WHAT IS NEEDED TO CAPTURE THE DEMOGRAPHIC DIVIDEND?

SUCCESS AND FAILURE STORIES

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THE FIRST DEMOGRAPHIC DIVIDEND

An economic surplus resulting from a relative increase of the **employed working-age population** as compared to the dependents, in particular the young (U15) dependents

Vincent Turbat (2017)

PREREQUISITES TO UNLOCK

Demography:

Total Fertility Rate < 3.5

Demographic Dependancy Ratio < 0.6

Labor Market:

DD = Surplus of **employed** versus dependant

Translate workforce into economic growth!

Social:

Educated workforce is essential

Reduction of «working poor»

WHICH ARE THE POLICIES NEEDED?

Family Planning Policies and Access to Healthcare

Labour Market Policies

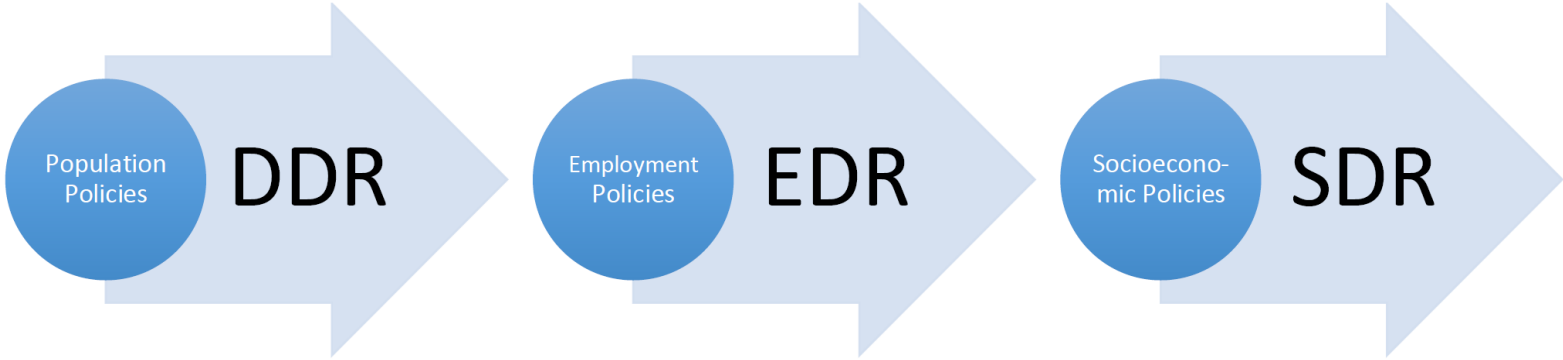
Socio-Economic Policies

POLICIES AND MEASURING SUCCESS

Demographic Dependency Ratio

Employment Dependency Ratio

Socioeconomic Dependency Ratio



Source: Turbat (2022)

DEMOGRAPHIC DEPENDENCY RATIO (DDR)

$$DDR = \frac{(Number\ of\ people\ aged\ 0\ to\ 14\ and\ 64\ and\ over)}{(Number\ of\ people\ aged\ 15\ to\ 64)} \times 100$$

$$= \frac{U15 + 65+}{15 - 64} \times 100$$

- Not everyone 15-64 is employed
- Not everyone U15 / 65+ is unemployed!

Weakness: Real risk of economic dependence is underestimated!

EMPLOYMENT DEPENDENCY RATIO (EDR)

$$EDR = \frac{(Under\ 15 + 65+) + (Unemployed\ 15\ to\ 64) - (Employed\ U15\ and\ 65+)}{(15\ to\ 64) - (Unemployed\ 15\ to\ 64) + (Employed\ U15\ and\ 65+)} \times 100$$

or:

$$\mathbf{EDR = Unemployed / Employed \times 100}$$

Does not consider the burden of those with income that does not sustain them

Does not consider self-sustaining unemployed and income which is lower than consumption

Weakness: Still underestimates social dependency!

SOCIOECONOMIC DEPENDENCY RATIO (SDR)

$$SDR = \frac{(Number\ of\ People\ whose\ Income\ is < Consumption)}{(\text{Number of People whose Income is} > \text{Consumption})} \times 100$$

or:

SDR = (Unemployed + Employed but not self-sufficient) / Employed and seld-sufficient

Clearly differentiates between those whose earnings are higher than consumption and those who depend on transfers

Weakness: Hard to calculate (need income and consumption data)!

