

AFRICA'S YOUTHFUL POPULATION: RISK OR OPPORTUNITY?

by Lori S. Ashford

Africa's young people will be the driving force behind economic prosperity in future decades, but only if policies and programs are in place to enhance their opportunities and encourage smaller families. A cycle of positive outcomes can result from having a larger, better-educated workforce with fewer children to support—children who will in turn be more educated and employable, provided that institutions are strengthened and viable economic policies are in place. This policy brief outlines the opportunities and risks that can result from the large numbers of youth growing up in sub-Saharan Africa today.

What Is the 'Demographic Dividend'?

Many developing countries have young populations because of recent decades of high fertility (births per woman) along with improvements in child survival. A drop in fertility can change a country's age structure and can profoundly affect the economy. As youthful populations become

older and have fewer children than previous generations, a bulge in the working-age population can result. When there are more working-age adults (usually defined as ages 15 to 64) relative to children under age 15 and the elderly, then working-age people have a lower dependency burden—fewer people to support with the same income and assets.

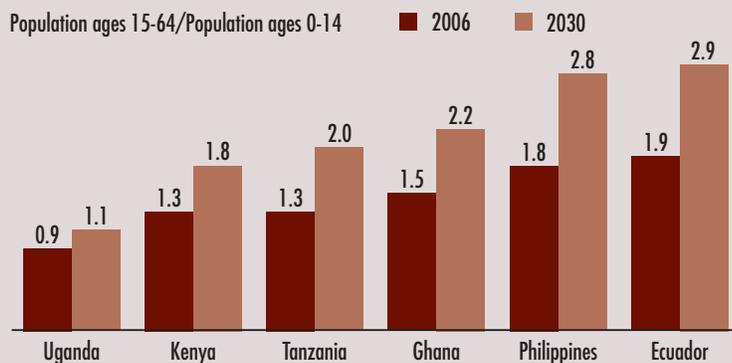
Most countries in Africa are projected to have more working-age adults per child in 2030 than they did in 2006 (see Figure 1). Many countries in Asia and Latin America are also seeing similar growth in the share of the working-age population.¹

A large workforce with fewer children to support creates a window of opportunity to save money on health care and other social services; improve the quality of education; increase economic output because of more people working; invest more in technology and skills to strengthen the economy; and create the wealth needed to cope with the future aging of the population. Some economists call this window of opportunity the “demographic dividend” (or “bonus”). The window eventually closes when the workforce ages and relatively fewer workers have to support increasing numbers of older people. But the period of the potential bonus can last for several decades.

East Asia's “economic miracle” provides the best evidence of the potential impact of the demographic dividend. As early as the 1950s, countries in this region developed strong public health systems that ensured child survival, promoted smaller families, and made contraception acceptable and easy to obtain. In the 1950s, the typical East Asian woman had six children, but by the mid-1990s she had only two. A strong educational system and sound economic management made it possible to absorb the large generation of young adults into the workforce. From 1965 to 1990, growth in gross domestic product (GDP) per capita averaged more than 6 percent per year—spectacular growth compared with countries in other regions.

Figure 1

WORKING-AGE ADULTS PER DEPENDENT CHILD IN 2006 AND 2030



NOTE: Data for 2030 are drawn from projections of the United Nations Population Division, *World Population Prospects 2004*, medium variant projection series.

SOURCE: Donna Clifton et al., *Population and Economic Development Linkages: 2007 Data Sheet* (Washington, DC: Population Reference Bureau, 2007).

Researchers have estimated that the demographic dividend accounted for one-fourth to two-fifths of this growth.²

Drawing from the experience of East Asia and other developing regions where economic gains were not as dramatic, reaping the demographic dividend appears to depend on several factors: strong public health systems that improve child survival and health in general; widespread availability and social acceptability of family planning; rapid and steady declines in childbearing; improvements in educational enrollments and quality; and stable economic conditions conducive to growth and job creation.

Africa's Unique Population Profile

With 44 percent of its population under age 15 in 2006, sub-Saharan Africa is the youngest region of the world. In Asia and in Latin America and the Caribbean, about 30 percent of the population is under age 15, and in Europe, only 16 percent.³ While countries in other regions have experienced declines in fertility earlier and thus have seen their populations age faster, sub-Saharan Africa has yet to see its youth population peak.

Although the AIDS epidemic has ravaged families and communities in some parts of sub-Saharan Africa, it has not had a major effect on overall population size or age structure in more than a few countries, such as Botswana and Lesotho.⁴ Women in sub-Saharan Africa give birth to 5.5 children on average in their lifetimes—the highest of any region. These fertility levels have had greater impact than mortality rates on population size and growth, and they have been the driving force behind Africa's youthful population.

Can African Countries Reap the Demographic Dividend?

