



Demographics

Impact of the Demographics and Health scenario on Africa's economy

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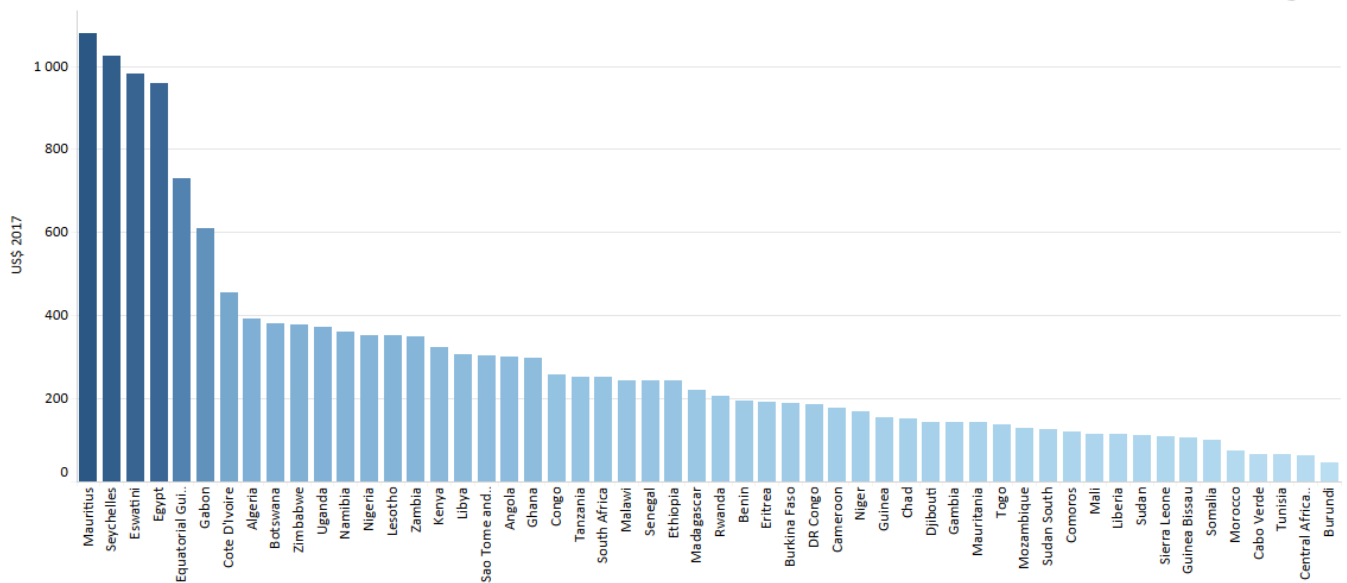
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The drop-down menu in Chart 6 allows the user to view the impact of the Demographics and Health scenario on Africa's demographic dividend compared to the Current Path forecast. It includes a forecast for the world except Africa, showing that the ratio of working-age persons to dependants peaked in 2012. Outside Africa, the size of the working-age population relative to dependants is now declining, although it differs from region to region, implying that these regions have to first compensate for that decline in the contribution that labour makes to growth with more capital and technology to maintain current productivity levels.

Because the peak ratio is higher in the Demographics and Health scenario compared to the Current Path forecast, and because it occurs earlier, incomes will grow more rapidly. Even with its smaller population, the size of the economy of sub-Saharan Africa would be about 3% larger in 2043. GDP per capita is expected to be US\$204 higher (a 5% improvement) than in the Current Path forecast. The increase for Africa would be US\$340 in 2043 and US\$966 in 2063.

Some countries, such as Madagascar, Malawi and Lesotho, will experience an improvement of 9% in the GDP per capita relative to the Current Path forecast in 2043. In dollar terms, the gains are also significant, as seen in Chart 13. The three countries that gain the most in absolute terms by 2043 are Mauritius (US\$1 029), Seychelles (US\$984), Eswatini (US\$984 and Egypt (US\$937).

Chart 12: Increase in GDP per capita in 2043: Demographic and Health scenario vs Current Path forecast



Source: IFs 7.84 initialising from WDI data

By 2043 the African economy will be US\$213 billion larger in the scenario than in the Current Path forecast.

With more people of working age and fewer children to educate, less basic infrastructure to build and slowing population growth, the improvements cascade across various indices of human well-being. For example, 53 million fewer people are expected to live below the extreme poverty line (US\$1.90) in sub-Saharan Africa by 2043 and 47 million fewer people by 2063.

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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 office 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.

About African Futures & Innovation

Scenarios and forecasting can help Africa identify and respond to opportunities and threats. The work of the African Futures & Innovation (AFI) program at the Institute for Security Studies aims to understand and address a widening gap between indices of wellbeing in Africa and elsewhere in the world. The AFI helps stakeholders understand likely future developments. Research findings and their policy implications are widely disseminated, often in collaboration with in-country partners. Forecasting tools inspire debate and provide insights into possible trajectories that inform planning, prioritisation and effective resource allocation. Africa's future depends on today's choices and actions by governments and their non-governmental and international partners. The AFI provides empirical data that informs short- and medium-term decisions with long-term implications. The AFI enhances Africa's capacity to prepare for and respond to future challenges. The program is headed by Dr Jakkie Cilliers.