

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

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12th NTA Meeting

Mexico City, Mexico

Ghana

- 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 x
 - 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

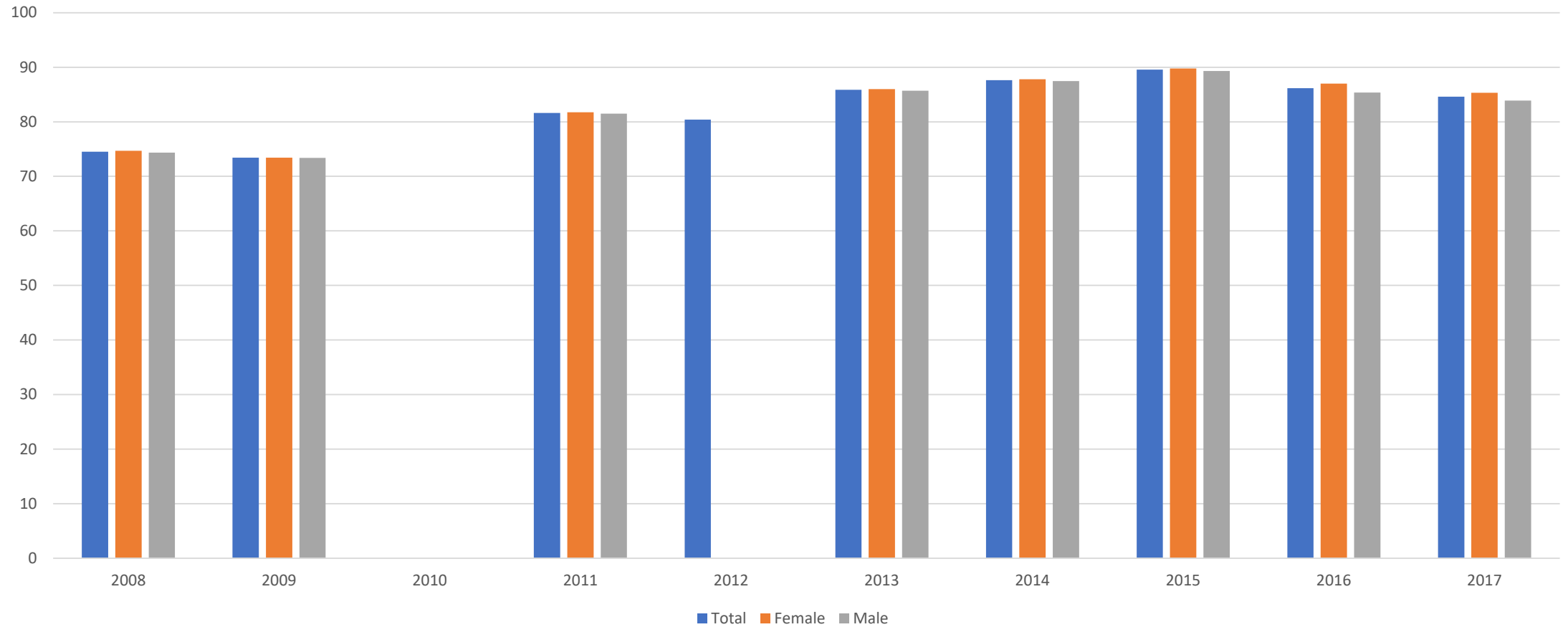
Methodology (cont'd)

