


Searching for the Demographic Dividend in Mozambique

An Urgent Policy Agenda

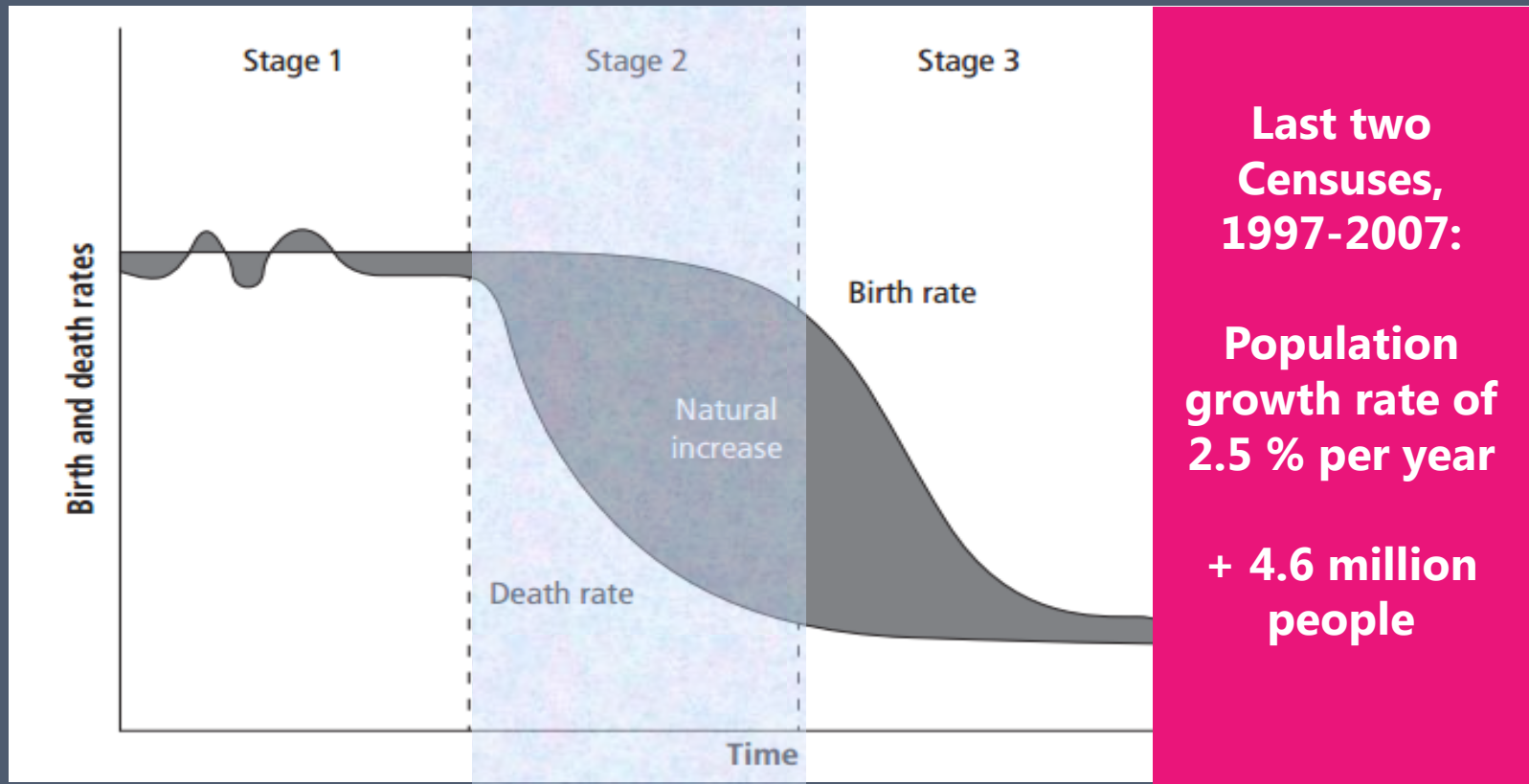


Michele Gragnolati, Humberto Cossa,
Ana Milena Rivera, Sara Troiano

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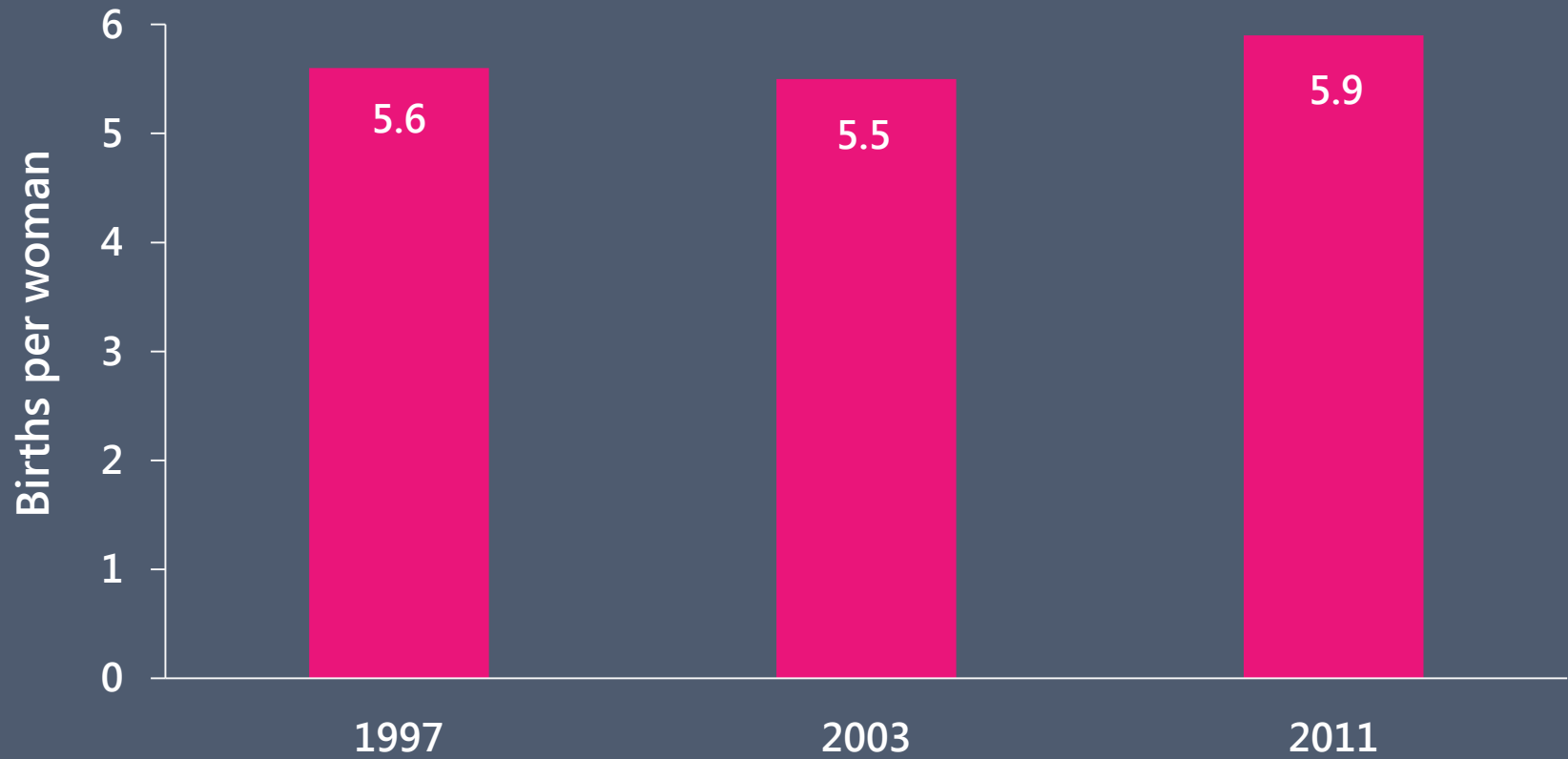
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1. The "mirage" of a demographic dividend in Mozambique
 2. Triggering the fertility transition: *Empower* families to make informed reproductive decisions
 3. Preparing for the demographic dividend: *Educate* and *employ* the current and future generations
 4. Conclusions: The potential gains from key policy interventions

