

Demographic Dividend in sub-Saharan Africa: What is the gradient among all factors in the enabling environment?

Running head: How can sub-Saharan Africa achieve demographic dividend?

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Abstract

To reap the demographic dividend, a country should take major decisions, including those influencing change in the population structure. Previous research showed that change in population structure is the prerequisite to reap demographic dividend. The proximal factors mediating its effects built upon an enabling environment, encompassing health, education, economic policies, and governance. Assuming that all enablers are important, this viewpoint answers the following question: *What should be the expected gradient among all factors in the enabling environment?* We argue that governance, referred to as a strong leadership and a clear vision is the most important factor in the enabling environment. Without a significant shift in leadership in sub-Saharan Africa, countries should not expect miracles to achieve demographic dividend in SSA countries.

Introduction

Millennium Development Goals (MDGs) now belong to the past. Since September 2015, Sustainable Development Goals (SDGs) have succeeded to MDGs and will be the driving development framework for the planet in the next 15 years. Despite the observed positive economic growth (3.5% and above), many sub-Saharan Africa (SSA) countries are still lagging behind on many health and socioeconomic indicators after the end of the MDGs and the adoption of the SDGs. The majority of countries listed at the bottom of the Human Development Index (HDI), World Governance Indicators and Global Peace Index (GPI) rankings are located in SSA region [1]. Existing literature explains SSA countries delay in achieving economic benefit and improving population wellbeing by the demographic burden. Indeed, in many SSA countries birth rates remain high whereas child survival has greatly improved. This situation increases the speed of population growth. In parallel, research showed that resource requirements to support a large population of children and youth could depress the pace of economic growth and prevent required investments in human capital. Therefore, the demographic dividend offers a framework through which to define a research agenda, advocate for policies, and mobilize resources that can help countries realize their potential for accelerated economic growth. Especially because the economic growth in the region is weakening, falling to 3.5% in 2015 compared to an average of 5-7% in the last decade [2]. In between, demographic dividend has jumped in the economic debate as a promising avenue for SSA countries to transform youth bulge in economic growth to improve somehow population wellbeing. The overarching goal for MDGs, SDGs, and the demographic dividend is to improve the population wellbeing within a country, a region, and ultimately the whole planet through a set of well-oriented policies. If this trend continues, the relative gain of the last decade will be lost, threatening lives of many million in the region.

The concept of demographic dividend, which has become a slogan in both scientific and policymaking spheres, refers to economic benefits that a country can gain contingent to a decline of fertility and mortality rates¹ that demographers consider key factors for a change in population structure [8, 9]. The state-of-art of demographic dividend, on our point of view, is focused on the outcome (economic growth) rather than the processes (e.g., conditions to be met to achieve demographic dividend). In other words, is demographic dividend guaranteed, and under which conditions? Although both outcomes and processes

¹ Therefore, a thorough understanding of the demographic dividend might also address the secular debate about the proximate determinants of fertility (See for more details: 3. Bongaarts, J., *Fertility transitions in developing countries: progress or stagnation?* Stud Fam Plann, 2008. 39(2): p. 105-10; 4. Bongaarts, J., *Global fertility and population trends*. Semin Reprod Med, 2015. 33(1): p. 5-10; 5. Bongaarts, J. and J. Casterline, *Fertility Transition: Is sub-Saharan Africa Different?* Popul Dev Rev, 2013. 38(Suppl 1): p. 153-168; 6. Bongaarts, J., *Modeling the fertility impact of the proximate determinants: Time for a tune-up*. Demographic Research, 2015. 33(19): p. 535-560; 7. Majumder, N. and F. Ram, *Explaining the Role of Proximate Determinants on Fertility Decline among Poor and Non-Poor in Asian Countries*. PLoS ONE, 2015. 10(2): p. e0115441.

are of chief importance, we argue that processes are more important because a mismanagement of or merely ignoring processes will lead to poor results. Lessons learnt from MDGs showed that most of SSA countries did not achieve MDGs. Yet there is almost no open debate to understand the rationales behind these failures. Are financial, human, material resources allocated or invested in MDGs domains sufficient enough to achieve the goals that were set in MDGs? If SSA countries have to repeat their MDGs experiences, is there a guarantee that they will achieve SDGs? In order to achieve demographic dividend, many ingredients are also needed including investments in health and education, the implementation of a conducive economic environment (e.g., good economic policies) and good governance. There have many attempts to explain the conditions under which and/or provide frameworks for sub-Saharan Africa to reap demographic dividend.² These works provide with a thorough understanding of the requirements for sub-Saharan Africa to reap demographic dividend. However they almost all fail to address the issue of “prioritization” because governing is most and foremost about planning and prioritization.

