

ABSTRACT PAPER

DEMOGRAPHIC DIVIDEND IN AFRICA PROSPECTS, OPPORTUNITIES AND CHALLENGES:
A Case Study of Uganda

7th African Population Conference Johannesburg, South Africa, 30th Nov – 4th Dec, 2015

BY

Dr. Eldard Ssebbaale Mukasa (PhD): CAVENDISH UNIVERSITY UGANDA

10/6/2015

Key Words:

Demographic dividends, per capita income,

Introduction

This paper gives an exploration of the prospects, opportunities and challenges of demographic dividend in Africa and Uganda in particular. The focus brings out the perspective from the African block, drawing examples from other regions outside Africa and the entire globe.

Demographic Dividend: Is accelerated economic growth that may result from a decline in a country's mortality and fertility and the subsequent change in the age structure of the population (www.pai.org)

This is the economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working-age population (15 to 64) is larger than the non-working-age share of the population (14 and younger, and 65 and older). In other words it is "a boost in economic productivity that occurs when there are growing numbers of people in the workforce relative to the number of dependents."(UNFPA). As countries move through the demographic transition from a high fertility and high mortality to a low fertility and low mortality equilibrium, the size of the working age population mechanically increases. This can create virtuous cycles of economic growth commonly referred to as the "demographic dividend, which is our topic of discussion

Bloom, Canning and Sevilla (2003) explore this concept of the demographic dividend in detail and compare the variation in the age distribution across countries and regions. Less developed countries have a large proportion of their population in the younger age groups as fertility rates are high and life expectancy is low. More developed countries have lower fertility rates and higher life expectancy and thus a large proportion of their population is at higher ages.

Implications of demographic dividend to Africa as region and Uganda as a country

Due to the dividend between young and old, many professionals especially economists and demographers argue that there is a great potential for economic gains whenever demographic dividend comes by in an economy. It is further noted that, in order for economic growth to occur the younger population must have access to quality education, adequate nutrition and health including access to sexual and reproductive health. But, what is the case for Africa? Look at country by country and/or region by region. This may not be the case for all and may be the majority of African countries. However, this drop in fertility rates is not immediate. The lag between, produces a generational population bulge that surges through society. For a period of time this "bulge" is a burden on society and increases the dependence ratio. What is in our states today? Has really Africa as block and Uganda as a country realized this trend? If this concept is to be achieved in Africa as continent, then the fertility rates must continue to fall and older generations (Non productive) have shorter life expectancies, the dependency ratio will decline dramatically.

Opportunities of Demographic Dividend for Africa.

Africa will account for 80 percent of the projected 4 billion increases in the global population by 2100. The accompanying increase in its working age population creates a window of opportunity, which if properly harnessed, can translate into higher growth and yield a demographic dividend. We quantify the potential demographic dividend based on the experience

of other regions. The dividend will vary across countries, depending on such factors as the initial working age population as well as the speed and magnitude of demographic transition. It will be critical to ensure that the right supportive policies, including those fostering human capital accumulation and job creation, are in place to translate this opportunity into concrete economic growth (*Paulo Drummond, Vimal Thakoor, and Shu YuI, August 2014*).

What do we then say or do?

Transforming Africa's increased potential from the demographic transition into concrete dividends will require appropriate policies. This implies that the nations must be more democratic than they are today to allow for this transformation.

A case for comparison is between Asia and Latin America which suggests that economic outcomes can differ significantly for broadly similar transitions. Asia's more favorable outcomes have been attributed to a stronger focus on human (education and health) and physical capital. An initial emphasis on labor-intensive export-led growth created employment opportunities and supported the transition into sectors with higher total factor productivity. Increased employment opportunities and higher labor participation rates, including for women, allowed Asia to maximize the benefits from the increase in labor force. So may be Africa can copy these aspects.

Family planning as a strategy for Demographic Dividend in Africa

Many scholars and demographers in perspective have argued that without increased investments in family planning, many countries in sub-Saharan Africa may miss their opportunity for accelerated economic growth.

Much of sub-Saharan Africa has experienced impressive economic growth over the last decade, with an annual average growth rate in gross domestic product of 5.2 percent. But population growth rates, which average about 2.6 percent per year, have slowed per capita gains, and more than 70 percent of people survive on less than \$2 per day.

To achieve the levels of accelerated economic growth seen by the Asian Tigers, the countries of sub-Saharan Africa will need to increase investments and political support for voluntary family planning.

