



Harnessing DD in Africa: Linkage Between DD and Achievement of SDGs and Agenda 2063

**Luay Shabaneh, PhD
Regional Director, ASRO**

The Demographic Dividend - DD

DD is the economic benefit arising from a significant increase in the ratio of working-aged adults relative to young dependents.

DD is a potential **economic benefit, driven by **demographic** shifts but harnessed by **social** policies.**

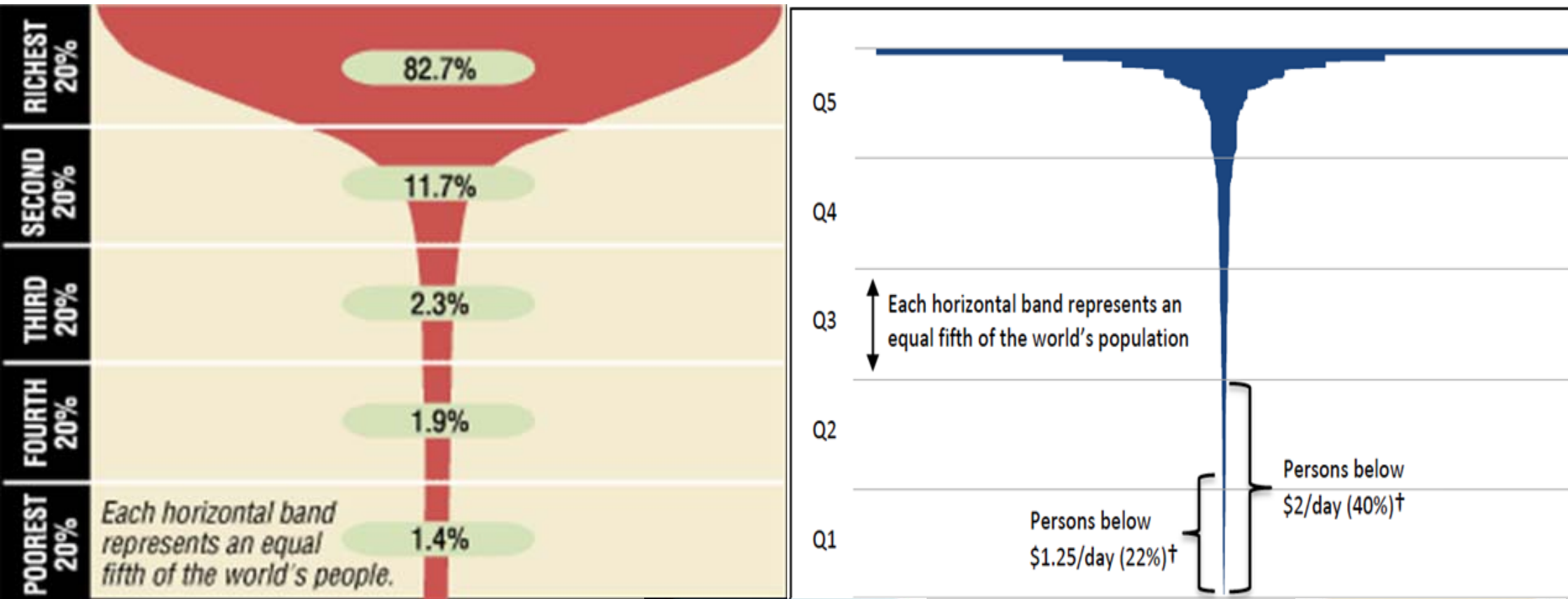
Outcome of MDG and Forwarding SDG

During MDG, economic growth increased but was not translated in social return.

Social inequalities widened across regions, gender, generation and at national and sub-national.

Lack of recognition of the importance of demographic dimension hindered intended progress

Wealth distribution distorted from “Glass of Champagne-1989” to “T” Shape -2005- UNDP



WHY?

results
Oriented

Not
Pop-Centered

Lack of
HR basis

Where do African countries stand in regard to demographic Dividend?

