

# Harnessing the Demographic Dividend: The Gates Institute's Leadership

The **Bill & Melinda Gates Institute for Population and Reproductive Health** (GI) has been a leader in driving forward the demographic dividend (DD) framework globally, and particularly with our African partners.

The Institute has convened workshops and meetings for stakeholders to share DD knowledge and take action. This has been a key activity of the institute since September 2011, when GI assisted the World Bank in organizing a side seminar on the DD for ministers of finance and development, with keynotes delivered by Melinda Gates (Co-Chair, Bill & Melinda Gates Foundation), Andrew Mitchell (Secretary of State, United Kingdom), Raj Shah (administrator, USAID) and David Bloom (professor, Harvard University).

**GI is committed to continued investment in innovative, high-return and transformational approaches to advance rigorous DD research and effective policy implementation.**

profile and use it in the development of its DD policies and programs.

In collaboration with UNFPA West and Central Africa Office (WCARO), CREFAT organized the June 2016 high-level symposium on the demographic dividend, which engaged African leaders on the issue of the DD and marked a step toward getting it on the agenda of the African Union. Following the symposium, CREFAT hosted the 11th conference of the NTA network in Saly, Senegal, in June. More than 150 researchers and policymakers from over 60 countries attended the conference. Because of CREFAT's productive work with the countries at the NTA conference, CREFAT was asked to host the network's programming in Africa. CREFAT is now embarking on an effort to lead program work linking NTA research, training and policy dialogue across the continent. CREFAT's success would not have been possible without the Gates Institute's support.

## Advancing the Demographic Dividend Policy Framework through Research

### ***Supporting Le Centre de Recherche en Economie et Finance Appliquée de Thiès (CREFAT), Senegal***

Over the past two years, the Gates Institute has provided support to Le Centre de Recherche en Economie et Finance Appliquée de Thiès (CREFAT) in Senegal. With GI support, CREFAT made great progress with their work and were able to sell the National Transfer Accounts (NTA) approach to a few countries to start and to UNFPA, which is coordinating the Sahel Women's Empowerment and Demographic Dividend (SWEDD). CREFAT signed a memorandum of understanding (MoU) with UNFPA to cover all 23 countries in West and Central Africa, including the SWEDD countries. This aims at allowing each country in West and Central Africa to have its own NTA

### ***Supporting Publications on the DD***

#### ***Économie Générationnelle et Dividende Démographique***

The Gates Institute funded the publishing and editing of a two-volume book, *Économie Générationnelle et Dividende Démographique*, written by Dr. Latif Dra-



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mani from the Université de Thiès, which focuses on a demographic dividend in Senegal. Volume 1, “The Theory of Intergenerational Economy,” brings together several disciplines to understand the economic impact of demographic (fertility, aging, etc.) and sociological (education, work, etc.) issues. Dr. Dramani focuses on the diagnosis of the dynamics of poverty in Senegal and that of the employment situation, health and education. In Volume 2, “The Theory of Generational Economy,” Dr. Dramani attempts to apply the principles of the demographic dividend theory to the state of Senegal through the problems of youth, population growth and immigration. The Gates Institute continue to work with Dr. Dramani on demographic dividend activities in Senegal.

### ***Africa’s Population: In Search of a Demographic Dividend***

*Africa’s Population: In Search of a Demographic Dividend* was published by Hans Groth, MBA, of the World Demographic & Ageing Forum in Switzerland, and John F. May, PhD, of Population Reference Bureau in Washington D.C. This book explores different paths that Africa can take to benefit from the economic growth that might result from its changing population structure. It was partially supported by the Gates Institute.

While the challenges to reaching the demographic dividend have been explored in wide range of literature, this book is poised to become a go-to-resource for students, researchers, leaders and advocates working in population health and development. It includes inputs from fifty renowned African and international scholars, and offers an analysis of conditions that need to be met for the African countries to take full advantage of the potential demographic dividends. The book makes clear the importance of building human capital through education, good governance, health, and employment, as well as the critical role of African leaders and their developmental partners in fostering investments in these four areas.

*Africa’s Population* will help readers to gain solid knowledge of demographic trends and provide insights into socioeconomic policies that could lead sub-Saharan Africa into a successful future.

### ***Independent and Collaborative Research and Academic Publications***

GI continues to generate knowledge to support the promotion of the demographic dividend policy framework.

