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Policy Brief

Family Planning and the Demographic Dividend in Africa

Background

The demographic dividend refers to the opportunity for accelerated economic growth that results from changes in a country's age structure combined with favorable social and economic policies.

The demographic dividend can be achieved during the middle stage of the demographic transition. The demographic transition refers to the transition from high birth and death rates to low birth and death rates as a country develops from a pre-industrial to an industrialized economic system. This is a four phase process where in the first phase death rates and birth rates are high; in the second phase where death rates drop rapidly due to various improvements in social and economic development; in the third phase birth rates fall in part due to access to family planning and the fourth phase where both birth rates and death rates are low.

During the middle stage when fertility falls, countries have a window of opportunity for economic growth through an increase in the working-age population, decrease in the number of young people to support and without, yet an ageing population.

For instance, an estimated 30-50% of East Asia's dramatic economic growth in 1965-1990 can be attributed to reduced child mortality and subsequent lower fertility rates that created a baby-boom cohort and decreased the dependency ratio. This demographic dividend boosted economic growth. This effect is particularly important for women, as reduced fertility increases their participation in the workforce. GDP per capita is increasing by 1.0% per year in China and 0.7% per year in India as a result of the effect of lower fertility on age structures.

A reduction in fertility of one child per woman in Nigeria would lead to a 13% increase in GDP per capita in 20 years, and 25% in 50 years. An estimated US$ 1.40 is saved on maternal and newborn health care for every dollar invested in family planning and another US$ 4 is saved on treating complications of unplanned pregnancies. Almost a quarter of girls in Africa (excluding north Africa) drop out of school because of unintended pregnancies. Providing girls with just one extra year of education beyond the average boosts their eventual wages by 10 to 20 percent.

Family planning is a highly-cost effective investment in the health and livelihood of both women and children, and can strongly reduce numbers of preterm births, especially in regions like Africa with high rates of adolescent pregnancy.

To achieve their full potential for economic growth, countries will need to address their extremely young age structure through investments in development, education, and a health and family planning strategy to contribute to smaller and healthier families and realize the demographic dividend.

Challenges

There have been challenges to attaining demographic dividends in Africa:

- The majority of countries in Africa (excluding north Africa) have fertility rates of more than three children per woman, and couples still desire large families. These fertility rates, coupled with declining mortality rates, have led to youthful age structures, where younger age groups comprise a larger share of the population than older age groups. Today, 43 percent of Africa's population (excluding north Africa) is under the age of 15. This has led to great demands on education and job creation.
- The window of opportunity presented by the demographic dividend is short, and will close over the next 10 to 20 years for most developing countries. Countries must enable fertility decline through strong investments in family planning in order to see the economic benefits of a demographic dividend.
- In many countries, improvements in child mortality have outpaced declines in fertility leading to a very youthful population age structure. In many of these same countries, women want to delay childbearing or have less or no more children, yet many are not using modern contraception. Globally the unmet need for family planning has decreased slightly between 2008 and 2012, from 226 to 222 million. However in Africa (excluding north Africa), the unmet need for contraception has increased from 31 million in 2008 to 36 million in 2012.
- While many countries in Africa (excluding north Africa) have achieved significant economic growth in recent years, this growth has not improved the living standards of most people. Pro-poor economic and governance policies that will allow the most disadvantaged people to access family planning, health care, education and employment opportunities to can help ensure the demographic dividend yields equitable results.

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Strategies and Best Practices

- For countries to attain the demographic dividend, rapid fertility decline must occur. This will allow population growth to slow, and the ratio of working-age adults relative to young people to increase. Improved access to and use of voluntary family planning is a key intervention to address unintended pregnancy and, thereby, high fertility. (e.g. Malawi, Rwanda, Ethiopia, Ghana, Tanzania).
- Demographic dividends are not automatic. In addition to investments in health, governments must invest in human capital through education, health, and workforce training to prepare for the window of opportunity that the demographic transition presents (e.g. Burundi, Mozambique, South Africa).
- Demographic dividend is a time sensitive opportunity that requires immediate preparatory action. As populations age due to lower fertility, the resources required to support the elderly increase. To address this, policies such as strengthening social security systems to prepare the large working age group for their inevitable aging as well as promoting private savings as a means for old age security with incentivizing economic policies should be put in place, allowing the future generation to finance their consumption needs when older. (e.g. Ghana, South Africa).
- Government policies to encourage economic growth should also emphasize gender equality, allowing women to access voluntary family planning and contribute to the family's economic well-being. When women earn income, they reinvest 90 percent of their earnings into their families. (e.g. Mozambique, Rwanda, South Africa, Uganda, Zimbabwe).
- Investments in girls' education are crucial for achieving lower family size and fertility decline, as evidence shows that education delays marriage and first pregnancy. Girls who marry at a later age tend to have fewer children than those who marry earlier (e.g. Burkina Faso, Ethiopia, Ghana, Nigeria).
- Through investments in reproductive, maternal and child health, smaller family size can be encouraged. Families will often choose to have fewer children when they know that their children will survive.
- To benefit from the demographic dividend, countries must have a healthy, productive workforce. For children and adolescents to succeed in school and prepare to contribute to the workforce, they must be provided with comprehensive health services (e.g. Botswana, Ethiopia, Namibia, Rwanda, South Africa).

Case Study: Rwanda

In Rwanda, modern contraception use has increased fourfold over the past decade, and the total fertility rate has fallen to 4.6 children per woman. If the impressive progress continues, Rwanda will, by 2030, have achieved the demographic conditions necessary for accelerated economic growth. This rapid progress has been in part, as result of the Government's role in supporting family planning practices which have been promoted through a number of key policies. One such policy has been the strengthening of public sector service provision (government health centres, hospitals and other public entities), which now serve almost 90% of all family planning users. The Rwandan Government has also taken steps to promote Public-Private Partnerships (PPP) to support contraceptive commodity security. Its Pharmacy Task Force, which is responsible for supervising the effectiveness and quality of pharmaceutical products, also provides free contraceptives through pharmacies and drug shops.

Key Opportunities

- The pledges made at the London Family Planning Summit in 2020 will bring voluntary family planning information, contraceptives, and services to 120 million more women and girls by 2020. In Africa, 53% of women of reproductive age have an unmet need for modern contraception. This investment can pave the path for a fertility decline and any ensuing demographic transition.
- The launch of the UN Commission on Life-Saving Commodities for Women and Children in 2012 will lead to increase access to affordable life-saving medicines and health supplies to this vulnerable population.
- Africa (excluding north Africa) accounts for 38% of global neonatal deaths. Efforts to end preventable child deaths under A Promise Renewed and Every Newborn will result in healthier children who have the opportunity to grow into productive adults, who both contribute to and benefit from the economic growth of their countries.

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