The demographic transition



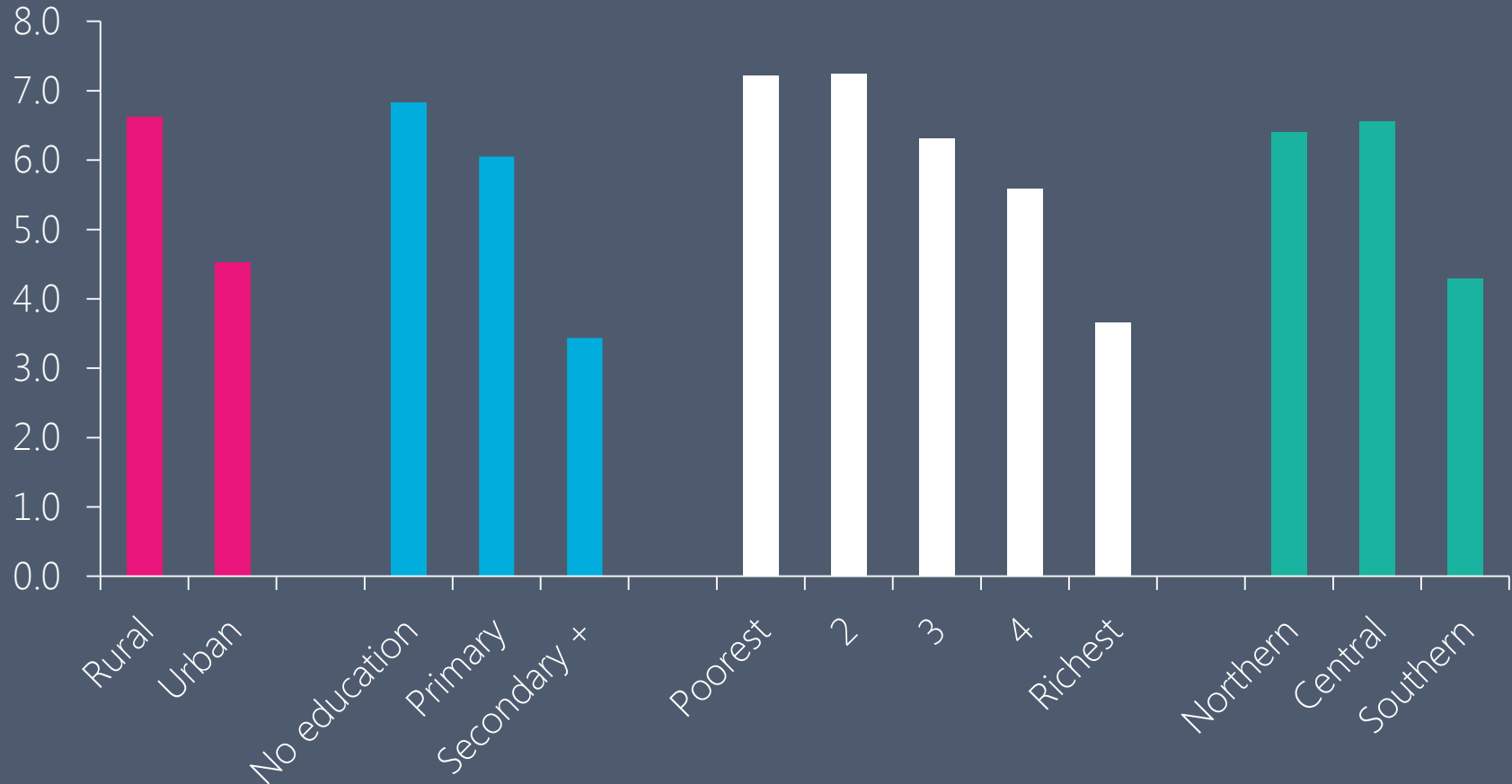
Source: Population Reference Bureau, 2011

