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.
## % Distribution of the World’s Population by Age Groups (2013, 2050) (Medium Variant)

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2050</th>
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</thead>
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<tr>
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<td>15-59</td>
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<tr>
<td>Africa</td>
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<td>L. A. &amp; Caribbean</td>
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<tr>
<td>Oceania</td>
<td>24</td>
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</tr>
</tbody>
</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.
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 (2)

Annual Population Growth Rate (%)
Opportunities to Earn Dividend (3)

Age Dependency Ratio

Percentage

Year

1960
1970
1980
1990
2000
2005
2010
2011
2012

China
Ghana
Lower middle income
Sub-Saharan Africa (developing only)
Thailand
Opportunities to Earn Dividend (4)

Total Fertility Rate

Number of Children per Woman


China
Ghana
Lower middle income
Sub-Saharan Africa (developing only)
Thailand
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

[Image of a scale with 'High Dependency Ratio' on one side and 'Low Development' on the other]
THANK YOU