The Effect of Gender Inequity on the Achievement of the Second Demographic Dividend in Ghana

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• Lower middle income
• Population: 29.46 million in 2018
• Ratio of males/females = 0.97
  • => females form a significant percentage of the population
• NTA profiles: 2005, => first demographic dividend started in 1990 and will end in 2030
  • => 12 more years before the window of opportunity closes
• What is Ghana doing?
• **First Demographic Dividend**: Since fertility cannot decrease indefinitely, the increase in economic growth from fertility reduction will be temporary

• **Second Demographic Dividend**: The return from investing the increased income from the first demographic dividend in both human and physical capital

• It is therefore important for the right policies to be put in place for such investment
Investment in human capital

• Skill development needed for higher-earning jobs

• Investment in education
  • Enrolments over time
  • Expenditures over time
  • Enrolment over ages
  • Expenditure over ages
Investment in Physical Capital

• Needed for production of goods and services

• Total investment expenditure
  • Private investment expenditure
  • Public investment expenditure
The Role of Gender Equity

• Important to develop the skills of both males and females

• However, previous gender equity studies have also shown that women are typically lower income earners and have less access to essential services

• Failure to invest in female education – loss of gender dividend

• Need for females to have access to credit facilities for investment. Lack of such access => loss of gender dividend
Objective

• Find out about efforts made by Ghana to take advantage of the window of opportunity

• Specifically:
  • Investment in human capital
  • Investment in physical capital
  • The role of gender equity
Methodology

• **NTA Analysis**
  • Use NTA analysis to compute the lifecycle deficit
  • Compute lifecycle deficit according to gender
  • Compare results with previous NTA profiles
  • Compute profiles for asset reallocation according to gender
  • Compute profiles for net transfers according to gender
Methodology (cont’d)

• Non-NTA Analysis

• Show trend of investment in human capital
  • Gender Parity Index over time
  • Net enrolment in primary, secondary, and tertiary education over time
    • Total
    • By gender

• Show trend in capital investment expenditure
Data

• Data for NTA analysis were obtained from the Ghana Living Standard Survey 6 for 2012–2013

• Data for non-NTA analysis were obtained from UNESCO and World Development Indicators
Results: Primary Education, Net Enrolment Rate (%)
Secondary Education: Net Enrolment (%)
Tertiary Education: Net Enrolment (%)
Gender Parity Index in Total Enrolment
Results on Enrolment and Capital Formation

• Enrolment is high at the primary level, but not 100%
• Enrolment is lowest at the tertiary level, less than 20%

• Gender parity is highest at the primary and lowest at the tertiary level

• Capital formation is on the rise
The Lifecycle Deficit

![Graph showing the lifecycle deficit with Total Income and Total Expenditure over time. The graph peaks around age 45-50 with Total Income exceeding Total Expenditure.]
Labour income according to gender

- yl-male
- yl-female
Income and consumption for 2005
Male labour income
Female labour Income
Education Expenditure According to Gender
Profiles for Males and Females
Financing the Deficit: Rent Income by Gender
Financing the Deficit: Remittances by Gender
Employment Rate by Age and Gender
Conclusion

• Increase in education over time but more room for improvement

• Loss of gender dividend due to:
  • lower level of education for females
  • Higher percentage of females in informal employment
  • Higher percentage of unemployed females

• Women are financially dependent in meeting their consumption needs
Conclusion

• Both males and females depend on remittances during old age, more for females than males
• Employment rate of people in the working age population below 30 percent => Underemployment of human resources
• The elderly finance their deficit through remittances
Policy Recommendations

• Urgent need to develop human capital for all, especially females

• Employment rate of people within the working age population needs to increase: More job creators needed

• Education system needs to produce more job creators

• Build the right environment for job creation

• Only 12 more years before the window of opportunity closes. We need to act now!