GI supported DD research at the Harvard T.H. Chan School of Public Health that found an up to 13% increase in per capita income by 2030 and an up to 65% increase

by 2050 if one-third of the unmet need for family planning is met, based on case studies from three Sub-Saharan African countries. This impact increases up to 22% by 2030 and 87% by 2050 if all unmet need is met (Bloom, Humair, Rosenberg, Sevilla, & Trussell, 2013).

Gates Institute affiliated faculty Drs. Qingfeng Li, Li Liu, Amy Tsui and Saifuddin Ahmed estimated the contribution of fertility decline to the changes in population age structure and associated economic consequences in 201 countries from 1960 to 2015. The results demonstrated huge regional variations as well as the potential opportunity for Sub-Saharan Africa (SSA) to catch up. Should the fertility not have declined, the child dependency ratio would have been 122% and 104% higher than the observed level in 2012 in Latin America and the Caribbean (LAC) respectively. This percentage would have been only 13% higher in Africa. The per capita GDP in Asia and LAC would be 22% and 21% lower, respectively, than the actual level in 2010 had the fertility decline during 1960–2010 not occurred. This percentage is only 8% in SSA.

Dr. Li and Gates Institute Director Jose Rimón used Nigeria and India as two case studies to illustrate the demographic dividend of FP2020.

Another study by Drs. Li and Tsui looked at possible educational dividend from contraceptive use in 11 SSA countries.

Another paper on the DD—co-authored by Dr. Ahmed and Rimón—titled “Small families are healthy families: Evidence of the long-term effect of small family size on improving survival status across the lifespan” provided empirical evidence that small family size, achieved primarily through contraceptive use, provides long-term health benefits at the population level.

Drs. Li, Ahmed, Liu, and Tsui gave a presentation on the DD—“Fertility, mortality, and economic development: An Analysis of 201 Countries during 1960–2010”—at the 10th Global Meeting of the Working Group on Macroeconomic Aspects of Intergenerational Transfer (NTA10), November 10–14, 2014, in Beijing, China.

During the Population Association of America (PAA) 2014 annual meeting, GI affiliated faculty delivered several presentations, namely: “Contribution of Fertility and Mortality Declines in 1960–2010 to Changes in Dependency Ratios: An Analysis of 201 Countries” and “The Demographic Dividend of Meeting Unmet Need for Modern Contraception in Sub-Saharan Africa”

Dr. J.M. Ian Salas, Research Economist at the Gates Institute, conducted research on the demographic dividend focusing on extending applications of the National Transfer Accounts (NTA) framework to Philippine data. In October 2015, Dr. Salas presented a paper



on how subgroups in the Philippines defined by income and urban/rural residence have exhibited differences in economic lifecycles. Looking at the age when young adults start earning more than they consume, young adults in poor rural households do so at comparatively older ages. Looking at the age when old adults start earning less than they consume, old adults in poor rural households do so at comparatively younger ages. This suggests that, compared to rich urban households with smaller family sizes, adults in poor rural households produce an economic surplus (earning more than they consume) for a shorter period of their lives. His paper has been submitted to the *Journal of the Economics of Ageing*. Dr. Salas is currently working on doing a similar analysis for the 17 different regions of the Philippines, which will also allow him to look at how spending on human capital (child health and education) varies by average number of children.

Drs. Li and Tsui and GI Research Assistant Elizabeth Tobey estimated the education dividend of contraceptive use in 11 SSA countries. In addition, two other studies by Dr. Saifuddin Ahmed were presented at the 2016 International Conference on Family Planning (ICFP) — 1) “Small families are healthy families: Evidence of the long-term effect of small family size on improving survival status across the lifespan,” and 2) “A strategic roadmap to achieve the FP2020 goal of 120 million additional users by year 2020.”

Dr. Salas was invited to give a talk at the UNFPA headquarters in July 2016 on the synthesis of various demographic dividend models to help academics and practitioners understand and compare the different models. This presentation was seen not only by those present at UNFPA headquarters, but also virtually by UNFPA staff around the world. Dr. Salas also gave a presentation on his DD research in Dakar, Senegal, in June 2016 on sub-national data from the Philippines suggesting that regions with declining family sizes are able to invest more in children’s education and health. This higher spending seems to translate into better child health, but not necessarily better test scores. His paper from 2015 looks at how economic conditions can negate or amplify the gains from demographic dividends looking at the case of the Philippines in separate periods of boom and bust, and explores the differences in economic growth experienced by different population groups in the country that are at varying stages of the demographic transition; it was published in the December 2016 issue of *Journal of the Economics of Ageing*.

