



# **Progress, gaps, and challenges in harnessing demographic dividends to eradicate poverty.**

Paper prepared for the inter-agency expert group meeting on  
“Implementation of the Third United Nations Decade for the  
Eradication of Poverty (2018-2027)”

10 - 12 May 2023, Addis Ababa

Prepared by:  
Sandile Simelane, Technical Specialist,  
Population and Development Branch  
Technical Division,  
UNFPA

## Introduction

The concept of the demographic dividend describes the opportunity for accelerated economic growth and development that a country can derive from a demographic transition (from high to low mortality and fertility levels), leading to changes in the age-structure of the population characterized by a larger working age population relative to the dependent population (children and the elderly), and low dependency ratios. However, the low dependency ratios by themselves do not translate to a demographic dividend. For populations with a young age structure, a demographic dividend is made possible if the low dependency ratios coincide with a healthy, well-educated, empowered, and productive workforce coupled with a vibrant economy that creates sustainable decent employment and opportunities for entrepreneurship. For aging populations, a second demographic dividend is possible only where lifelong health and learning have allowed people to accumulate wealth, and they can invest in society as entrepreneurs, mentors, and leaders.

The first and second demographic dividends are inseparable – and both demand intentional investments in human capital. This means a demographic dividend is not automatic, it is earned!

Countries that are aspiring to harness demographic dividends must make targeted policy investments in equitable and inclusive health care services (including sexual and reproductive health), education and skills development, women and youth empowerment, gender equality, governance (including rights and choices), and social well-being of their populations before experiencing low mortality and fertility levels. Health (especially maternal and child health), education, (especially education for girls) and women empowerment are crucial drivers of fertility transition and larger demographic dividends.<sup>1</sup> They interact to produce conditions that support smaller and healthier family sizes which in turn incentivize both families and governments to devote more resources in health and education per child, increase women's access to jobs in the formal sector, reduce gender wage inequality and improve national savings rates and investment.<sup>2</sup> The so-called “Asian Tigers” offer historical case studies of countries that achieved rapid economic growth from targeted investment in human capital development and careful management of demographic transitions.

The purpose of this brief is to highlight progress made by countries in sub-Saharan Africa (SSA) as well as gaps and challenges they face when positioning themselves to harness demographic dividends to eradicate poverty. SSA is the youngest of all regions of the world (median age 17.6 years), characterized by rapid population growth and high poverty levels, making it a region that can benefit the most from a demographic dividend provided necessary policy actions are taken now.

## Background

---

<sup>1</sup> Canning, D, Sangeeta R, and Abdo S.Y, eds. 2015. “Africa’s Demographic Transition: Dividend or Disaster?” *Africa Development Forum series*. Washington, DC:World Bank. doi:10.1596/978-1-4648-0489-2. License: Creative Commons Attribution CC BY 3.0 IGO

<sup>2</sup> Karra M, Canning D, Wilde J. 2017. The effect of fertility decline on economic growth in Africa: a macrosimulation model. *Popul. Dev. Rev.* 43:237–63

Except for a few countries in Southern Africa, most countries in SSA are in the early stages of their demographic transition. They are characterized by high fertility rates, young populations with high youth dependency rates, exposing the region to higher poverty rates, smaller investments in children, lower labor productivity, high unemployment or underemployment, and the risk of political instability.<sup>3</sup> Recent projections indicate that most countries in Africa will enter the window of opportunity for harnessing a demographic dividend between 2040 and 2050,<sup>4</sup> making the proposition a promising development agenda for the region.

The principles for harnessing a demographic dividend are in line with existing development agendas, including the ICPD Programme of Action (ICPD-PoA), the 2030 agenda for sustainable development, and Africa's agenda 2063. Regarding agenda 2030, for example, four goals – SDG 3 (good health and wellbeing); SDG 4 (inclusive and equitable quality education and lifelong learning opportunities for all); SDG 5 (gender equality); and SDG 8 (decent employment and economic growth) speak directly to the requirements for the demographic and gender dividends.

African Union member states first committed to the demographic dividend agenda in 2013 during their regional conference on the International Conference on Population and Development (ICPD +20).<sup>5</sup> This was followed by a resolution to develop demographic dividend profiles and the *African Union Roadmap on Harnessing the demographic Dividend through Investments in Youth* in 2017. The AU roadmap identified four pillars for harnessing a demographic dividend as follows: (1): Employment and Entrepreneurship; (2) Education and Skills Development; (3) Health and Well-being; (4) Rights, Governance and Youth Empowerment.