- **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

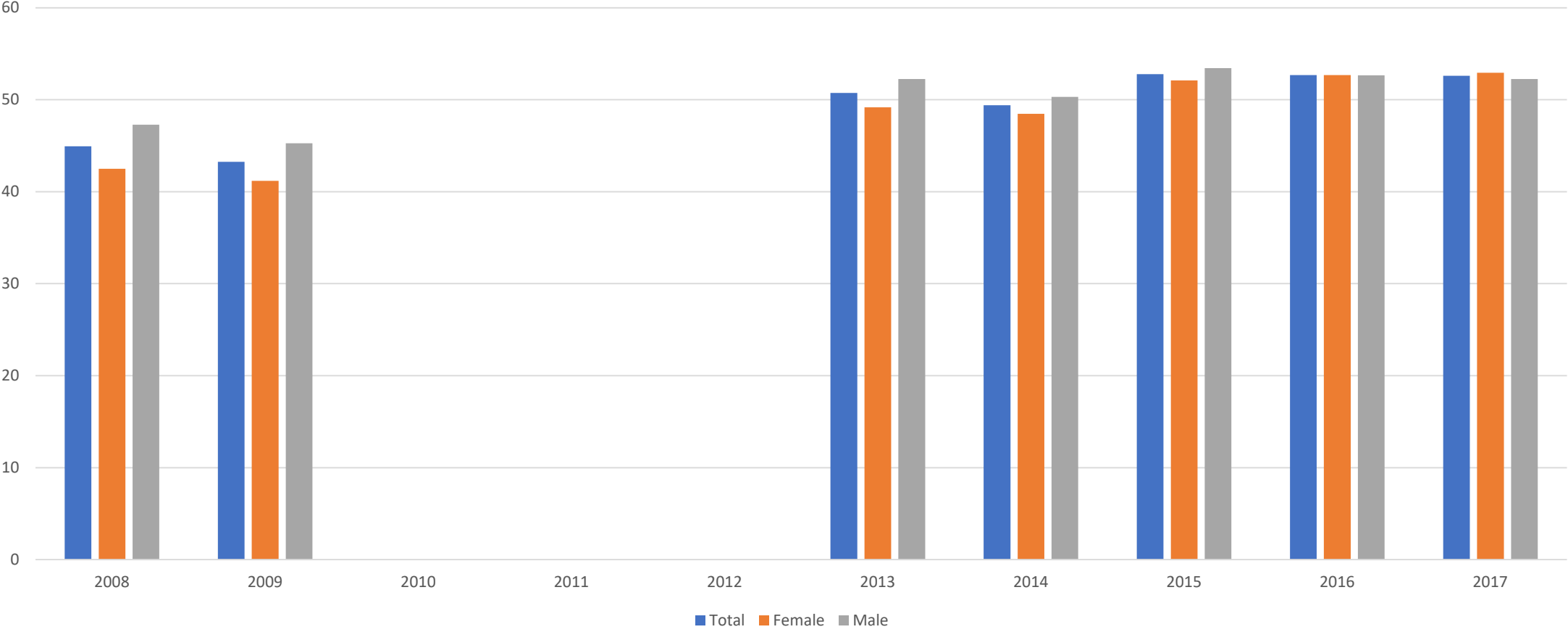
Data

- 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

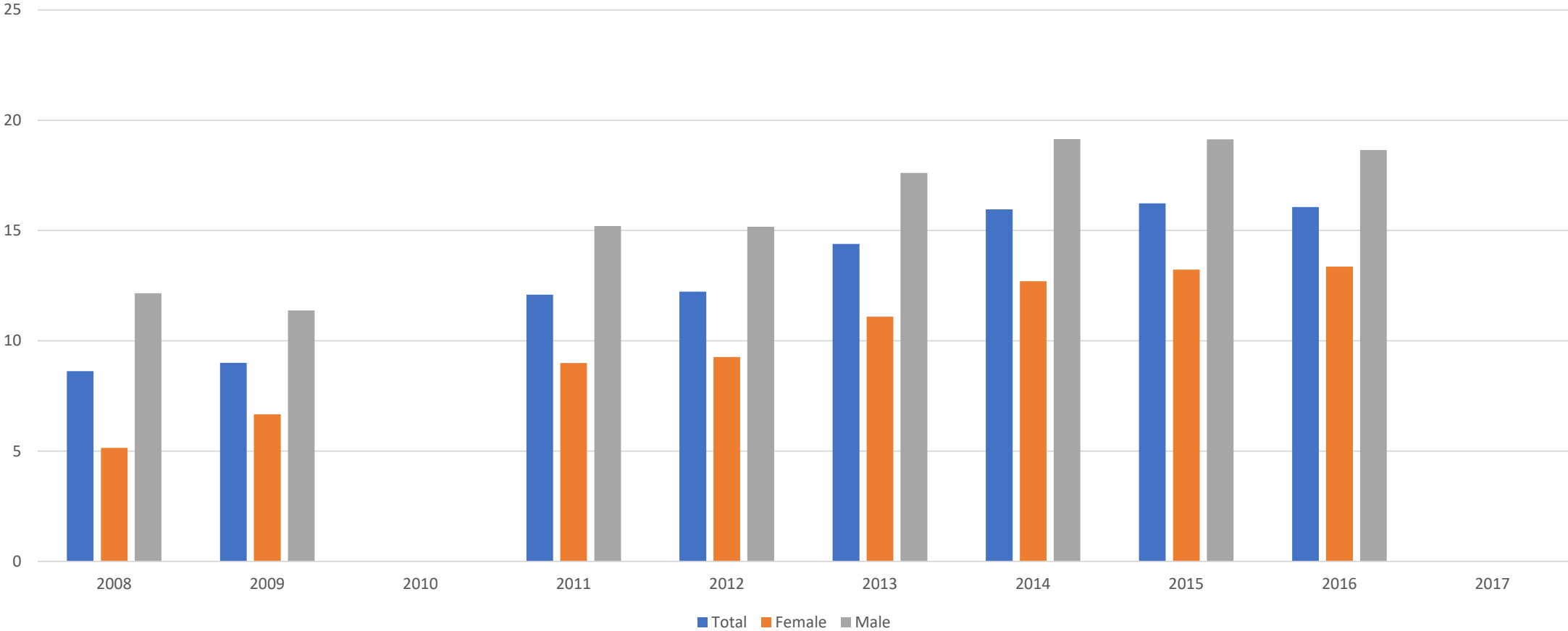
Results: Primary Education, Net Enrolment Rate (%)



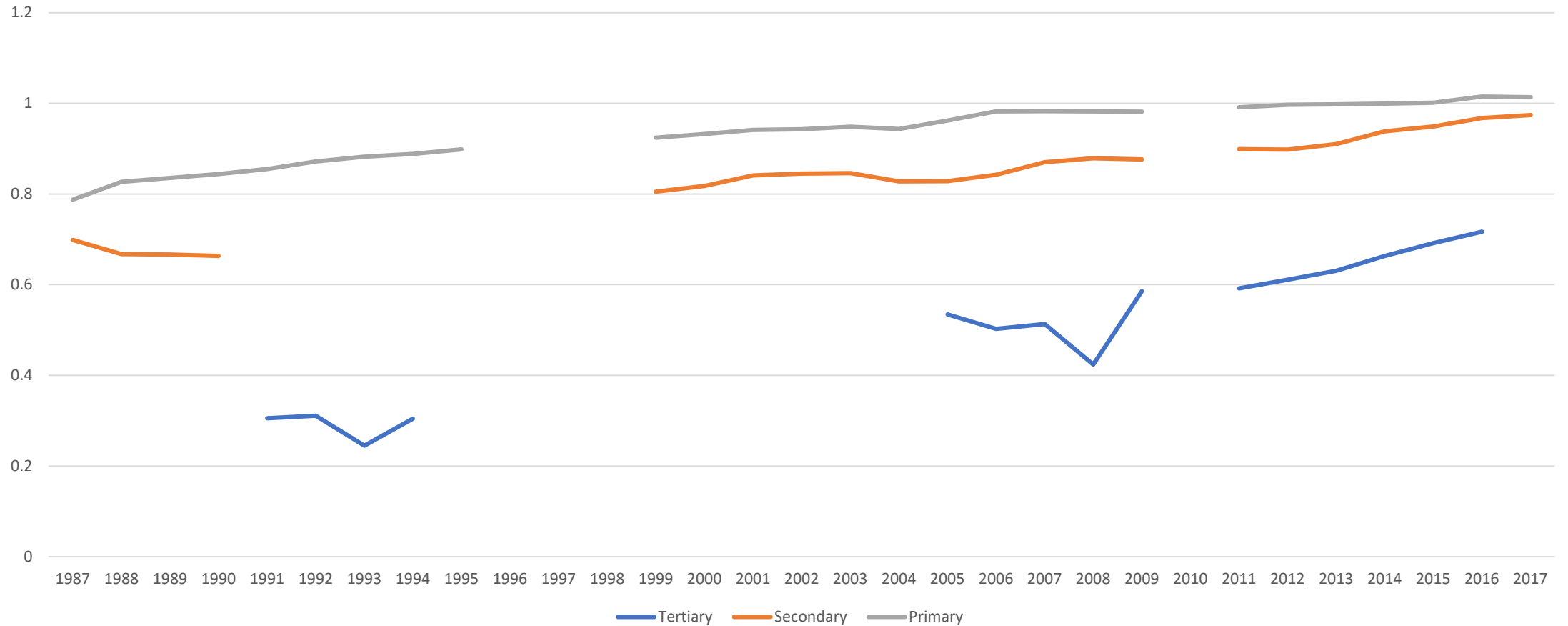
Secondary Education: Net Enrolment (%)



