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Development Policy

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# Reflections on the UN Women Regional Youth NEET Report from a Demographic Dividend Perspective

**UN WOMEN Report Launch and Knowledge Seminar on Youth Not in Employment, Education, and Training in East and Southern Africa**

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# Outline

- Africa's demographic transformation
- Pathways to the Demographic Dividend in Africa
- Addressing YNEET and to maximize prospects of the Demographic Dividend in Africa
- Key issues for action

# AFIDEP has been engaged in more than 20 countries on the Demographic Dividend since 2013

- DD National Studies
- Rapid evidence synthesis and analysis
- Policy engagements and high-level meetings for decision-makers on the DD including at the AU and the UN
- Scientific meetings
- 2021 Assessment of best practices in operationalizing the demographic dividend in East and Southern Africa



# The African population is destined to continue growing and increasingly dominated by youth and working-age adults

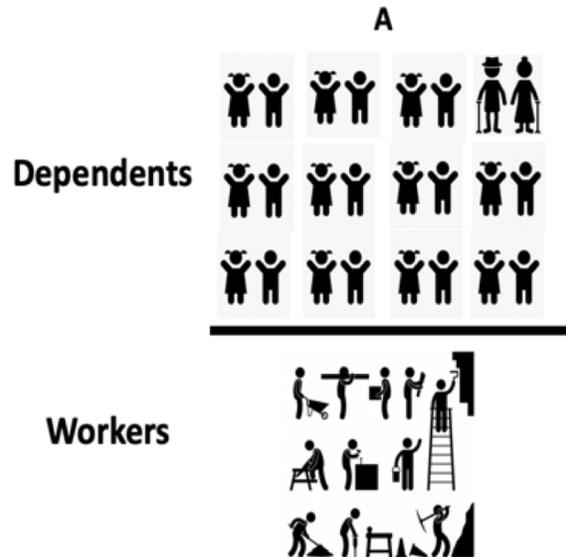
	Projected Population (Millions)					
AGE	2020	2030	2040	2050	2060	2070
0-14	541	632	719	798	855	897
15-24	258	334	398	456	512	555
25-59	468	618	810	1 020	1 241	1 455
60+	74	105	150	216	296	400
Total	1 341	1 688	2 077	2 489	2 905	3 308

# Changing narrative on population and development linkages

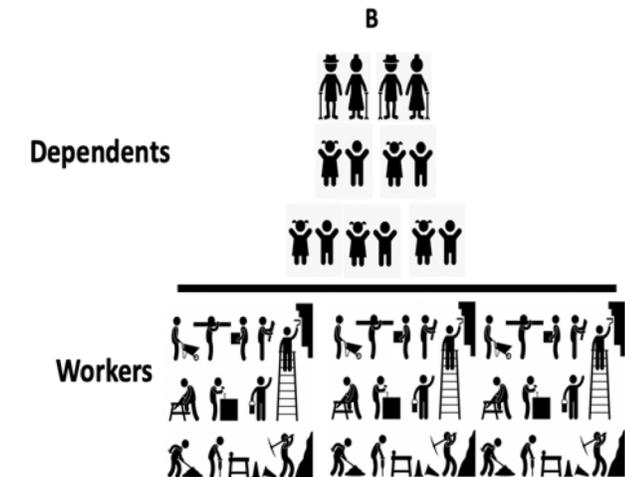
- Previous debates on Africa's population growth mainly focused on concerns around rapid population growth.
- **Demographic Dividend (DD)** related to the potential economic benefit countries can harness from changes in the age structure of the population

# Creating the window for the Demographic Dividend

Huge dependency burden. Not DD ready

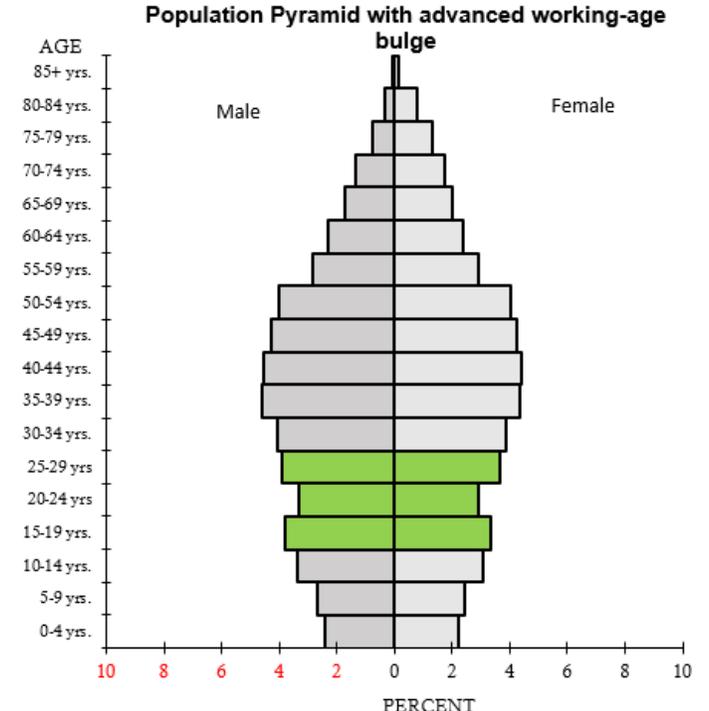
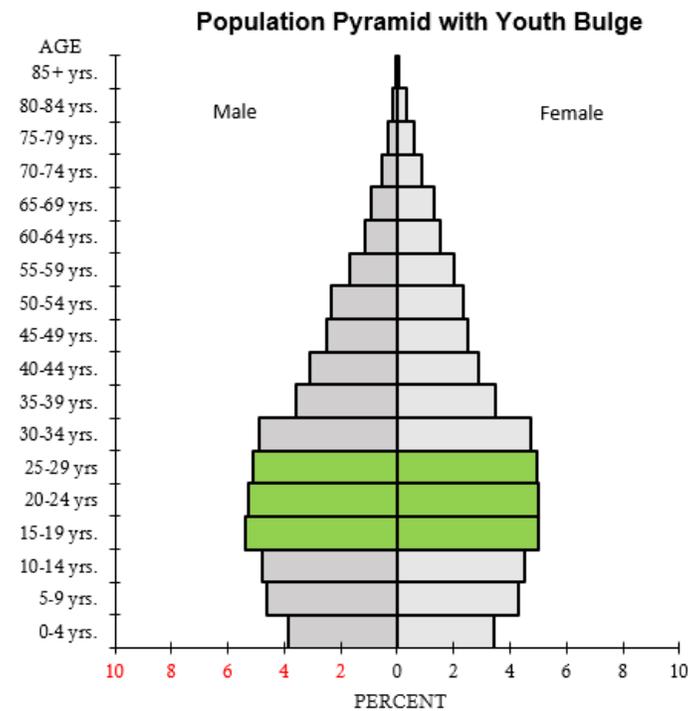
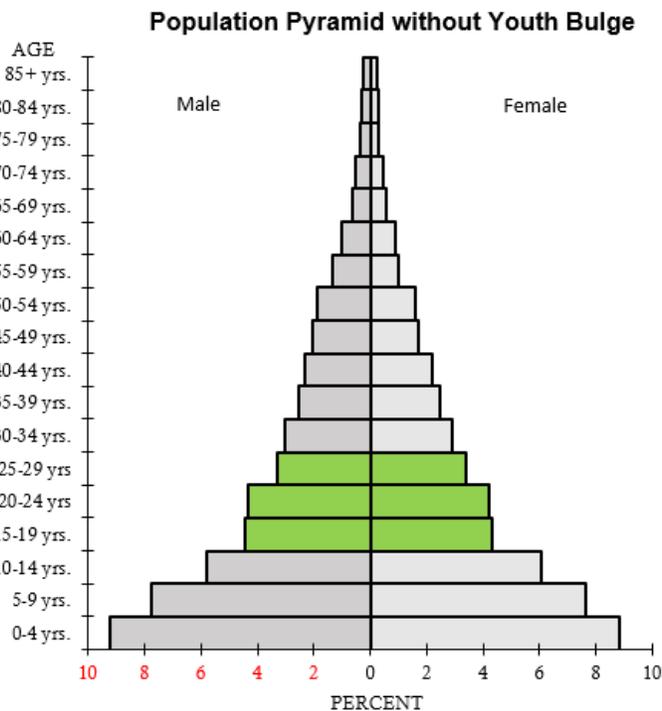