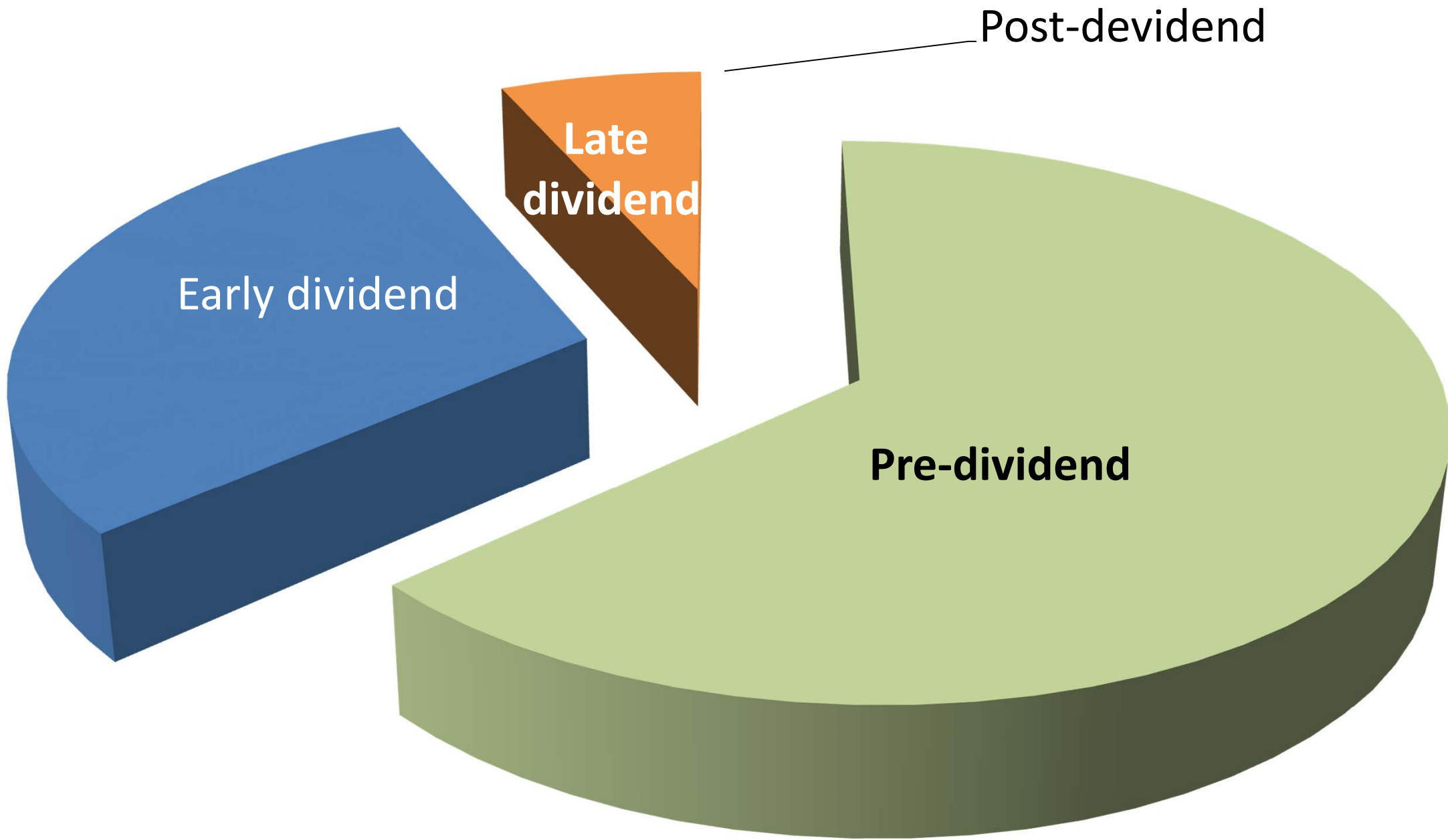
1. Understanding
YES- Agenda-2063

2. Political will - YES



- Decisions at AU level
- “ Joint OP-ED- EC-AU: To enjoy the full benefits of the DD, Africa must, as implement the policies defined in Agenda 2063”

