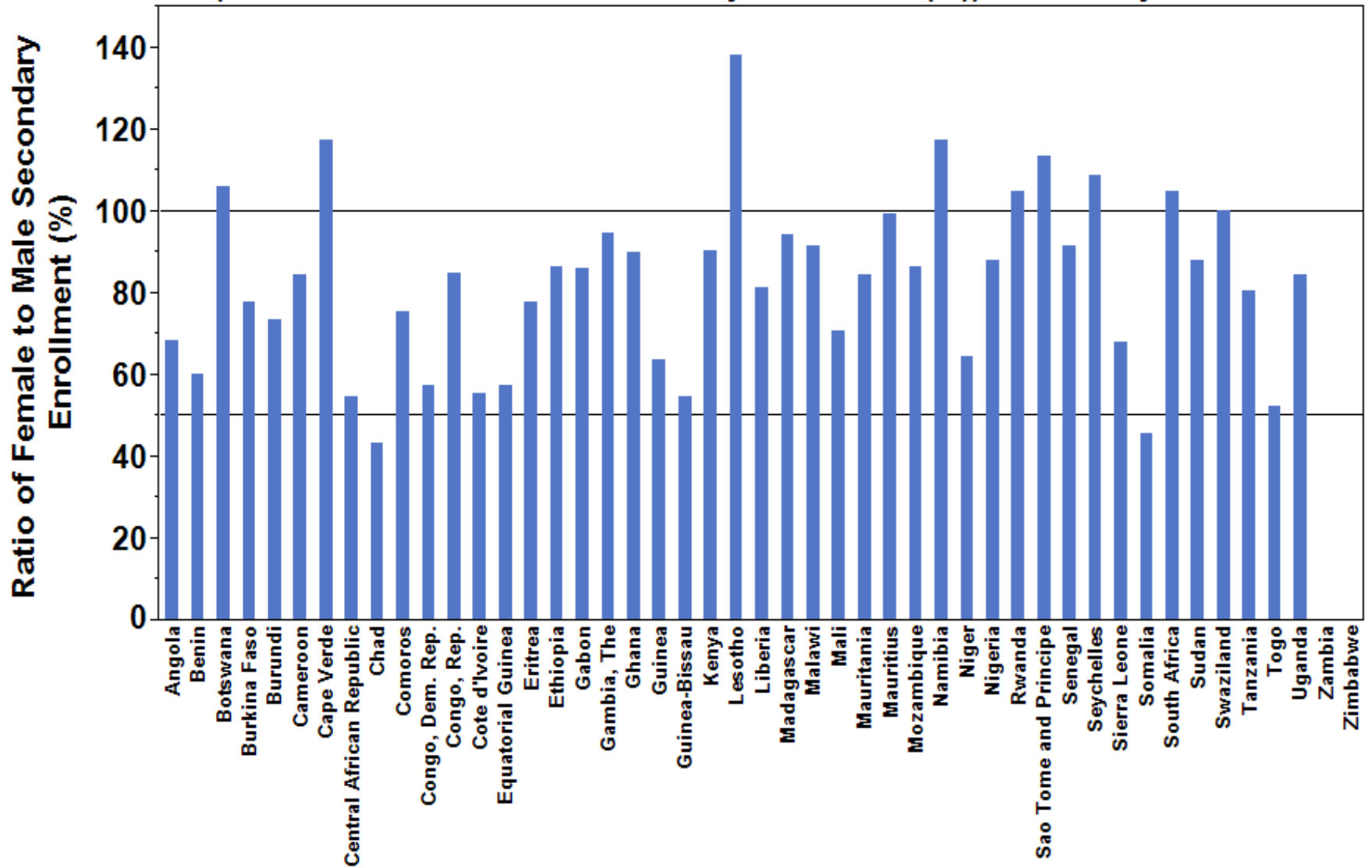


\*World Development Indicator Data. 2010

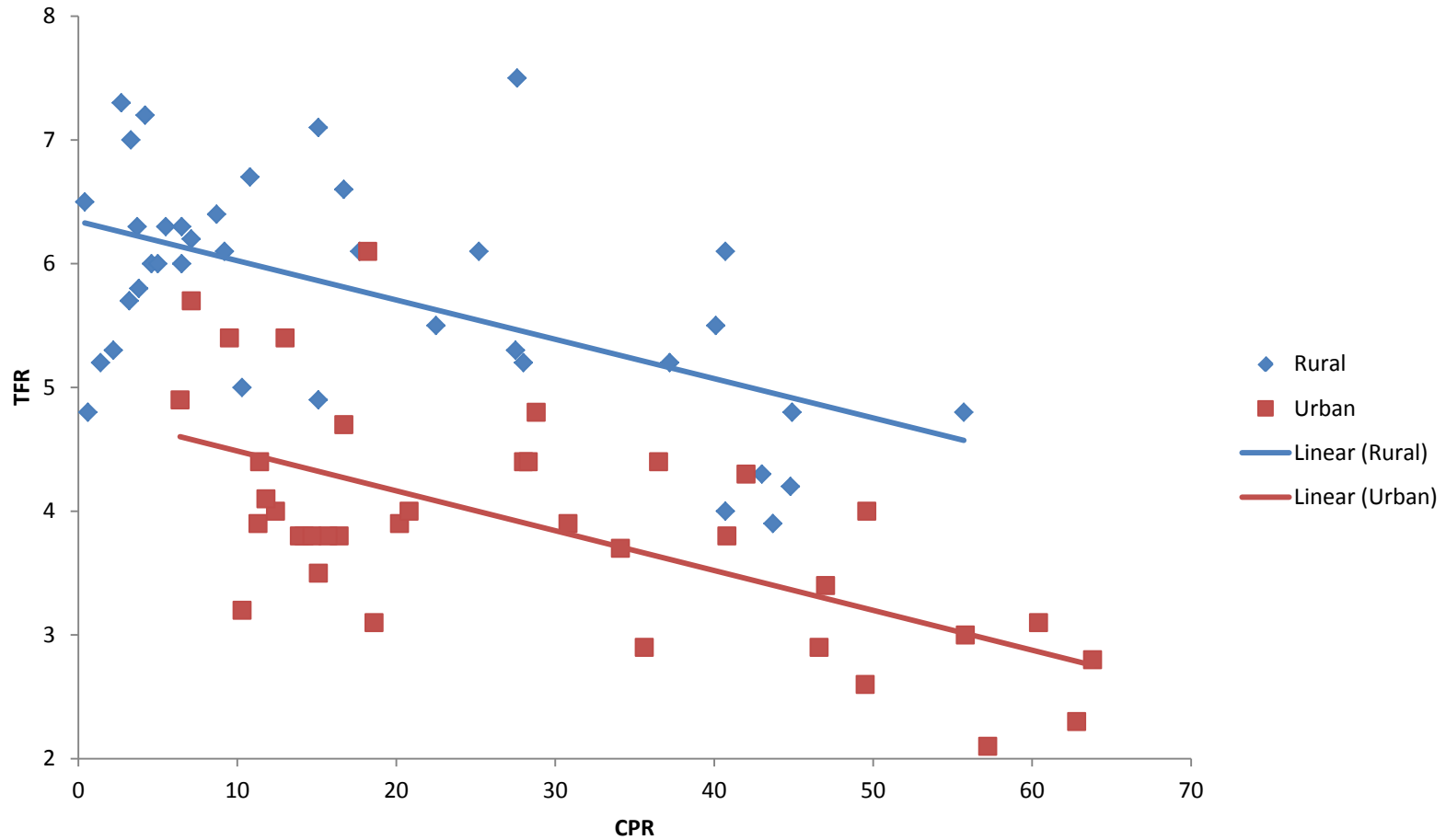
# Female Education Is a Major Diver of Fertility Rates