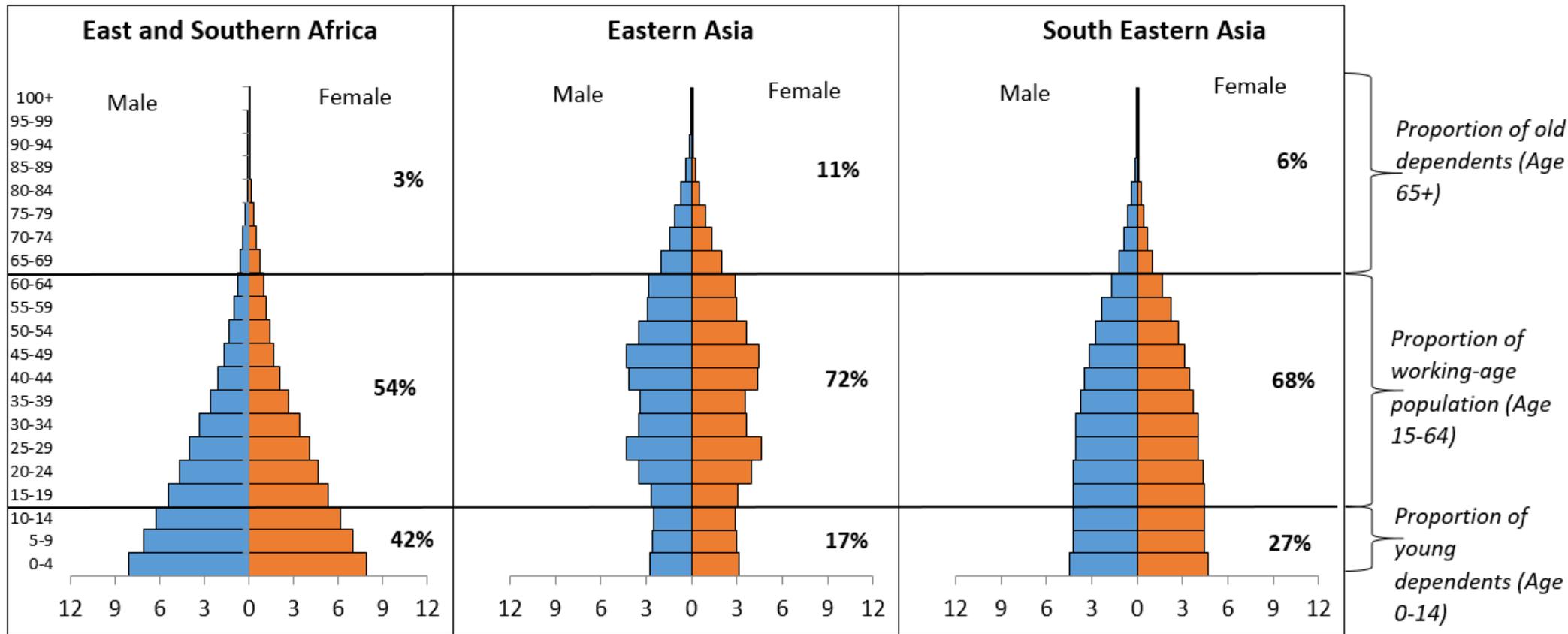
Smaller dependency burden. DD ready



# Demystifying the DD and “youth bulge”

- The DD is a temporary demographic phenomenon which occurs when child mortality declines and fertility falls **rapidly** so that the previous cohorts of births are larger than subsequent cohorts.





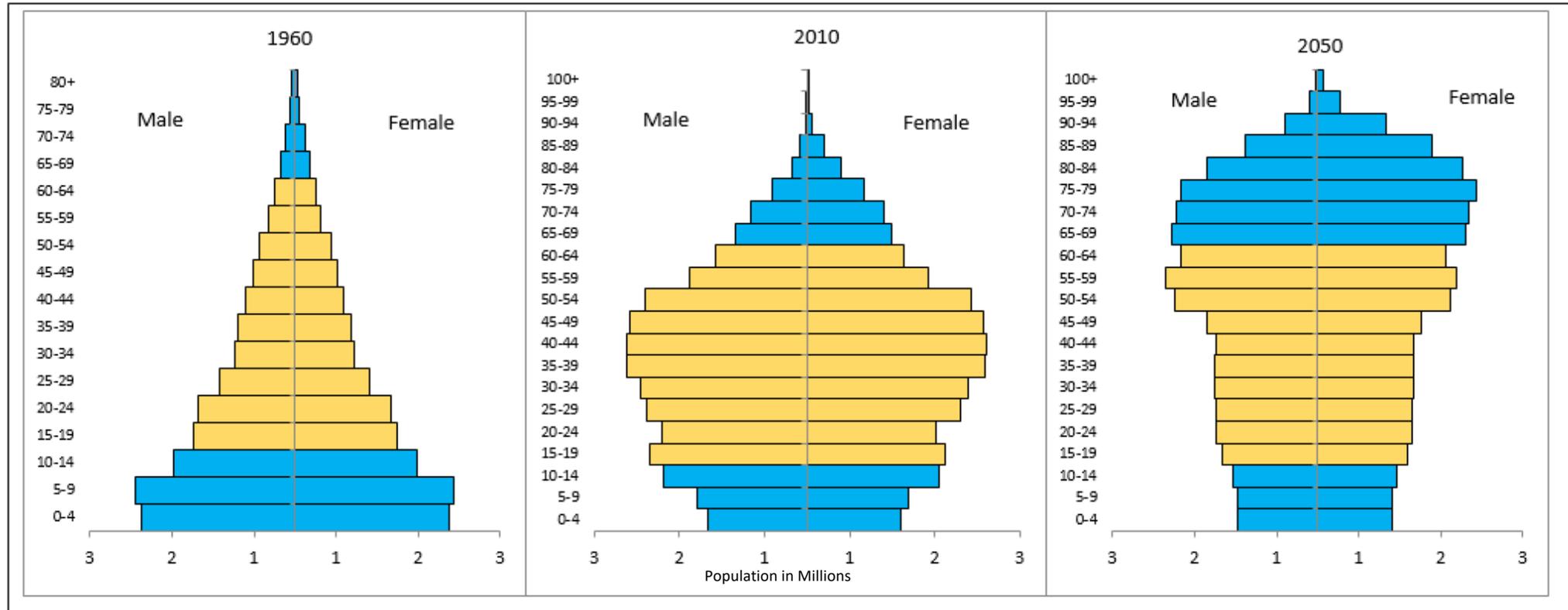
Source: UN World Population Prospects, 2019 Revision

*Countries like South Africa and Botswana are at an advanced stage of transition with birth rates of less than 3 children; Kenya, Namibia, Rwanda, and Malawi are intermediate with birth rates between 3 and 4, while Uganda and Tanzania are in the early stage of the fertility transition with birth rates of about 4 children*