The literature on achieving demographic dividend links population structure with demographic dividend as the outcome (see Figure 1). This relationship is mediated by a set of policies (also referred to as “**enabling environment**”) in health, economics, education, and most importantly governance. The unanswered key question in the context of SSA is “**What should be the gradient (or ranking) of all these policies**” while admitting that all the components are important to trigger demographic dividend?

The current debate on demographic dividend

To answer the question above, it is important to emphasize that the current debate is frankly silent about what should practically be of top priority within the enabling environment to ensure that SSA countries reap demographic dividend. Demographic dividend is neither automatic nor guaranteed; there are

² See for more details: 10. Olaniyan Olanrewaju, Adedoyin Soyibo, Akanni O. Lawanson, Noah Olasehinde, Monsuru Odumosu, Adesola Orekoya, Olumide Owoeye and Francis Adeyemi 2018. *Harnessing the Demographic Dividend for Nigeria’s Sustainable Development: 2016 Demographic Dividend Report of Nigeria*. Report Submitted to the United Nations Populations Fund (UNFPA), Nigeria; 11. Hans Groth; May, John F.; Turbat, Vincent (2017). “Policies needed to capture a demographic dividend in sub-Saharan Africa”. Paper presented at 2017 IUSSP Conference, Cape Town, South Africa, October 29—November 04, 2017; 12. Gupta, Monica Das (2015). “Reaping demographic Dividend: Components and Policies Required”. Paper presented at 2015 Population Association of America meeting, San Diego, United States of America, April 30—May 02; 13. Dramani, Latif (2018). “Harnessing Demographic dividend in Africa: A framework for strategic sectoral investments analysis”. Paper presented at 2018 Population association of America meeting, Denver, Colorado, United States, April 26-28, 2018; 14. Onyango, B.O., Oosthuizen, M., Zulu, E.M., Williams, E.M.; and Alhassan, N. (2018). “Barriers to Maximising the Demographic Dividend in Southern Africa: fertility and labour market scenarios in Botswana, Namibia, Swaziland and Zimbabwe”. Paper presented at 2018 Population association of America meeting, Denver, Colorado, United States, April 26-28, 2018; 15. Izugbara, Chimaraoke O.; Tilahun, Tizta; Owii, Hilda (2018). “Fostering political leadership for the demographic dividend in Africa: relevant cultural values”. *Development in Practice*, 28(5), 705-713. <https://doi.org/10.1080/09614524.2018.1465528>

important political actions to be taken at higher level in a country to reap the demographic dividend [8]. According to Cobb-Douglas production model in its simplest form, capital and labor are important inputs required to get the expected production [16]; these inputs will determine the expected outputs. In this model, decisions about the quality of labor force and quantity of capital invested in a firm will determine the products (quality and quantity). In the same vein, the policies that has been put in place in education, health, economics and the quality of governance will likely determine whether a country is able to reap demographic dividend.

Lessons learnt from the past indicate that SSA is experiencing the highest population growth. The region has been struggling since the 1970s, when the first Knowledge, Attitudes and Practices Surveys (KAPSs) were launched to assess knowledge, attitudes and practices of contraception among women, to take specific actions to leverage population growth. Otherwise, how could we explain that Thailand's population structure was comparable with most SSA countries (<http://www.worldlifeexpectancy.com/thailand-population-pyramid>). Thirty-five years later, Thailand's population structure has radically changed while SSA countries still have many economic dependents due to young population age structures. With young age structures, tremendous investments are required in education, economics, health, and other social services; therefore straining the fragile economies to invest in production sectors. To reap the demographic dividend, a country needs to evaluate its current situation (demography and economy) and consequently invest on what is required to change population structure and take specific actions for economic policies that are aligned to better achieve demographic dividend. For instance, Nigeria should wait until 2050 to exhibit a population age structure comparable to Thailand in the 2000. It also means 50 years of lost in terms of demographic dividend.