According to a recent study, two major factors will determine Africa's future economic growth prospects: growth in the working-age share of the population and institutional quality.⁵ The latter includes factors such as a strong rule of law, efficient bureaucracies, government stability, lack of corruption, and a stable business environment that encourages domestic and foreign investors. Similarly, a World Bank study found that boosting economic growth in Africa would depend on four "I"s: expanding infrastructure, improving the investment climate, harnessing new innovations, and building institutional capacity.⁶

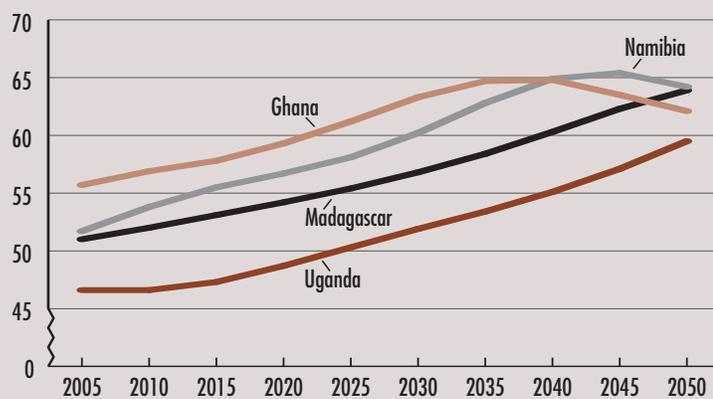
Many African countries will experience marked growth in the working-age share of the population between 2005 and 2025, but not all have strong institutions and economies to take advantage of the bulge in workers. A few countries experiencing such growth, such as Ghana and Namibia (shown in Figure 2), also have relatively strong institutions and thus may be poised to start capturing the demographic dividend.⁷ Other African countries will see somewhat slower increases in the share of the working-age population, and a few countries (such as Uganda) will not see the working-age share of the total population rise above 50 percent for a few decades because fertility is still very high.

In all countries, the pace of fertility decline will influence the rate of growth in the working-age share of the population, and therefore, the drop in the dependency burden. Figure 3 illustrates how the ratio between working-age adults and youth dependents in Ghana differs dramatically depending on the pace of fertility decline.

Figure 2

SHARE OF THE WORKING-AGE POPULATION IN SELECTED COUNTRIES OVER TIME

Population ages 15-59 as percent of total population



NOTE: Data through 2050 are based on the United Nations medium variant projection series.
SOURCE: John Ross et al., *Profiles for Family Planning and Reproductive Health Programs*, 2d ed. (Glastonbury, CT: The Futures Group, 2005).

If fertility were to remain constant at the 2005 level of 4.4 children per woman, Ghana would experience virtually no change in its youth dependency burden. But if Ghana's fertility falls to 2.6 children per woman by 2030 as most commonly forecast, or even further to 2.1 children, the rise in the working-age share of the population will be significant.

Large numbers of working-age people with fewer children to support can increase their standard of living if these workers have the skills and live in a thriving economy. If family planning programs are not effective in meeting the demand for contraception, however, some countries will have a large youth dependency burden for some time, creating a drag on the economy (see box). Without strong institutions and favorable economic policies, larger numbers of young adults could face labor markets that are unable to provide them gainful employment. High rates of unemployment or underemployment, or in the worst case, political instability, can result.⁸

Policy Actions Needed Now

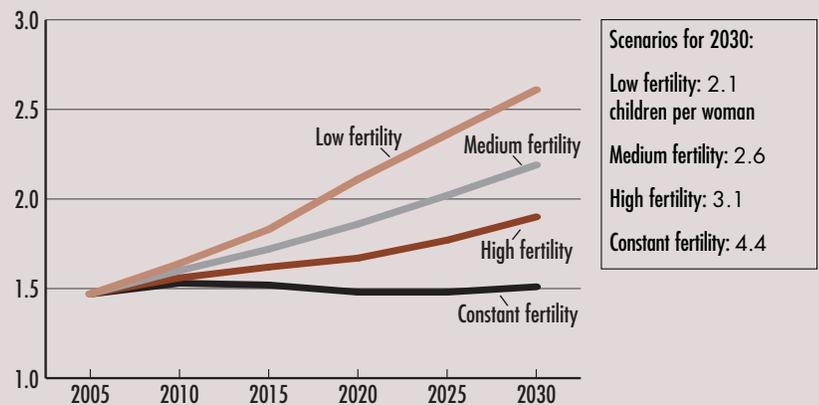
The key policy actions needed throughout sub-Saharan Africa are those that expand youth opportunities, give them the skills to participate fully in the economy and public life, and promote healthy behaviors. Two major international studies of youth, by the World Bank and the U.S. National Academy of Sciences, agree on the most critical actions to be taken today to seize upon the potential of young people to improve future development prospects:⁹

- **Improve the quantity and quality of schooling.** Expand school enrollments, especially for girls, and ensure minimum standards of quality—a driving force for improved quality of life and for lowering fertility. Ensure that secondary school and university education is relevant for the skills needed in the workforce.
- **Enact and enforce laws to prevent early marriage (before age 18).** Girls who marry young typically have children early and have more children than their peers who stay in school longer and marry later. They are also less able to contribute to the productive sectors of the economy.