# Manifesting the DD

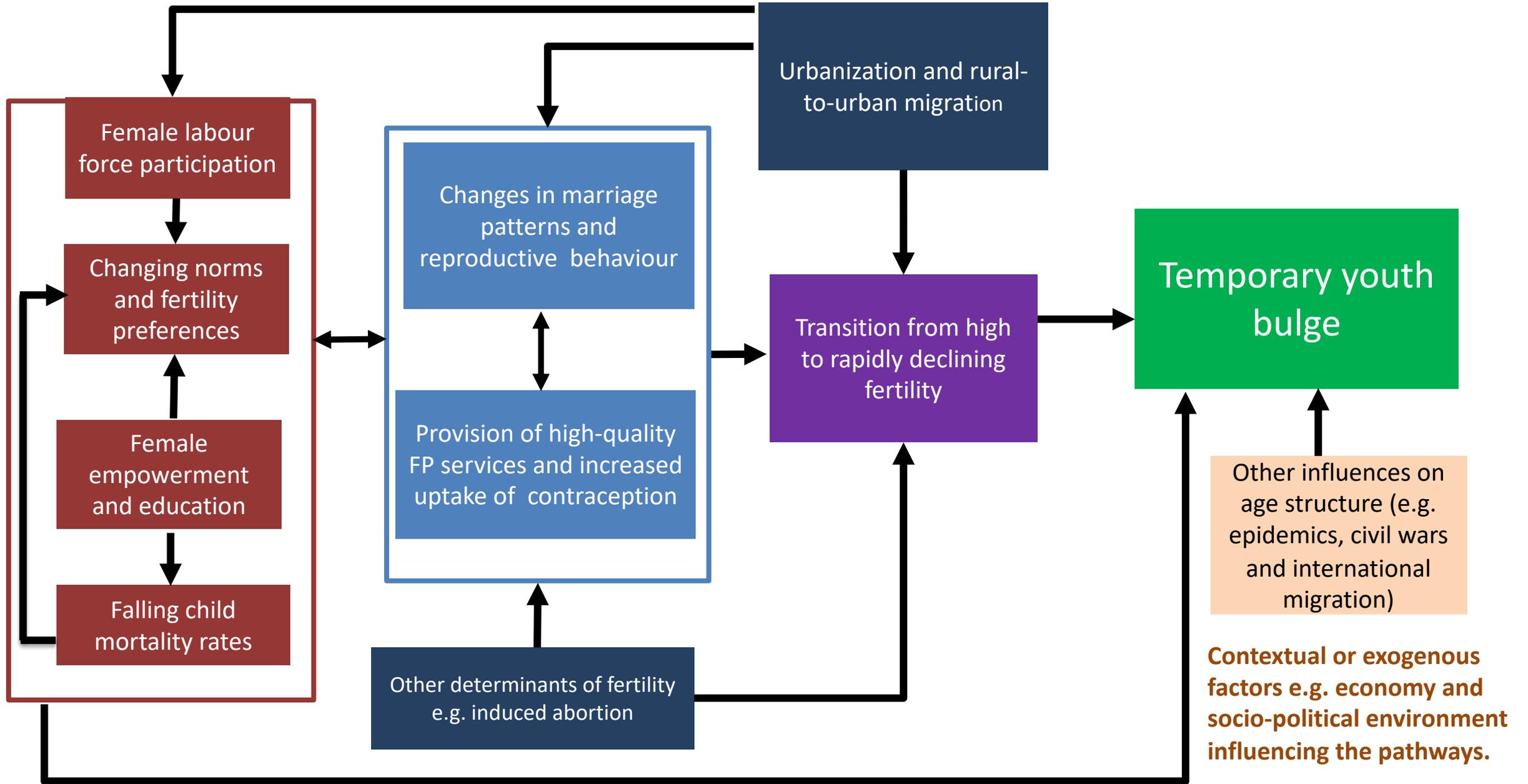
- With a smaller proportion of child dependents, families and nations are able to make savings that can be channelled to investments to boost the economy.
- If the large cohort in the working ages are healthy, educated and skilled, and they have good jobs, they further boost productivity and therefore economic development and well being.

# There is a limited window of opportunity to harness the DD - Case of South Korea

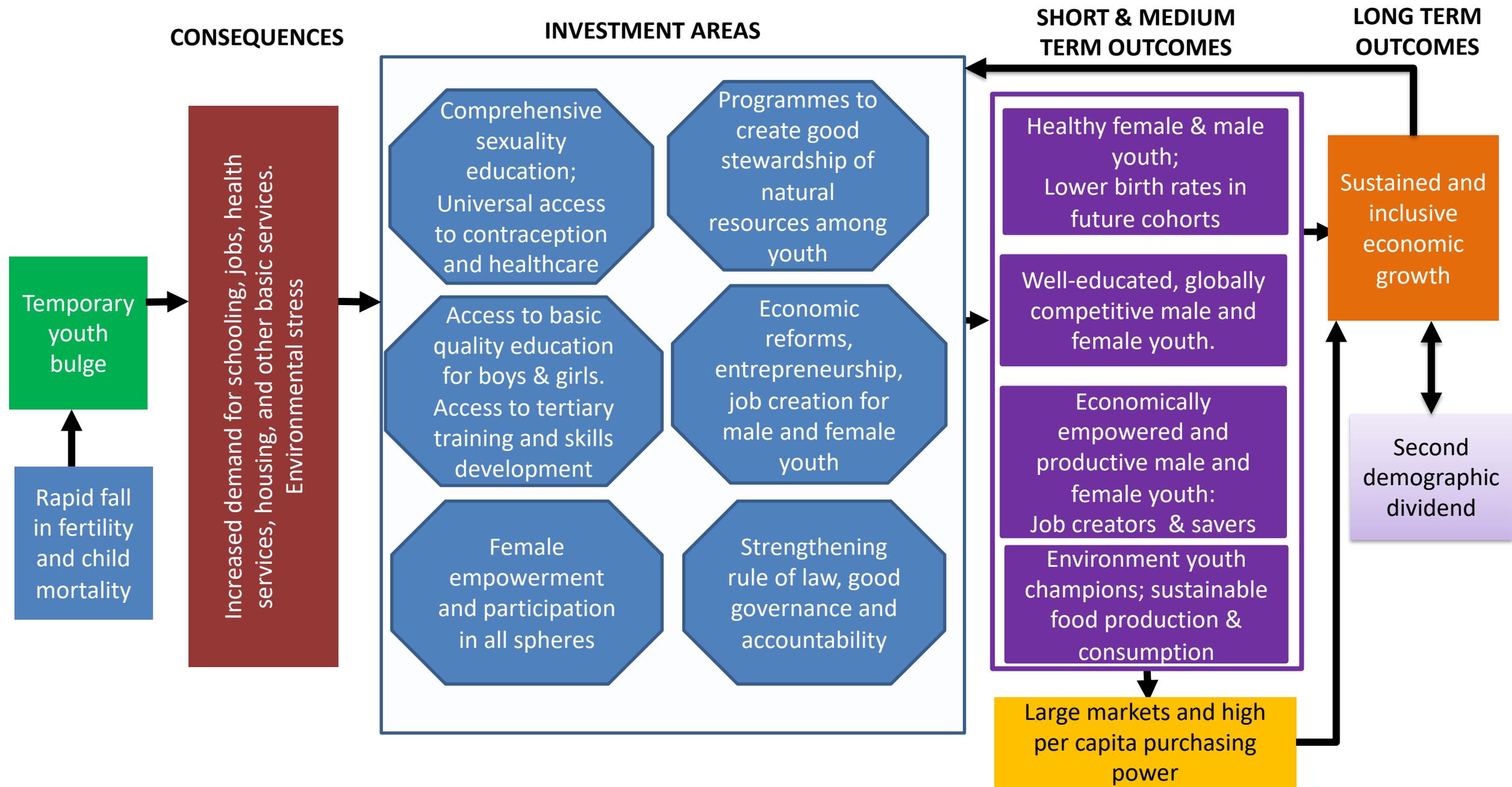


Source: World Population Prospects: The 2015 Revision, Volume II: Demographic Profiles