## DD Capacity-Building and Mentoring

### **Demographic Dividend Capacity-building**

On July 23, 2013, GI convened a consortium of researchers from Johns Hopkins Bloomberg School of Public Health, Harvard T.H. Chan School of Public Health, and the National Transfers Account project of the University of Hawaii and the University of California, Berkley, at the World Bank, to explain the different DD modelling tools.

During the 2016 ICFP, a pre-conference workshop on the DD was organized by the Gates Institute in partnership with Population Reference Bureau (PRB) and the Population and Poverty Research Network (PopPov). The workshop tackled the opportunities and challenges related to achieving the demographic dividend, especially in countries throughout Sub-Saharan Africa, and equipped attendees with information and skills to contribute to moving the demographic dividend agenda forward.

### **Gates Scholars & Fellows — Individualized and Group Mentoring**

The visiting scholars component of the Institute’s capacity-building efforts is designed to support a cadre of strong scientists and practitioners who, bolstered by their experience with the Institute, can in turn strengthen the institutions and populations they serve. In fall 2015, Sahlu Haile, Senior Scholar at the David and Lucile Packard Foundation, Ethiopia, came to Johns Hopkins to build research skills around demographic dividend theory.

## Promoting the Demographic Dividend

### **DD Promotion Through Major Events/Mobilization**

In May 2012, the Gates Institute organized a meeting for DD stakeholders in Washington D.C., out of which evolved an international steering committee to plan a side event on “The Demographic Dividend for Africa” for the 2013 United Nations Economic Commission for Africa and African Union Commission (ECA/AUC) annual conference. A remarkable feature of the May meeting was the common cause among participants, comprised of economists, health researchers, bilateral, multilateral and private development partners, and government officials, on the relevance of the DD framework for research and policy to address African development. In addition, there was broad consensus on the importance of policies that create a favorable age structure by enabling fertility declines, such as through access to family planning and girls’ education, and generate subsequent savings that can be invested

in various sectors to accelerate and sustain economic growth.

The day-long side seminar, organized by the Institute in partnership with the United Nations Economic Commission for Africa and African Union Commission, was part of the annual conference for Ministers of Finance, Economic Development and Planning, held in late March 2013 in Abidjan. This event drew 300 participants on a Sunday. For the conference, GI provided technical expertise to Economic Commission of Africa (ECA) in the preparation of the document “Creating and Capitalizing on the Demographic Dividend for Africa.” The ministers, at the end of the conference, called on ECA and the African Union to launch demographic dividend Initiatives across the African continent. Subsequently, the AU dedicated 2017 as the year of “Harnessing the Demographic Dividend through investments in Youth.”

In June 2013, US stakeholders in the DD met to strategize national-level dissemination and identified four countries where efforts could be mobilized: Kenya, Ethiopia, Senegal and Nigeria. Models for estimating the economic and health benefits of a favorable age structure have been developed by the World Bank’s Africa Division with technical guidance by David Canning at Harvard University, The Futures Group, the NTA project, and the Gates Institute. These models were presented and discussed at the World Bank on July 23, 2013.

In September 2014, high-level family planning leaders, scientists and researchers signed on to the Demographic Dividend Sahel Statement. This statement urges the enactment of policies and investments that would enable the region to take advantage of the window of opportunity for the demographic dividend. The statement was presented at a side event of the 69th Session of the United Nations General Assembly dedicated to the topic. Present at this meeting were Melinda Gates, Co-Chair of the Bill & Melinda Gates Foundation; Dr. Babatunde Osotimehin, then-Executive Director of United Nations Population Fund (UNFPA); and the presidents of Burkina Faso, Niger and Côte d’Ivoire. The statement and its endorsements were prepared and disseminated by the Institute in support of this UNFPA-organized side meeting.

### ***Support and Transfer of Relevant Knowledge and Evidence Related to the Demographic Dividend***

The DD has proven to be a particularly effective concept for communicating the importance of family planning through an economic lens. After the World Bank side meeting in September 2011, the DD agenda developed a powerful momentum that carried through activities in Abidjan, Washington D.C., Bali, Addis Ababa, Beijing, New York and Dakar. DD is now poised to become a ma-

ior policy driver in Sub-Saharan Africa, and within key multilateral, bilateral institutions and other foundations.