3. The reality on the ground-
An opportunity a lot to be done



Early dividend

Late dividend

Post-dividend

Pre-dividend

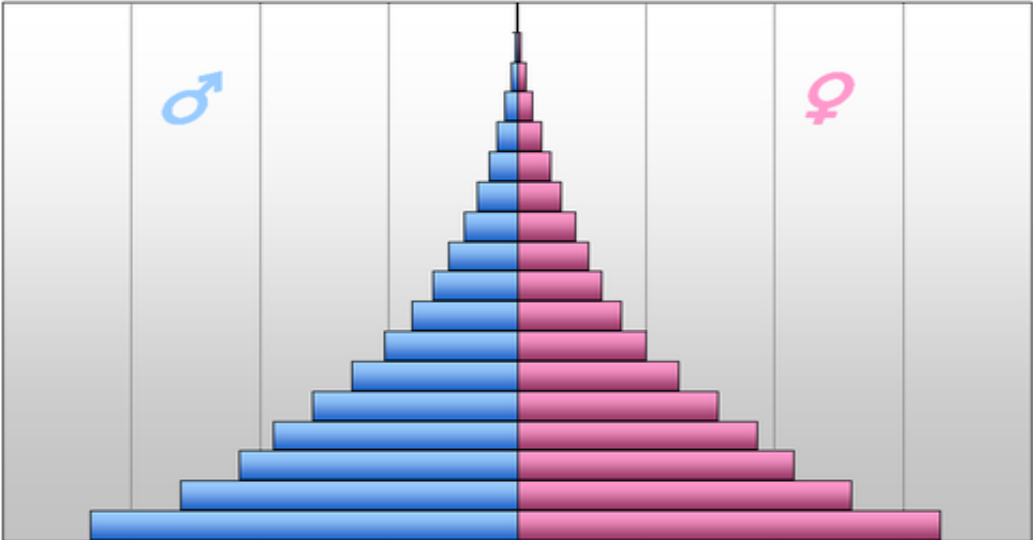
Dividend stage	Countries (examples)	Policy priority	Recommendation
<p>Pre-dividend</p> <p>Fertility levels above 4; rapid population growth, high dependency ratios, however, are expected to decline when children reach working age.</p>	<p>Mauritania Comoros, Niger Sudan , Liberia Somalia, Nigeria Angola, Kenya Benin, Uganda Burundi, Zambia Chad, Congo, Burkina Faso Guinea, Malawi Mozambique</p>	<p>Improve human capital to reduce fertility</p>	<p>Improve maternal & child health</p> <p>Expand education</p> <p>girls not fall behind</p> <p>Empower women and FP services</p>

Dividend stage	Countries (examples)	Policy priority	Recommendation
<p>Early-dividend</p> <p>Fertility rates fallen below four and the working-age share of the population is likely rising.</p>	<p>Libya</p> <p>Egypt</p> <p>Djibouti</p> <p>Algeria</p> <p>South Africa</p> <p>Tonga</p> <p>Rwanda</p> <p>Swaziland</p>	<p>Accelerating job creation</p> <p>Creating productive jobs</p>	<p>Invest in human capital, including vocational and technical training.</p> <p>Reduce barriers to female labor force participation.</p> <p>Strengthen conditions conducive to savings and job creation.</p>

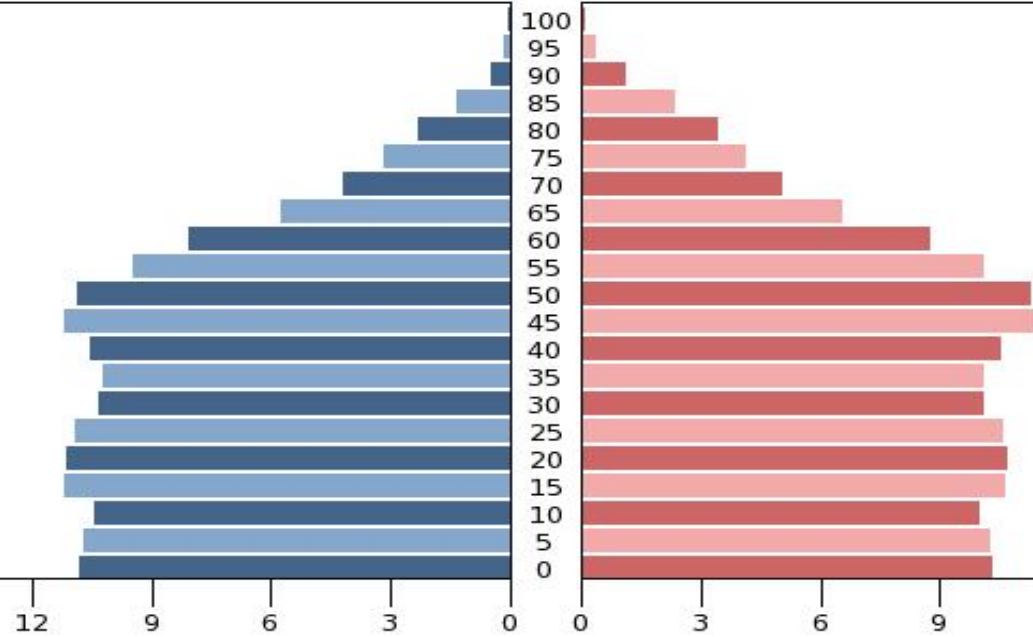
Dividend stage	Countries	Policy priority	Recommendation
<p>Late-dividend</p> <p>Fertility rates are typically above replacement levels of 2.1, but fertility continues to decline. Even though they have shrinking working-age shares, their overall age structures are still favorable for the first DD.</p>	<p>Tunisia</p> <p>Morocco</p>	<p>Sustaining productivity growth</p> <p>Prepare for aging</p>	<p>Continue mobilization of savings for productive investment.</p> <p>Ensure that public policies encourage LFP for both sexes</p> <p>Design cost-effective systems for welfare vulnerable elderly</p>

Why Demographics matters for SDGs & Agenda 2063?!