## Progress

As mentioned earlier, most SSA countries are poised to enter the window of opportunity for harnessing a demographic dividend in the next 20-30 years. This sub-section outlines progress that has been made by countries in the region in domesticating and operationalizing the *AU Roadmap* to prime themselves to reap the dividends when the window of opportunity opens. It draws on an analysis and a framework for operationalizing the demographic dividend provided by UNFPA and partners<sup>6</sup> (Figure A1 in the annex). The framework outlines five pillars for successfully integrating demographic dividend into development planning: (a) sustained strategic communication and policy advocacy; (b) development of context specific guidance; (c) integration of demographic dividend guidance into policies and sectoral plans and development plans; (d) development of strong multisectoral implementation mechanisms; and (e) monitoring evaluation and accountability framework.

### ***Progress in Eastern and Southern Africa Region (ESAR)***

As regards the ***generation of context specific guidance***, the analysis shows that 17 of the 23 ESAR countries had conducted demographic dividend studies in 2021. In twelve of these

---

<sup>3</sup> Canning, D, et al., eds. 2015. "Africa's Demographic Transition: Dividend or Disaster?"

<sup>4</sup> United Nations. Economic Commission for Africa (2013-07). *Regional report harnessing the demographic dividend: the future we want for Africa*. Addis Ababa

<sup>5</sup> UNFPA. 2017. *The Demographic Dividend Atlas for Africa: Tracking the Potential for a Demographic Dividend*

<sup>6</sup> UNFPA, DPRU and AFIDEP. 2021. *Best Practices in Operationalising the Demographic Dividend in Eastern and Southern Africa*

countries the studies were government-led or supported, while in the remaining five they were led by academics. Two demographic dividend policy scenario modeling tools (DemDiv and the National Transfer Accounts (NTA) methodology) were used for these studies.<sup>7</sup>

Nine ESAR countries (Angola, DRC, Eswatini, Kenya, Madagascar, Mozambique, South Africa, Uganda, and Zambia) had **developed demographic dividend roadmaps** in 2021. Of these, Kenya and Uganda were further ahead in that they had also developed subnational roadmaps/strategies. Three countries (Burundi, Rwanda and Uganda) had developed sectoral roadmaps.

On **integration of demographic dividend actions in development planning**, UNFPA and partners found that 19 ESAR countries had developed long term development plans with 12 of these countries explicitly referencing the demographic dividend framework in these plans. Only 4 countries (Malawi, Namibia, Tanzania, and Uganda) had mainstreamed budgeting and resource allocation at the national level.

Evidence on **development of multi-sectoral implementation mechanisms** shows that in most ESAR countries it is the Ministries of Finance and Development Planning that lead the demographic dividend agenda. Other key actors include the Ministries of Health, Ministry of Education, Youth, and academia. ESAR countries employ varying mechanisms for coordinating population, development, and demographic dividend activities, including population councils/secretariats, steering committees, population units/departments within ministries of finance/planning and population units within Ministry of Health or statistical bureaus. The study by UNFPA and partners also showed limited capacity for monitoring and evaluation among ESAR countries. Only four countries (Angola, DRC, South Africa, and Uganda), were reported to have a monitoring and accountability framework for the demographic dividend agenda.

### **Progress in Western and Central Africa Region (WCAR)**

With support from UNFPA, nearly all WCAR countries (22 of the 23 countries in the region) conducted NTA analysis, **produced demographic dividend profiles** and roadmaps between 2015 and 2019. The only country that could not conduct the analysis (due to lack of requisite data) is Equatorial Guinea. Thirteen countries in the region have **integrated demographic dividend actions into their development plans** and seven (Benin, Burkina Faso, Chad, Côte d'Ivoire, Mali, Niger, and Senegal) have established **demographic dividend observatories**.

Demographic dividend programming in the region includes the **Sahel Women Empowerment and Demographic Dividend (SWEDD) Project**. This is a joint initiative between the United Nations and the World Bank Group, launched in 2015 to maximize women's empowerment, human capital, and demographic dividends by accelerating fertility transition, gender attitudes and schooling. This is brought about by three components of change, namely: (a) increasing the demand for and acceptance of contraception; (b) meeting that demand and driving actual demographic change; and (c) transforming this demographic change into demographic dividends. These components are delivered by a focus on piloting interventions among adolescent girls in highly affected regional hotspots. Such interventions aim at improving life skills and sexual and

---

<sup>7</sup> Eight of the government led studies were conducted in Angola, Kenya, Malawi, Mozambique, Rwanda, and Tanzania, Uganda, and Zambia between 2015 and 2017 using the DemDiv Methodology and the remainder were conducted using NTAs in Botswana, Eswatini, Namibia, and Zimbabwe between 2017 and 2018 with support from UNFPA.

reproductive health, keeping girls in school and expanding economic opportunities that bring women into higher-paying job opportunities.

SWEDD was initially implemented in seven countries (Benin, Burkina Faso, Chad, Côte d'Ivoire, Mali, Mauritania, and Niger) but there are efforts underway to expand it to other countries.

