Understanding the Demographic Dividend

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Presentation Outline

- What is a demographic dividend?
- What does it take to achieve it?
- Is a dividend achievable in African countries?
What is a demographic dividend?

- The accelerated growth in a country’s economy
- that begins with a change in the age structure of its population
- and is achieved through strategic investments and policies.
A demographic dividend is a complex process

Population Structure

Education

Health

Governance

Economic

Demographic Dividend
A demographic dividend begins with changing **population structure**
Population Structure

- Fertility falls → fewer births → median age increase

- Fertility remains lower → working age population grows → change in dependency ratio

- Fewer youth → greater per capita expenditures on health, education, and food
A demographic dividend requires investments in **health**.
Investments in Health

- “Health equals Wealth”
- Health systems strengthening
- Infant and child survival
- School age health
- Preventing non-communicable diseases
- Reproductive health and family planning
- Healthy workforce
A demographic dividend requires investments in education.
Investments in Education

- Quality and quantity of education
- Equal education for girls
  - Leads to higher wages, work outside the home, lower fertility, lower mortality, better health
- Secondary and higher education
- Education that responds to opportunity
A demographic dividend requires good governance.

Population Structure

Education

Health

Governance

Demographic Dividend
Importance of Good Governance

- Gender-equitable policies
- Rule of law
- Efficiency of government
- Reducing corruption
- Guaranteeing contact enforcement
A demographic dividend requires sound economic policies.

- Population Structure
- Education
- Health
- Governance
- Economic

Demographic Dividend
Importance of Economic Policies

- Job creation
- Openness to trade
- Investments—private, government, business, domestic, international
- Incentives for private savings
- Access to credit
- Responsive labor force
Is a dividend achievable in African countries?

- Political will
- Development planning and strategies
- Changes in norms
- Resources
Demographic Dividend: Closing Thoughts

- Change in population age structure
- Long time horizon
- Accelerated economic growth
- Strategic investments
- Wise decisions and an eye for opportunity

A demographic dividend is NOT automatic