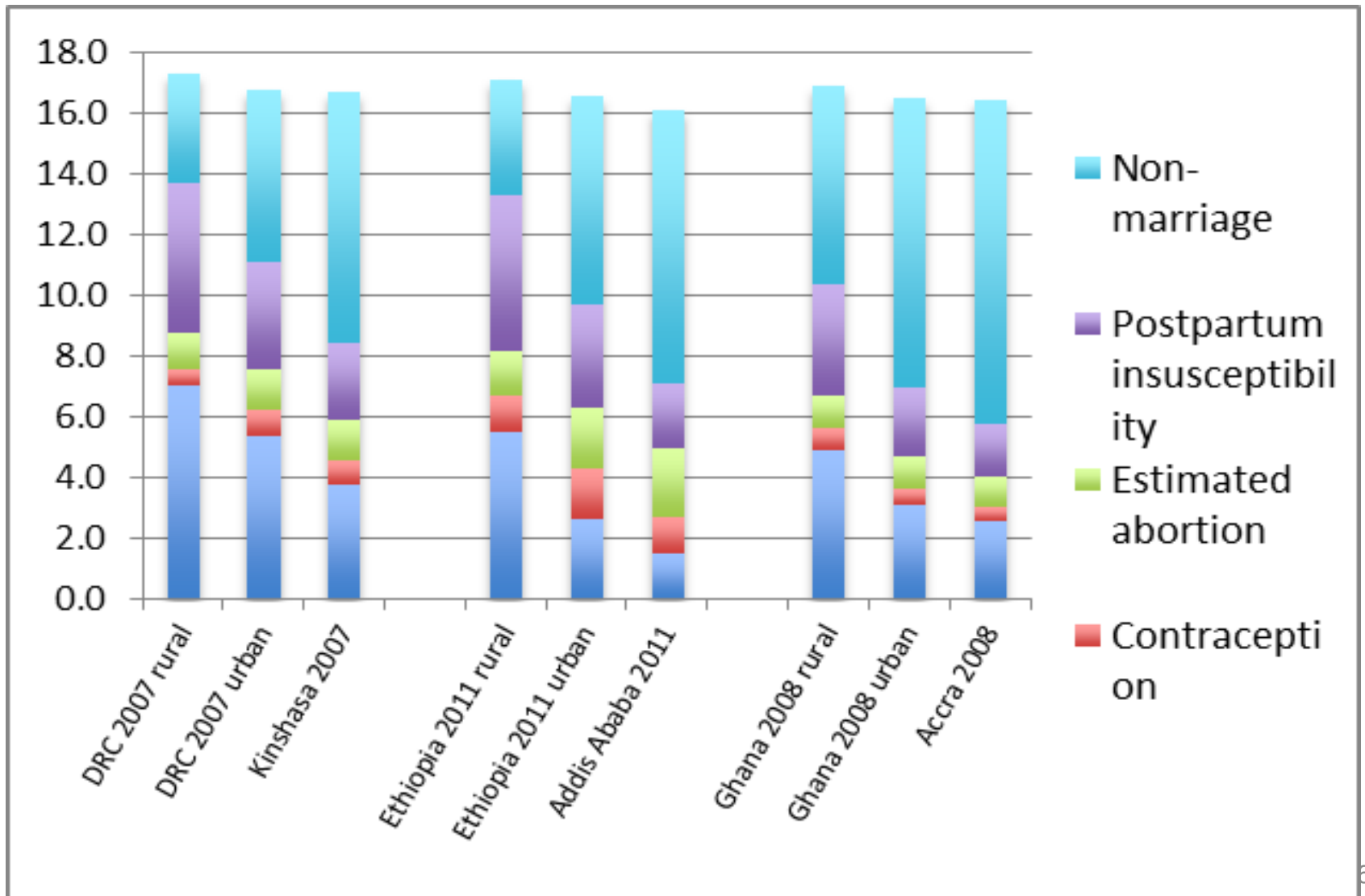
# Male-Female Education Gap in Sub-Saharan Africa-- Secondary Enrollment