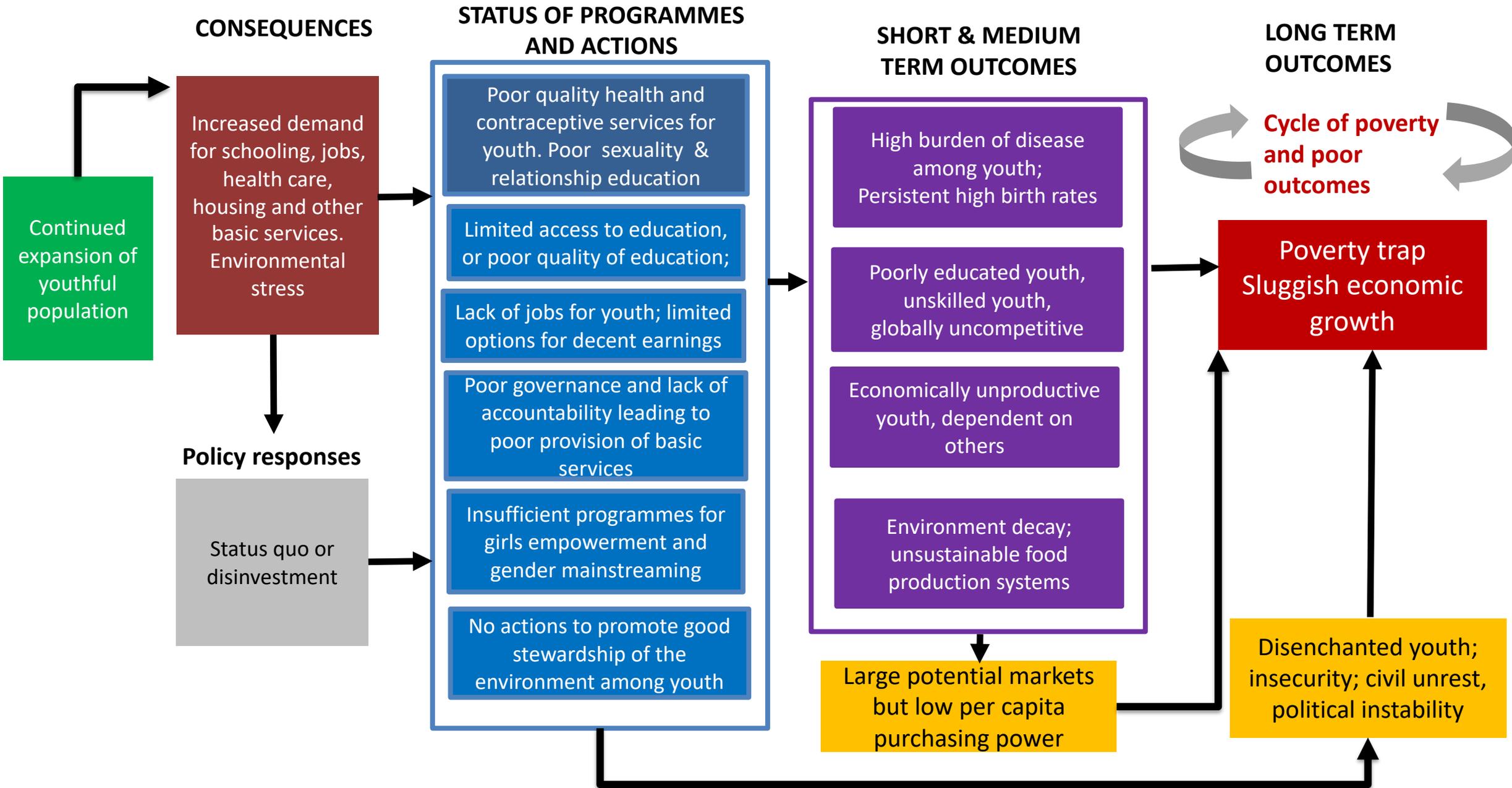
# Pathways to the youth bulge and the DD



# Scenario 1: Priority investment areas to harness the demographic dividend



# Scenario 2: "Business as usual" or disinvestment in youth

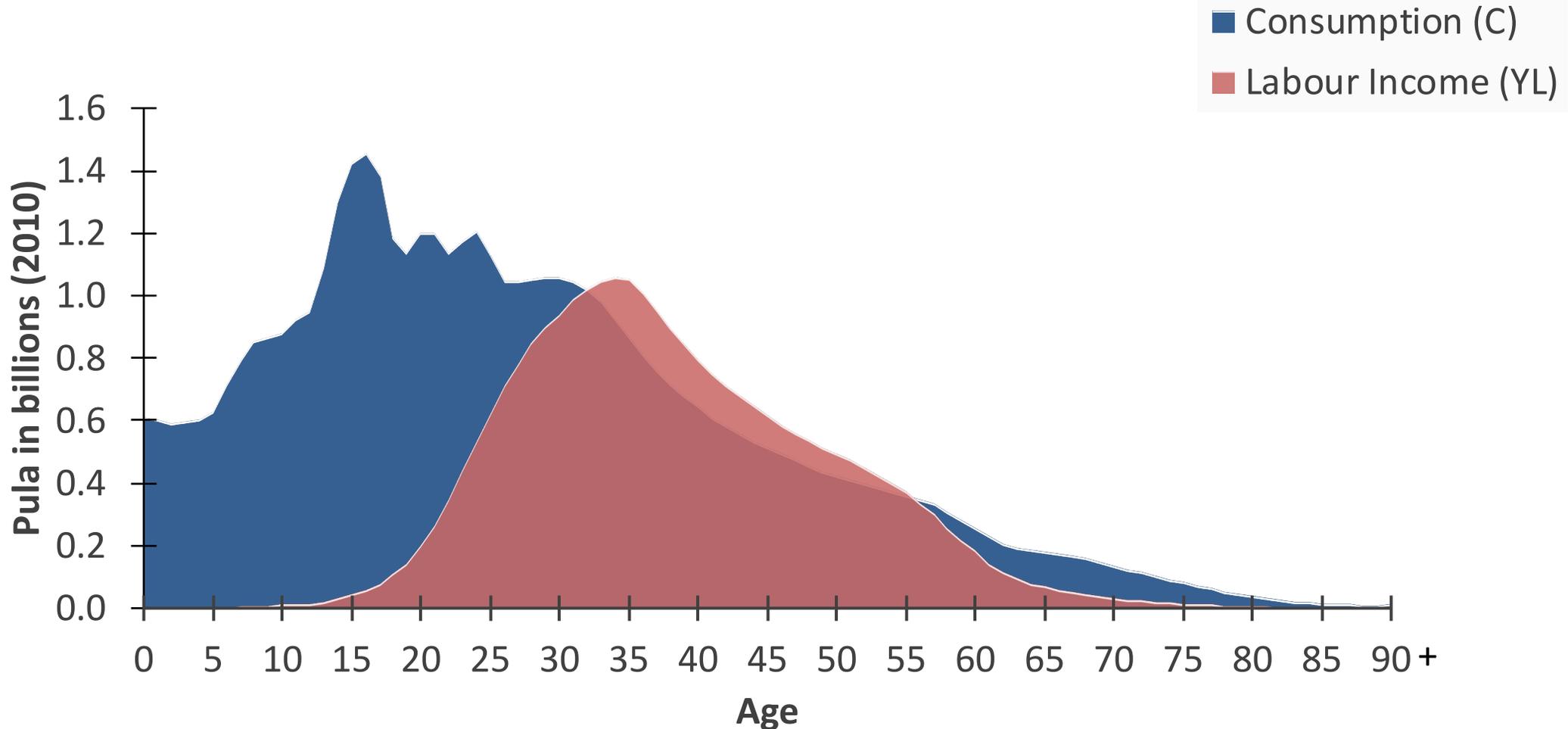


# NEET and the DD

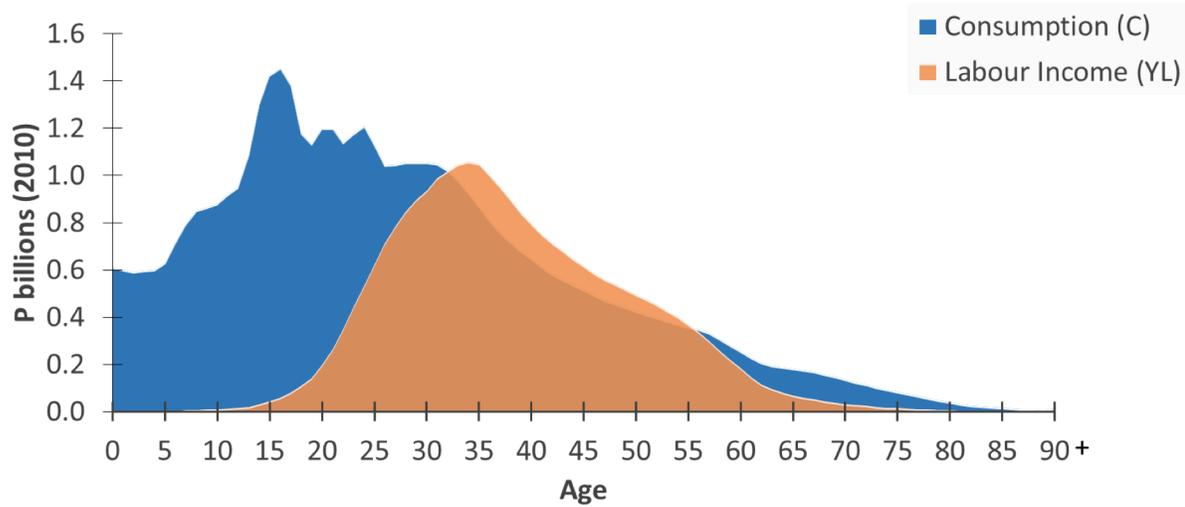
- The dependency ratio for a long time relied on a hypothetical perspective tied to age and expectations of people in those ages e.g. those in the ages 15-64 were automatically considered to be in the working ages and therefore economically productive
- NEET provides greater insights to actual activity of young people and therefore a more accurate picture of actual dependency burden