The fertility decline seems to have stopped



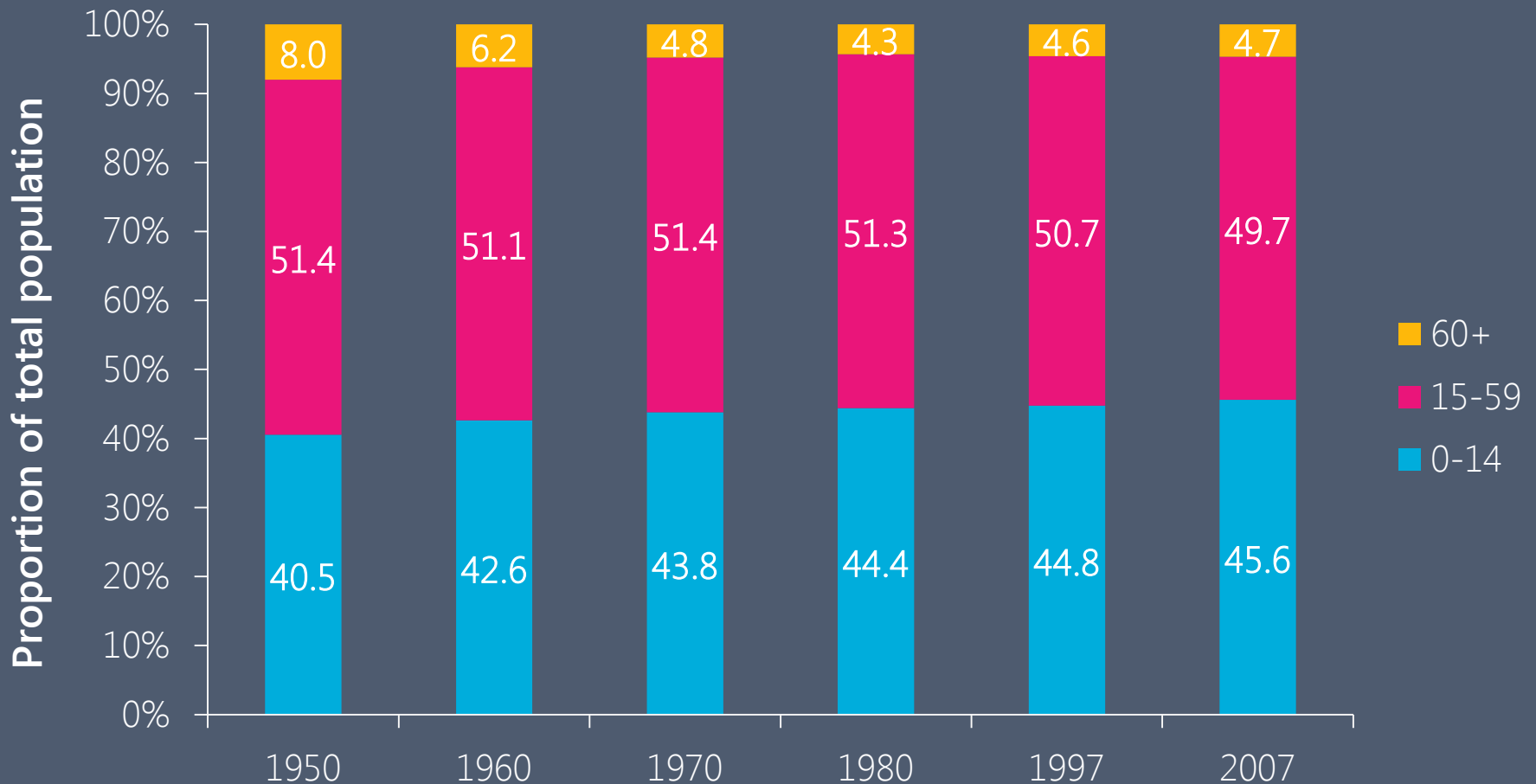
Source: DHS

Socio-economic inequality is reflected by unequal fertility



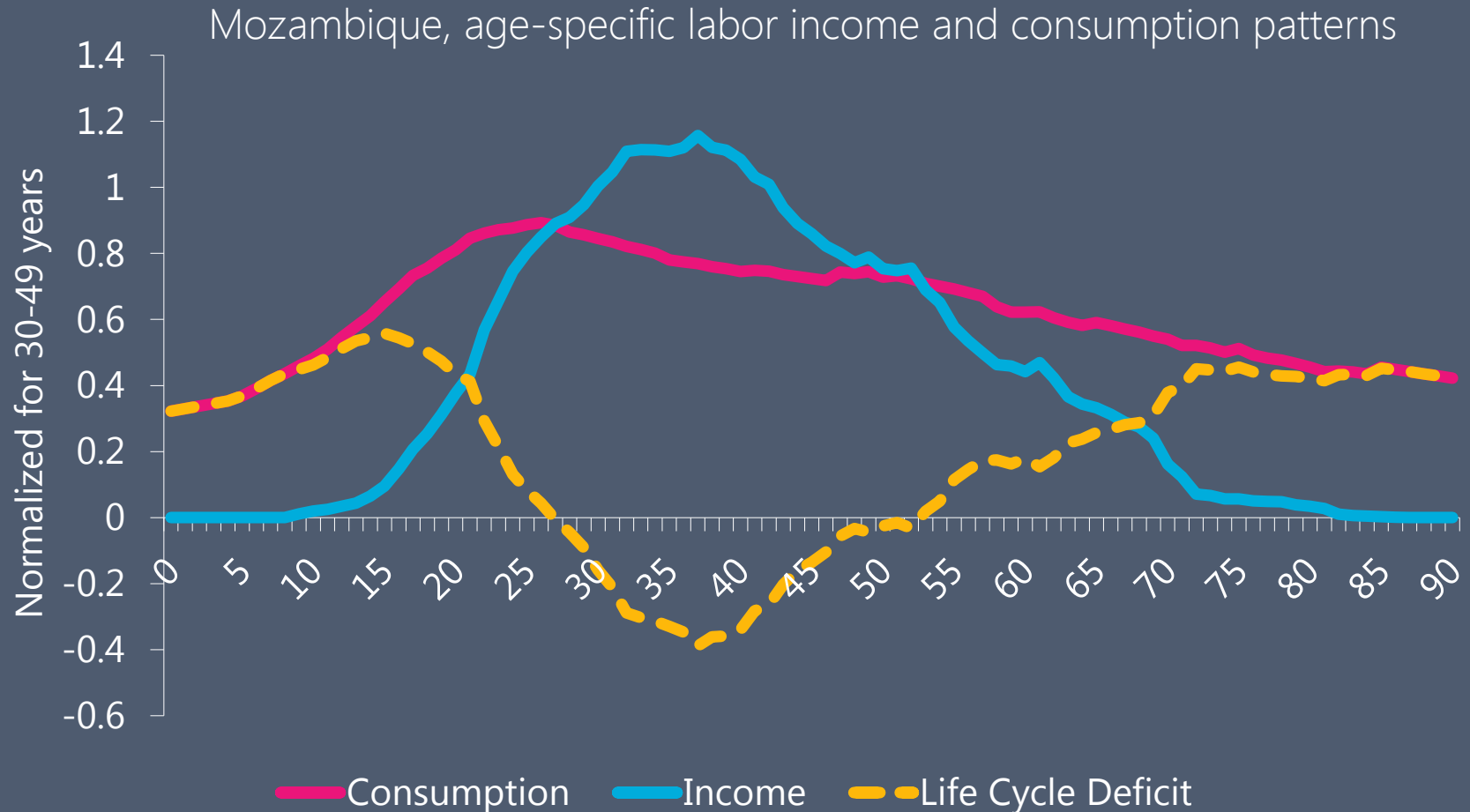
Source: DHS 2011

An increasingly young age structure



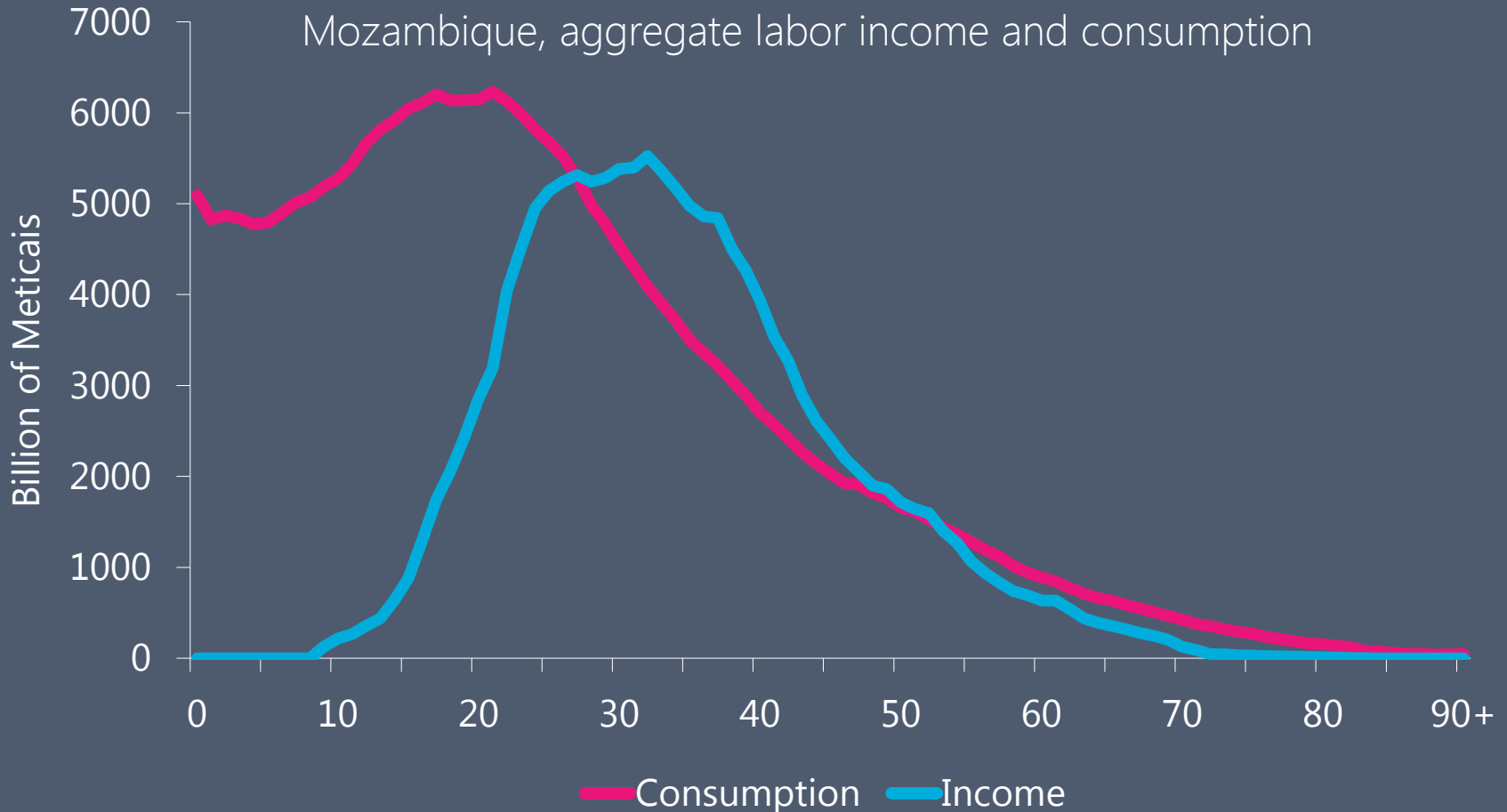
Source: CCR 1982; INE 1999 & 2013

Why the population age structure matters: The economic life-cycle



Source: Chipembe and Norte 2015

The young age structure is responsible for high aggregate consumption

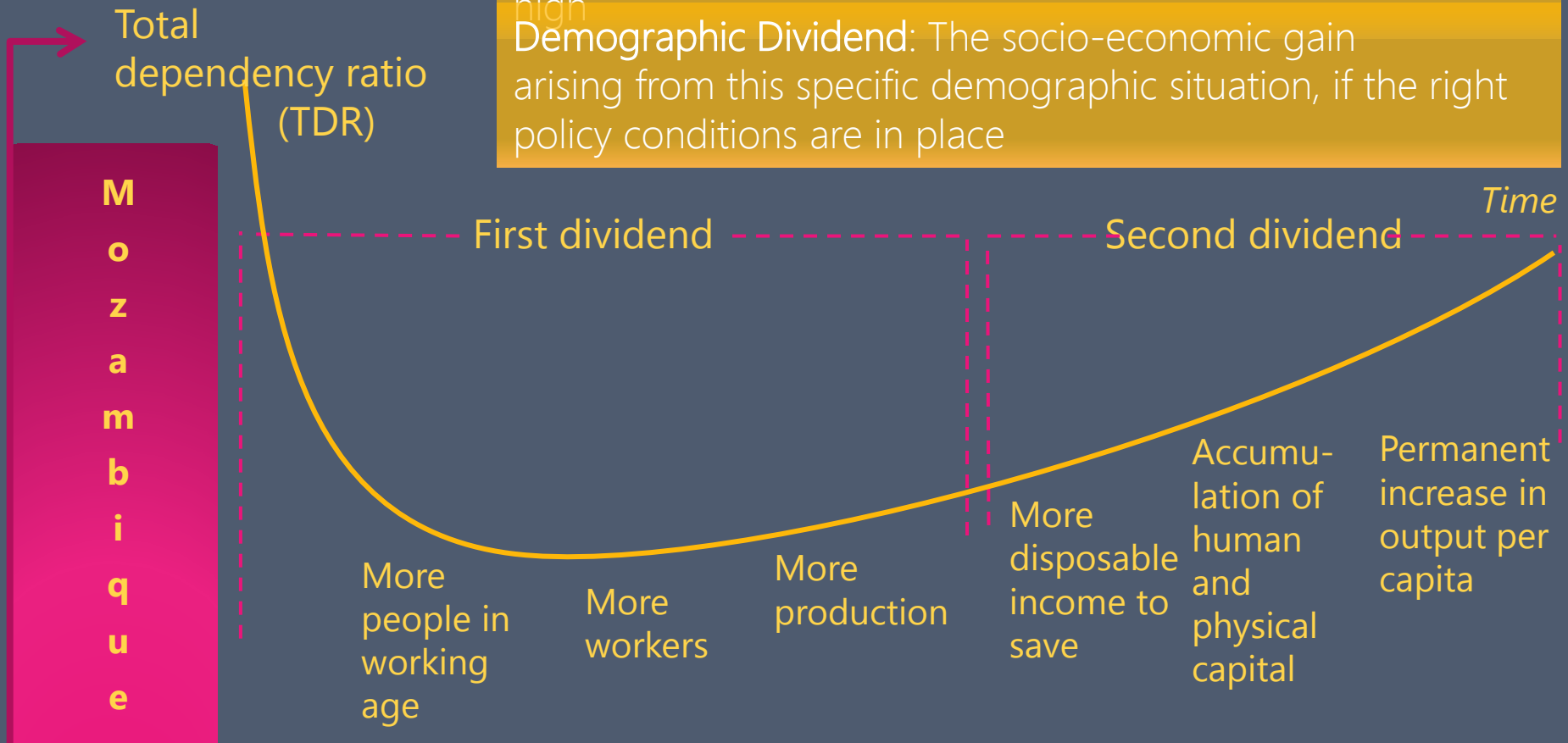


Source: Chipembe and Norte 2015

What is the Demographic Dividend ?