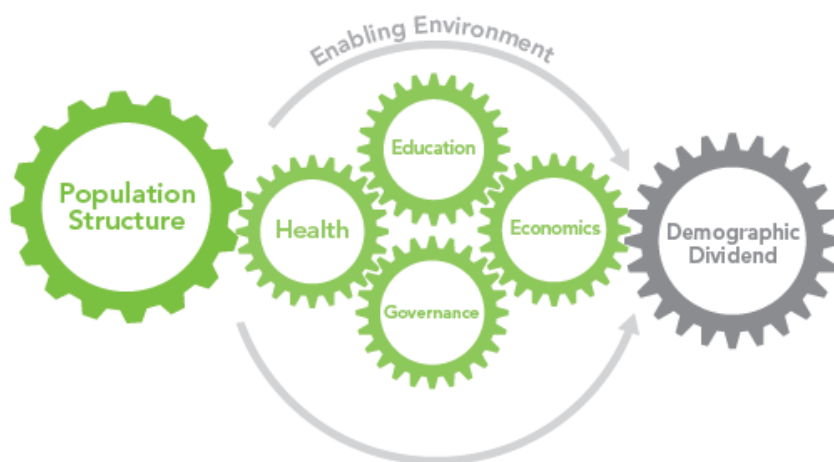


Figure 1: Policy interventions facilitating demographic dividend (Source: [17])

As aforementioned, the enabling environment is critical for a country to achieve the demographic dividend. But in this search of “demographic dividend” performance, what is the best enabling mechanism? Of course, education, health, economics and governance are all important. However, to optimize the achievement of demographic dividend one might decide where or what to focus on first and foremost. Back to Thailand’s illustration, what was done to drastically shift from a young population structure to that where working-age share was more important? Also, what was done to efficiently utilize the working-age population to create national richness? How long did it take to reap the demographic dividend?

All those questions are complementary and complex. For instance, what will be the added value in terms of demographic dividend when youth are well trained but jobless? Just take a minute and think about the Arab spring and all consequences of the long-term frustration in the region, which have devastated the fragile economies. There is an urgent need to critically think of the best way to articulate education and job creation in SSA countries. Relatedly, what will happen if youth are well trained but are employed in small jobs that don’t fit their skills? It is a human being instinct to survive. If a well-trained youth cannot find a job that really fits his/her skills, he/she will take whichever given job to survive. This impeding situation will lead to demotivation and less productivity as the individual will always be thinking of another work and will not be creative as he/she would have been in a job matching his/her skills. In this case education has a less added value than in a conducive environment.

That said, we think that what happened in Thailand and “Asian Tigers” is a manifestation of lightened and strong leadership, which was able to guide public opinions and behaviors. In 2015, African Union for Population Studies (UAPS) organized its 7th Population Conference in Pretoria (South Africa) under the theme “Demographic dividend in Africa: Prospects, opportunities, and challenges” which registered a high number of papers and presentations, and interesting debate about how sub-Saharan Africa can reap demographic dividend. I attended a session on “*Opportunities for harnessing the demographic dividend in the SDG Era in Africa*” where Dr. Ndola Prata presented a paper entitled “Access to family planning and women’s health”. Using a graph from a previous study to illustrate the relationship between fertility, contraception and abortion in Korea between 1960 and 2000 [18], Dr Prata pointed a striking fact in her presentation to highlight the major differences between SSA countries and the Asian Tigers. The Korean experience showed that the initial stage of fertility decline was accompanied by both increases in contraception and abortion for more than 15 years. However the difference between SSA and Korea was

that Korean women had access to safe abortion while SSA still experience unsafe and high abortion rates. This illustration symbolizes how policy decisions may have greater impact than simple vows.