# Aggregate labour income and consumption profiles and the lifecycle deficit from National Transfer Accounts (NTA) Modelling

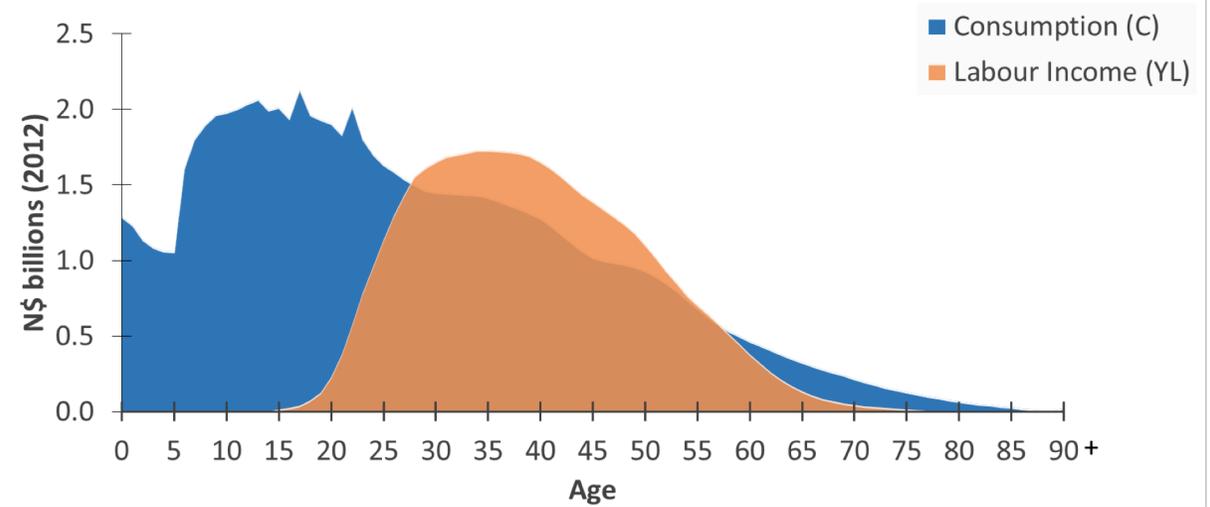
# Aggregate Labour Income vs Consumption, Botswana 2010