Pyramide des âges, Libéria, 2005



United States - 2010



Changes in age structure can produce a window of economic opportunity in countries undergoing a decline in fertility. This decline reflects a shift in the relative number of dependents and also

Behavioral changes in savings (# children 3-8 in Zambia up/butt. 25 percentile)

Why Demographics matter for SDGs?!



Demographic
Inequality

Economic
inequality

Goal 1 : poverty

Goal4:
education

Goal5: Gender
equality

Goal16:
inclusive society

Mechanics of Social Exclusion

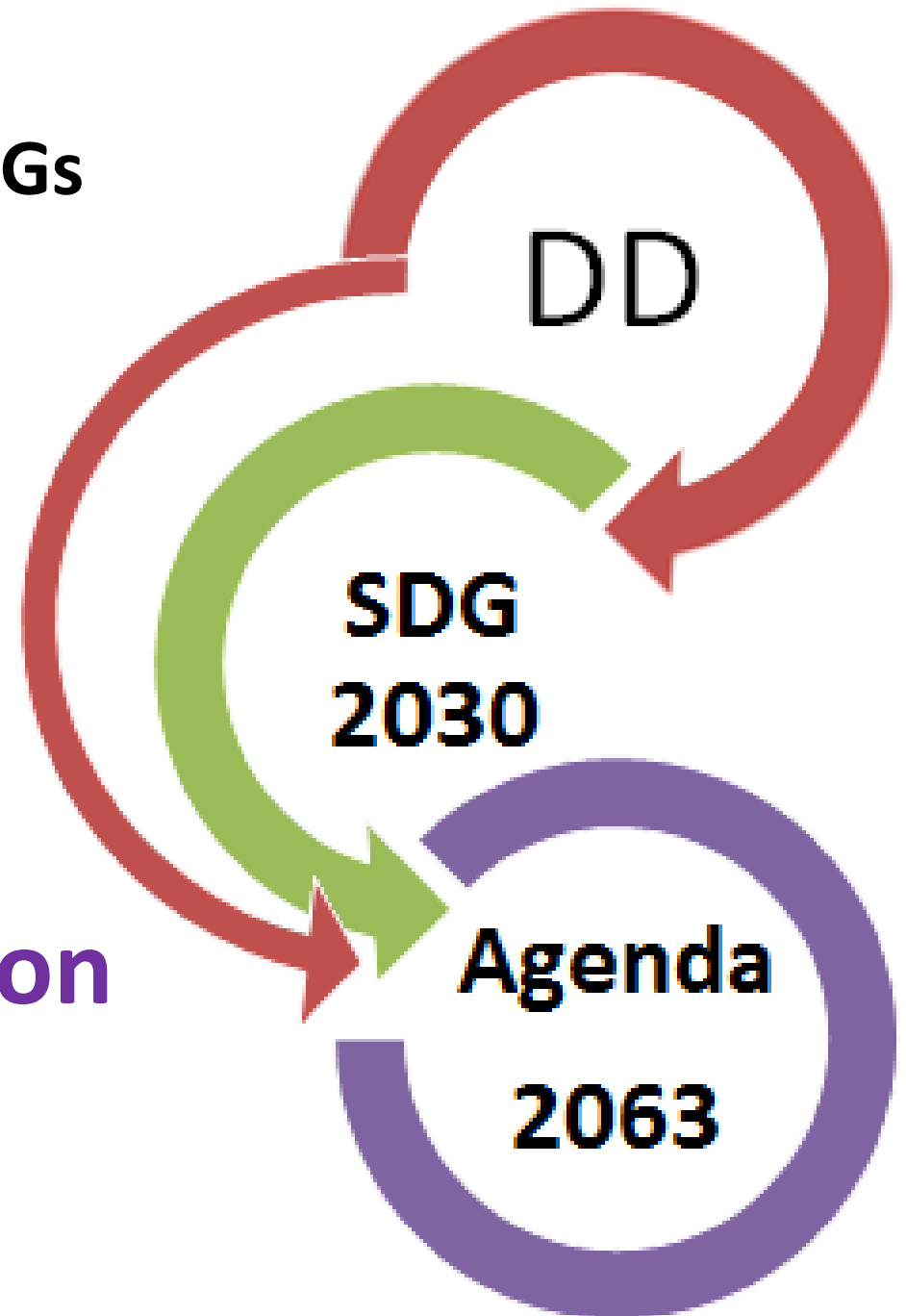
Linkages

DD is a prerequisite to achieve SDGs

DD feeds into Agenda 2063”;

SDGs feed into Agenda 2063

**Therefore DD should be on
the agenda anyway!**



How Linkage between DD & SDGs work?