Figure 3

GHANA: WORKING-AGE ADULTS PER CHILD UNDER DIFFERENT SCENARIOS OF FERTILITY

Population ages 15-64 / population ages 0-14



SOURCE: PRB calculations based on United Nations *World Population Prospects 2004*, using the "low variant," "medium variant," "high variant," and "constant" fertility assumptions.

ETHIOPIA'S POTENTIAL TO CAPTURE THE DEMOGRAPHIC BONUS

Ethiopia is a demographic giant: Its population is 78 million, and increases by more than 2 million a year. A 2006 World Bank study examined whether Ethiopia would stand to gain economically from a more rapid decline in fertility. This study also looked at the role of public policy in addressing fertility, along with other policies and investments needed to spur economic growth and reduce poverty.

Though fertility in Ethiopia is higher than average for sub-Saharan Africa, it dropped from 6.4 births per woman in 1990 to 5.7 births in 2005. There appears to be substantial unmet demand for family planning. The government's efforts to decrease fertility rates have emphasized economic development, raising the status of girls and women, and increasing the supply of contraceptives through extension health workers and community-based programs.

World Bank researchers found that Ethiopia is poised to capture the demographic bonus, provided that it takes further measures:

- Increasing female educational enrollments and labor force participation;
- Introducing changes in technology and institutions to raise agricultural productivity and land conservation; and
- Developing and implementing a comprehensive population policy that includes more effective provision of family planning services.

The coverage of family planning needs to expand particularly in rural areas, which lag well behind urban areas. A simulation showed that increasing contraceptive use from 8 percent of married women in 2000 to 45 percent in 2030 (as opposed to 32 percent in current projections), would result in 1.5 million to 3 million fewer people in poverty from 2010 onward—the mere result of one policy intervention.

SOURCE: John F. May et al., "Capturing the Demographic Bonus in Ethiopia: The Role of Gender-Equitable Development and Demographic Actions," Country Department for Ethiopia, Africa Region (Washington, DC: The World Bank, July 2006).

For More Information

To obtain copies of this policy brief and the *Population & Economic Development Linkages, 2007 Data Sheet*, contact:

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For additional information on the topics covered in this policy brief, see:

World Bank, *World Development Report 2007: Development and the Next Generation* (Washington, DC: World Bank, 2006)
www.worldbank.org

National Research Council and Institute of Medicine, *Growing Up Global: The Changing Transitions to Adulthood in Developing Countries*, ed. Cynthia Lloyd (Washington, DC: National Academies Press, 2005)
www.nap.edu

- **Bring the job market into the 21st century.** Ease barriers to starting work and encourage flexibility in hiring and job mobility. Also encourage private-sector firms to invest in training. Ensure equal access to employment for male and female youth.
- **Expand and reinvigorate family planning programs,** especially in the most disadvantaged areas, to delay births, reduce unintended pregnancies, and improve maternal and child health. Link HIV prevention efforts (key for young people) to efforts to reduce unintended pregnancies.
- **Pursue multisectoral approaches to combine the efforts of various government departments** to enhance youth skills and opportunities. It is particularly important to link health and education programs.
- **Encourage young people's participation in public life,** and in policies, programs, and services that are directed at them.

Population change is not the only force shaping Africa's development. But failure to take advantage of the potential demographic dividend could dampen development prospects, while public policies and advocacy to enhance it could reap substantial rewards.

References

- ¹ See Donna Clifton et al., *Population and Economic Development Linkages: 2007 Data Sheet* (Washington, DC: Population Reference Bureau, 2007).
- ² David E. Bloom, David Canning, and Jaypee Sevilla, *The Demographic Dividend: A New Perspective on the Economic Consequences of Population Change* (Santa Monica, CA: RAND Corporation, 2002). See also Nancy Birdsall, Allen C. Kelley, and Steven W. Sinding, eds., *Population Matters: Demographic Change, Economic Growth, and Poverty in the Developing World* (Washington, DC: Center for Global Development, 2002).

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⁵ David Bloom et al., *Realizing the Demographic Dividend: Is Africa Any Different?* (Boston: Harvard University, Program on the Global Demography of Aging, 2007).

⁶ World Bank, "Infrastructure, Investment, Innovation & Institutional Capacity: the Four Big "I"s Needed to Achieve Growth in Africa," press release 2007/131/AFR, Nov. 9, 2006, accessed at www.worldbank.org, on May 30, 2007.

⁷ David Bloom et al., "Realizing the Demographic Dividend": 20.

⁸ Richard Cincotta, Robert Engleman, and Daniele Anastasion, *The Security Demographic: Population and Civil Conflict After the Cold War* (Washington, DC: Population Action International, 2003); and Bloom, Canning, and Sevilla, *The Demographic Dividend* (2002).

⁹ World Bank, *World Development Report 2007: Development and the Next Generation* (Washington, DC: World Bank, 2006); and National Research Council and Institute of Medicine, *Growing Up Global: The Changing Transitions to Adulthood in Developing Countries*, ed. Cynthia Lloyd (Washington, DC: National Academies Press, 2005).

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