Lowering fertility levels and shifting the age structure of the population is a critical first step toward achieving a demographic dividend. In sub-Saharan Africa, nearly two out of three women who want to avoid a pregnancy for at least two years are not using a modern family planning method.⁷ Many longstanding barriers to family planning use stand in their way, including concern about health risks or side effects, traditional views and social norms, problems of access or cost, partner opposition, and lack of knowledge of methods (*James Gribble et al 2012*)

What can we borrow from other regional blocks like Asia? East Asia provides some of the most compelling evidence to date of the demographic dividend. The demographic transition in East Asia occurred over 5–15 years during the 1950s and 1960s, a shorter time period than anywhere previously. During this time, East Asian countries invested in their youth and expanded access to family planning allowing people to start families later and have fewer children.

Improved Health, Education, and Gender Equity

In Africa we shall need additional investments in health, education, and gender equity as an opening window opportunities for African countries,

While family planning is necessary for establishing the conditions for a demographic dividend, African countries must also make investments in health, education, and gender equality to accelerate economic growth. These investments are critical first steps in achieving a demographic dividend, but by themselves only, do not ensure accelerated economic growth

Child health. The world's nations are making great progress in improving child survival, but among the world's poorest families, as many as one in five children dies before age 5.¹¹ Health programs need to help these poor families. As child survival improves, the demand for family planning will increase. In much of sub-Saharan Africa, and especially in rural areas, couples still desire large families. However, norms related to family size are changing, and research indicates that families will choose to have smaller families when they know that each child has a better chance of surviving.¹² And when parents have fewer children, they are better able—and more willing—to invest in their children's health, education, and well-being. Family planning also contributes to child health through promoting healthy timing and spacing of pregnancies. For example, children conceived less than two years after the previous birth have a much higher risk of dying (1.5 to 3 times higher) than those children conceived three or more years after the previous birth.¹³ Furthermore, for young women family planning can help delay their first pregnancy until an age when they are physically, psychologically, and socially prepared for childbearing, thus improving health outcomes for both mother and infant. But the central question for Africa's development today is this: How do we harness the dividend from the continent's current youthful population?

Solving this issue has never been more fundamental to Africa's development than it is today. For decades many African countries have come up with a variety of 'development' plans. But often missing in these documents is how best to harness the potential of the youthful population for the transformation of the continent. Therefore, strategic investment to harness the potential of the youth population can no longer wait.

“African governments must know that efforts to create a demographic dividend are likely to fail as long as vast portions of young females are denied their rights, including their right to education, health and civil participation, and their reproductive rights”

The grounds for change in Africa

Africa is undergoing important demographic changes, which provide immense economic opportunities. Currently, there are about 251 million adolescents aged 10-19 years in Africa compared with 1.2 billion worldwide, which means that around one in five adolescents in the world comes from Africa. Africa's working age population is growing and increasing the continent's productive potential. If mortality continues to decline and fertility declines rapidly, the current high child dependency burden will reduce drastically. The result of such change is an opportunity for the active and employed youth to invest more. With declining death rates, the working age population in Africa will increase from about 54 percent of the population in 2010

to a peak of about 64 percent in 2090. This increase in the working age population will also create a window of opportunity that, if properly harnessed, should translate into higher economic growth for Africa, yielding what is now termed a ‘demographic dividend’ – or accelerated economic growth spurred by a change in the age structure of the population. Reaping the demographic dividend requires investments in job creation, health including sexual and reproductive health and family planning, education and skill and development, which would lead to increasing per capita income. Due to low dependency ratio, individuals and families will be able to make savings, which translate into investment and boost economic growth. This is how East Asian countries (Asian Tigers) were able to capitalize on their demographic window during the period 1965 and 1990. The impact of such a demographic transition on economic growth is no longer questionable – it is simply a fact. But this transformation requires that appropriate policies, strategies, programs and projects are in place to ensure that a demographic dividend can be reaped from the youth bulge.

Challenges for Africa

Without concerted action, many African countries could instead face a backlash from the growing numbers of disgruntled and unemployed youth that will emerge. In the worst-case scenario, such a demographic transition could translate into an army of unemployed youth and significantly increase social risks and tensions as the case for many countries like Uganda and others where many youths are quite unemployed which has brought about diversity in social risks. To seize the opportunity, African states will need to focus their investments in a number of critical areas. A priority will be the education and training of their youth. African governments must know that efforts to create a demographic dividend are likely to fail as long as vast portions of young females are denied their rights, including their right to education, health and civil participation, and their reproductive rights. If these efforts are to succeed, this will demand addressing gender disparities between today’s boys and girls especially, but more specifically, addressing the vulnerabilities of the adolescent girl.