# Contraceptive Prevalence and the Total Fertility Rate and Sub Saharan Africa

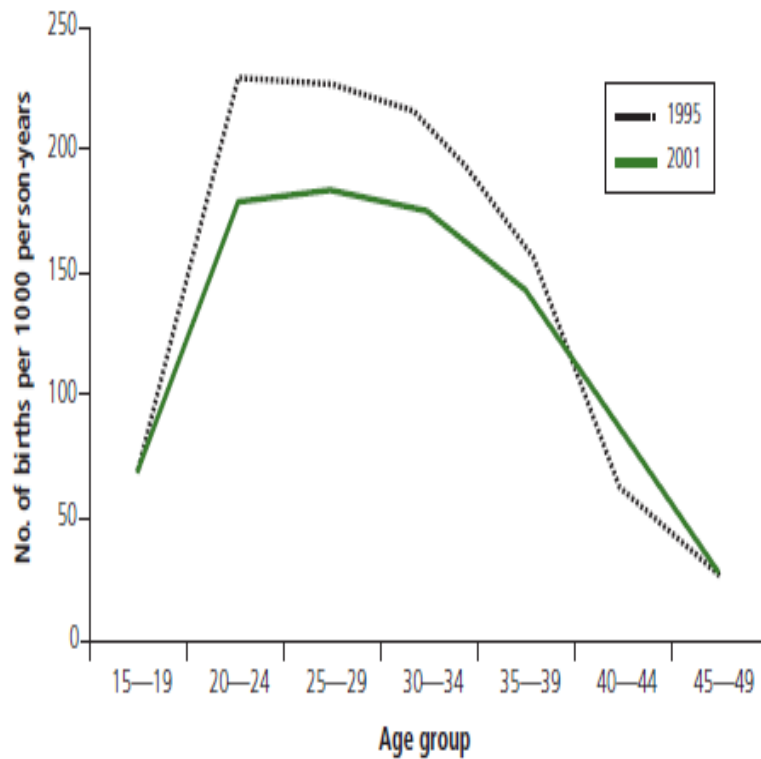


# Proximate Determinants of Fertility

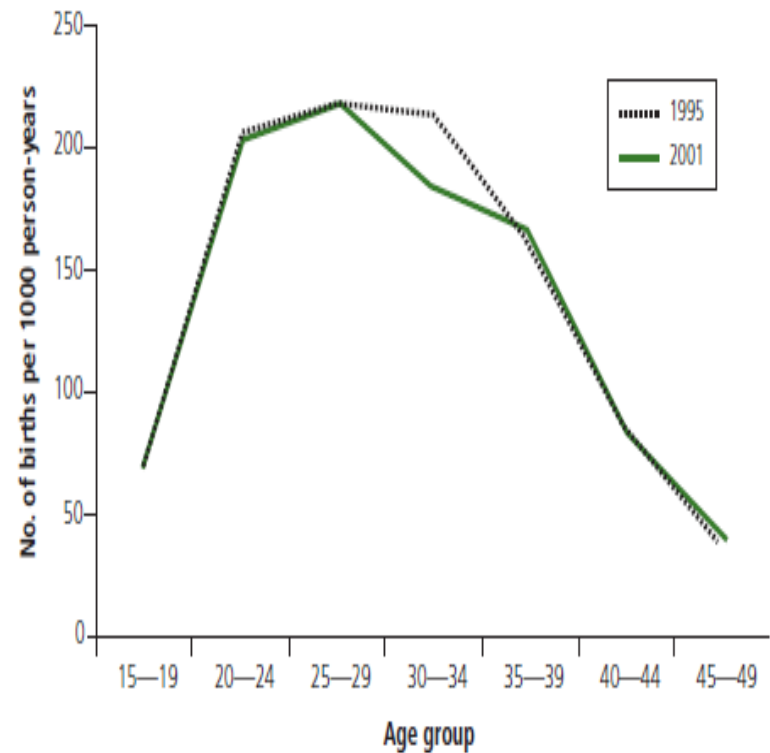


# A Family Planning Intervention Reduced Fertility in Navrongo, Ghana

## Treatment Area:



## Comparison Area



# Economic Consequences

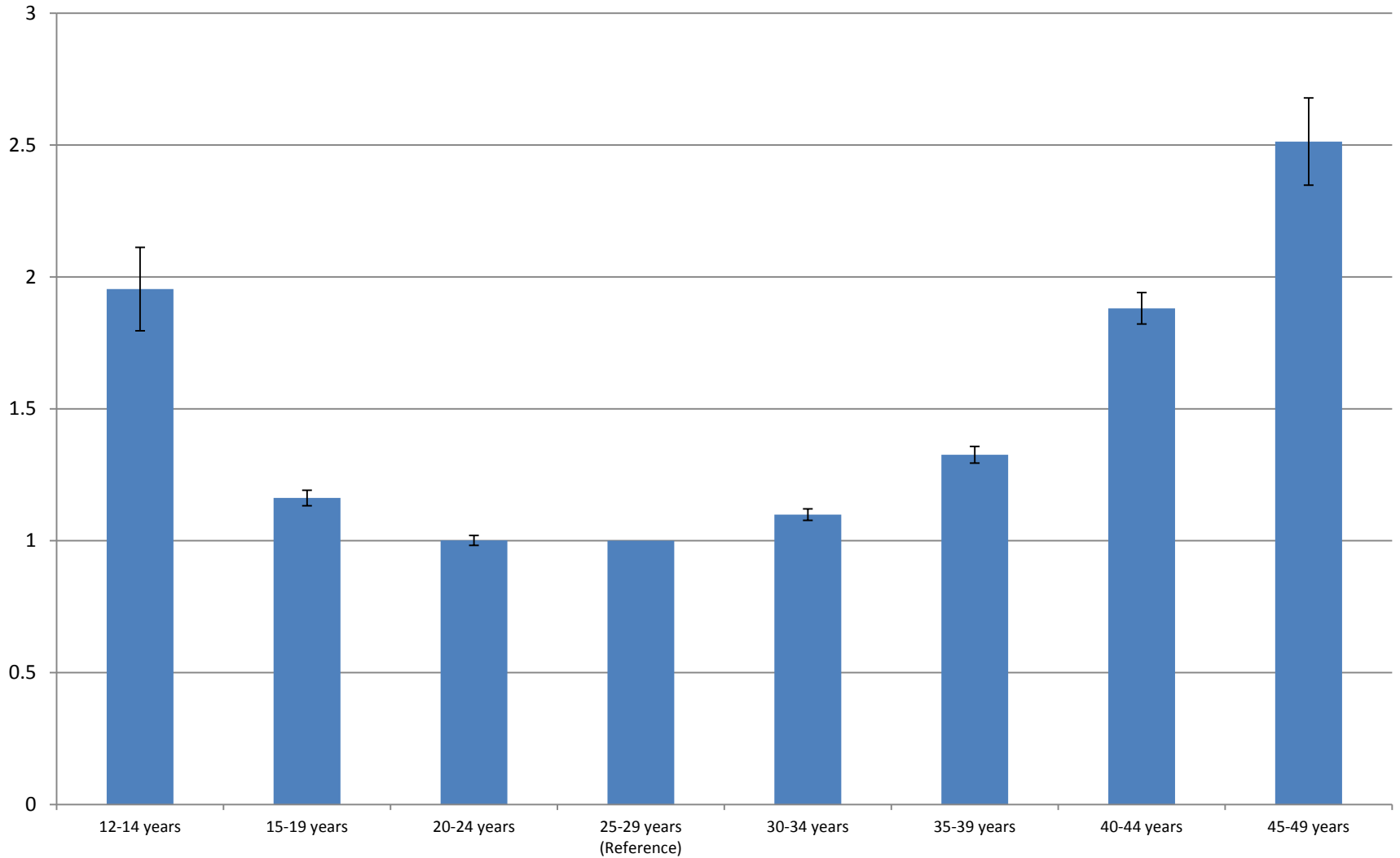
## The Demographic Dividend

- Working age share 30 – 50 year boost
  - Labor force per capita
- Youth Bulge
  - Underemployment, Agriculture/Unpaid
- Female Labor Force Participation
  - Only educated/urban women
- Savings - not yet in Africa but FDI
- Child Health – birth timing/spacing effects
- Education – move to higher levels