In September 2011, the GI hosted full-day high-level policymaker meeting nested in the Dakar Family Planning conference. This meeting was attended by approximately 100 individuals, with the theme of “Realizing the Demographic Dividend to Accelerate Economic Growth.” In this meeting, the director of the Fiscal Policy Office of the Government of Indonesia’s Ministry of Finance gave a persuasive presentation on the national DD experience, convincing many high-level attendees of its relevance. One such person was the deputy minister of finance for Malawi, who subsequently spoke about DD at a May 2012 national conference on population, economic development and family planning.

### ***DD Promotion at the International Conference on Family Planning, November 2018***

Due to the success of the event at the 2011 ICFP, the 2013 ICFP once again featured a High-Level Ministerial Meeting (HLMM). The meeting was organized by Advance Family Planning (AFP), and the theme was “The Youth Dividend: Return on Investment in Family Planning.” More than 356 participants from 47 countries gathered to discuss the benefits of investing in health and well-being, particularly reproductive health and family planning, to benefit young people, and the potential of such investments to accelerate economic growth and development. Twenty-six leaders from African ministries of health, youth, economic planning and development, and finance attended the HLMM. Seventy-five additional ministerial representatives and 15 members of parliament joined the meeting, as did more than 100 individuals from the donor community as well as 136 distinguished guests from NGOs.

The DD was also a topic of discussion and presentation at the 2016 ICFP in Indonesia. There was another high-level panel session focused on the DD and a pre-conference specifically for DD that involved scientists, researchers and policy makers from around the world.

The theme of the 2018 ICFP, to be held in November 2018 in Kigali, Rwanda, is “Investing for a Lifetime of Returns,” and family planning’s impressive returns on investment will underlie many of the conference plenaries and sessions. A DD track for abstracts has been designated, and the demographic dividend sub-committee is active and planning a DD pre-conference as well as other DD-focused activities.

## Ongoing Work and Future Plans

Through different mechanisms, GI continues to coordinate research and advocacy work on the demographic dividend. In the coming years, the institute will focus on three thematic areas: namely, country DD actions, research, advocacy and innovation; DD coordination and scorecards; and DD information and communication.

### **Country DD Actions, Research, Advocacy and Innovation**

Now that countries have started to adopt the DD framework and are using it to inform their development strategies and policies, GI aims to enable countries to independently produce their DD profiles and generate timely DD indicator estimates to inform policies and investments needed for these policies to yield the intended results. In this process, GI's in-country DD partners will benefit from the expertise and activities of the Gates Institute's major projects — Advance Family Planning (AFP), The Challenge Initiative (TCI) and Performance Monitoring and Accountability 2020 (PMA2020) — to establish productive and high-impact partnerships to advance their respective countries' DD agendas. This framework provides opportunities for locally adapted DD strategies and promotes homegrown DD solutions from the household to the national levels. It also provides opportunities to generate micro-level and short-term DD benefits that are both crucial for policy makers to adopt the DD favorable policy recommendations. The GI will prioritize research that generates evidence regarding the education and skills development, rights and governance, and employment and entrepreneurship pillars, since the health and wellbeing pillar has been the most studied over the last years.

### **DD Coordination and Scorecards**

GI's DD scorecards will gather existing policies for the specific four DD pillars and will map them based on their content and clarity. Standardized guidelines on specific aspects that such policies should cover in order to harness the DD will be used as reference. These scorecards will be more simple and comprehensive tools to assess DD favorable policies and will be used by key DD players to advance the DD framework in countries with potential to realize the DD.

GI will continue to coordinate DD activities through side events at such convenings as the International Conference on Family Planning (ICFP), and other major events hosted by the projects of GI and partners. GI will seek to collaborate with existing partners such as UNFPA,

USAID, WHO and philanthropies to host DD-focused side events at their major meetings or conferences.

GI will also continue to host the global DD coordination quarterly calls, which for the last two years have been a networking opportunity for global players in DD. These calls have facilitated discussion among organizations, hence creating opportunities for collaboration and coordination on the DD.

### **DD Information and Communication**

The DD website, <http://demographicdividend.org/>, was launched in 2015 to host various resources from researchers, advocates and policy makers related to the DD. The website features country-specific profiles for significant DD-related indicators and related narratives, which were developed with an eye toward audiences that may not have strong knowledge about the DD. This approach takes into account the fact that there may be misconceptions around the DD among non-specialist audiences, who eventually may be decision-makers. Through presenting these resources, the website promotes accountability mechanisms for DD interventions, as it provides information and evidence to advocates, youth and the media who may be sustainable promoters of accountability on DD policy commitments.