Window of Demographic Opportunity: A period in which the TDR is low, and the share of working age population is high

Demographic Dividend: The socio-economic gain arising from this specific demographic situation, if the right policy conditions are in place



A policy framework to harness the demographic dividend

Pillars /Objectives	Sparking the fertility transition	Harnessing the demographic dividend
1. <i>Empower</i>	Direct effect	Indirect effect
2. <i>Educate</i>	Indirect effect	Direct effect
3. <i>Employ</i>	Indirect effect	Direct effect



No demographic dividend without fertility transition!

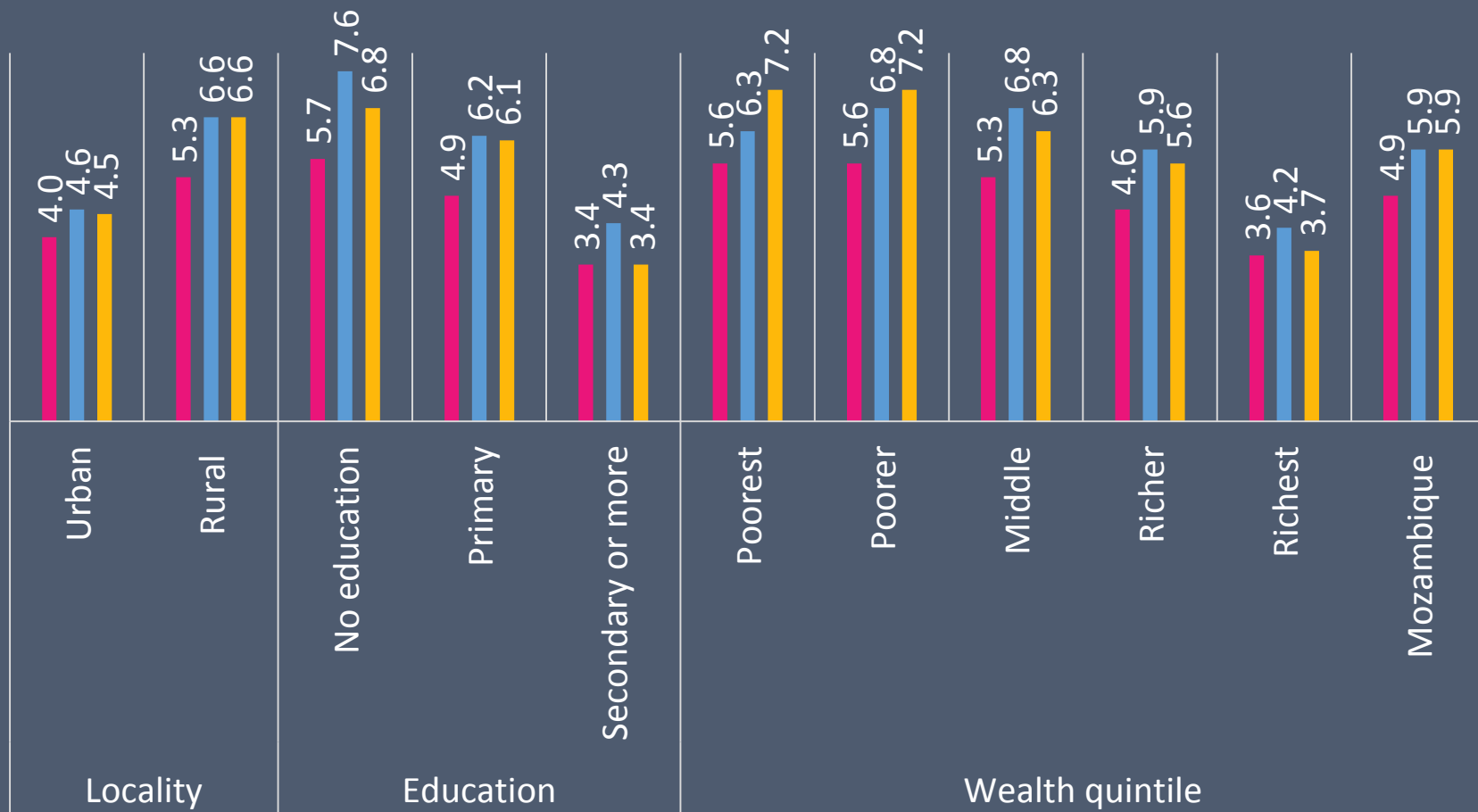
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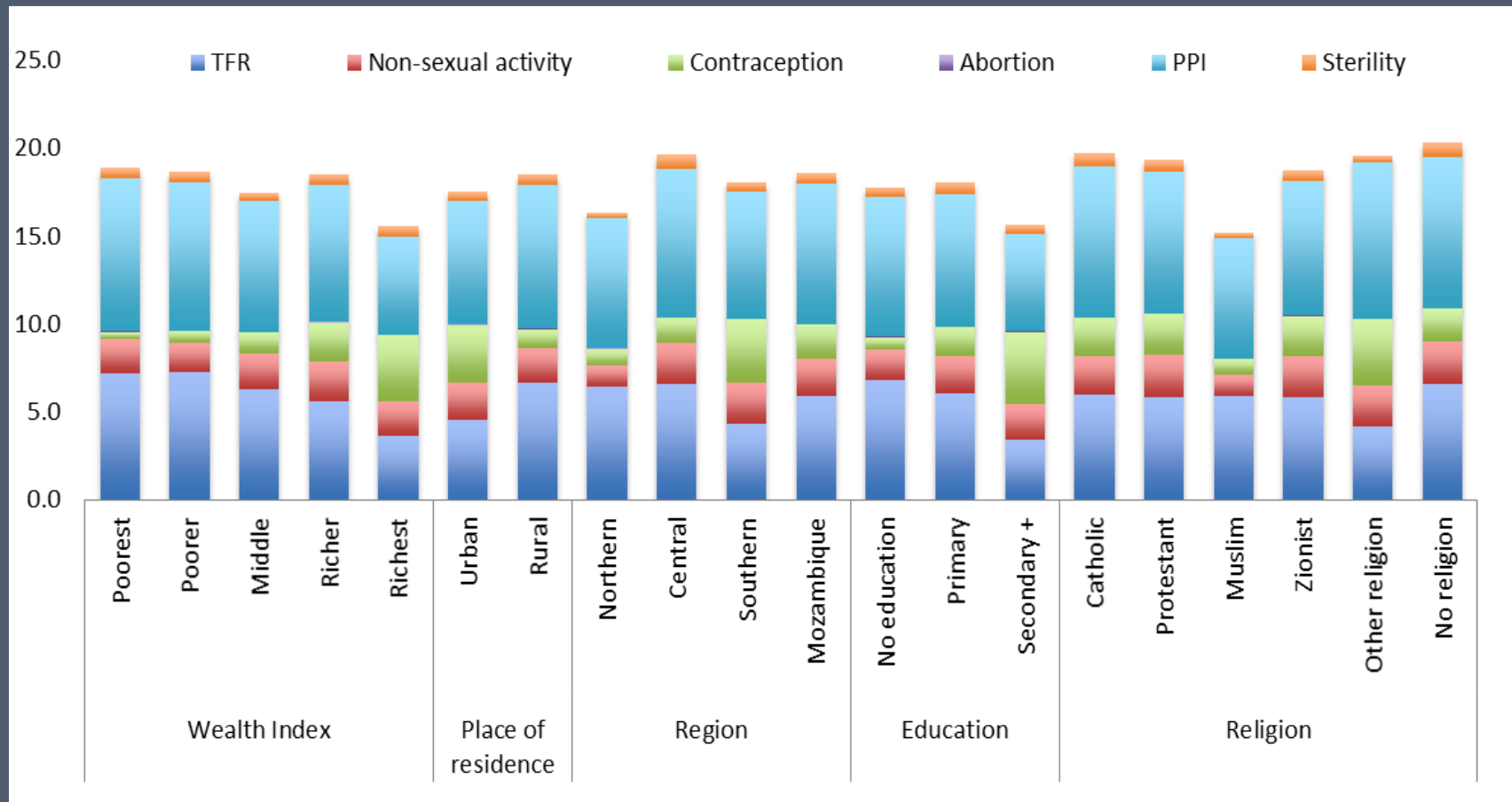
Observed fertility is generally higher than women's desired fertility