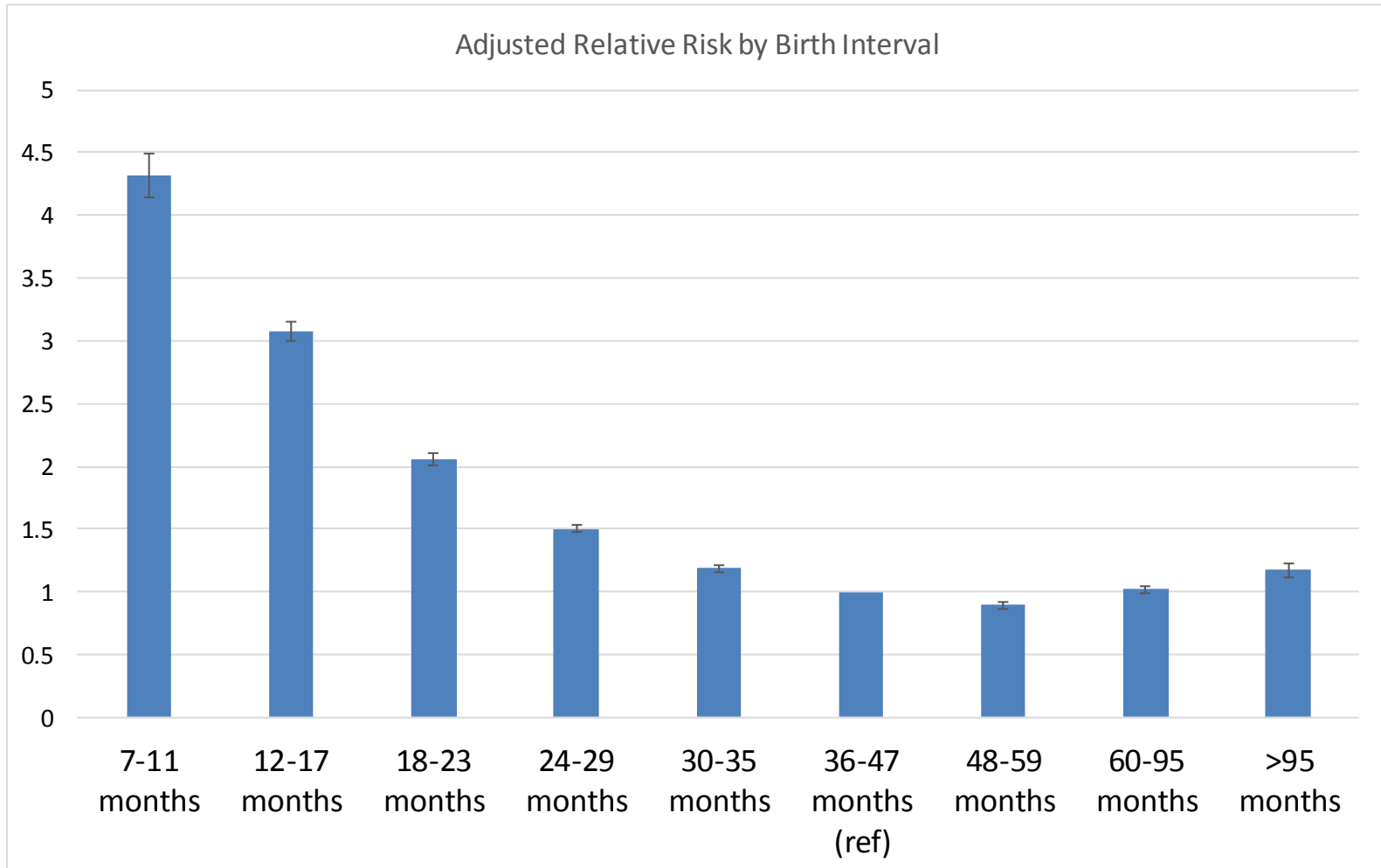


# Infant Mortality

## Adjusted RRR: Age of Mother at Birth

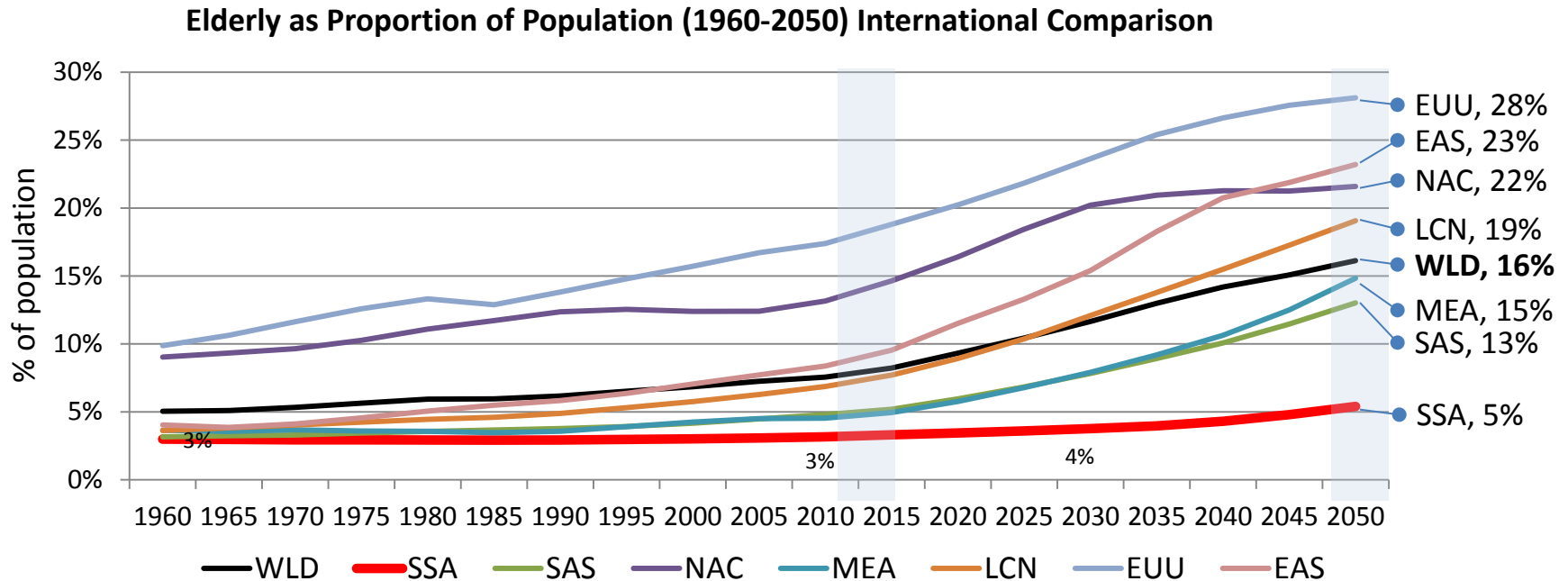


# Short Birth Spacing Increases Infant Mortality



# Aging in Sub-Saharan Africa?

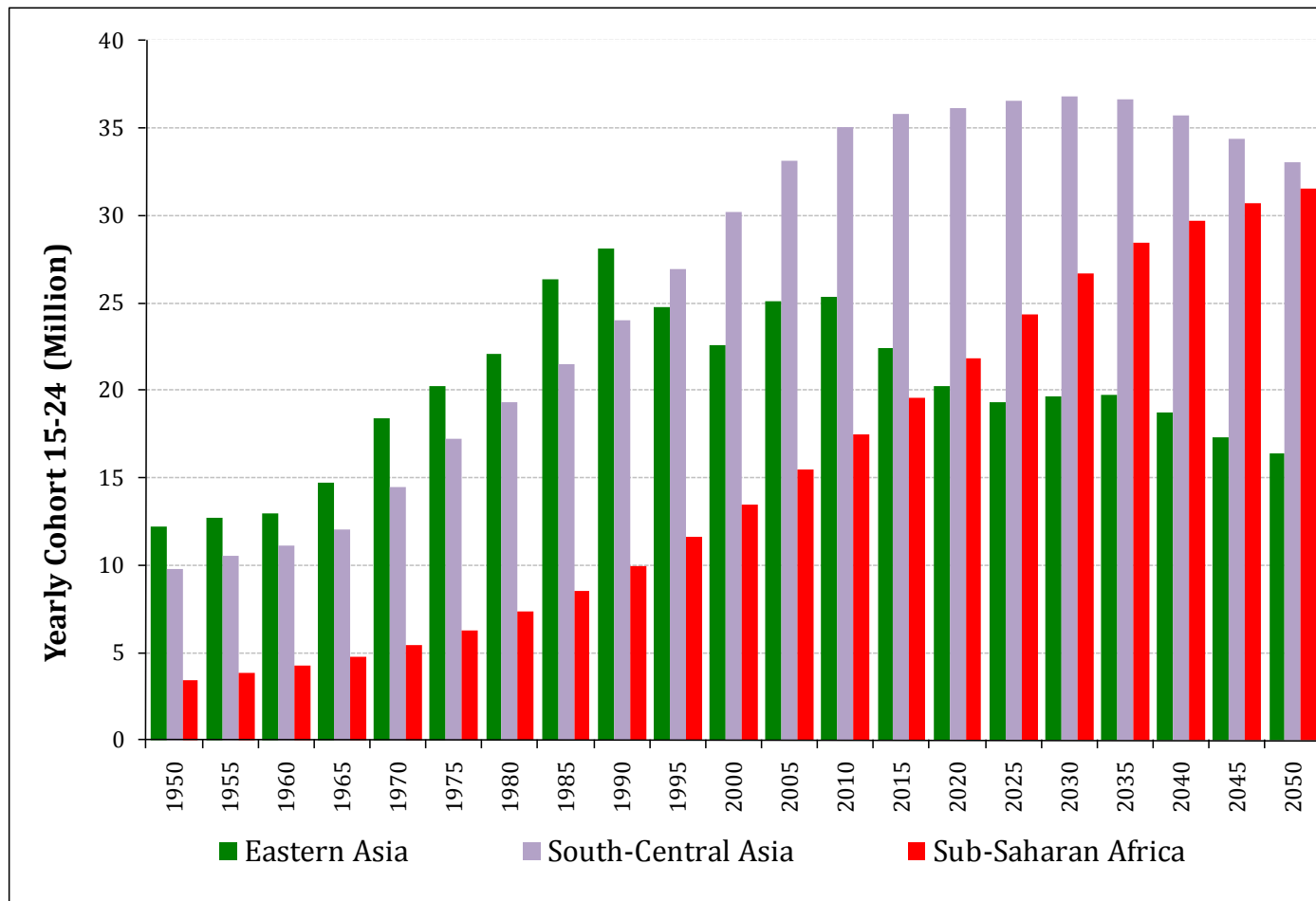
- In SSA, the elderly are projected to form 5% of the population by 2050



Source: World Bank: Health, Nutrition and Population Statistics

- The proportion has been stable at 3-4% and is likely to increase beyond 4% by 2030
- In comparison to other regions of the world, this proportion is the lowest