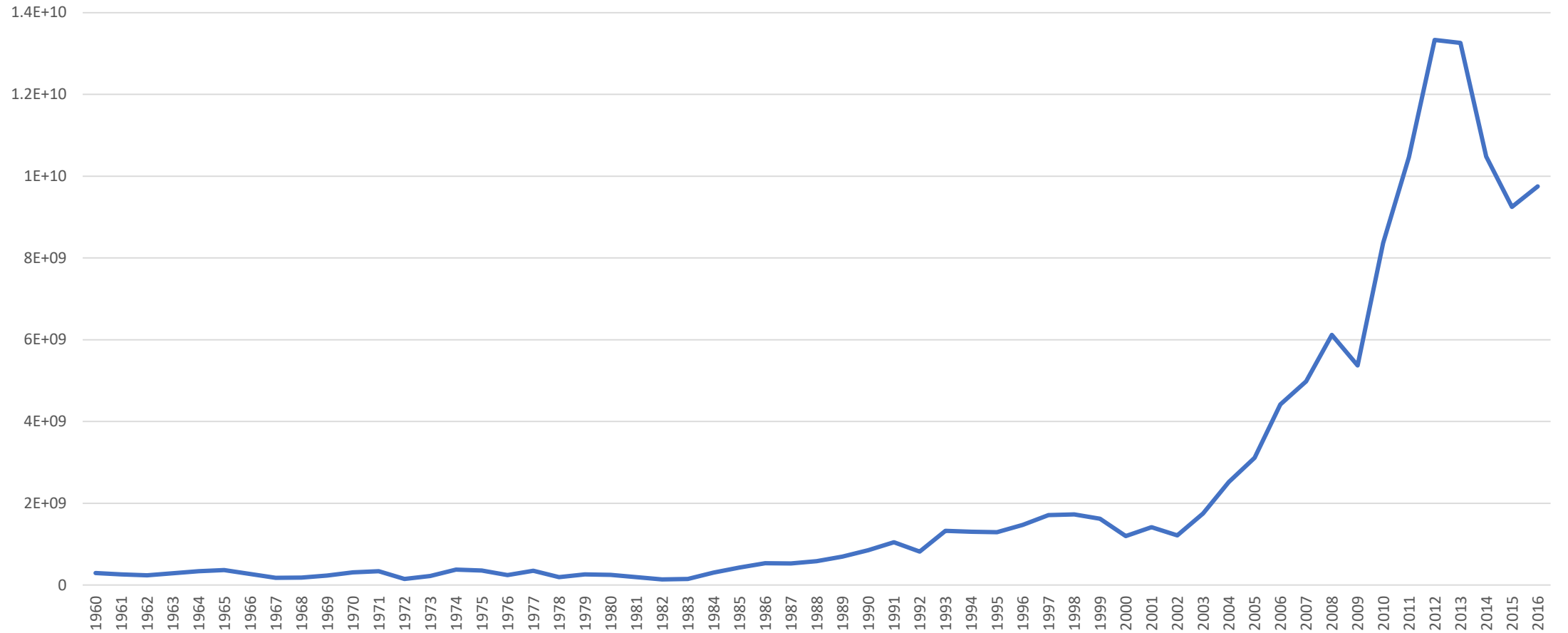
Tertiary Education: Net Enrolment (%)