DDR, EDR AND SDR IN AFRICA

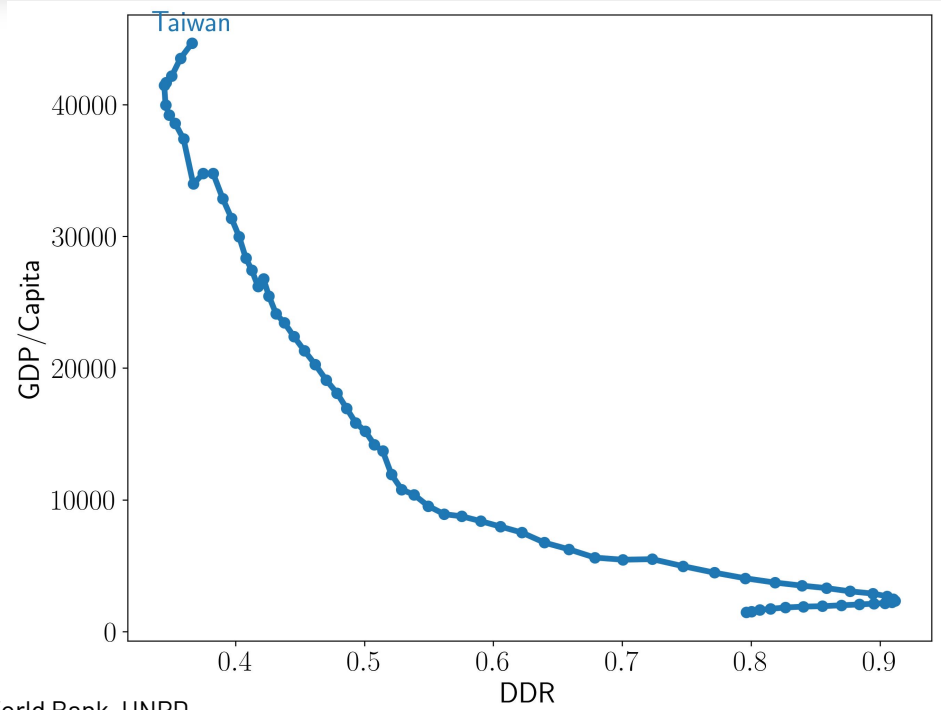
	DDR	EDR	SDR
Ghana	70	157.7	141.5
South Africa	52.2	245.8	80.5
Ethiopia	83.9	119.3	104.9
Mozambique	93.5	140.5	107.4
South Korea	36.3	92.6	93
China	37.7	83	87.9
Japan	63.9	98.3	121.7

Source: Turbat (2022)

