Demographic dividend, a window of opportunity for development: Implications for South-South cooperation

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Demographic Dividend, A Window of Opportunity for Development: Implications for South-South Cooperation

Selina F. Esantsi

Inter-Ministerial Conference on "South-South Cooperation in Post ICPD and MDGs"
Beijing, China
October 22, 2013
Outline of Presentation

• Introduction
• Age Structure
• Country case studies
• Opportunities to earn the dividend
• Role of governments
• South-South cooperation
• Conclusion
DEMOGRAPHIC DIVIDEND

- Accelerated economic growth associated with changes in the population age structure; specifically having more working age population relative to dependent population.
  - Promoted by demographic transition
  - Changing age structure presents an opportunity to harness dividend
  - Key pre-cursors to realizing the dividend; sound socio-economic policies; investments in health (including FP), education, governance, labour and job creation, etc.
### Population - Age structure (1)

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<td>Thailand</td>
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</table>

Source: UN 2013; World Population Prospects. The 2012 Revision. Highlights and Advance Tables
Population – Age Structure (2)

Source: U.S. Census Bureau, International Data Base.
Population – Age Structure (3)

Two diverging paths

S. Korea’s economy grew 6 percentage points faster than population in late 1980s/early 1990s

SSA’s population growth has outstripped GDP per capita by an average of 0.4 percentage points over the past decade

Source: United Nations, World Population Prospects: The 2010 Revision; World Bank, World Development Indicators...
Case Study (1)

The Republic of Korea:

- Birth rate fell in the mid-1960s,
- Funds previously allocated for basic education were used to improve the quality of education at higher levels
- Overall, this improved the ratio of productive workers to dependents in the population
Case Study (2)

Ghana:
- Stalled fertility decline
- Low job creation
- Limited quality higher education
- Limited employable skills
What worked in East Asia

- Expanding access to FP
- Emphasis on education (especially secondary+)
- High savings rates
- Secure financial system
- Openness to trade
- Flexible labor market
Opportunities to Earn Dividend (1)

GNI per Capita

- Ghana
- Low income
- Sub-Saharan Africa (developing only)
- Thailand

Data points:
- 2003: 850, 850, 850, 850
- 2004: 1020, 1020, 1020, 1020
- 2005: 1190, 1190, 1190, 1190
- 2006: 1360, 1360, 1360, 1360
- 2007: 1530, 1530, 1530, 1530
- 2008: 1700, 1700, 1700, 1700
- 2009: 1870, 1870, 1870, 1870
- 2010: 2040, 2040, 2040, 2040
- 2011: 2210, 2210, 2210, 2210
- 2012: 2380, 2380, 2380, 2380
Opportunities to Earn Dividend (2)

Annual Population Growth Rate (%)
What Should Governments do?

• Invest in child survival and health programs.
  • Commit to voluntary family planning to achieve the demographic transition.
  • Invest in the reproductive health needs of both married and unmarried youth.

• Build human capital
  • Prioritize education—especially secondary education for girls.
What can Governments do – Cont.

- Stabilize the financial sector
  - Encourage long term savings
- Improve transparency and governance
South – South Dialogue

• Alliances to ensure contraceptive security
• Encouragement of open market and inter-country trade
• Technology transfer, capacity building and sharing of best practices
• Conducting and sharing research findings
Conclusion
THANK YOU