Gender Parity Index in Total Enrolment



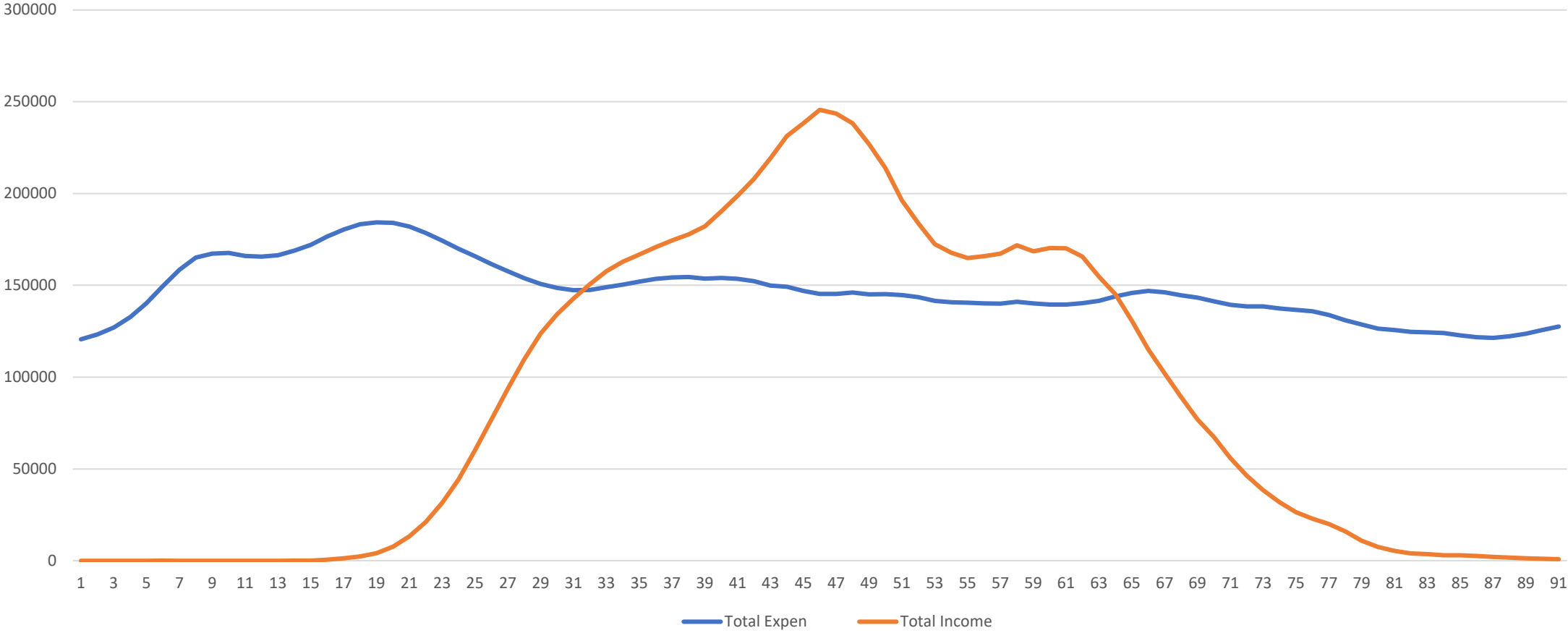
Gross Capital Formation



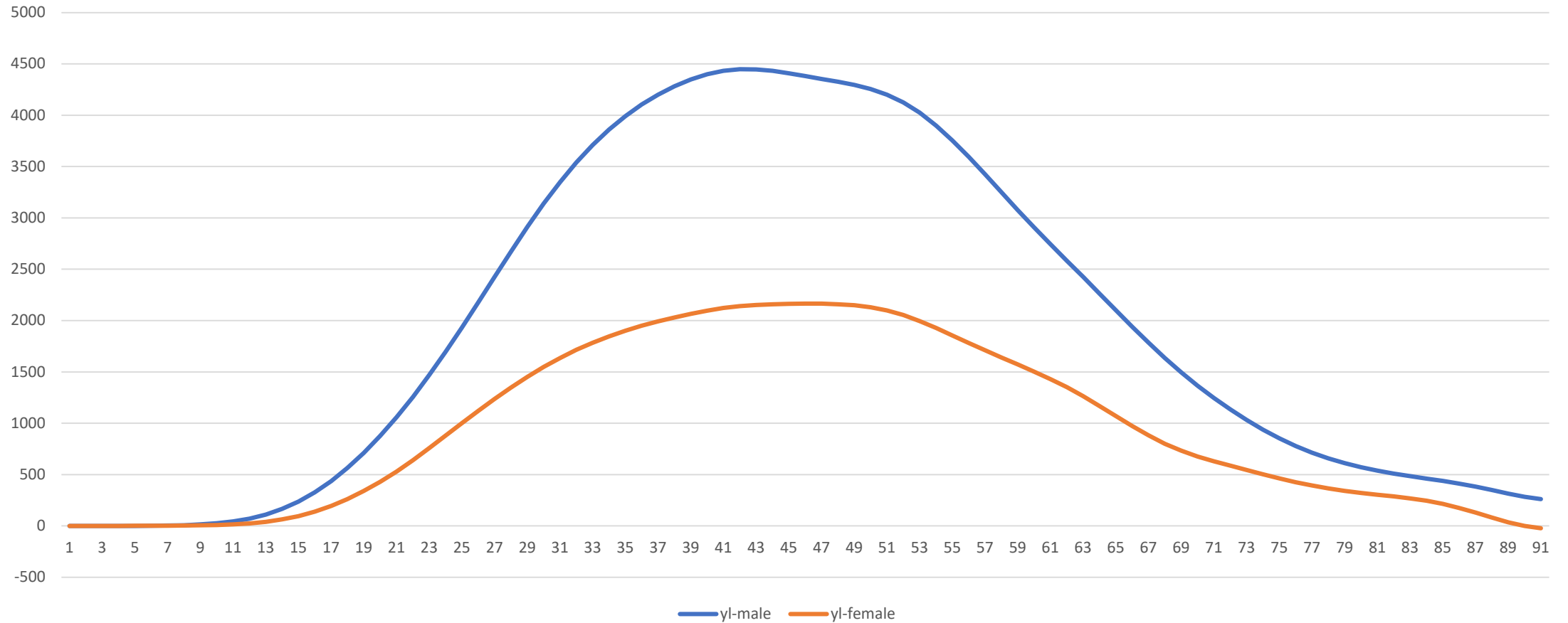
Results on Enrolment and Capital Formation

