Demographics

The demographic dividend in Africa

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The ratio of working-age persons to dependants declined since African independence in the early 1960 and only improved from 1985 to 1990. In other words, labour contributed less to economic growth with each passing year until things started to improve from around 1988. It is largely for that reason that most African countries experienced steadily declining economic growth rates until then.

By 2019, the ratio of working-age persons to dependants in Africa had improved to 1.3:1, compared to 2.1:1 in the rest of the world, meaning that slow growth in the size of the labour pool relative to dependants (the main source of economic growth in Africa) translated into steady but unspectacular economic growth rates. Africa is expected to reach a ratio of 1.7:1 working-age people to dependants by 2051. Hence, except for a few countries in North Africa, Seychelles, Mauritius and South Africa, Africa is likely to realise its first demographic dividend only in the latter half of this century. By 2063, the ratio is forecast to be 1.9:1.

For the next three decades, Africa's dependent youth population will therefore remain a drag on economic growth in the Current Path forecast, although to a lesser extent with every passing year. In much of the continent, countries' youthful populations constrain improvements in income, service delivery and education—not to mention eventually increasing carbon emissions (more people inevitably contribute more carbon) and the effect of global warming associated with a larger population.

Generally, countries (and regions) that have been unable to rapidly progress through the demographic transition and get to a demographic dividend ratio above 1.7:1 are characterised by severe poverty and large disease burdens (as governments do not have the resources to combat illnesses) as well as high fertility and mortality rates that structurally constrain their ability to reduce poverty and improve livelihoods. The rapid increase in the number of children offsets the increases in income from economic growth and prevents the accumulation of savings, resulting in low economic capitalisation.

There are many reasons for Africa's comparably slow demographic transition:

- Historically, low population density—a function of Africa's high disease burden—translated to low levels of urbanisation and lower rates of income growth. Some of these aspects are explored in the separate theme on health and WaSH.
- In more recent generations, the continent has also not been able to sufficiently empower women, raise the quality and attainment of education, or roll out the use of modern contraceptives quickly enough or transition to economies where child labour is no longer required.
- The dominance of subsistence agricultural practices with higher demand for child labour in the continent's large rural population.

While most African countries are experiencing slow income growth because their populations are very young, the picture is heterogeneous:

- In a country such as Tunisia, fertility rates are approaching the level at which population size first stagnates and then starts to decline unless there is a significant young net inward migration or changes in fertility rates.[1]
- Many other countries, such as Mozambique, appear to be stalling in their transition by maintaining very high fertility levels.

- A third group (an example would be Ethiopia) is achieving a rapid reduction in previously very high fertility rates. Because of investments in basic healthcare and family planning, Ethiopia will achieve the 1.7:1 demographic dividend ratio a decade before other low-income countries in Africa.

Until fertility rates are significantly reduced, even the most spectacular economic growth rates will not be sufficient to reduce poverty and improve livelihoods substantially in Africa. Although trends are heading in the right direction, much more urgent action is required to speed up the demographic transition in the continent's many low- and lower-middle-income countries.

Endnotes

1. A rate of 2.1 children per woman is generally accepted as the replacement fertility rate. Without inward migration, populations start to decline below this rate.

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About the authors

Dr Jakkie Cilliers is the ISS's founder and former executive director. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria oce of the Institute. His 2017 best-seller Fate of the Nation addresses South Africa's futures from political, economic and social perspectives. His three most recent books, Africa First! Igniting a Growth Revolution (March 2020), The Future of Africa: Challenges and Opportunities (April 2021), and Africa Tomorrow: Pathways to Prosperity (June 2022) take a rigorous look at the continent as a whole.

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