## Gaps

### ***Lack of data and limited statistical capacity***

Effective and evidence-based policy development, implementation, monitoring, and evaluation requires timely, high-quality, and disaggregated population and development data. These data can only be obtained from a fully functional national statistics system comprising regular population and housing censuses, household surveys as well as complete and continuous administrative registers. However, most statistics systems are underdeveloped in SSA because countries have low statistical capacity (i.e., ability to collect, analyze, and disseminate high-quality data about their populations and economies).<sup>8</sup> As a result, many countries in the region either lack (or have outdated data) for development planning in general and for demographic dividend programming in particular.<sup>9</sup>

### ***Limited monitoring and evaluation capacity***

Lack of monitoring and evaluation capacity is one of the main gaps hindering SSA countries from effectively operationalizing monitoring and accountability frameworks in demographic dividend programming. As indicated above, in Eastern and Southern Africa only four countries have such a framework for their demographic dividend agenda.

## Challenges

The prospect for SSA countries harnessing demographic dividends depends on how best they solve the challenges that they currently face in the key areas that have the potential to cultivate the dividends. This section provides an overview of some of the main challenges that hamper the countries' progress on the four pillars of the AU Roadmap for harnessing a demographic dividend (noted above).

### ***Education and skills development***

Some of the challenges facing the education sector in SSA include ***inadequacy of infrastructure*** (secondary schools are currently sufficient to accommodate only 36% of qualifying secondary students,<sup>10</sup> with girls facing more disadvantage than boys); ***largest deficit in the number of teachers*** in all regions of the world (16.5 million additional teachers – 5.4 million at primary level

---

<sup>8</sup> <https://www.worldeconomics.com/National-Statistics/Statistical-Capacity/South%20Africa.aspx>

<sup>9</sup> The Democratic Republic of the Congo, for example, has not conducted a population census since 1984.

<sup>10</sup> Africa-America Institute, "State of education in Africa report 2015: a report card on the progress, opportunities and challenges confronting the African education sector", 2015.

and 11.1 million at secondary – are needed to achieve universal education by 2030 (SDG 4);<sup>11</sup> and **poor learning outcomes** (89% of children in the region are unable to read a basic text by the age of 10).<sup>12</sup>

## ***Health and wellbeing***

Health and wellbeing are broad concepts, encompassing many components and dimensions. This section only highlights the level of under-5 mortality because it is a good indicator of the level of child health and overall development of countries. It also highlights the challenge posed by lack of access to quality sexual and reproductive health services among adolescents and youth in many countries in SSA and what it means for development prospects of the region.

At 72 deaths under-5 per 1 000 live births, **SAA has the highest child mortality in the world**, nearly twice the global rate of 37 deaths under-5 per 1 000 live births. Child health requires special attention if the region is to harness demographic dividends in the near future. Unmet need for family planning among adolescents predisposes them, especially adolescent girls, to early childbearing in the context of high prevalence of child marriage, and cuts short their education. At 101 births per 1 000 women aged 15-19 years, **the adolescent birth rate for SSA is the highest of all regions** and more than twice the global average of 42 births per 1000 women aged 15-19.<sup>13</sup>

## ***Employment and entrepreneurship***

Economies of most SSA countries are not amenable to a demographic dividend as they are dominated by the informal sector (Figure 2). As a result, informal sector employment, which is characterized by low wages represents a significant part of the economy and labour market and plays a major role in production, employment creation and income generation. However, informality puts workers at a higher risk of vulnerability, insecurity, and uncertainty. It is no surprise that most countries in the region are characterized by **high levels of working poverty** (high proportions of employed people who are unable to lift themselves and their families above the poverty threshold).<sup>14</sup> In Burundi, for example 80% of the employed live below US\$1.90 PPP. Any effort to position SSA for harnessing demographic dividend should include transformation of the economies.

---

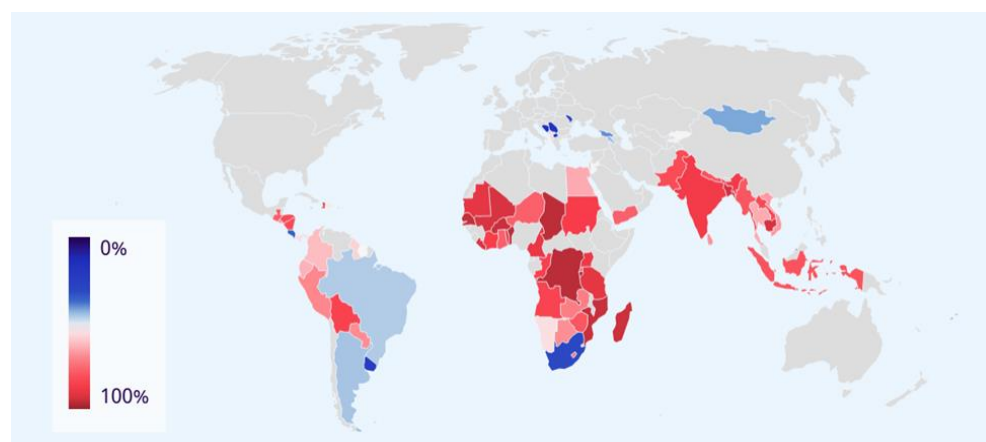
<sup>11</sup> UNESCO, “Transforming education from within: current trends in the status and development of teachers – World Teachers’ Day 2022”, 2022.