■ Desired (Women) ■ Desired (Men) ■ Observed

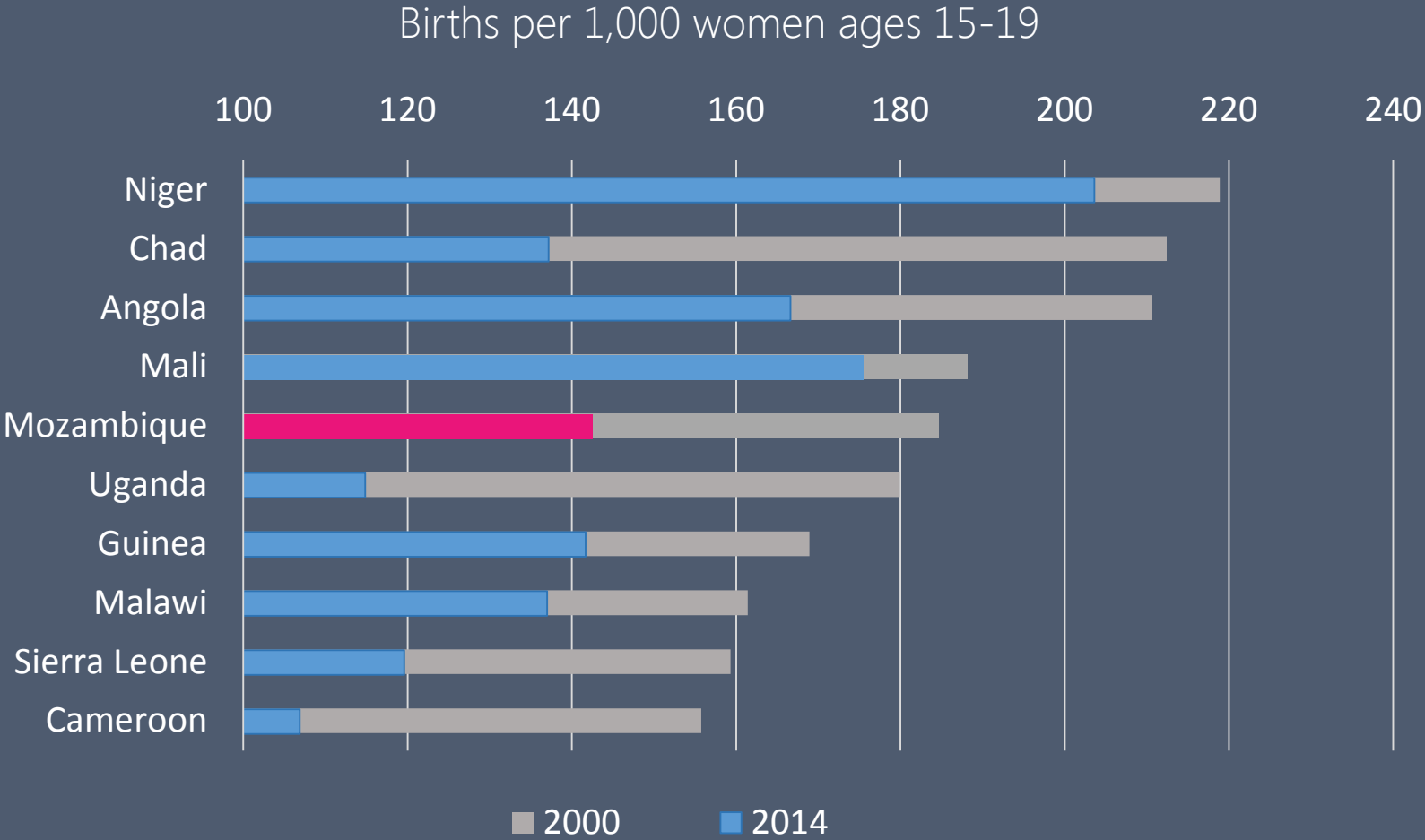
Source: Arnaldo & Rivera 2015



Use of contraception is low, especially among the poorest



High adolescent pregnancy rate




Source: WDI

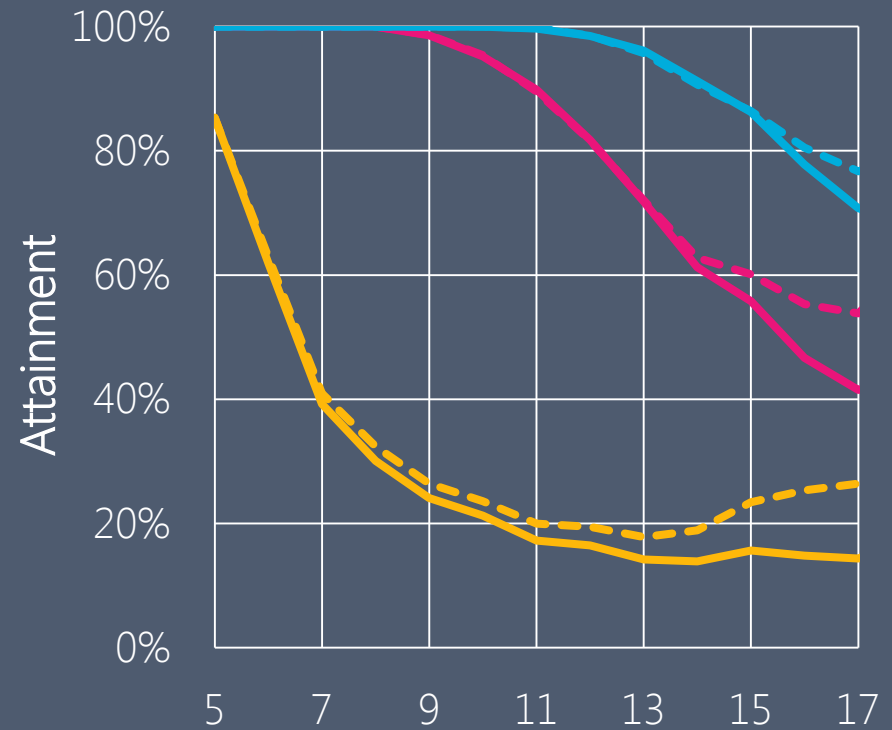
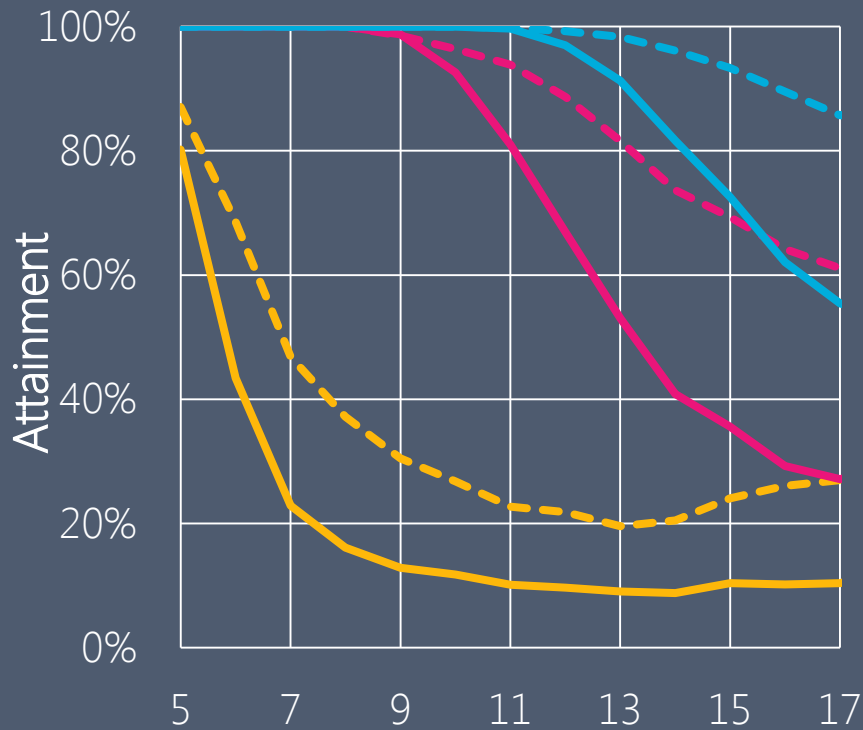
Policy response: Empower

- Increase in information on, and access to, services for reproductive, maternal, newborn, child, and adolescent health (RMNCAH)
- Strong political commitment
 - Commitment of the leaders, leverage from a high-level political champion
 - Rwanda: Ensure better coordination among different programs and government agencies
- Multi-sectoral interventions
 - Botswana, Nigeria, Sahel: Address the needs of women and young girls through increased access to information, the teaching of skills, conditional cash transfers, and the creation of cash-generating activities
- Strong community and outreach focus in providing FP information and services
 - Ethiopia (household visits to distribute FP information and commodities)
 - Rwanda (decentralized, results-based financing approach)
- Foster ease and frequency of communication within couples (Malawi)