Back to our question about the gradient among the enablers and put differently, while the world is vibrating at the rhythm of SDGs and demographic dividend, we strongly believe that “Governance” should be the most important pillar to drive the necessary and sufficient decisions for SSA countries to reap the demographic dividend. Let’s use malaria as a simple case for illustration. It is well known that malaria still is one of the major causes of death in SSA account for 10% of deaths [16]. This endemic illness costs to Africa, the poorest continent of the planet, an amount of \$US 12 billion in lost productivity and health expenditures per year [18]. It means that if SSA countries have worked together to find sustainable ways to fight malaria, they could have been able to save up to \$US 12 billion to invest in other productive sectors to boost their economies. Improving housing and investing in a clean environment can easily mitigate the reproduction of mosquitoes in rural and urban areas and could have saved lives and money.

Both scientists and policymakers however are hiding behind the broad theme of “enabling environment” and unable to decode the black box “**Enabling Environment**”. The terms “governance” seems vague and confusing in some sense, and has become a condition for international aid. As seen rhetorically, it means “democracy” or “change of regime”. Many SSA countries have witnessed changes of regime in the last decade; however does it really mean “governance” or “good governance”? We admit that democracy and change of regime are ingredient to governance, but a transformational leadership capable to guide the countries in the right direction and responsibly address the bottlenecks impeding economic growth in order to improve population wellbeing is blatantly lacking in SSA is. SSA has experienced an average growth rate on gross domestic product (GDP); yet most of SSA countries have the lowest Human Development Index (HDI). We think this is what makes the difference between the Asian Tigers and SSA countries. Strong and transformational leadership in the Asian tigers had a vision and took the necessary policies to change population structure and boost economic growth. Indeed, why Korea was able to decrease its total fertility rate (TFR) in 40 years while SSA countries are struggling to reduce its TFR. A woman of reproductive age (15-49 years) in Niger still expect up to 7 children in the 21st century, the highest TRF in the world. In the same time, the Human Development Index (HDI) in this country is the lowest in the world. Where are those governments in SSA who should take responsible decisions to improve the wellbeing of populations in this poorest part of the world?

In SSA, what is really intriguing is that countries do not learn from experience: Slavery, structural adjustment programmes, democratization, political instability, and so on. All those factors are key to understand where SSA's history and should guide our vision for the future. The same recipes will always produce to some extent the same results. SSA countries experienced very bad results worldwide on MDGs; they will likely experience the worst results for SDGs. Therefore the demographic dividend will be a vain slogan if there is no radical political shift in SSA countries. The problem is well known: SSA is suffering from a very poor leadership without a vision of what the governments want for their countries to stand in 10, 20, 30, 40 years. SSA countries are comparable to machines without captains. Are we going to expect miracles without a clear roadmap? Absolutely not! Therefore it is important for SSA governments to stop and see what they are doing well, and mostly what does not help their nations. SSA countries have the potential to reap demographic dividend; however that should be accompanied by a shift in political will leading to a strong leadership and decisions benefiting the countries. For example, SSA countries are the ones that have currently an important working-age population share worldwide. Many developed countries have regressing working-age populations. It means that in the near future, SSA countries, which are not able to create jobs for its working-age population, can export well-trained youth in developed countries to create the national wealth.

Call for Action

Demographic dividend is a politico-driven economic benefit of a country due to fertility and mortality declines, and well-oriented economic policies to boost economic growth by effectively and efficiently utilizing its working-age population. Demographic dividend is not a miracle that scientific community will bring on table by its tons of presentations and debates. This paper argues that while all components in the enabling environment are necessary, there is a need to establish a gradient to better feed up the debate on demographic dividend: some components are more important than others even though they are all intertwined. In this short viewpoint, we posit that governance through a strong leadership and vision³ is of paramount importance if SSA countries want to reap demographic dividend and if they want to be on track with SDGs.