# Increasing Youth Cohorts | Sub Saharan Africa

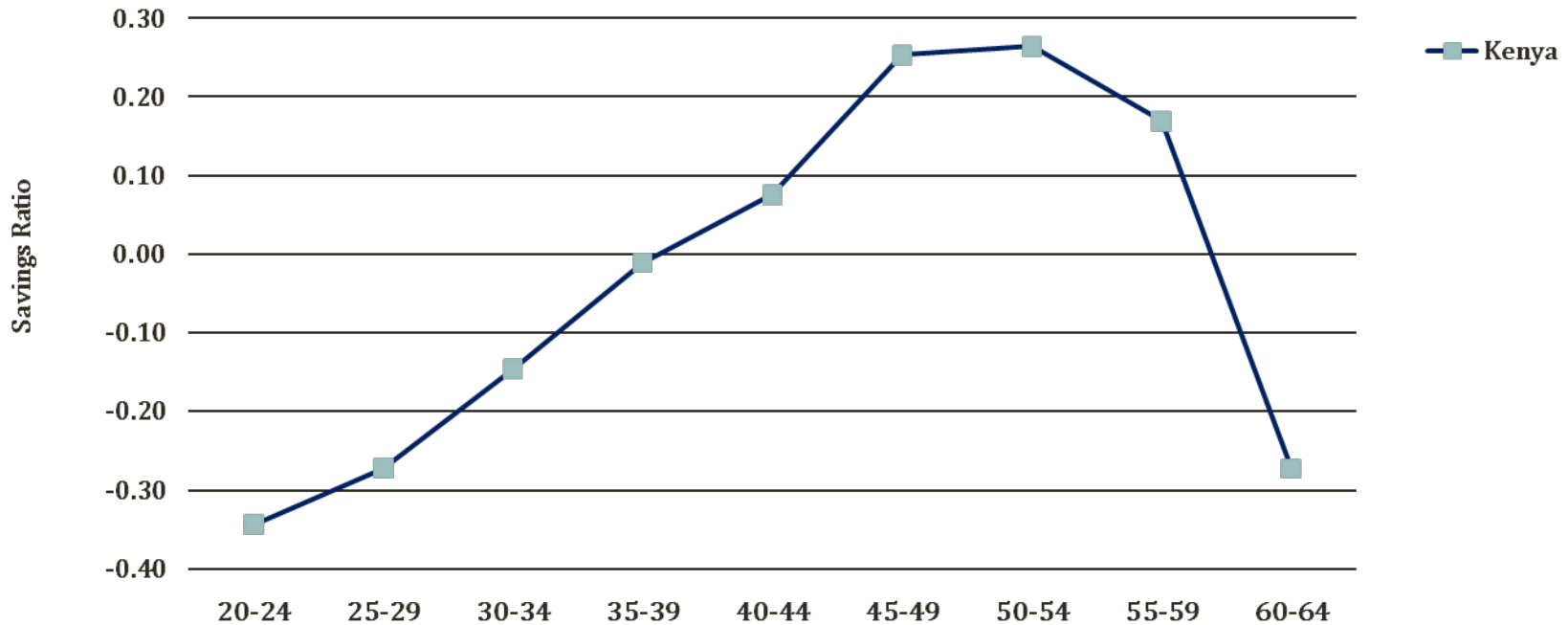


# Impact of 10% Increase in youth cohort size in SSA

Labor Market Activity	Percentage Point Change
Not in Labor market	+13
Working	-10
Unemployed	-3
Distribution of Work	Percentage Point Change
Unpaid Work	+13
Wage Employed	-6
Self Employed	-5
Sector of Work	Percentage Point Change
Agriculture	+8
Industry	-2
Services	-6

# Household Savings Rates Vary with Age and Peak in Late Middle Age

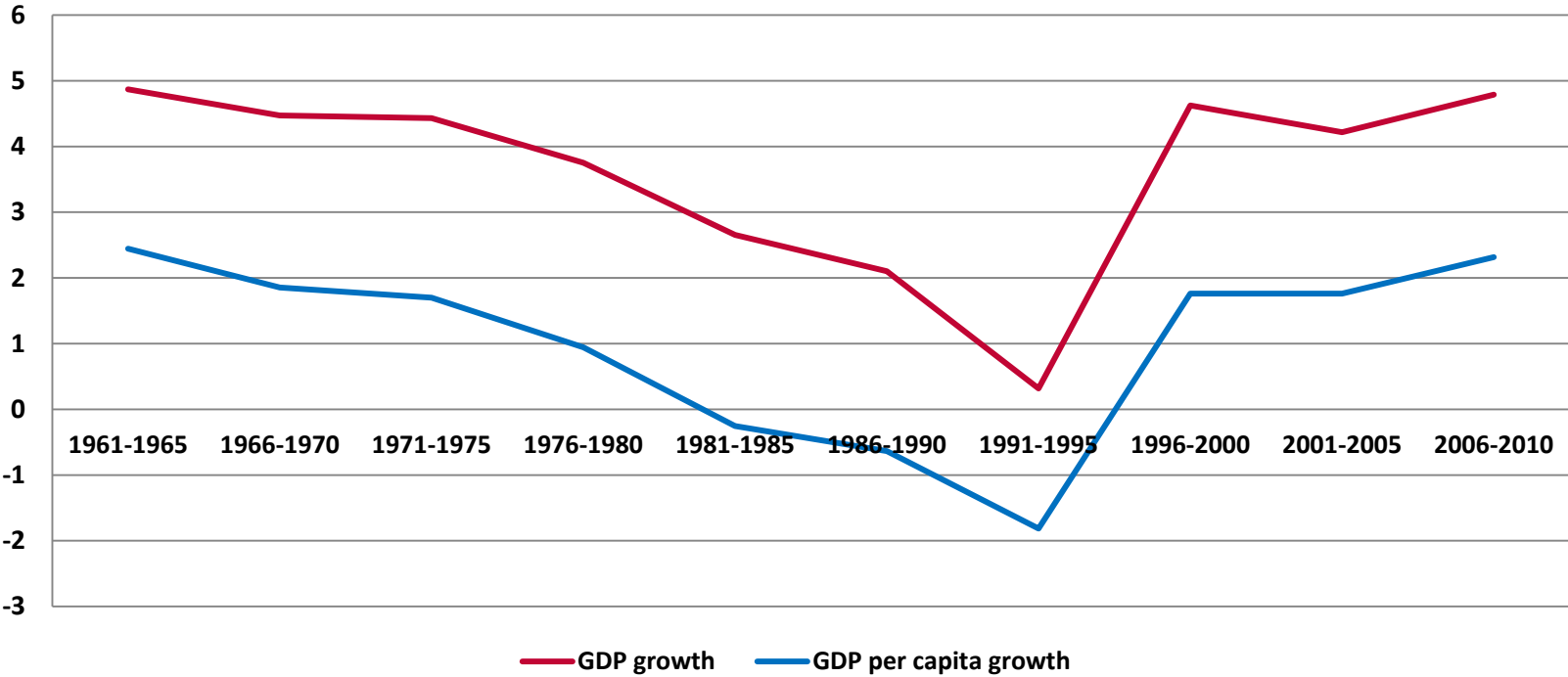
Mean Savings Ratios by Age Groups in Kenya, 2005



Source: Authors' presentation

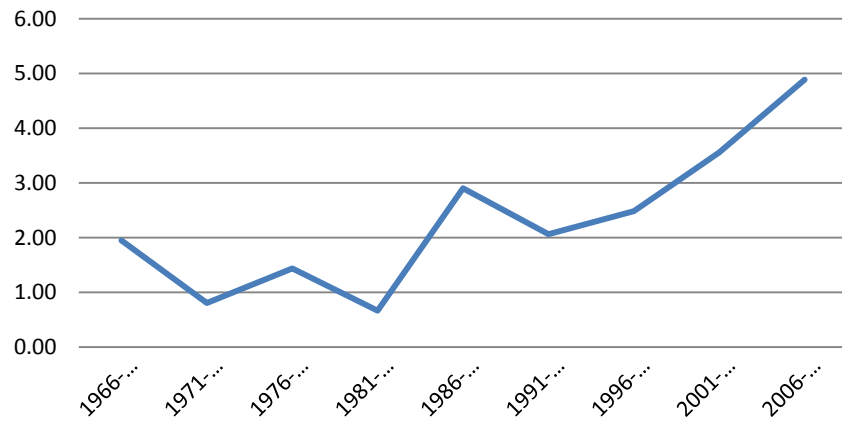
# Economic Growth in Sub-Saharan Africa

Figure 1. Annual Growth Rates (29 balanced countries):  
GDP & GDP per capita

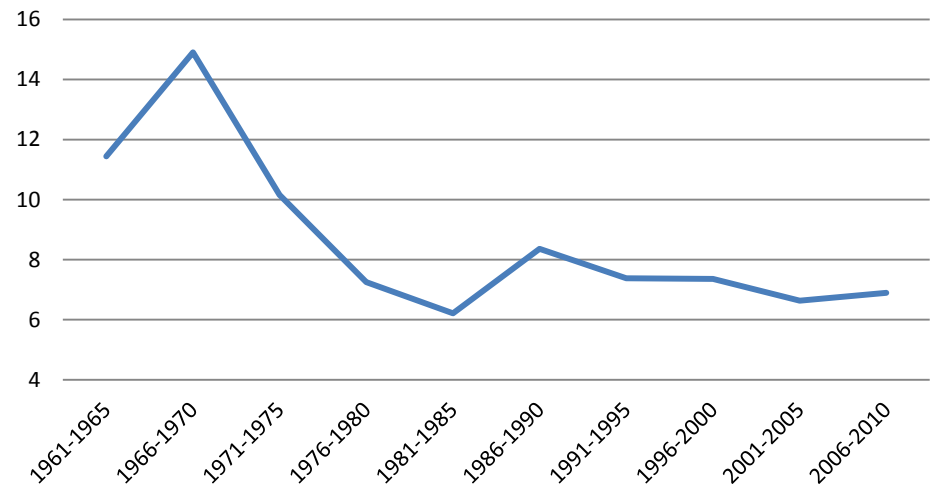


# Where is capital coming from?

Net FDI inflows/GDP (%)