Public speaking

As we move toward the post-2015 development agenda, unleashing the potential and power of Africa’s youth should be a critical component of the continent’s developmental strategies, as reflected in the Addis Ababa Declaration on Population and Development – the regional outcome of ICPD beyond 2014 – and the Common African Position on the post-2015 development agenda.

References

1. "[UN Human Development Report 2005](#)" (PDF). United Nations Development Programme. Archived from [the original](#) (PDF) on 2008-05-27. Retrieved 2010-10-07.
2. United Nations Development Programme (September 2005). *Human Development Report 2005: International Cooperation at a Crossroads-Aid, Trade and Security in an Unequal World*. United Nations Development Programme. ISBN 978-0-19-530511-1.
3. [World Population Ageing: 1950-2050](#), United Nations Population Division.
4. United Nations. "[World Population Ageing 2013](#)" (PDF).
5. United Nations. "[World Ageing Population 2013](#)" (PDF).
6. Weil, David N., "The Economics of Population Aging" in Mark R. Rosenzweig and Oded Stark, eds., *Handbook of Population and Family Economics*, New York: Elsevier, 1997, 967-1014.
7. Lutz, W.; Sanderson, W.; Scherbov, S. (2008-02-07). "[The coming acceleration of global population ageing](#)". *Nature* **451** (7179). doi:10.1038/nature06516. Retrieved 8 October 2011. The median age of the world's population increases from 26.6 years in 2000 to 37.3 years in 2050 and then to 45.6 years in 2100, when it is not adjusted for longevity increase.
8. Fries, J. F. (1980-07-17). "[Aging, Natural Death, and the Compression of Morbidity](#)". *The New England Journal of Medicine* **303** (3): 130–5. doi:10.1056/NEJM198007173030304. PMID 7383070. the average age at first infirmity can be raised, thereby making the morbidity curve more rectangular.
9. Manton KG. "[Manton, 1982](#)".
10. Oeppen, J.; Vaupel, J. W. (2002-05-10). "[Broken Limits to Life Expectancy](#)". *Science* **296** (5570): 1029–31. doi:10.1126/science.1069675. PMID 12004104.
11. "[Current Status of the World Health Survey](#)". *who.int*. 2011. Retrieved 8 October 2011.
12. Yvan Guillemette; William Robson (September 2006). "[No Elixir of Youth](#)" (PDF). *Backgrounder* **96**. Retrieved 2008-05-03.
13. Peter McDonald; Rebecca Kippen (2000). "[Population Futures for Australia and New Zealand: An Analysis of the Options](#)" (PDF). *New Zealand Population Review* **26** (2). Retrieved 2008-05-04.
14. Harper, Sarah. *Ageing Societies: Myths, Challenges and Opportunities*. Hodder, 2006.
15. Aubrey D.N.J, de Grey (2007). "[Life Span Extension Research and Public Debate: Societal Considerations](#)" (PDF). *Studies in Ethics, Law, and Technology* **1** (1, Article 5). doi:10.2202/1941-6008.1011. Retrieved August 7, 2011.
16. Wednesday, March 20, 2013 5:50 AM EDT Facebook Twitter RSS (2011-09-13). "[Don't blame aging boomers | Toronto Star](#)". Thestar.com. Retrieved 2013-03-20.
17. "[Don't blame the elderly for health care costs](#)". .canada.com. 2008-01-30. Retrieved 2013-03-20.
18. Aronson, J; Neysmith, S M (2001). "Manufacturing social exclusion in the home care market". *Canadian Public Policy – Analyse des politiques* **27** (2): 151–165.

19. ["AgingMore1 | Evidence Network"](#). Umanitoba.ca. Retrieved 2013-03-20.
20. ["The Impact of the European Policies on the New Skills for the New Jobs | Maniscalco | Review of European Studies"](#). Ccsenet.org. Retrieved 2013-03-20.
21. World Health Organization. ["Global age-friendly cities: a guide"](#) (PDF). *WHO*. Retrieved May 5, 2015.
22. Daly, M; Lewis, J (2000). "The concept of social care and the analysis of contemporary welfare states". *British Journal of Sociology* **51** (2): 281–298.
23. Mohan, J (2003). "Geography and social policy : spatial divisions of welfare". *Progress in Human Geography* **27** (3): 363–374.
24. Trydegard, G-B; Thorslund, M (2001). "Inequality in the welfare state ? Local variation in care of elderly – the case of Sweden". *International Journal of Social Welfare* **10**: 174–184.
25. Rosenberg, M W (1999). "Vieillir au Canada : les collectivités riches et les collectivités pauvres en services". *Horizons* **2**: 18.