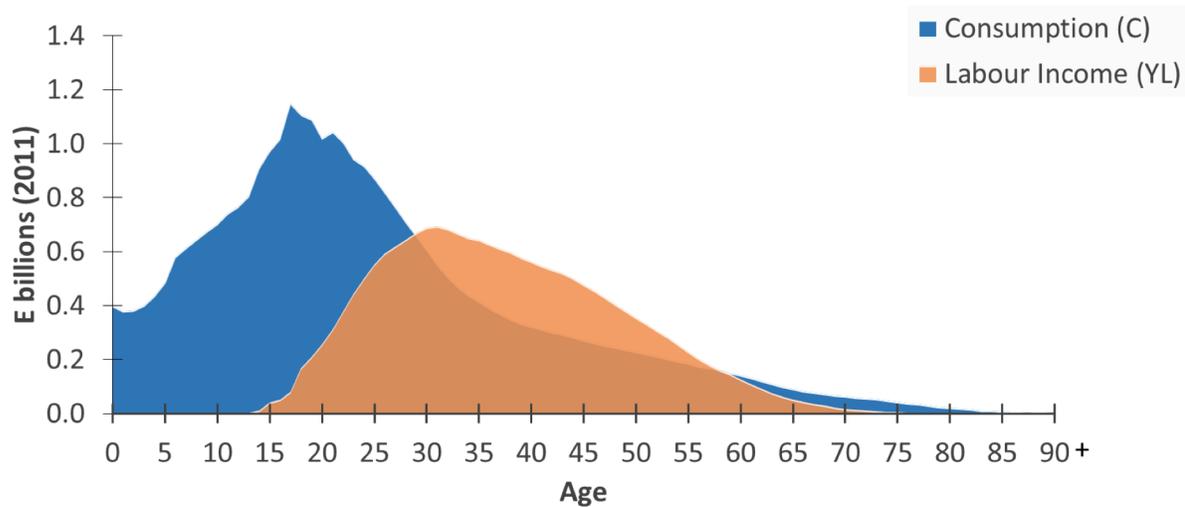
**Botswana, 2010**



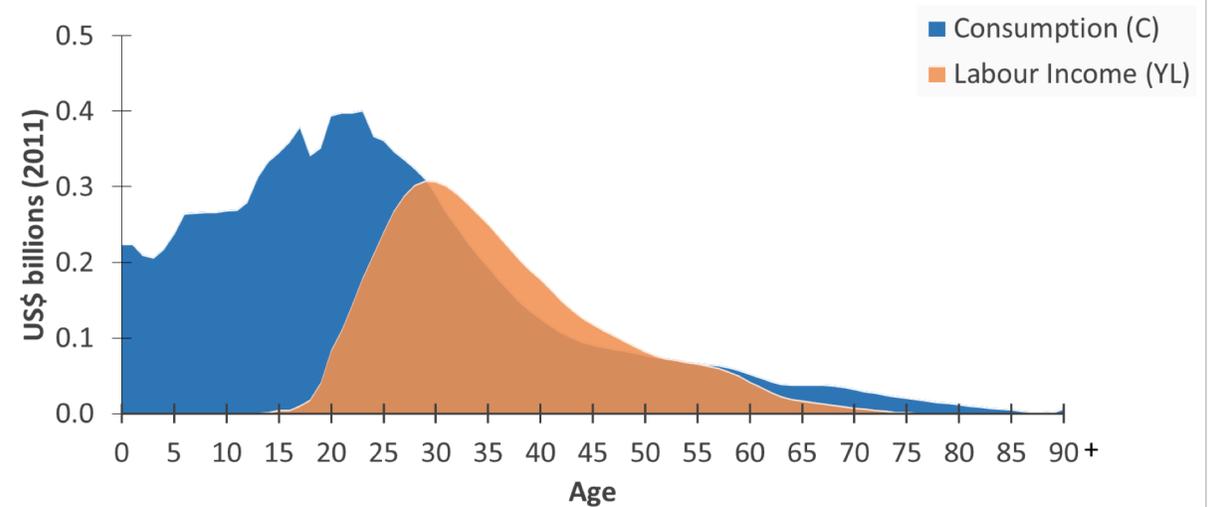
**Namibia, 2012**



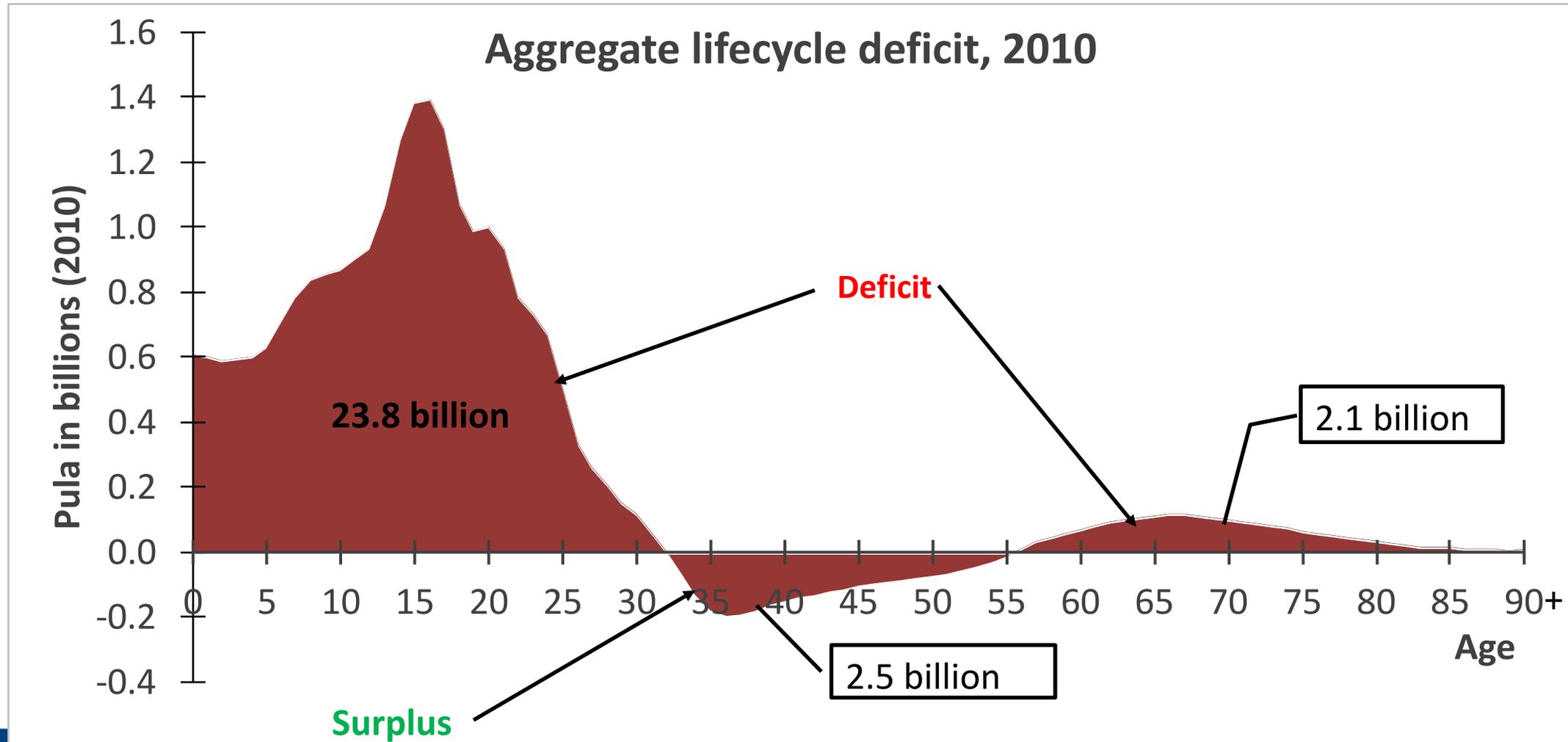
**Swaziland, 2011**



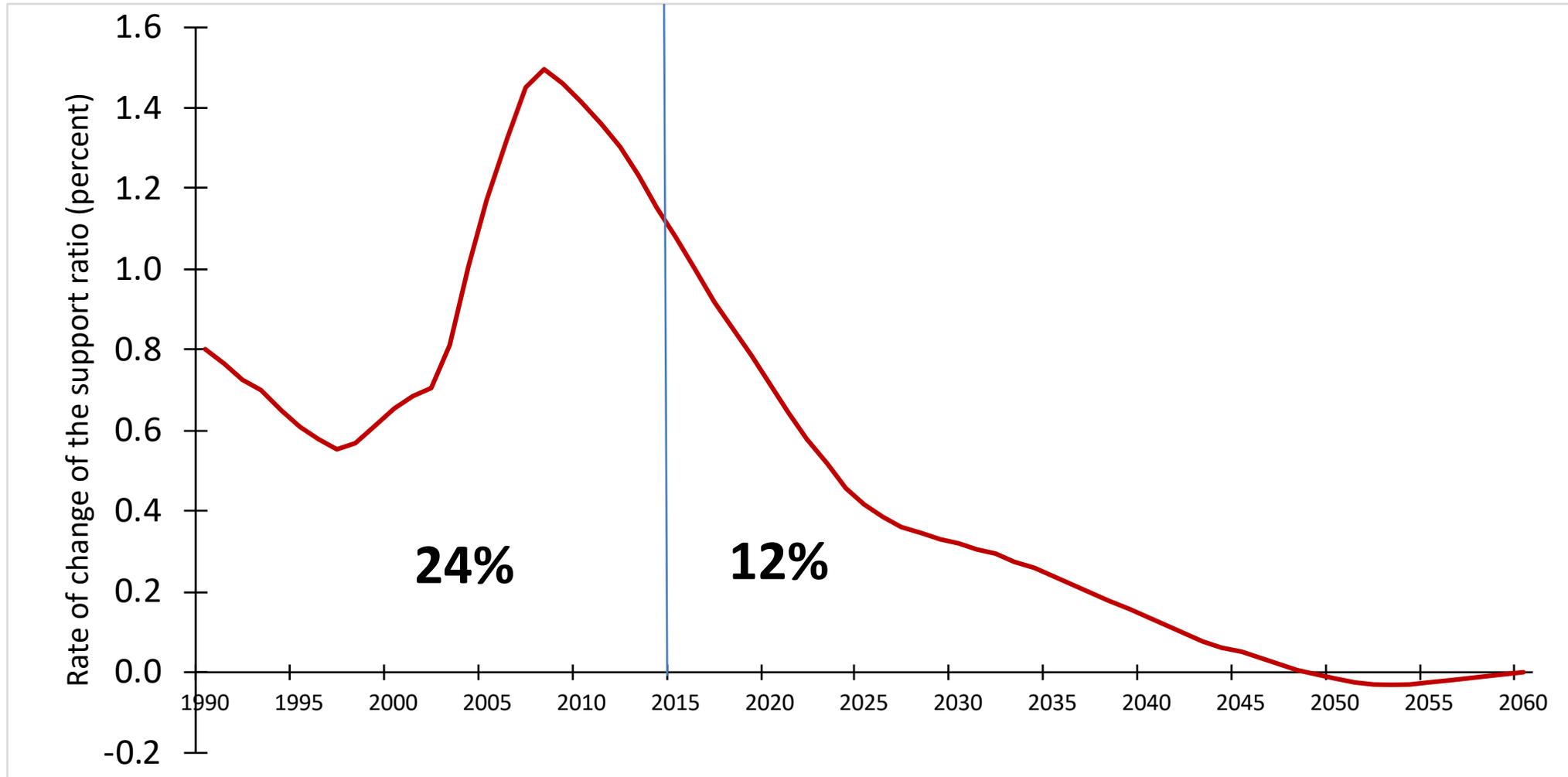
**Zimbabwe, 2011**



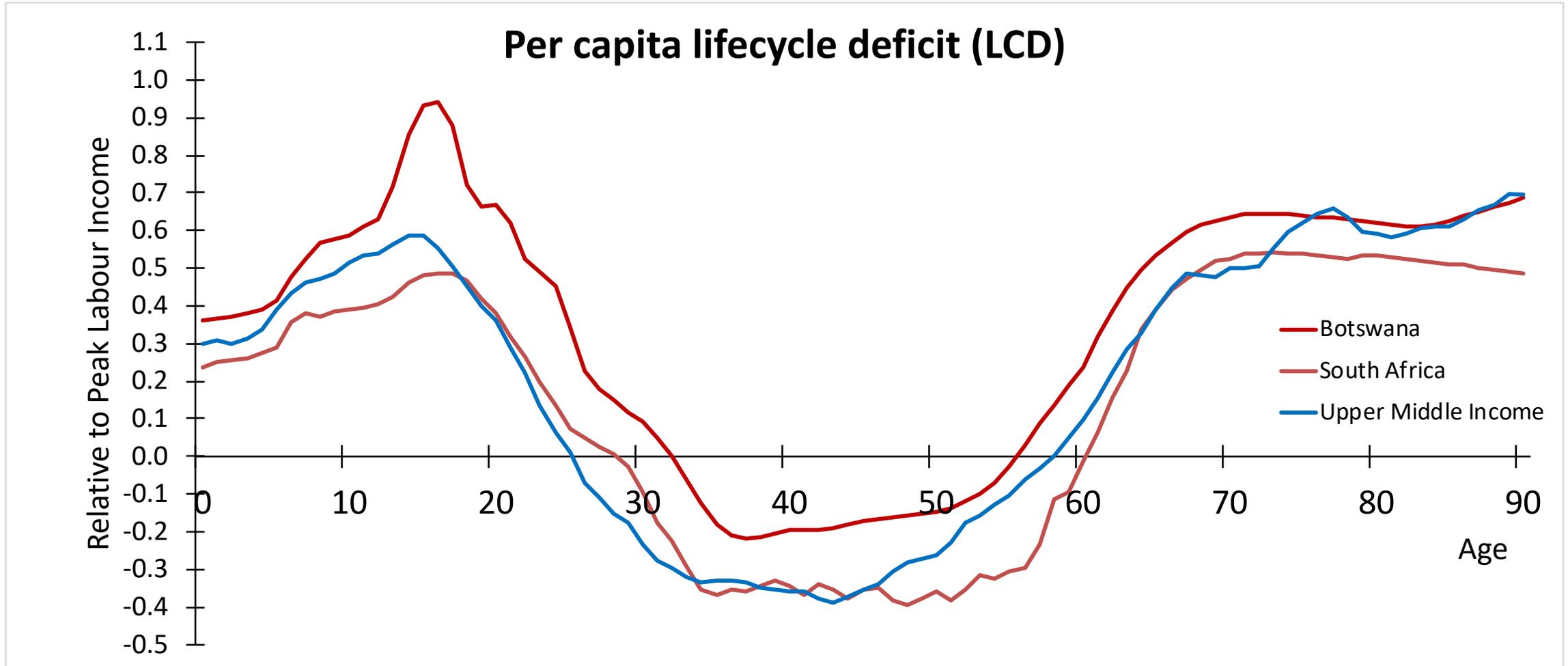
# Is Botswana living beyond its means?