Demographic changes have the potential to alter the trajectory of achieving SDGs by 2030 and Agenda 2063.

Population grows more rapidly than the economic growth pace

DD investment paves way for achieving SDG through women empowerment, improved education, better child, maternal and reproductive health, and increased longevity

Facts about Countries mostly in Africa

1. More than 90 percent of poverty is concentrated in pre- and early-dividend countries (Most of Africa).
2. More than 85 percent of global economic activity in the last 15 years can be attributed to late- and post-dividend countries- **outside continent.**
3. More than 78 percent of global growth over in the last 15 years can be attributed to late- and post-dividend countries- **outside continent.**

- Demographic Trans.
+ Investment in Youth
(Status quo – no
social return)

-Welfare

- Demographic Trans.
- Investment in Youth
(Worst Case)
Miss both
DD and SDG

+Production

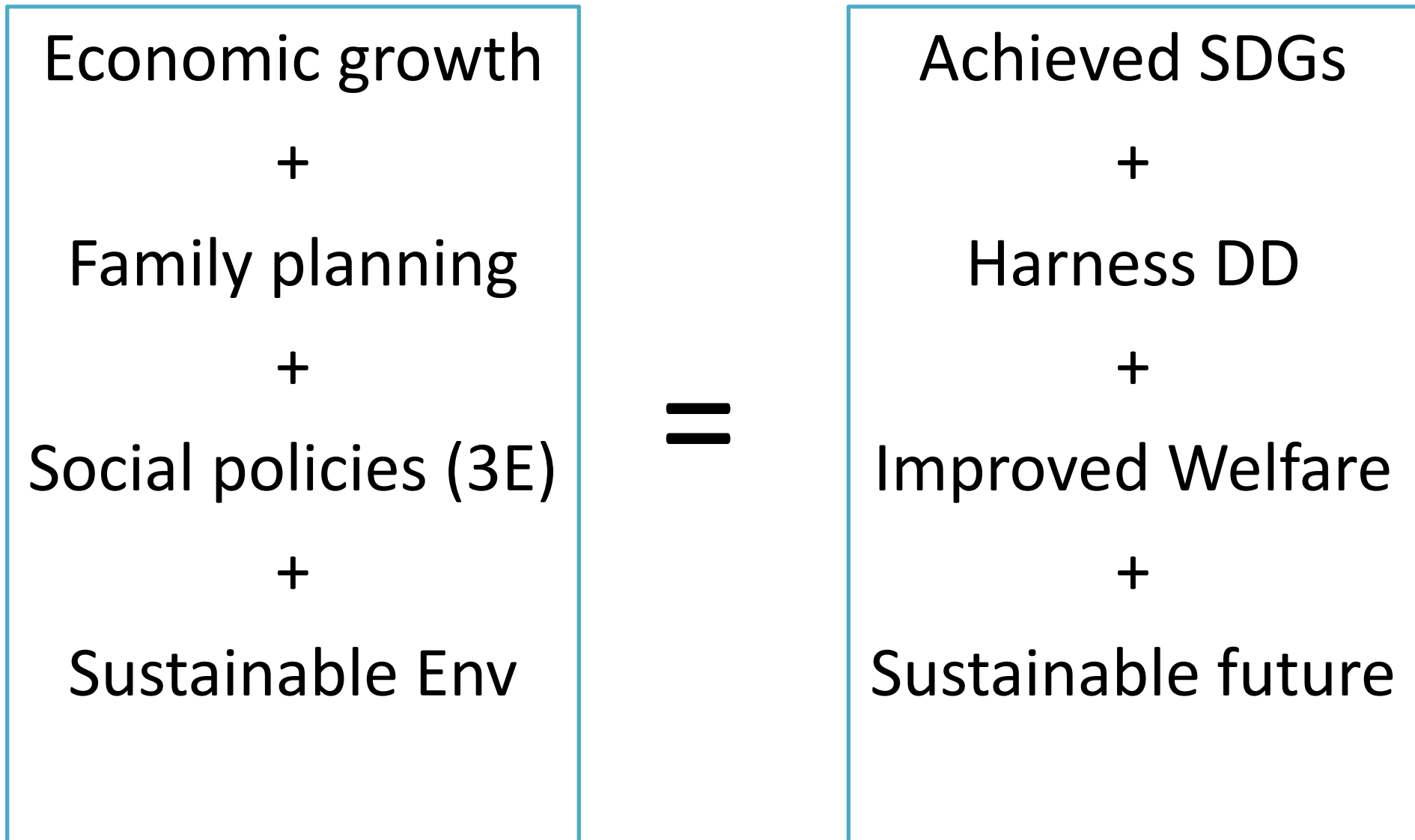
-Production

+ Demographic Trans
+ Investment in Youth
(Best case)
Harness DD + SDG

+Welfare

+ Demographic Trans.
- Investment in Youth
(Status quo- no social
return)