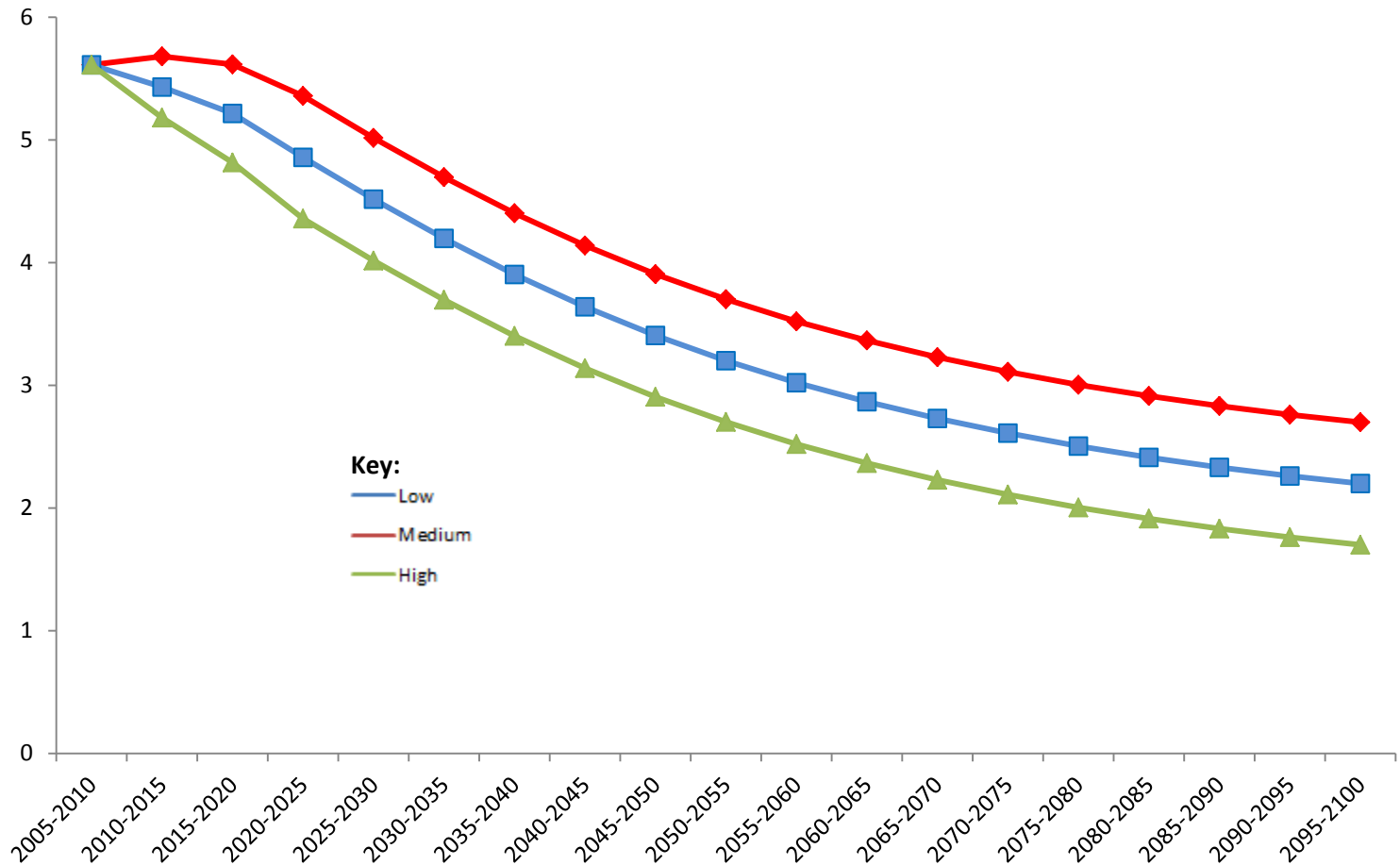


Domestic saving per GDP (%)