- 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

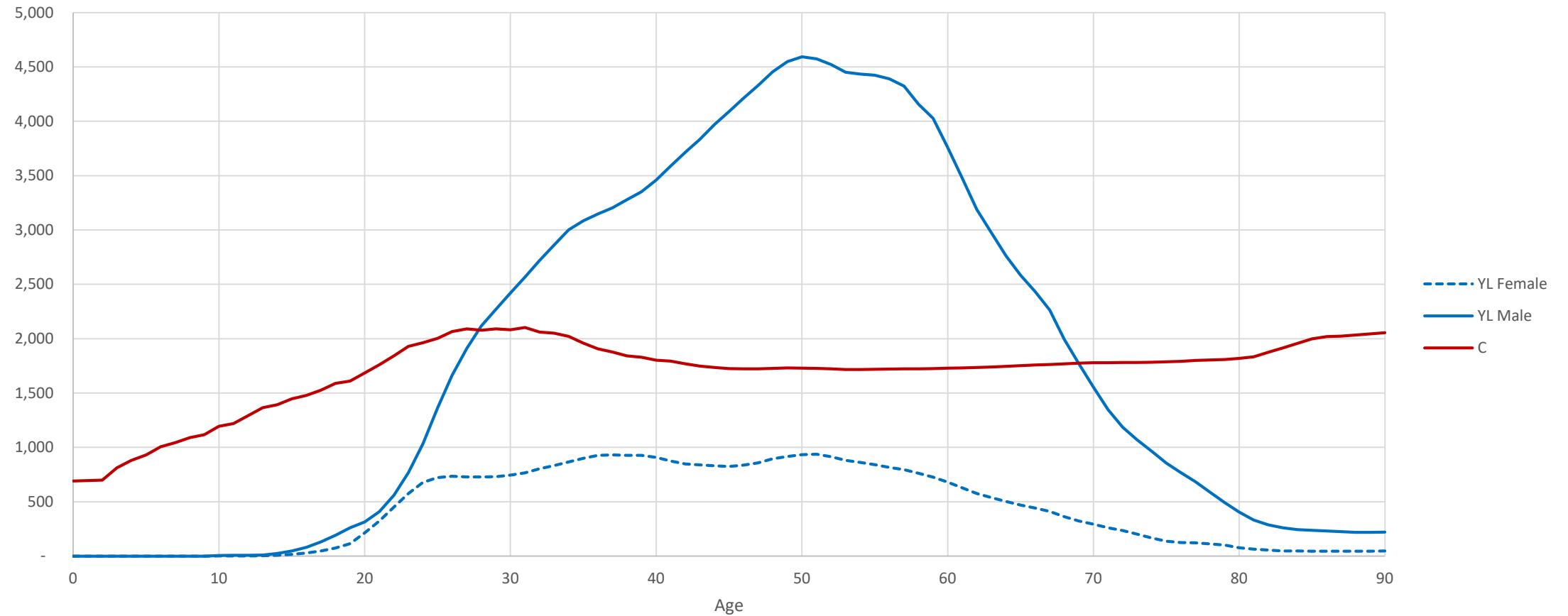
The Lifecycle Deficit



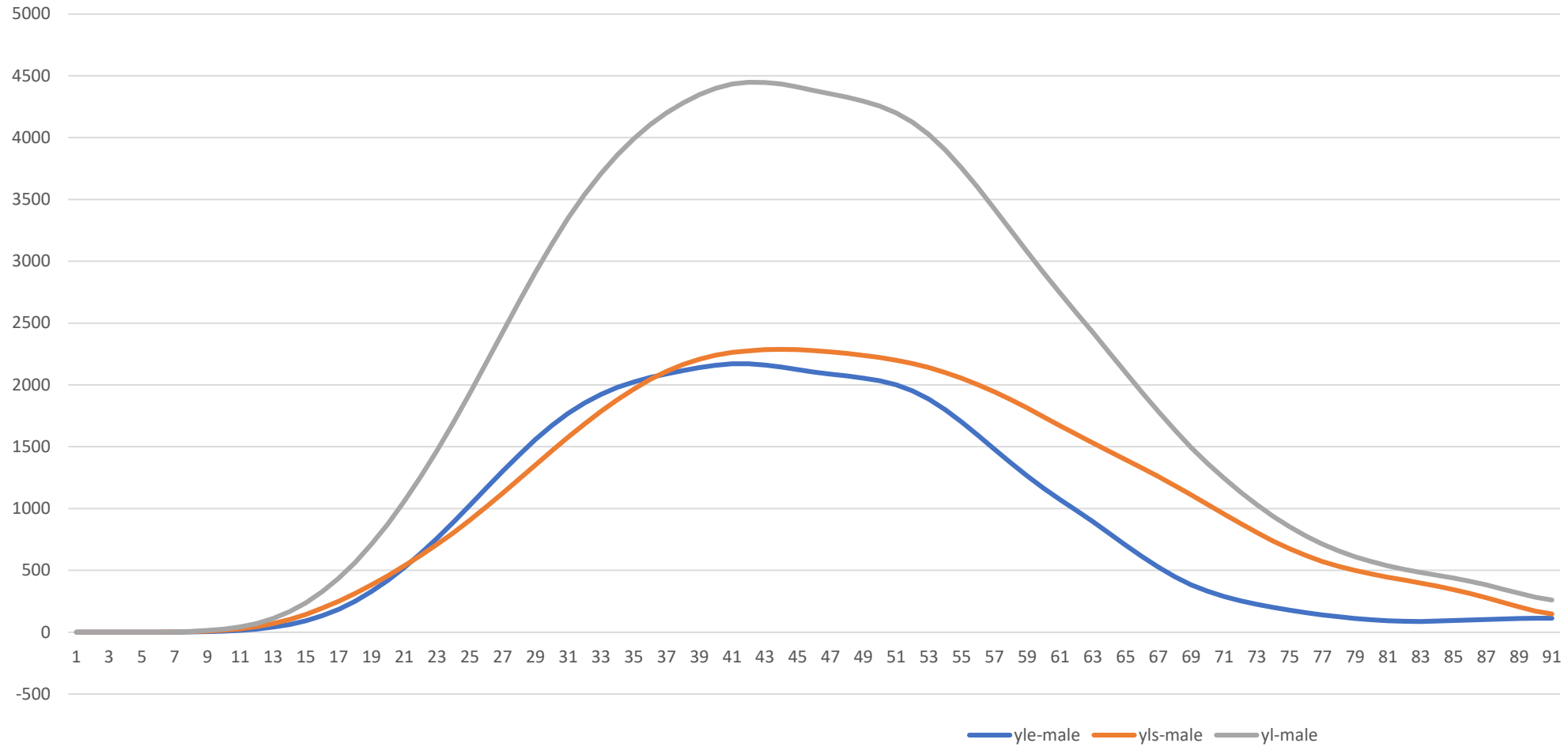