Equation of Success: Package to Package



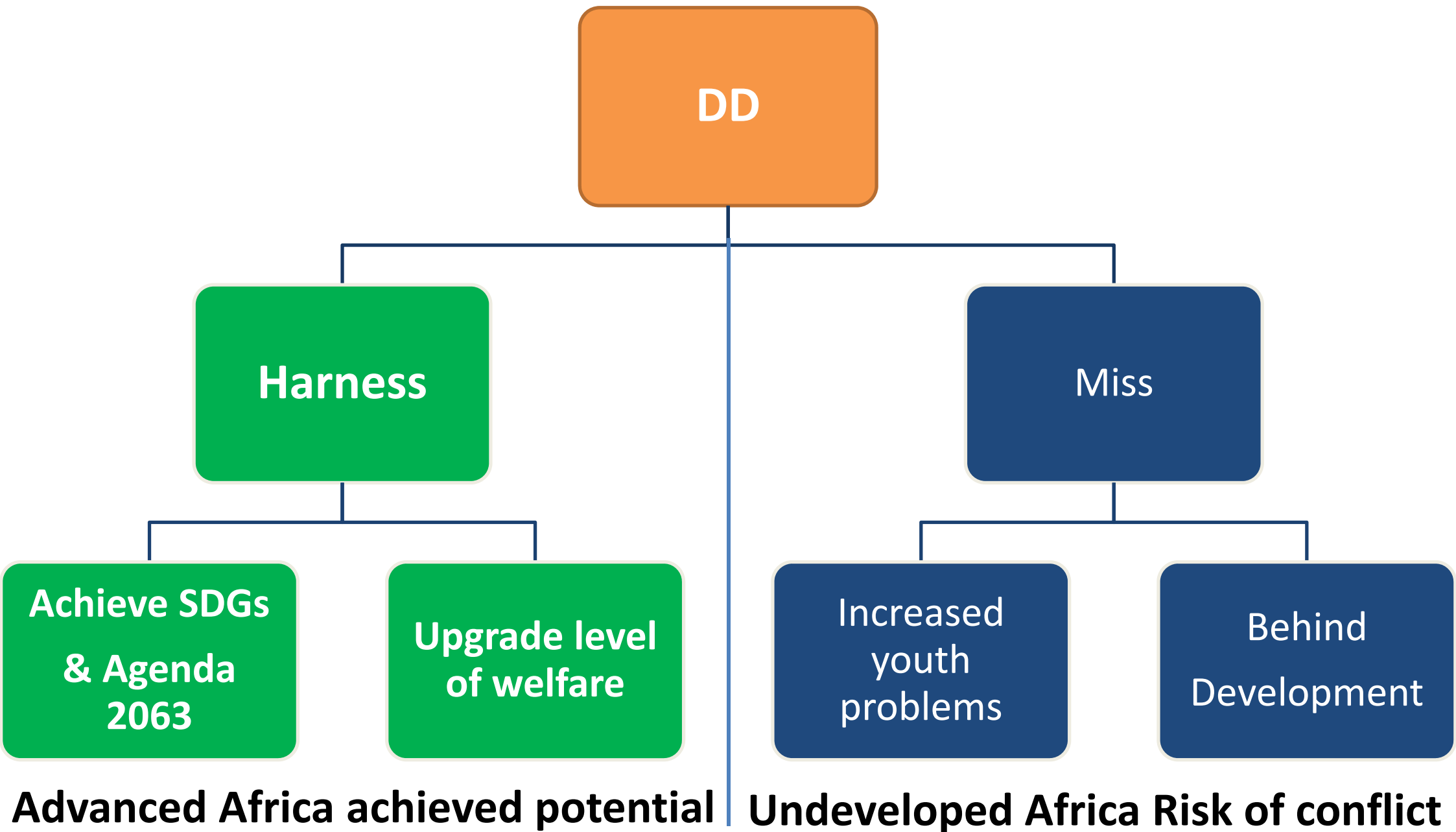
Perquisites to achieve SDGS - Examples

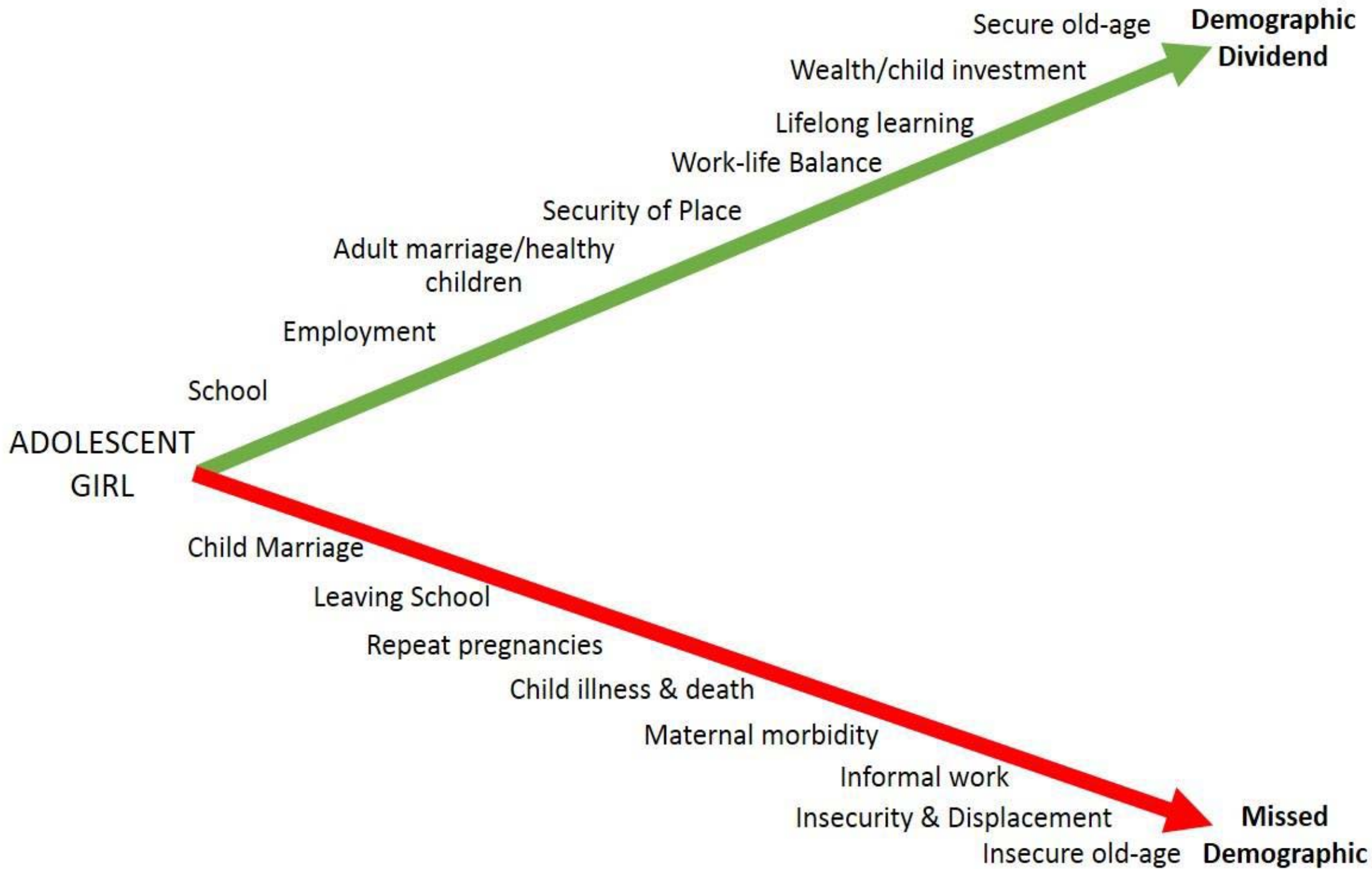
SDG1

To eradicate poverty, Africa needs to accelerate demographic transition, invest in young and still-growing populations, and lay the foundations for sustained growth