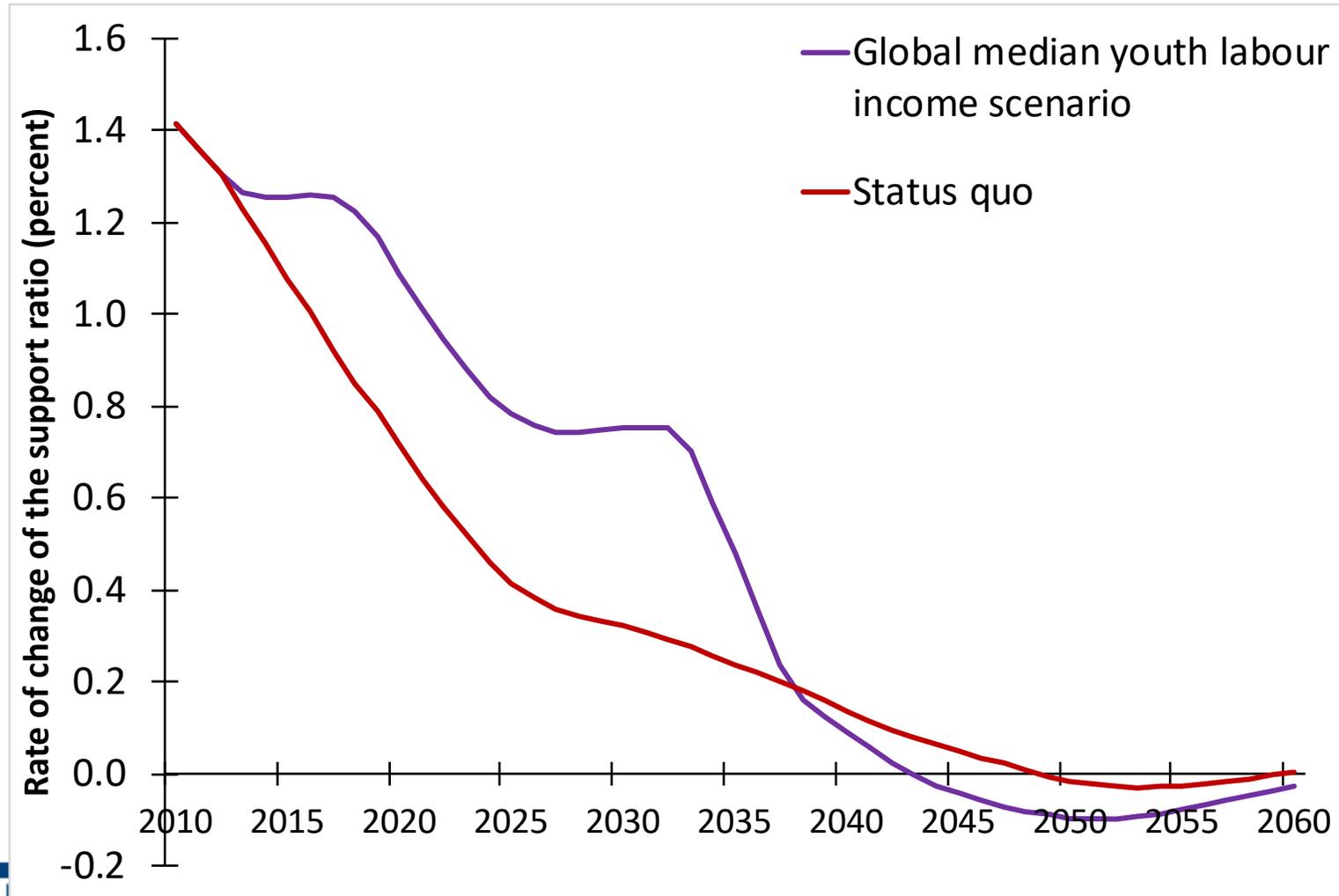
# Estimating Botswana's First Demographic Dividend



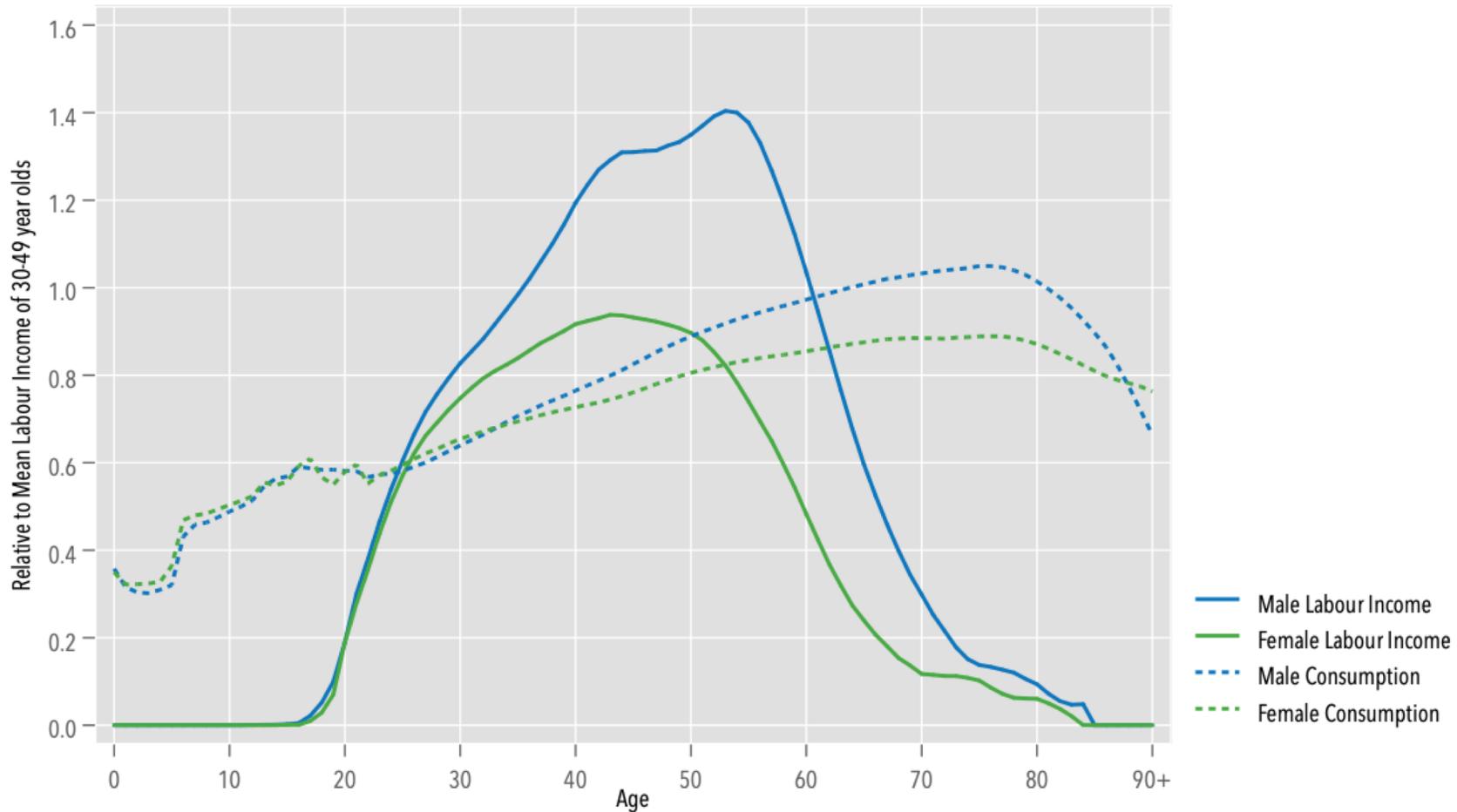
# Botswana's surplus period is short and the magnitude is small