DD IN REALITY

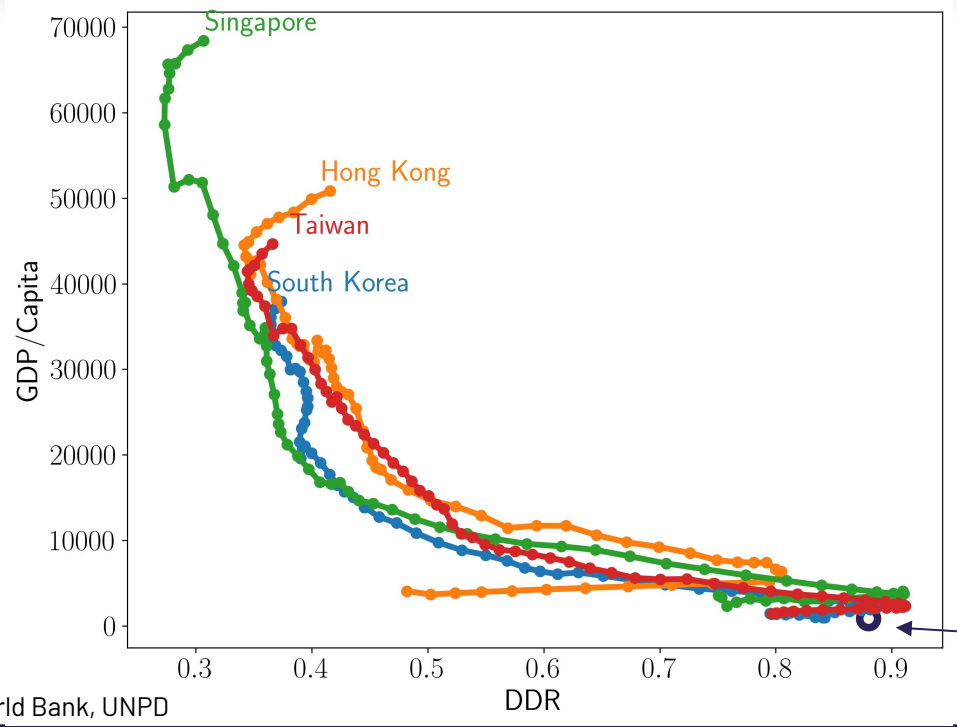
Success and failure stories

DDR AND ECONOMIC GROWTH IN TAIWAN



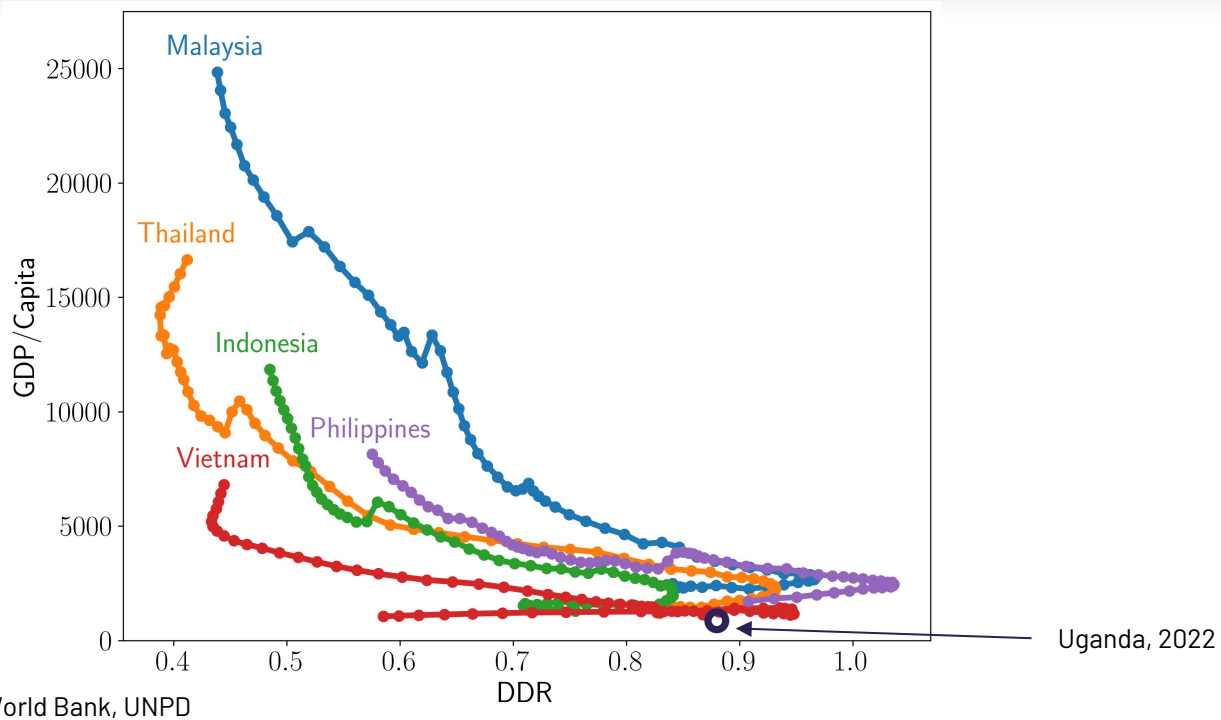
Source: WDA Research, World Bank, UNPD

THE ASIAN TIGERS



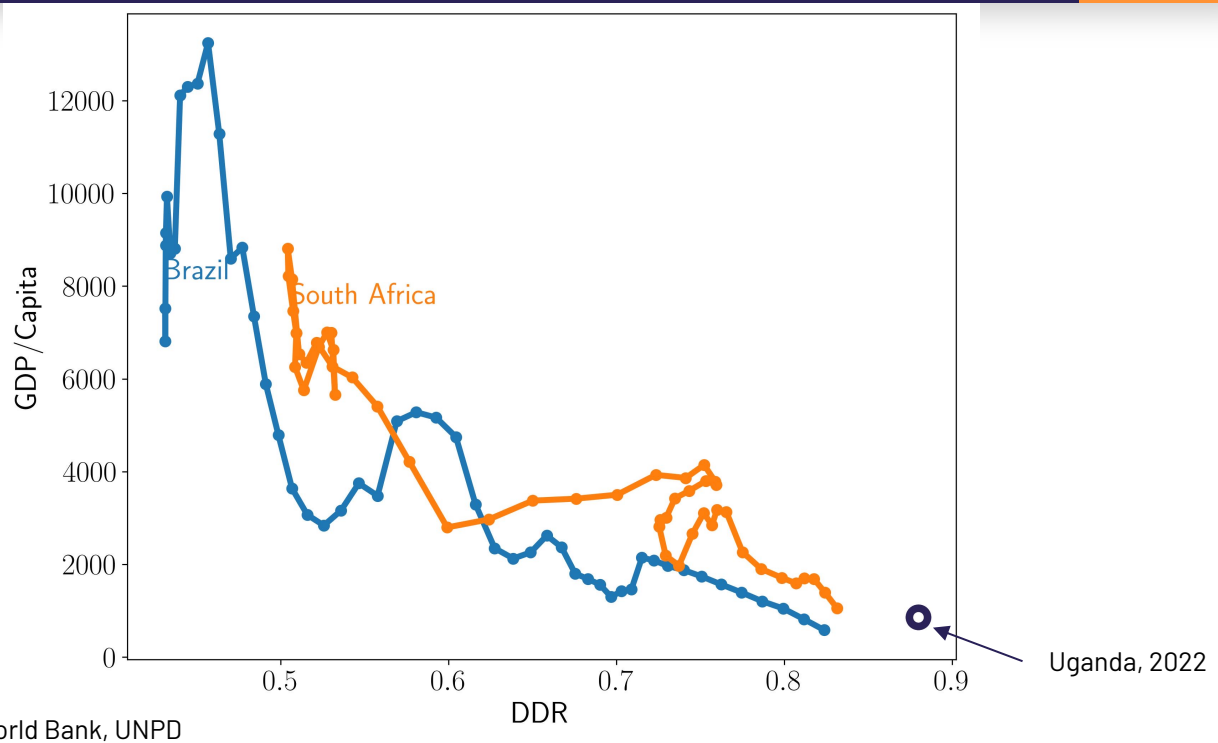
Source: WDA Research, World Bank, UNPD

THE TIGER CUBS



Source: WDA Research, World Bank, UNPD

SOUTH AFRICA, BRAZIL