Labour income according to gender



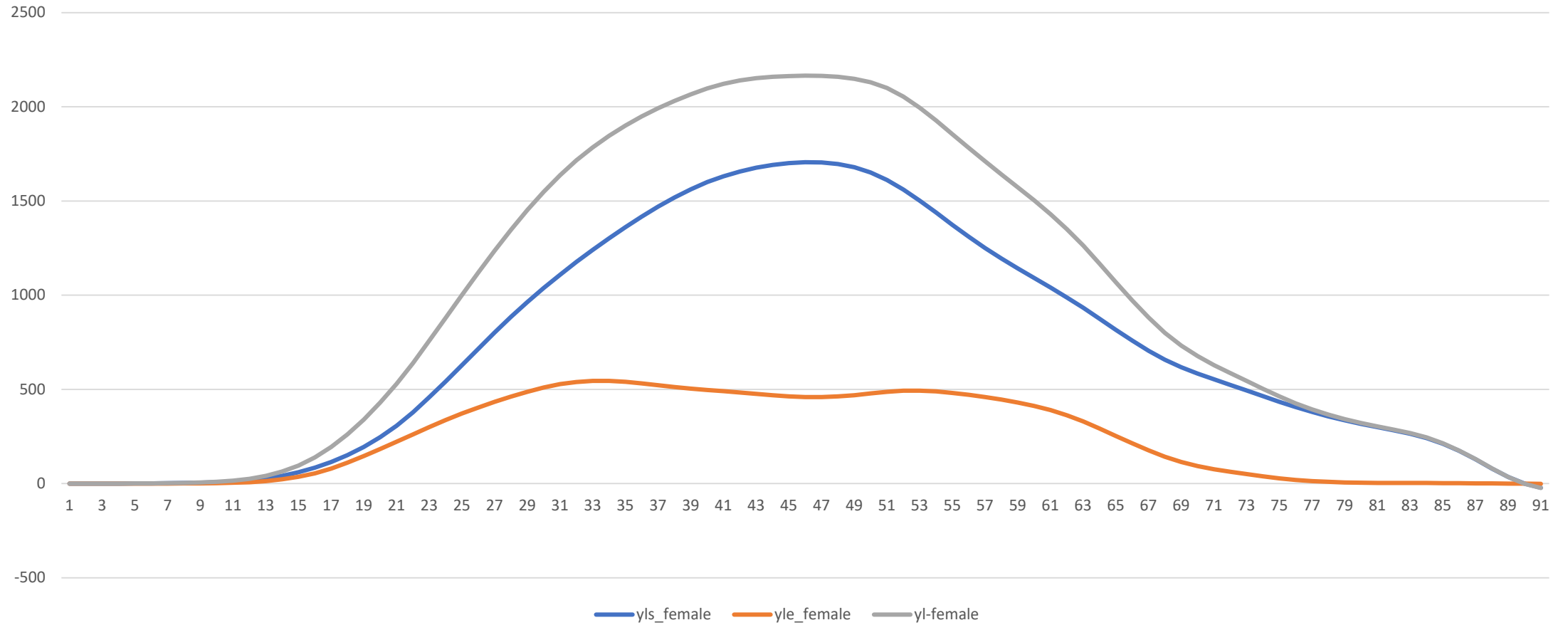
Income and consumption for 2005



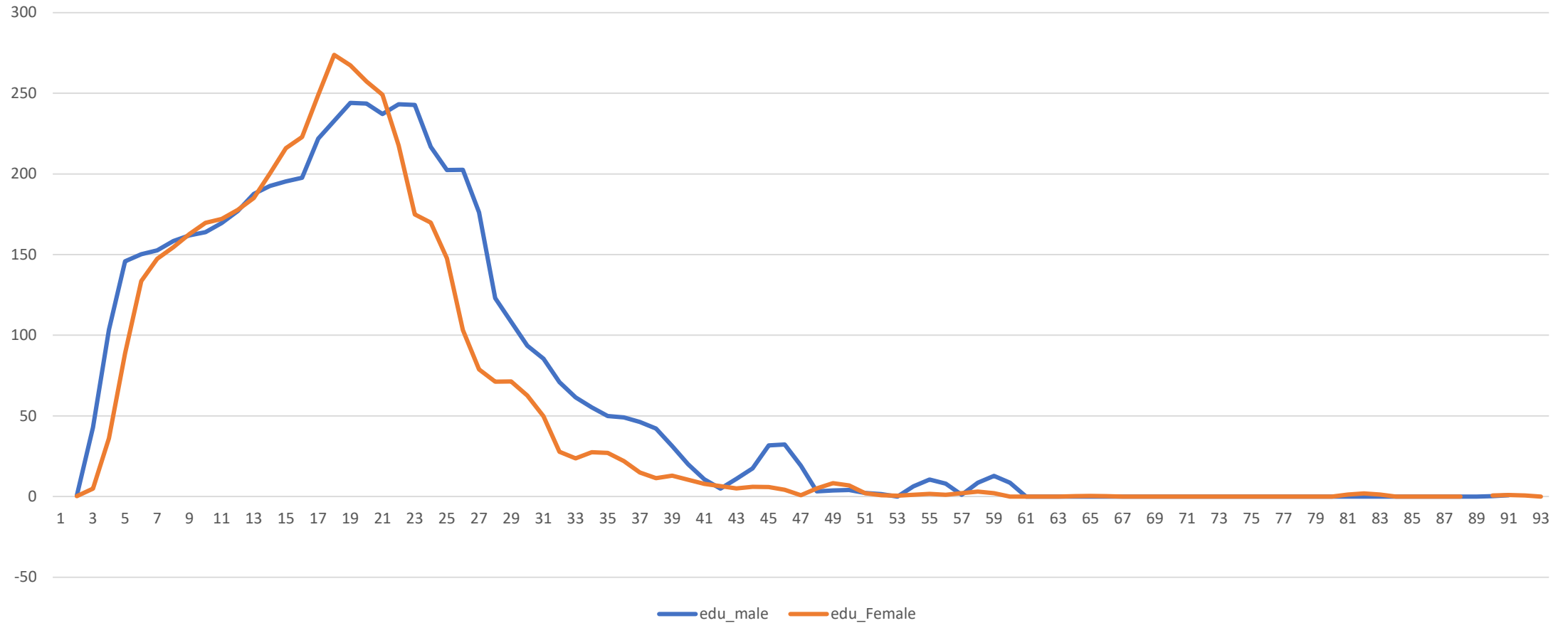