³ Strong leadership and a clear vision highly impact institutional quality within a country, which in turn play an important role in attracting foreign capital. An excellent example of institutional quality in attracting foreign capital can be found in 20. Spar, D., *Attracting High Technology Investment: Intel's Costa Rica Plant*, W. Bank, Editor. 1998: Washington, D.C. and 21. Larrain, F., L. Lopez-Calva, and A. Rodriguez-Clare, *Intel: A Case Study of Foreign Direct Investment in Central America*, C.f.I.D.a.H. University, Editor. 2000. These studies analyzed the final decision of Intel to relocate in Costa Rica in 1996. Mexico and Costa Rica were shortlisted in the final stage of the decision process. Both countries share similarities; for instance they had a GDP per capita of \$US 3,000.00 at that time; however Costa Rica's stability and lower corruption tilted the balance in favor of the country.

One of the key issues frustrating the realization of the demographic dividend is the lack of clear understanding of the fuzzy phrase of “enabling environment”. In many instances, the phrase is vaguely equated with governance, which itself, also lacks a precise and clear definition. In many circles, governance is equated with electoral democracy. However, the return and proliferation of electoral democracies in many SSA countries in the last decade has not led to “good governance”. While electoral democracy is key to good governance, it is not a sufficient condition for realizing the DD. The key to the realization of the DD is a sustained transformational visionary national leadership, which are lacking in the region. By transformational visionary national leadership, we mean consistent and nationalistic governments with a well-thought and dynamic blueprint for national development and population health and wellbeing. While most SSA countries have experienced rapid growth of their gross domestic products (GDP); they rank very low in the Human Development Index (HDI). This is one major difference between the Asian Tigers and SSA countries. In Asian Tigers, the DD was realized by a sustained political handiwork of visionary, focused, strong, and committed national leaderships, who for a long time, pursued and remained committed to a clear agenda of national development and growth. For most part, this involved a sustained stay in power of a truly nationalistic and forward-looking political class and leadership with clear development policies and agendas as well as unreserved commitment to the development of the human resources to generate new and appropriate locally relevant knowledge, operationalize and transfer of existing technologies, promote and accelerate industrialization, institutionalize infrastructural development, and revolutionize social systems to deliver efficient, accessible, and people-oriented services to prevent and control diseases, misery, suffering, and reduce threats.

SSA has lots of interesting historical experiences to guide much of its current efforts to harness the DD: slavery, structural adjustment programmes, democratization, political instability, and imperialism. From these critical socio-economic events, we have learned about our friends, enemies, challenges, weakness, and strengths. We have also learned how to make progress. Prudent, strong, and committed political leaderships should have help to avoid many of the mistakes, pains, and troubles from the past. It is only with a visionary, focused, conscious, and truly nationalistic leaderships that Africa will avoid to repeat the same development recipes that have produced the very poor outcomes of the past. Key to the realization of the DD is a political leadership that does not merely assert (as is currently the case, mainly) but unquestionably demonstrates its commitment to sustainable development and progress through well-thought-out plans and policies to improve lives and ensure wellbeing. Such leadership must be experienced enough to be able to contradistinguish between political ends and economic realities and how to truly work for the citizenry, not for foreign and personal political and economic interests. The core of

the DD miracle is a conscientious political leadership that clearly thinks countries and develops and implements a meticulous and dynamic development path and programme. Put differently, SSA countries have the potential to realize the demographic dividend. But this is conditional on an immediate shift towards a strong dedicated political leadership with a commitment to long-term national development. For example, SSA countries currently have some of the most desirable working-age population worldwide. In most developed countries, working-age population is declining. It will take a visionary leadership to take advantage of such a population structure and ensure that it is fully harnessed to the benefit of Africa.

Without a significant shift in governance, the demographic dividend in SSA will be a vain vow because **there will be no miracles**. SSA countries have made lot of economic progress during the last decades garnering an impressive economic growth closer to two digits. However nothing has changed for the “normal” populations: poverty still is rampant; life expectancy is the lowest in SSA compared to the rest of the world, and TFRs till are the highest in SSA countries. With the understanding of where the problems stand regarding economic challenges in the region, the remaining question is “What does it take to make a step ahead with the right decisions which could drive a sustainable socio-economic development?” We are optimistic that SSA countries’ governments will seize the potential opportunities to place their countries on the right track to reap demographic dividend in this 21st century.

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