<sup>12</sup> <https://thedocs.worldbank.org/en/doc/e52f55322528903b27f1b7e61238e416-0200022022/original/Learning-poverty-report-2022-06-21-final-V7-0-conferenceEdition.pdf>

<sup>13</sup> <https://www.who.int/news-room/fact-sheets/detail/adolescent-pregnancy>

<sup>14</sup> <https://ilostat.ilo.org/topics/working-poverty/>

Figure 1. Share (%) of informal employment by country, latest year



Source: ILOSTAT (<https://ilostat.ilo.org/topics/informality/>)

## ***Rights, governance and youth empowerment***

***Harmful practices such as female genital mutilation and child marriage are prevalent in SSA.*** They perpetuate gender inequality and undermine the rights for girls and women. Interventions that empower women and youth through education and life skills in reproductive health, relationship-building, entrepreneurship, and equitable gender norms can go a long way in restoring their dignity and give them agency to claim their rights and make choices for their lives.

## **Conclusion and recommendations**

The progress made by SSA countries in producing demographic dividend profiles and integrating the demographic dividend framework into development planning is commendable. However, it is not enough to put the countries on course to benefit from accelerated and sustainable economic growth when the demographic transition that is currently underway in the region results in a larger working age population in relation to the dependent population in the next 20-30 years. To maximize this demographic dividend and eradicate poverty, SSA countries need to start making meaningful progress in the areas of education and skills development, health and wellbeing, employment and entrepreneurship, and rights, governance, and empowerment. Otherwise, the promise of a demographic dividend may turn into a demographic nightmare.

That the education systems in the region are currently not able to keep children through secondary school (particularly girls) is cause for concern. Education is central to the achievement of most of the Sustainable Development Goals. If all adults completed secondary education, an estimated 420 million people could be lifted out of poverty (Goal 1).<sup>15</sup> Girls' education is among the most effective investments to promote women's empowerment, improve population health and the fulfillment of sexual and reproductive health and rights (Goals 3 and 5). Education is a means to

<sup>15</sup> UNESCO Institute for Statistics, "World poverty could be cut in half if all adults completed secondary education", 19 June 2017.

improve employability (Goal 8), achieve behavioural change for sustainable consumption (Goal 12) and raise environmental awareness (Goal 13 and 14).

The ability to decide on the number and timing of children is one of the most transformative tools of self-determination. It can improve children's health. For young women, family planning can help delay their first pregnancy until an age when they are physically, psychologically, and socially prepared for childbearing, thus improving health outcomes for both mother and infant. At the societal level these transformative outcomes can result in a demographic dividend and poverty eradication.

Ensuring People's rights, their choices and their well-being are crucial for sustainable development. Empowerment of women and youth through education and life skills in reproductive health, relationship-building, entrepreneurship, and equitable gender norms gives them dignity and agency to claim their rights and make choices for their lives.

Development partners should prioritize the strengthening of national statistics systems in SSA to be able to deliver timely, high-quality, and disaggregated population and development data. This will empower governments in the region to discern and anticipate demographic change, identify those left behind, and track progress towards harnessing demographic dividends.

## ***Recommended actions for governments and development partners***

### *Education and skills development*

- Provide the necessary investments in infrastructure and teacher training, to ensure that every child, regardless of circumstance or location, has access to quality education at all levels of education.
- Adopt globally recognized tools to track learning outcomes at all levels of schooling, and act upon such data to improve pedagogy and the quality of education, including through the redistribution of teachers to reach those furthest behind.
- Ensure universal access to quality secondary education (especially for girls) and workplace training and expand access to lifelong skills development.

### *Health and wellbeing*

- 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.

### *Employment and entrepreneurship*

- Invest in workplace training for youth and expand access to lifelong skills development.
- Direct investment and entrepreneurship towards manufacturing

### *Rights, governance, and youth empowerment*

- Eliminate all harmful practices to ensure that every young person's potential is fulfilled.



## Annex

Figure A1: Framework for operationalizing the demographic dividend