GI plans to enhance and build out the DD website to make it a more attractive and user-friendly hub of DD tools and resources. The website will also host a video, currently in development, that will capture views from policy makers and government officials (ministers of finance, education, health and labor) in countries that have and those that have not yet integrated the DD principles into their policies (or are in the beginning phases of integration). This video will compel viewers, via their sense of healthy competition, to join with those who have seen success/indicators of success with the integration of DD principles.

# Selected DD Publications

## Books

- Dramani, L. (2015). *Économie Générationnelle et Dividende Démographique*. Paris: LHarmattan.
- Groth, H., & May, J. (2017). *Africa's Population: In Search of a Demographic Dividend*. Springer.

## Briefs and Reports

All are available at [www.gatesinstitute.org/search/publications](http://www.gatesinstitute.org/search/publications)

- Creating and Capitalizing on the Demographic Dividend in Africa
- Will Nigeria Benefit from a Demographic Dividend?
- Mozambique at the Start of a Demographic Dividend
- Will Senegal Enjoy a Demographic Dividend?
- Capturing South Africa's Demographic Dividend
- Boosting Kenya's Demographic Dividend
- Population Change and Economic Growth in Africa

## Academic Papers and Presentations

- Bloom, D. E., Humair, S., Rosenberg, L., Sevilla, J. P., & Trussell, J. (2013). A Demographic Dividend for Sub-Saharan Africa: Source, Magnitude, and Realization (No. 7855). IZA Discussion Paper.
- Bloom, D., Humair, S., Rosenberg, L., & Sevilla, J.P. (2012). The Effect of Meeting Unmet Need on the Demographic Dividend and the Return on Investment in Family Planning. Manuscript.
- Canning, D., Günther, I., Linnemayr, S., & Bloom, D. (2013). Fertility Choice, Mortality Expectations, and Interdependent preferences—An Empirical Analysis. *European Economic Review* 63 (October): 273–89.
- Dramani, L., Ndiaye, F., & Ouarme, A. Policy brief: Les Transfers sont-ils soutenable a long terme au Senegal?
- Dramani, L., Ndiaye, F., & Ouarmé, A. (2012). Vulnerability and social protection in Senegal: The Approach of the National Transfer Accounts. Dakar: Direction Nationale du Plan/Ministère de l'Economie et des Finances.
- Li, Q., Tsui, A., Liu, L., & Ahmed, S. The Contribution of Fertility and Mortality Declines in 1960-2010 to Changes in Dependency Ratios: An Analysis of 201 Countries. Presentation delivered at Population Association of America (PAA) 2014 annual meeting.
- Mason, A., & Lee, R. (2013). Labor and consumption across the lifecycle. *Journal of the Economics of Ageing*, 1, 16-27.
- Mergo, T. (2013, June). Ethiopia's Age Profiles of Labor Income and Private Consumption. Workshop on Generating Evidence on Realizing the Demographic Dividend in Africa. Presented at the Ninth Meeting of the Working Group on Macroeconomic Aspects of Intergenerational Transfers, Barcelona, Spain.
- Muriithi, M.K., Mutegi, R.G. & Mwabu, G. (2013, June). Demographic Transition and Demographic Dividends: Evidence from Kenya's National Transfer Accounts. Workshop on Generating Evidence on Realizing the Demographic Dividend in Africa. Presented at the Ninth Meeting of the Working Group on Macroeconomic Aspects of Intergenerational Transfers, Barcelona, Spain.
- Norte, G., & Chipembe, C. Population Age Structure and its Policy Implications: The Case of Mozambique. Maputo: NTA Project.
- Oosthuizen, M. (2013, June). Maximizing South Africa's Demographic Dividend. Workshop on Generating Evidence on Realizing the Demographic Dividend in Africa. Presented at the Ninth Meeting of the Working Group on Macroeconomic Aspects of Intergenerational Transfers, Barcelona, Spain.
- Sevilla, J.P. Critical Literature Review. Unpublished manuscript.
- Soyebo, A., Olaniyan, O. & Lawanson A.O. (2013, June). Emerging Evidence on the Demographic Dividend of Nigeria. Workshop on Generating Evidence on Realizing the Demographic Dividend in Africa. Presented at the Ninth Meeting of the Working Group on Macroeconomic Aspects of Intergenerational Transfers, Barcelona, Spain.

**Learn more:**

*[www.demographicdividend.org](http://www.demographicdividend.org)*  
*[www.gatesinstitute.org](http://www.gatesinstitute.org)*

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