# What happens if Botswana can achieve a similar labour income profile for young people as the global median profile?

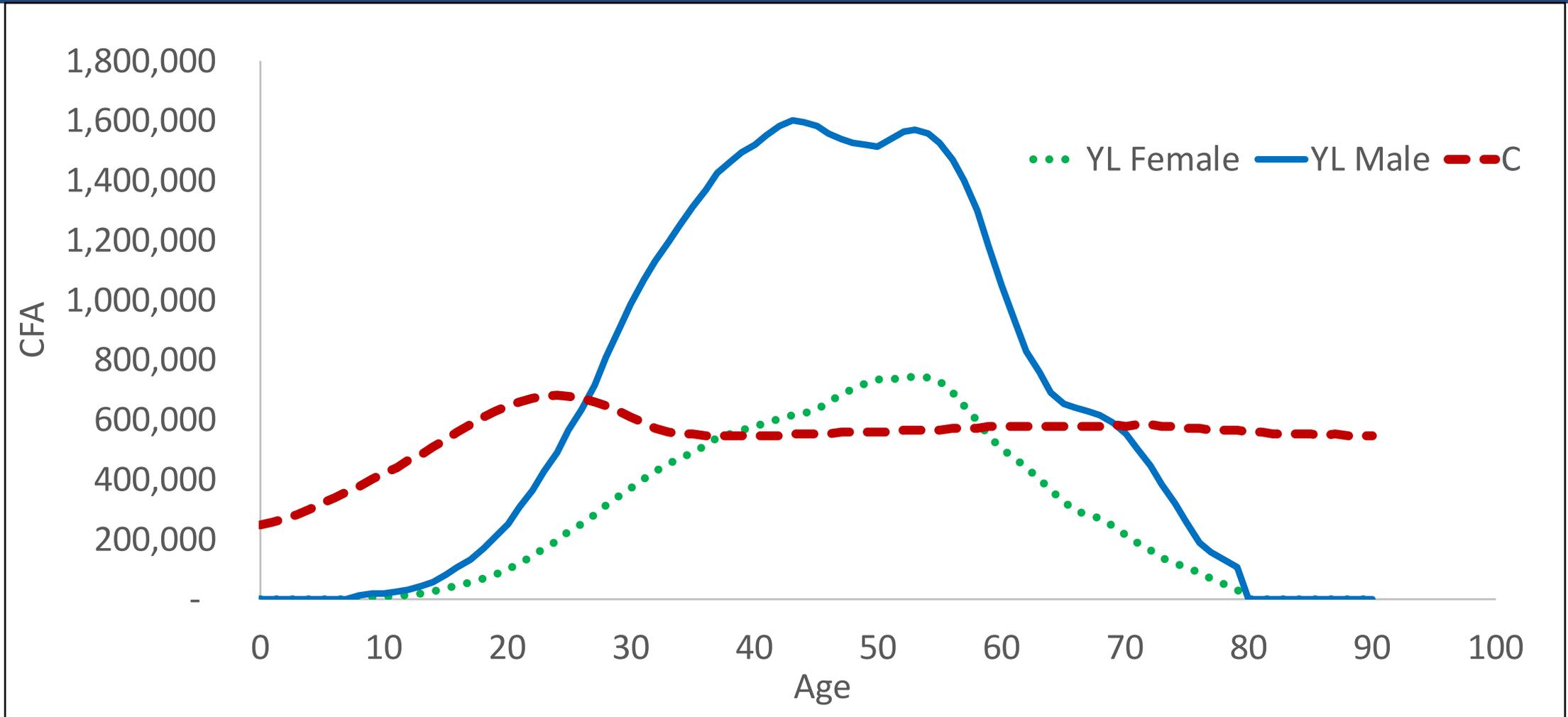


# Gender Dividend: Labour Income and Consumption by Gender, South Africa 2010

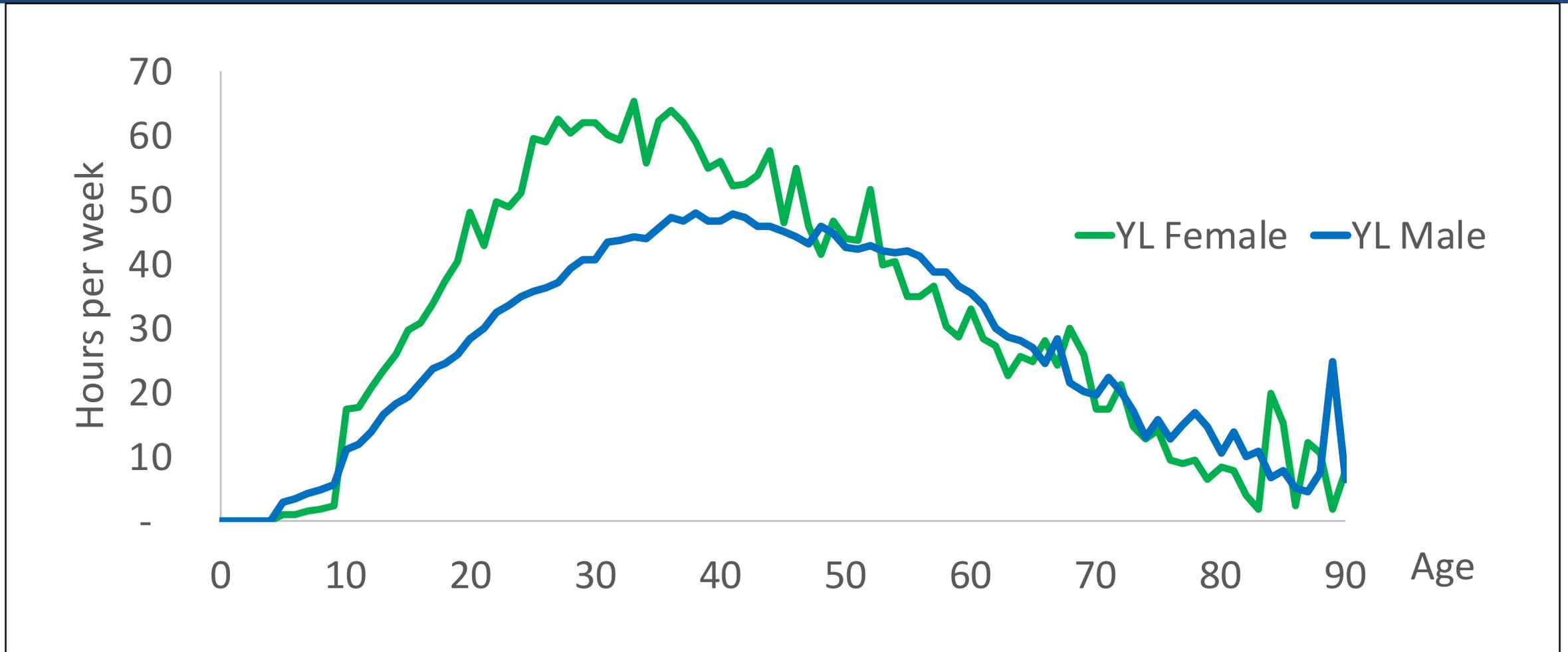


Source: Oosthuizen, 2018

# Gender Dividend - Income and Consumption by Age and Gender, Senegal 2011



# Combined Time Spent on Domestic Work and in the Labour Market for Females and Males, Senegal 2011



# Key Issues for Action

- Prioritizing YNEET is central to harnessing the demographic dividend and achieving Africa's socioeconomic transformation envisaged in Agenda 2063 and various national development visions.
- Special focus should be on closing gender gaps in education, skill development and economic opportunity for youth
- Addressing YNEET should focus on education reforms (early childhood, basic, tertiary) to produce quality 21 century labour force to ensure we don't have the same or even worse YNEET challenges in the next generation of youth **as well as empower current youth who are out of school.**
- Policy frameworks in most countries are favourable and highlight these issues – how do we close the implementation gap and mobilise the required technical and financial resources?

# Thank You

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