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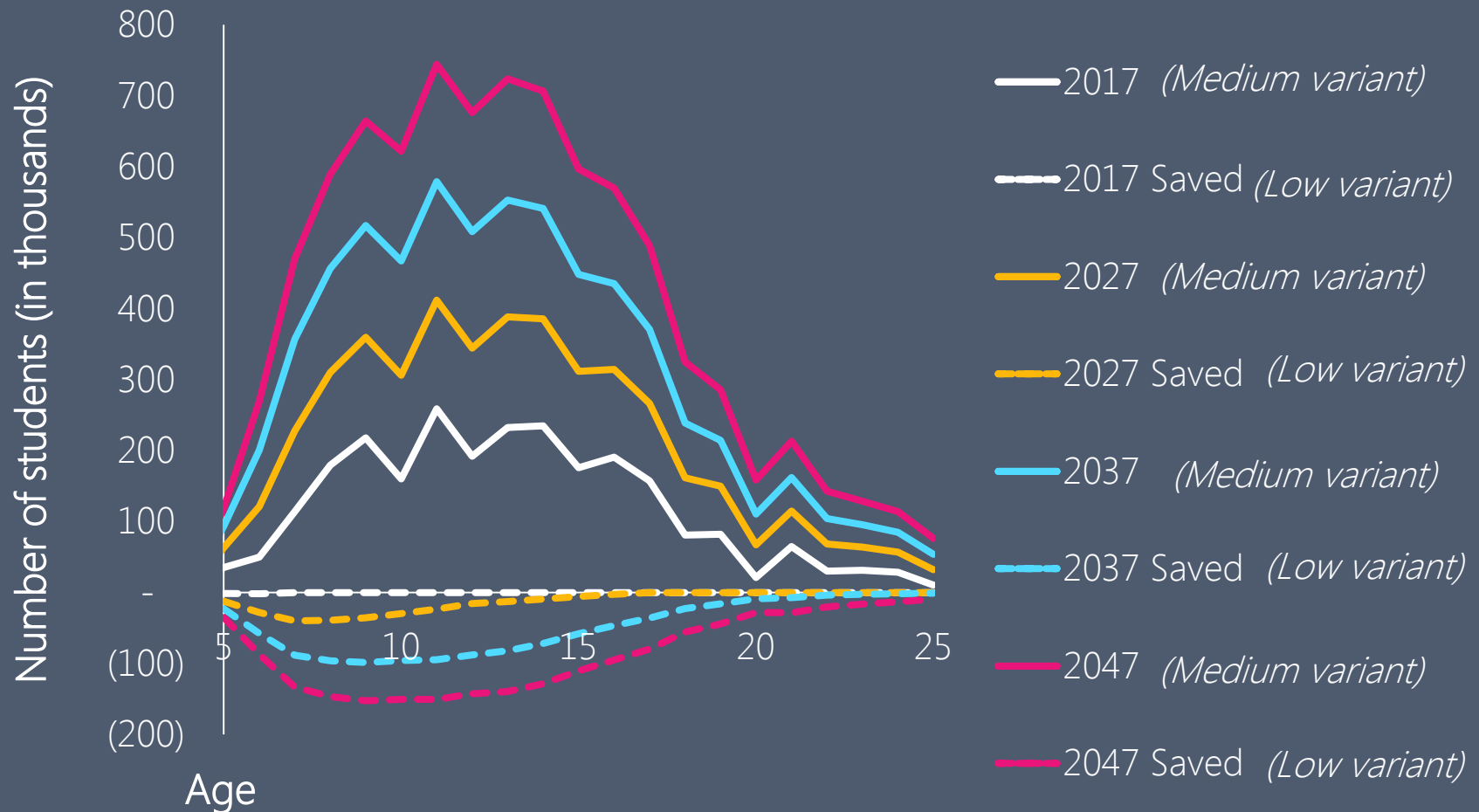
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Low and unequal educational attainment



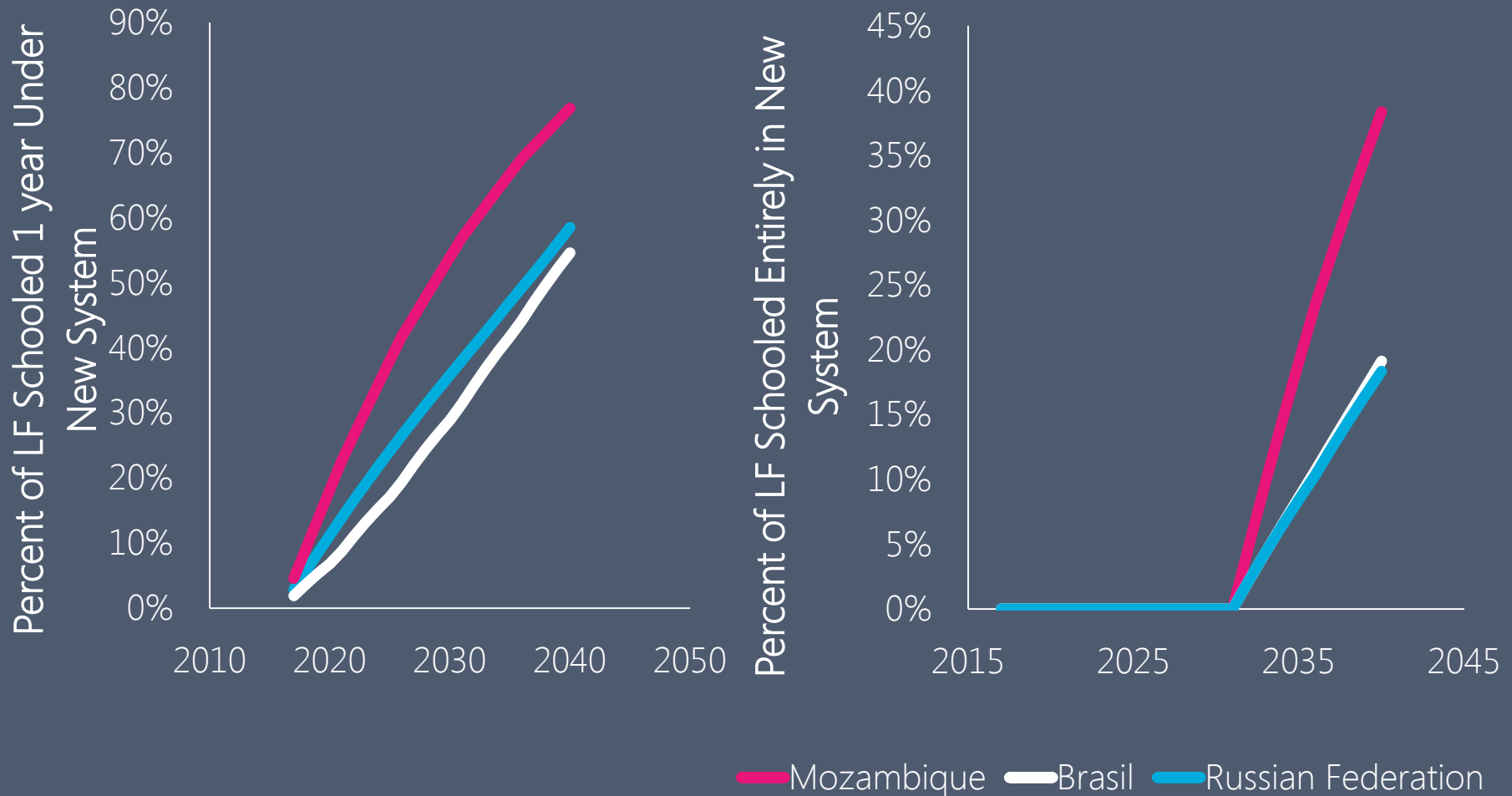
- None urban
- < 5th grade urban
- 5th grade urban
- None rural
- < 5th grade rural
- 5th grade rural
- None boys
- < 5th grade boys
- 5th grade boys
- None girls
- < 5th grade Girls
- 5th grade girls

Lower fertility could free up resources in the education sector



Source: Soares 2015

Opportunity to rapidly improve education of the future workforce



Source: Soares 2015

Policy response: Educate

- Increase access to schooling for rural areas
 - Colombia's *Escuela Nueva*, a model for single-classroom single-teacher multi-grade rural school
 - El Salvador's *EDUCO*, community-based charter schools
 - French *Pedagogie de l'Alternance*; Brazilian *Pedagogia da Alternancia*
- The right school level at the right age
 - Incentives for early entry such as school meals (India), public communication campaigns (Brazil)
 - Reduce repetition by imposing limits by law (Singapore, Finland, Russia, Germany)
- Improve instructional quality
 - Reduce teacher absenteeism through IT based solutions (Uganda, Gambia), community-based reporting and tracking (Chile, El Salvador, Honduras), bonuses (Bolivia)
 - Teachers' professional development

