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)

#### % Distribution of the World’s Population by Age Groups

(Medium Variant)

<table>
<thead>
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<th>Region</th>
<th>2013</th>
<th>2050</th>
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<td>56.2</td>
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<tr>
<td>Thailand</td>
<td>18.2</td>
<td>67.3</td>
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</tbody>
</table>

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

Ghana; 1990

M A L E

F E M A L E

Ghana; 2020

M A L E

F E M A L E

Source: U.S. Census Bureau, International Data Base.

Thailand; 1990

M A L E

F E M A L E

Thailand; 2020

M A L E

F E M A L E

Source: U.S. Census Bureau, International Data Base.
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

US Dollars


1960 2000 2300 2600 2800 2900 3100 3200 3400 3600 3800 4000 4200 4320 4500 4700 4900 5100 5210

0 1000 2000 3000 4000 5000 6000

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

1960 2300 2600 2800 2900 3100 3200 3400 3600 3800 4000 4200 4320 4500 4700 4900 5100 5210

340 470 1200 1550

0 1000 2000 3000 4000 5000 6000

Ghana  Low income  Sub-Saharan Africa (developing only)  Thailand
Opportunities to Earn Dividend (2)

Annual Population Growth Rate (%)

- China
- Ghana
- Lower middle income
- Sub-Saharan Africa (developing only)
- Thailand
Opportunities to Earn Dividend (3)

Age Dependency Ratio

<table>
<thead>
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<th>Year</th>
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<th>Ghana</th>
<th>Lower middle income</th>
<th>Sub-Saharan Africa (developing only)</th>
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</table>
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