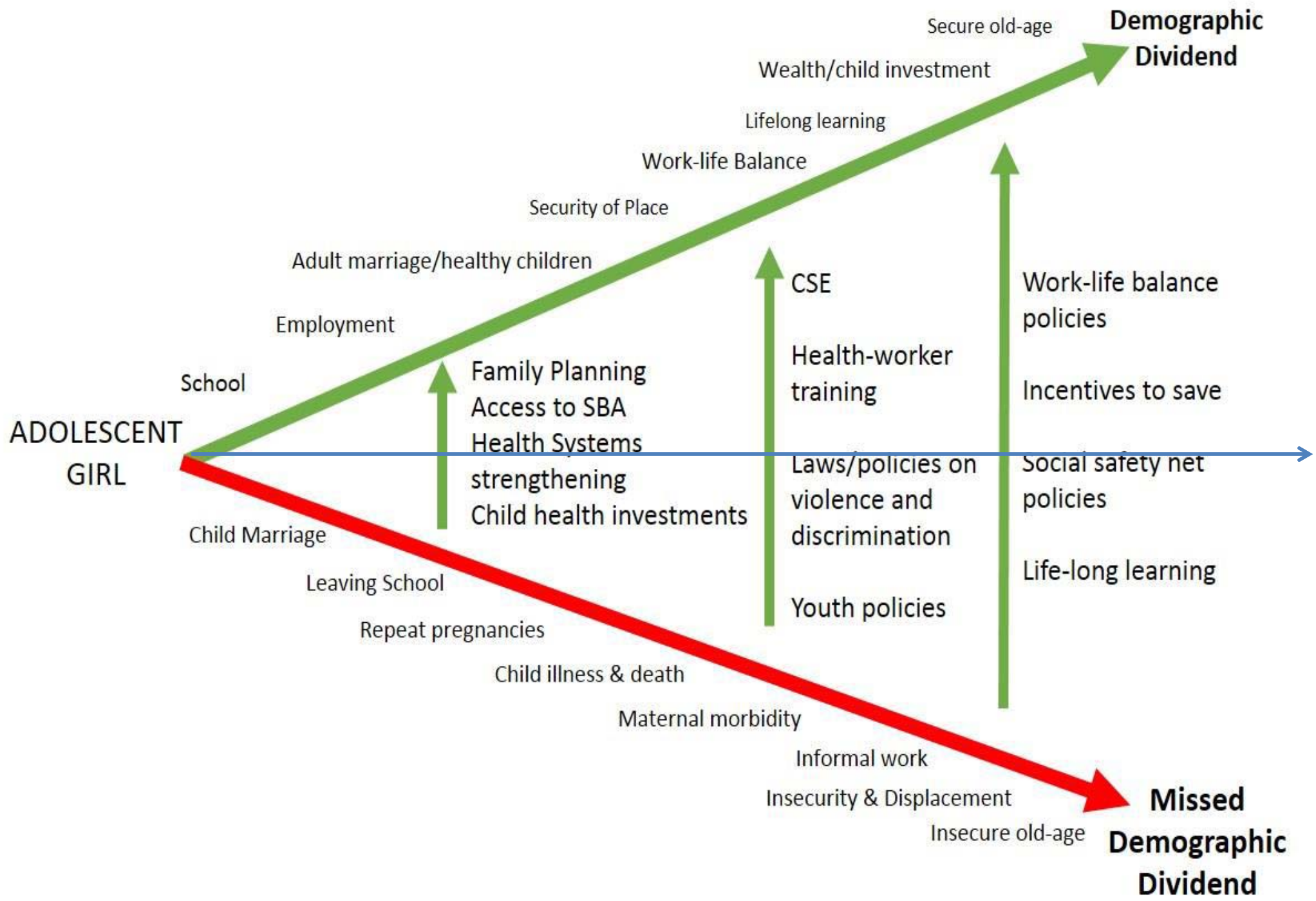
How

Better education and health services, greater empowerment of women, better investment in family planning to lower-fertility.





Sound Data and Statistics systems



Earning the DD

- **Investing in human capital development**
 - Public Health and Education
- **Economic reforms**
 - Enhancing economic growth and mass creation of quality jobs
- **Good Governance & Accountability**
 - Accountability in use of public resources and in service delivery
- **Environmental sustainability**

Can Africa countries harness the DD?

Yes ... but much more needs to be done...

- 1. Status quo is not acceptable and not sustainable**
- 2. Mobilize citizens, government, and private sector to act**
- 3. Enhance investments in family planning, public health**
- 4. Ensure universal access to quality and labour-market oriented education focused on developing innovation and economic skills, with particular focus on secondary and higher levels and closing all gender and related inequities.**

- 5. Empowerment women in order to accelerate decline in birth and death rates**
- 6. Adopt economic policies and reforms that help develop industries of comparative advantage to ensure creation of secure jobs and livelihoods to enhance savings/investment**
- 7. Ensure full integration of the 3 pillars of Sustainable Development (economic, social and environmental)”**

Thank you