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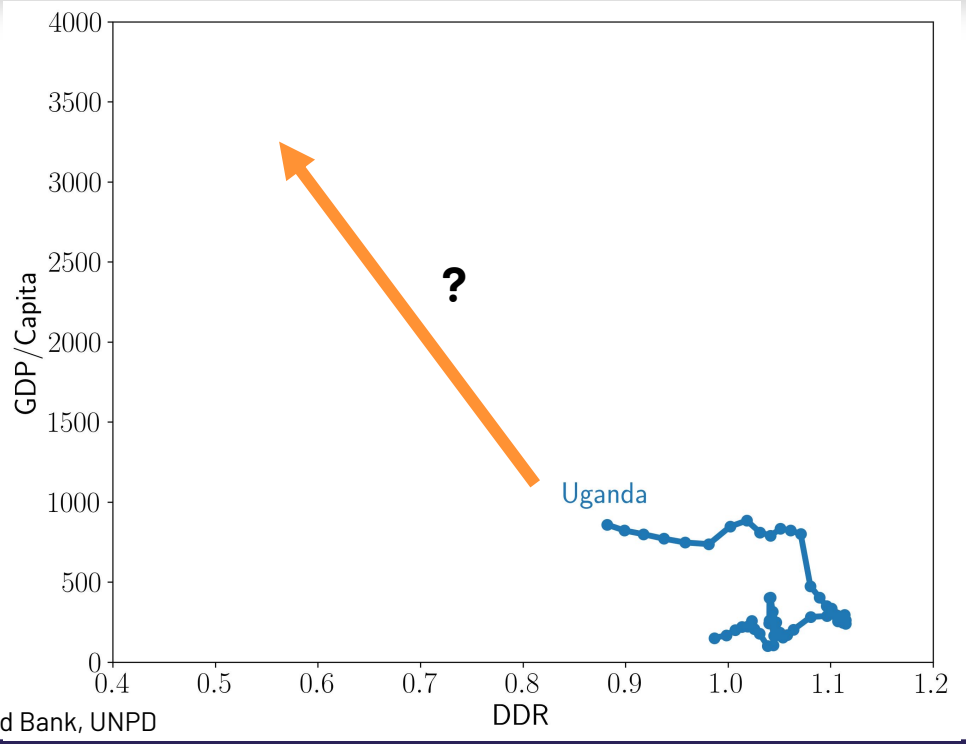
UGANDA



Source: WDA Research, World Bank, UNPD

UGANDA: AN «AFRICAN LION»?

Urgency to develop an **Updated Roadmap 2040 – now!**

Introducing **DDR**, **EDR**, **SDR** as a guiding concept

- Family & Health Planning (DDR)
- Labour Market Policies (EDR)
- Socio-Economic Policies (SDR)

UGANDA: LET THE LION ROAR!