Male labour income



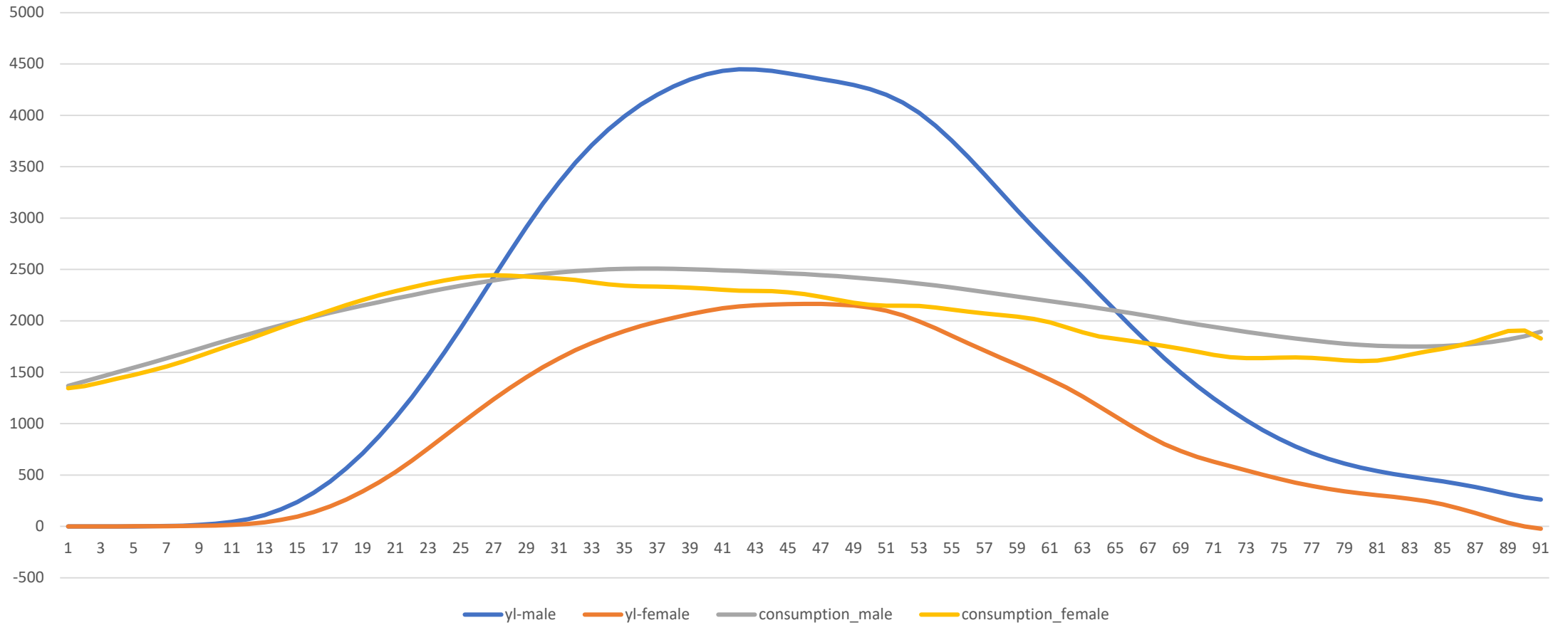
Female labour Income



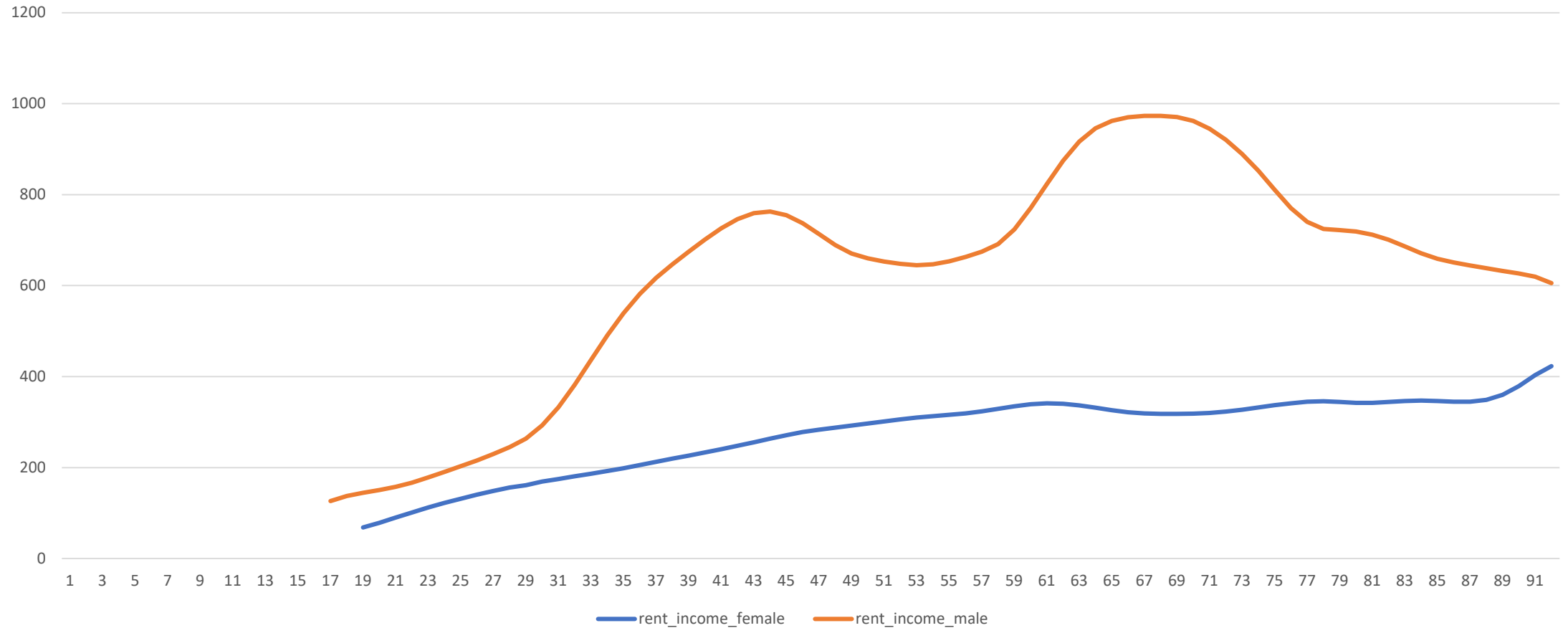
Education Expenditure According to Gender