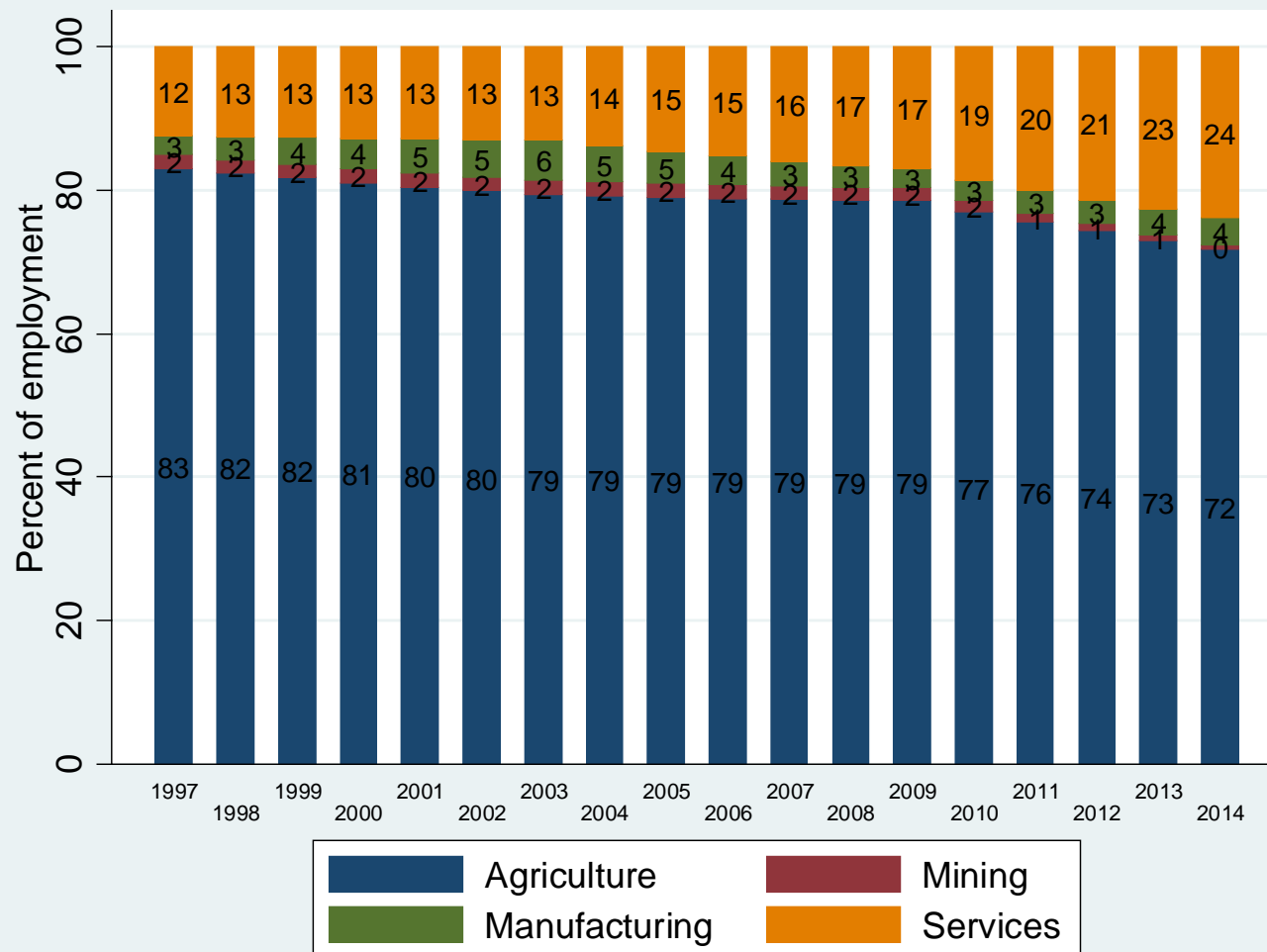
A youthful workforce in a complex labor market

	1996/7	2002/3	2008/9
Youth (15-24) to working-age population ratio	37.3 %	37.8 %	37.9 %
Unemployment rate (ILO definition)	0.6 %	1.9 %	2.0 %
Unemployment rate (Mozambique definition)	24.7 %	37.9 %	38.6 %
Child labor rate	19.2 %	10.3 %	31.5 %

Women's participation is 87% in rural areas, but only 58% in urban ones
4.8% receive a cash wage

Youth are 20% as likely as adults to have a wage-paying job
Women are 25% as likely as men to have a wage-paying job

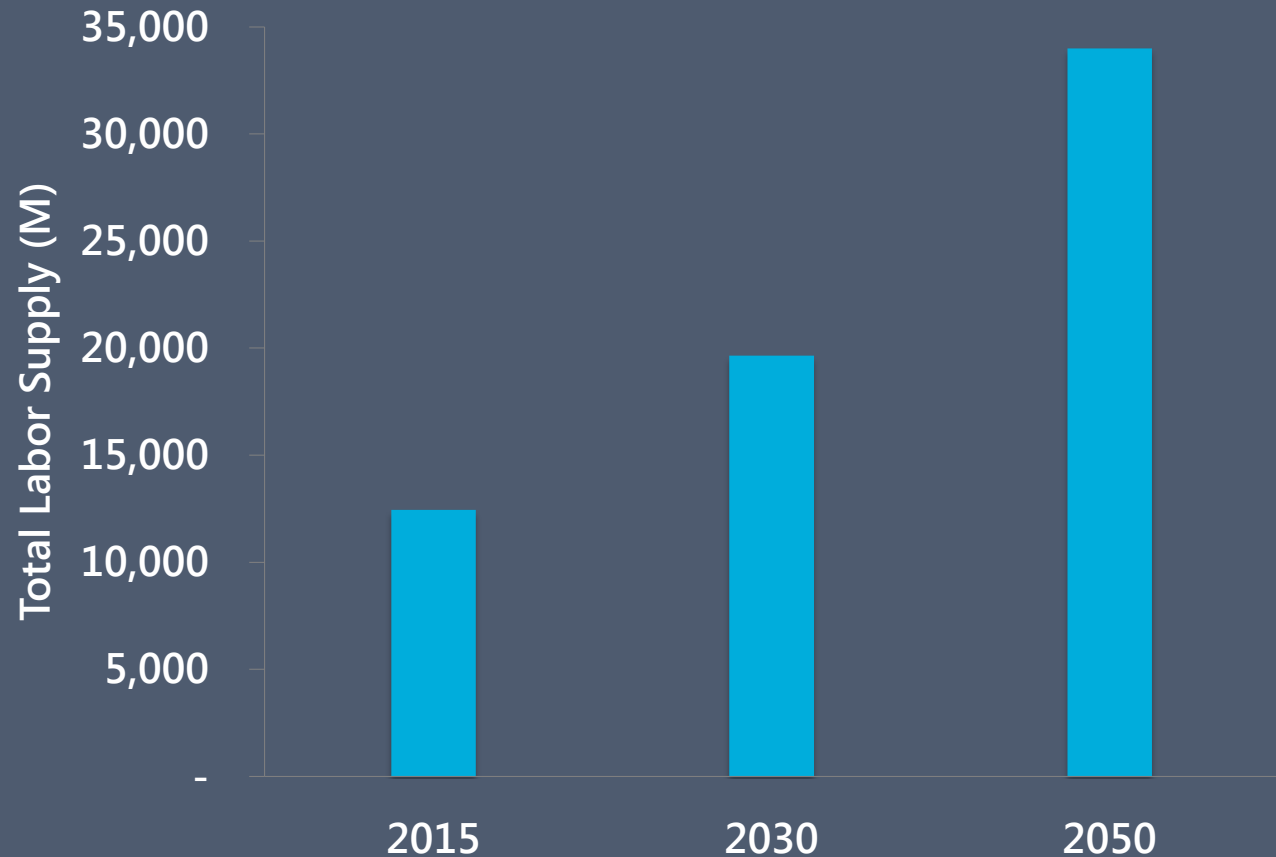
Most of the population is employed in low-productivity agriculture