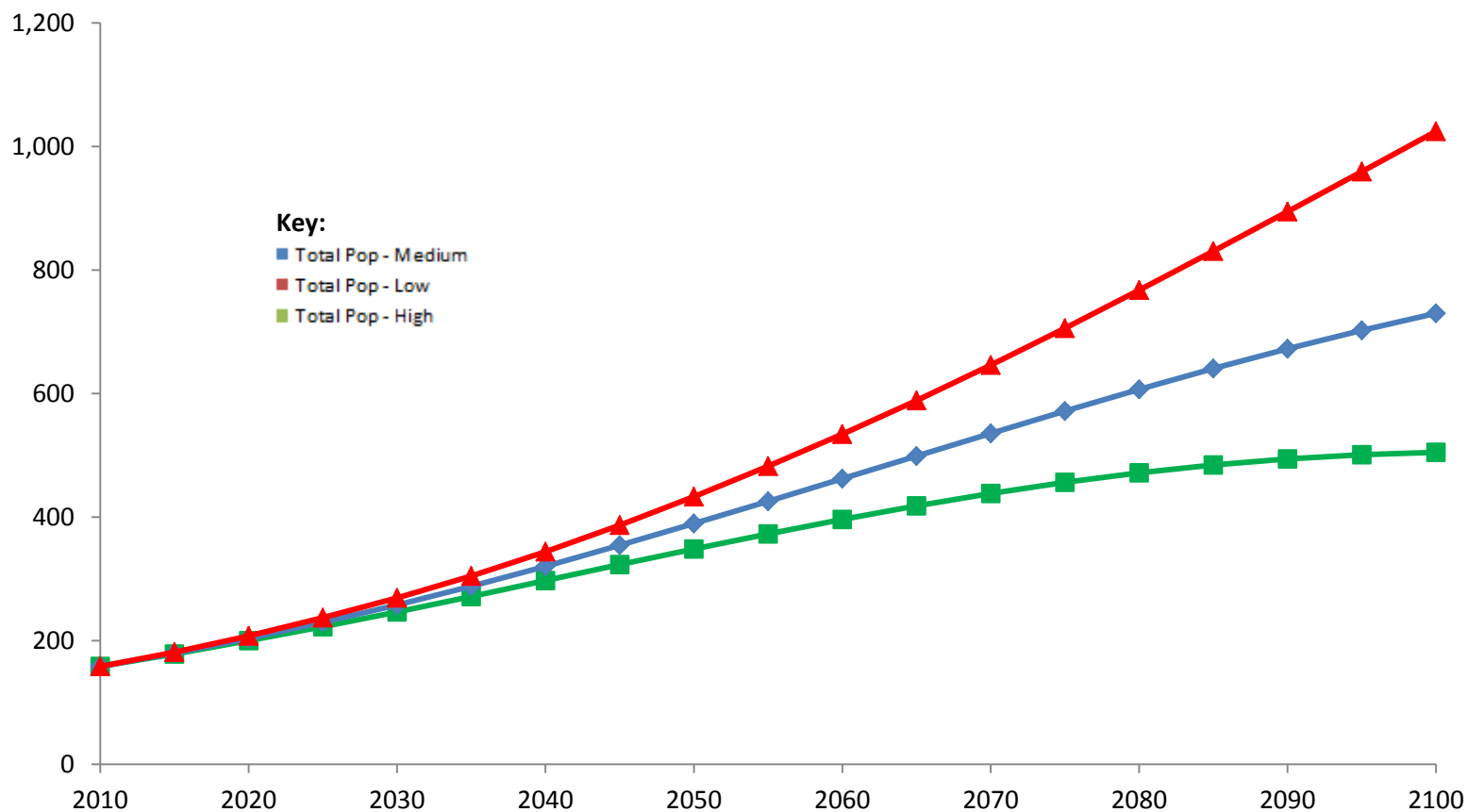




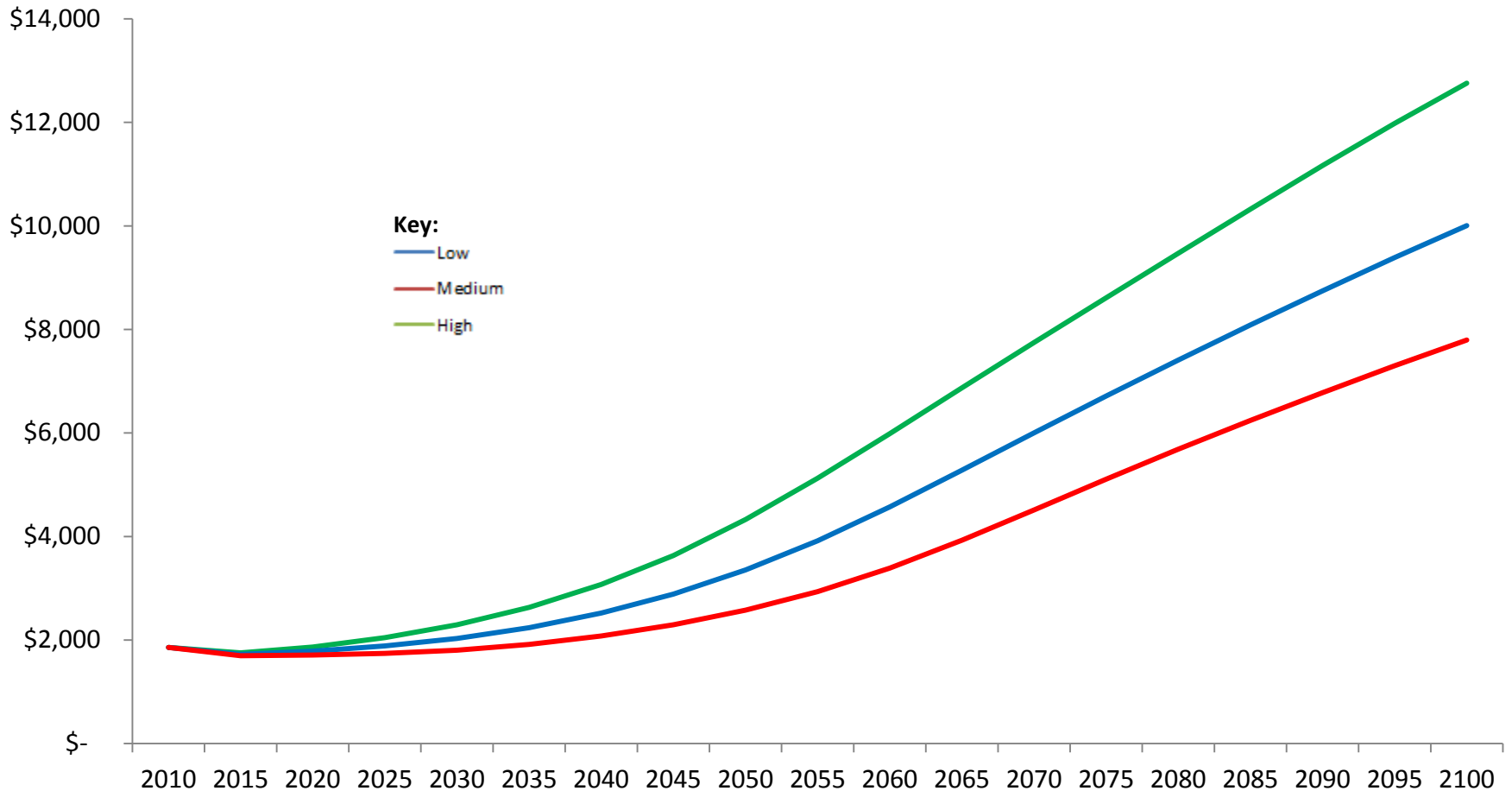
# Nigeria TFR under Low Medium and High Fertility Scenarios



# Nigeria Population under Different Fertility Scenarios



# Nigeria GDP per Capita Under Different Fertility Scenarios



# Goals

# Policies

## Speed the Demographic Transition

To affect Fertility

Child mortality, **female education**, social norms, family planning

## Realizing the Labor Force Dividend

To absorb Youth Bulge

**FDI**, domestic saving, human capital, migration  
(Agriculture and natural resources not sufficient)

To harness the 1<sup>st</sup> dividend

**Improve educational attainment**, move up value chain

## Realizing the Savings Dividend

Harness the 2<sup>nd</sup> dividend

Improve policies and institutions for domestic savings

## Success

Africa undergoes rapid fertility transition

Human capital is harnessed and makes Africa the workbench of the world

Positive feedback - demographic change and economic development

## Failure

Slow fertility transition and persistent youth bulge

Large scale underemployment of human resources

Political instability due to frustrated youth