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Mozambique at the start of a demographic dividend

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Outline

• Objectives

• Demographic and Socioeconomic background

• The economic lifecycle

• Demographic Dividend

• Conclusions
Objectives

• To describe the economic lifecycle and the generation of first demographic dividend;

• To discuss the effect of the demographic dividend in the Mozambican economy.
Demographic and Socioeconomic background

• **Demography (2013)**

  Total population of 24,4 million
  Life expectancy at birth: 51 (M) / 55 (F)
  Pop. growth rate: 2,7% annual

  Infant mortality: 64 (DHS2011)
  Fertility: 5,4 children per woman
  Pop. under 15 yrs: 45%
  Pop. aged 65 yrs+: 3%
Demographic and Socioeconomic background

- **Socioeconomic**

  - GDP growth rate: 7%
  - Poverty rate: 55%
  - Unemployment rate: 23% (15-64 yrs)
  - Unemployment rate: 47% (15-19 yrs)
  - Unemployment rate: 23% (20-24 yrs)
Age structure

Population Age Structure, Mozambique, 1950-2050

0-19
20-64
65+
• Lifecycle Deficit and its components
Labour Income. Mozambique and Africa

![Graph showing Labour Income](image)
Public consumption. Mozambique, 2008

Education for young people; health distributed equitatively
Low private expenditures on education and health;
Declining Consumption from 30s
Consumption. Mozambique and Africa

Rapid declining of C comparing with rest of Africa countries.
Lifecycle deficit (per capita). Mozambique 2008

Surplus from 28 to 60 (32 years)
Older people work after 70 years
- Very high consumption for the young people as consequence of the demographic structure.
- Surplus spent on children
### National transfers account summary (agreggate values). Mozambique 2008

<table>
<thead>
<tr>
<th>Billion Meticais</th>
<th>all ages</th>
<th>0 - 19</th>
<th>20 - 64</th>
<th>65 - +</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCD</td>
<td>66,572</td>
<td>79,415</td>
<td>-16,841</td>
<td>3,997</td>
</tr>
<tr>
<td>Consumption</td>
<td>229,125</td>
<td>99,558</td>
<td>123,725</td>
<td>5,842</td>
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<tr>
<td>public consumption</td>
<td>36,613</td>
<td>23,353</td>
<td>12,534</td>
<td>0,725</td>
</tr>
<tr>
<td>private consumption</td>
<td>192,513</td>
<td>76,206</td>
<td>111,190</td>
<td>5,117</td>
</tr>
<tr>
<td>less: Labour income</td>
<td>162,553</td>
<td>20,143</td>
<td>140,565</td>
<td>1,845</td>
</tr>
<tr>
<td>Population (%)</td>
<td>100</td>
<td>56,4</td>
<td>40,6</td>
<td>3,0</td>
</tr>
</tbody>
</table>
- Support ratio increases rapidly from 2008-2030;
- By 2030, economy will be growing nearly 0.5% faster each annually due to favorable changes in population age structure.
- Rapid decline in fertility means greater DD
Tradeoff between human-capital spending and fertility
Conclusion

• During the lifecycle, there is surplus of individuals (28 to 60 years) which is mainly spent on children.

• Older people remain working after 70 years;

• Mozambique is enjoying the first dividend since 2008. A demographic dividend frees up resources that can be invested in the health and education of children.
Recommendations

• Investment in Family planning, education and sexual and reproductive health for youth is necessary to fertility decline and youth empowerment.

• Policies and programs need to help individuals accumulate assets that reduce their dependence on families and taxpayers;

• Although they are only 5% of the population, public social protection for elderly must be strengthened;
Challenges and next steps

• To complete the estimates by July
• Revise data on CFX

• To conduct a dissemination workshop
• To participate actively in the national workshop on FP and population issues to share the NTA results.