Source: Jones 2015

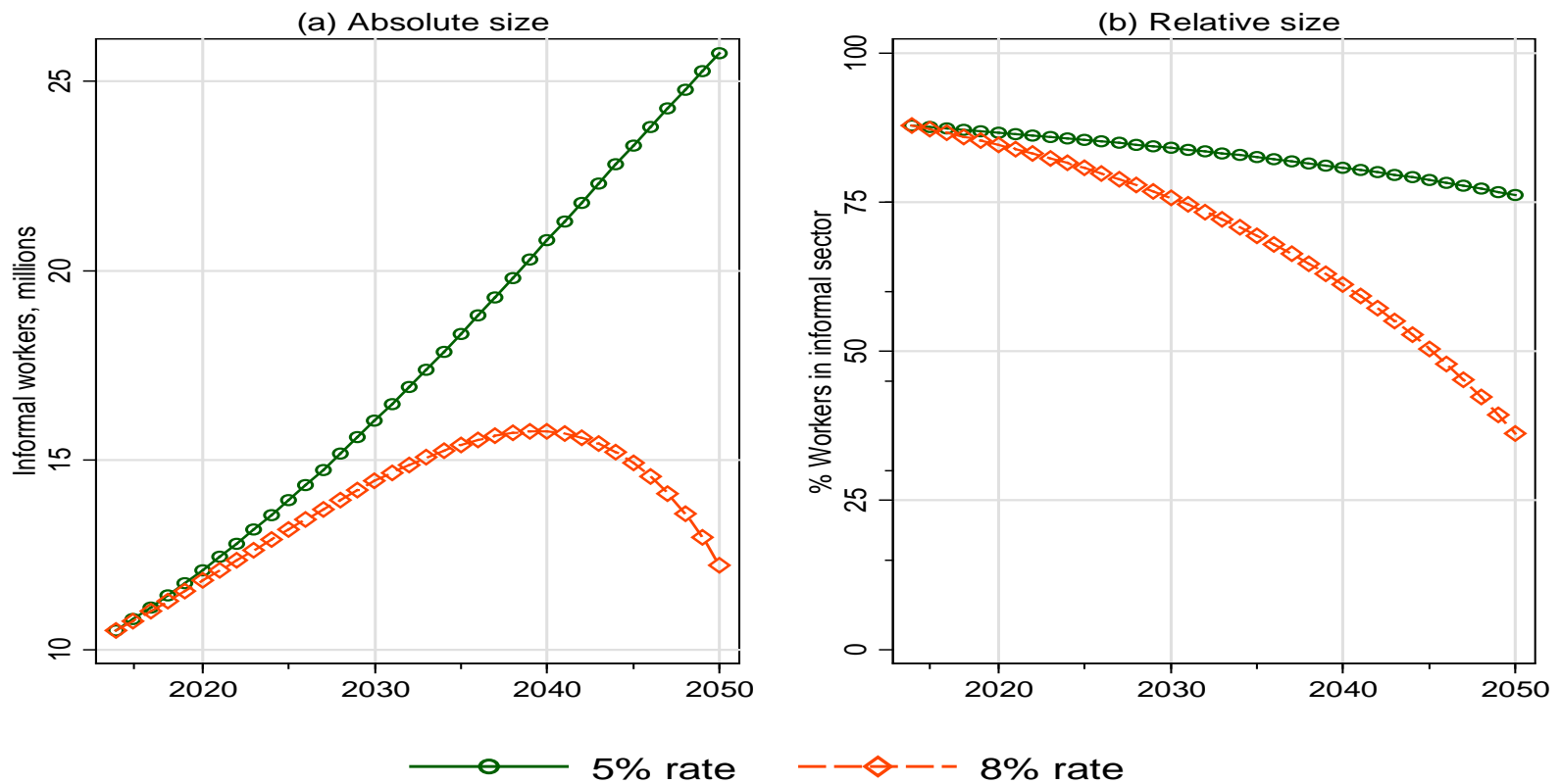
Even in the pre-dividend phase, huge increase in the workforce

The absolute size of the workforce will multiply by about 2.5 by 2050



Source: Turra 2015

Most new jobs will be created in the informal sector



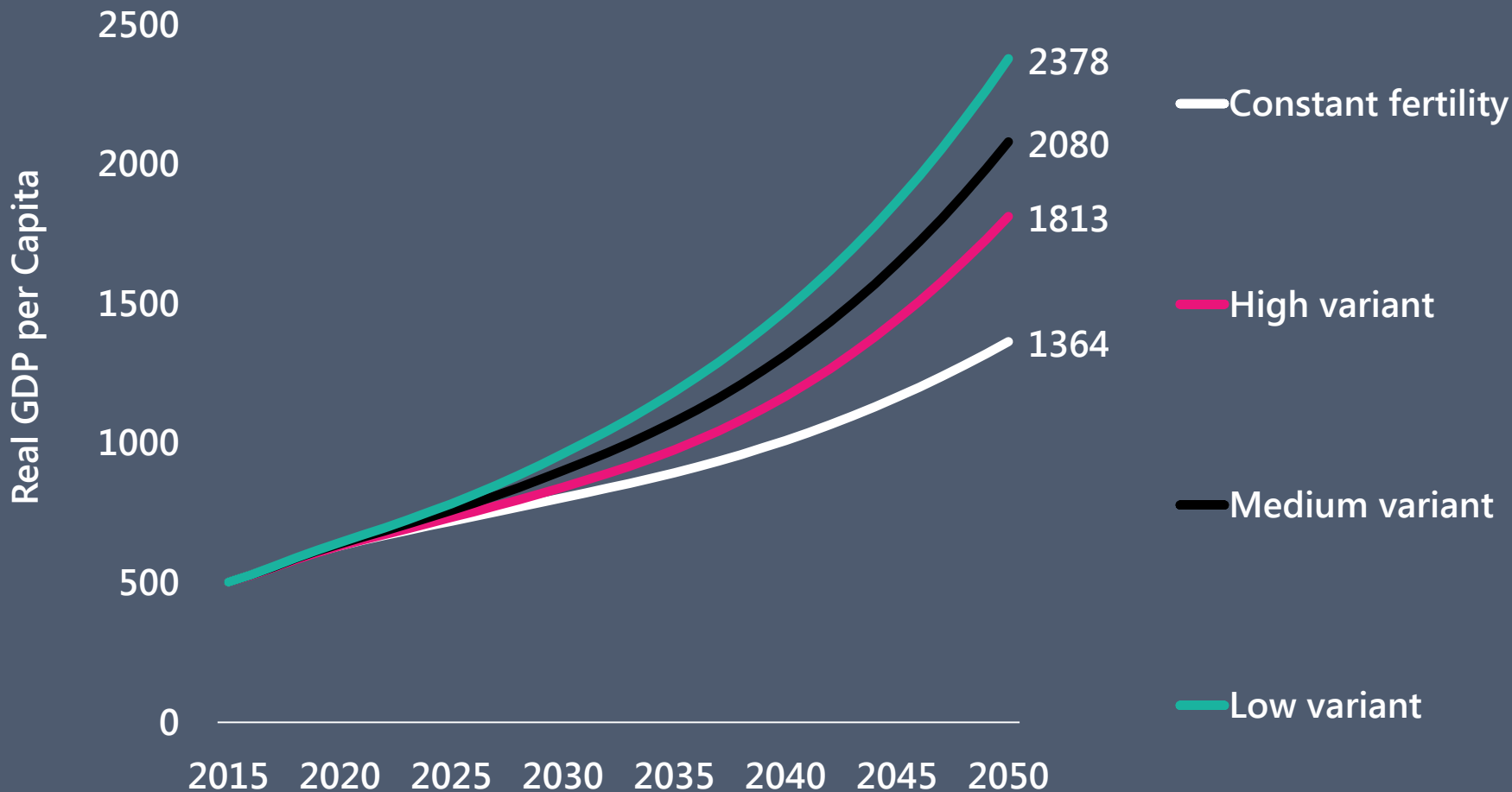
Policy response: Employ

- Foster labor-intensive sectors by addressing competitiveness gaps
 - High minimum wage, low agricultural productivity, low quality of infrastructure, low financial development, macroeconomic instability, over-valued exchange rate
 - Special Economic Zones (SEZs) as in Nigeria, Ethiopia, China
- Improve quality of employment
 - Boost the creation of higher-productivity jobs among small (informal) businesses (Vietnam, Malaysia)
- Support access to productive jobs by youth and women
 - Provide ALMPs, especially training and skills programs
 - Implement public-works schemes such as productive safety nets (Ethiopia, India)

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Estimating the effects of implementing key policies



Source: Amed & Cruz 2015 using LINKAGE (CGE) model

Conclusions: an Urgent Policy Agenda

- Mozambique is still far from opening the demographic window of opportunity that would enable the country to capture a demographic dividend
 - Persistent high fertility leading to an increasingly young age structure
- The most urgent item in the DD agenda is to empower families to make informed reproductive decisions
 - Offer FP information and services that could help women and men understand the benefits of a smaller household size, and avoid unwanted pregnancies
- FP program implementation will have to be consolidated with interventions that educate and employ the population
- "There are no shortcuts to the top of the palm tree" (Mozambican proverb)

Contributors

- Team Leaders: Michele Gragnolati and Humberto Cossa (*Health, Nutrition and Population, World Bank*)
- Sara Troiano (*Social Protection*), Ana Milena Rivera, Magdalena Anchondo (*Health*), Amer Ahmed, Marcio Cruz (*Development Prospects*), Quentin Wodon (*Education*) – World Bank
- Cassiano Chipembe (*INE*), Gilberto Norte (*UNFPA*), Carlos Arnaldo (*Eduardo Mondlane University*)
- Cassio Turra (*Universidade de Minas Geiras*), Sergei Soares (*Center for Global Development*), Sam Jones (*University of Copenhagen*), John F. May (*Population Reference Bureau*)



Thank you!