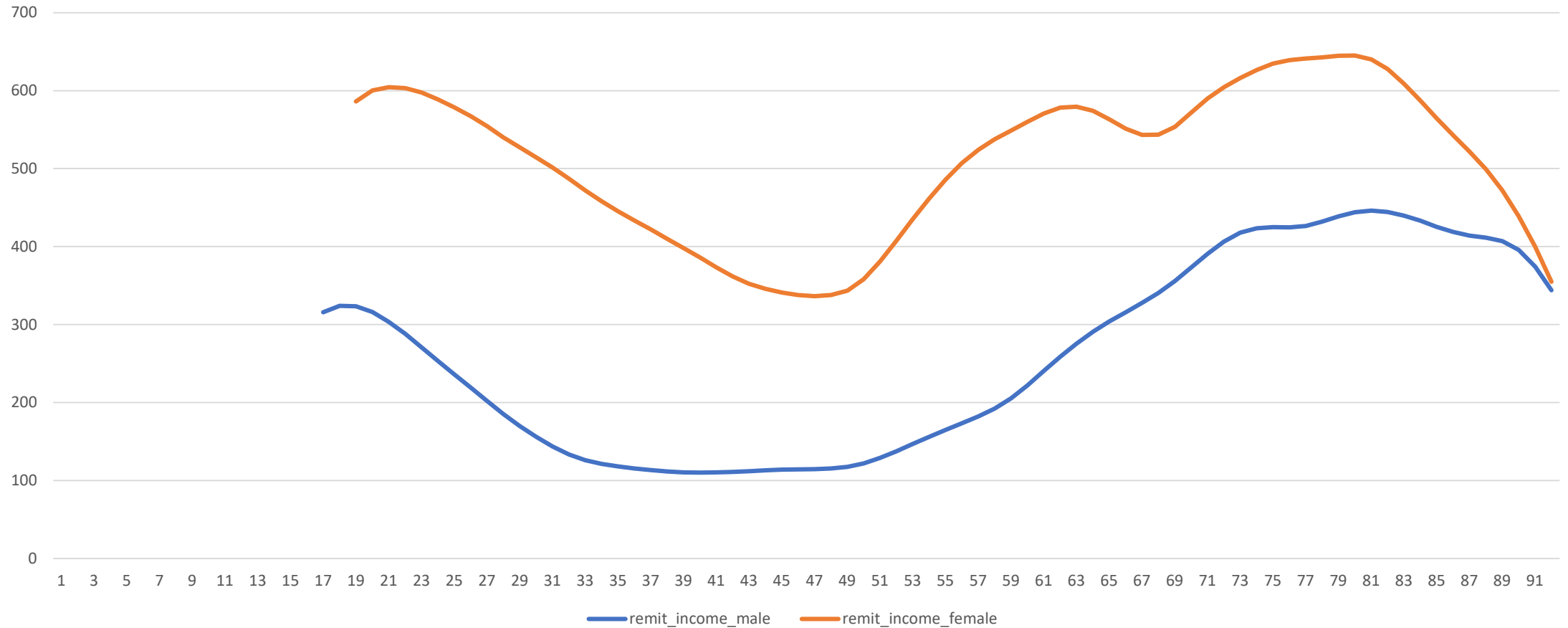
Profiles for Males and Females



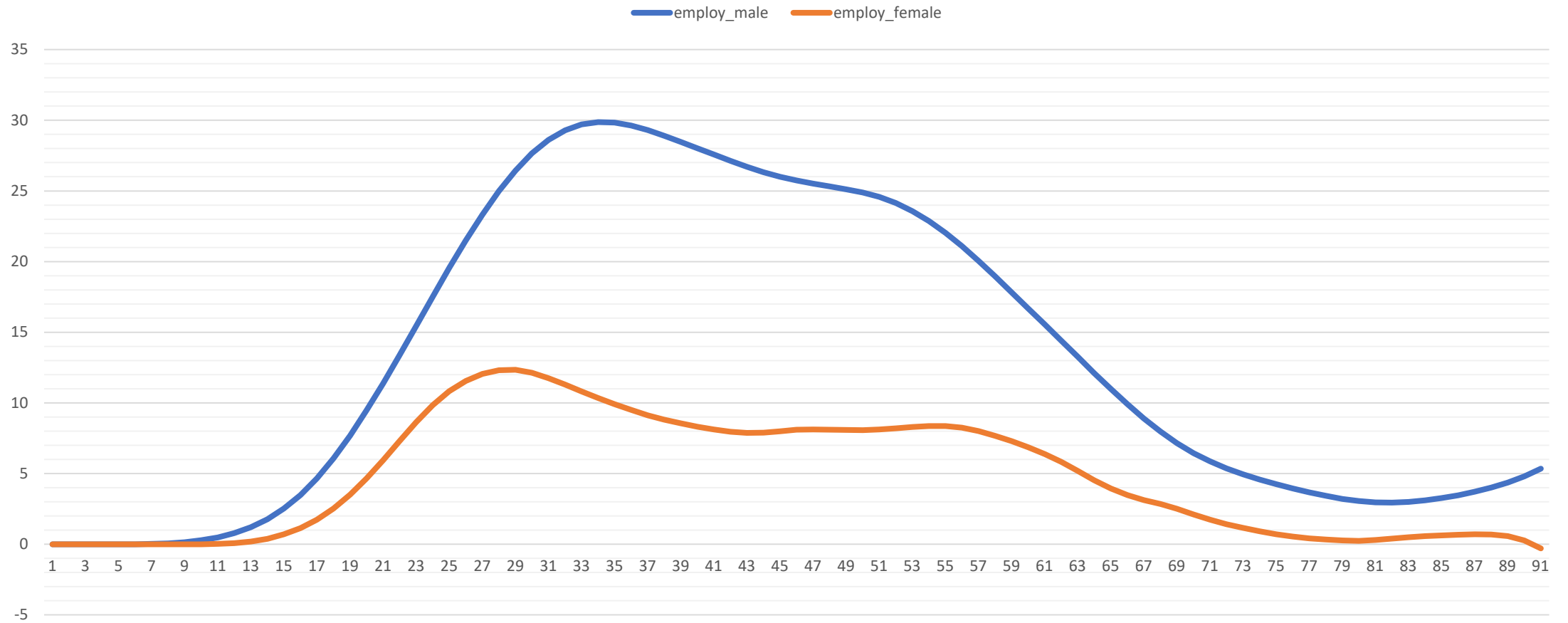
Financing the Deficit: Rent Income by Gender



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!