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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%

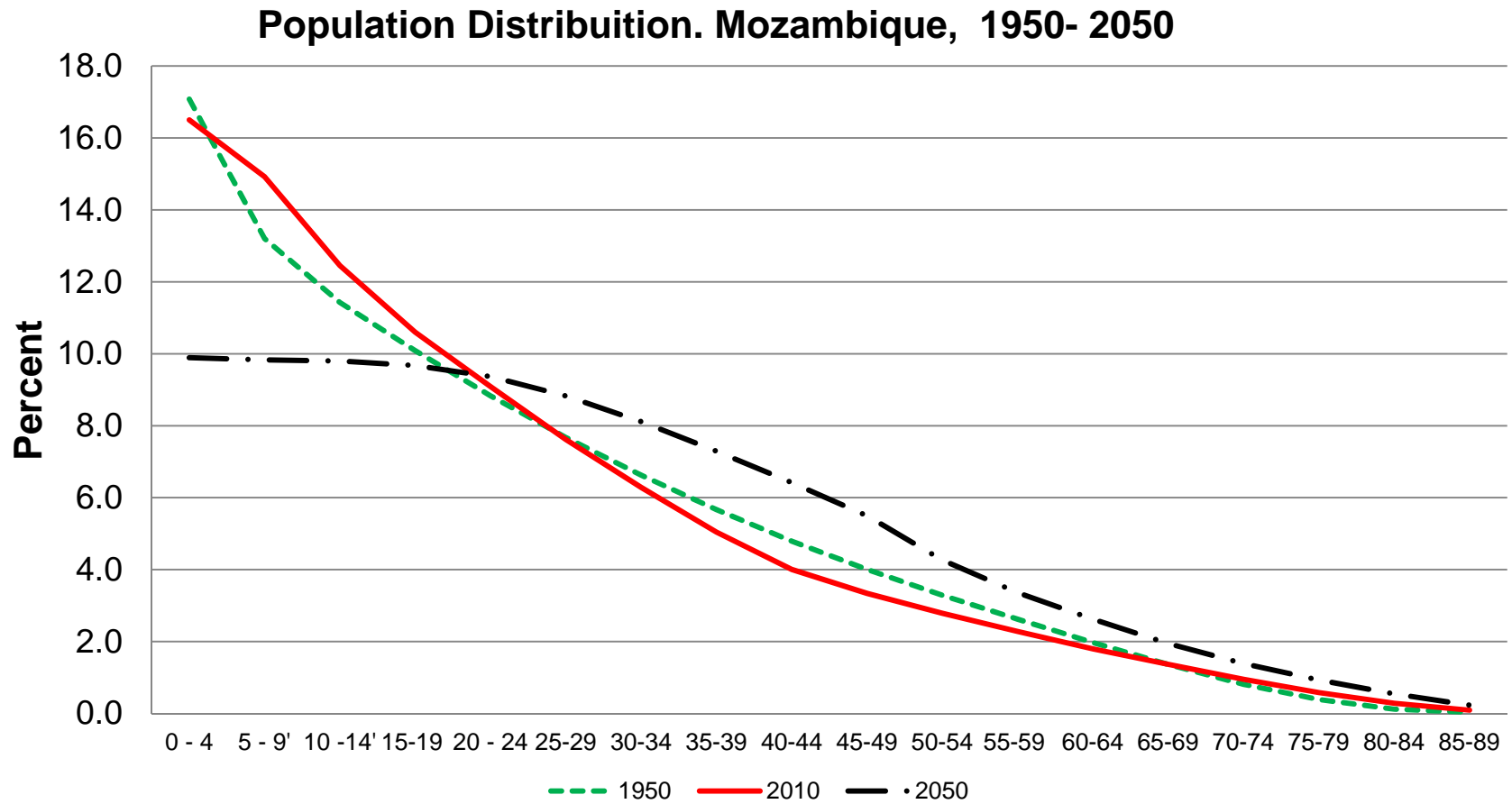
Demographic and Socioeconomic background

- **Socioeconomic**

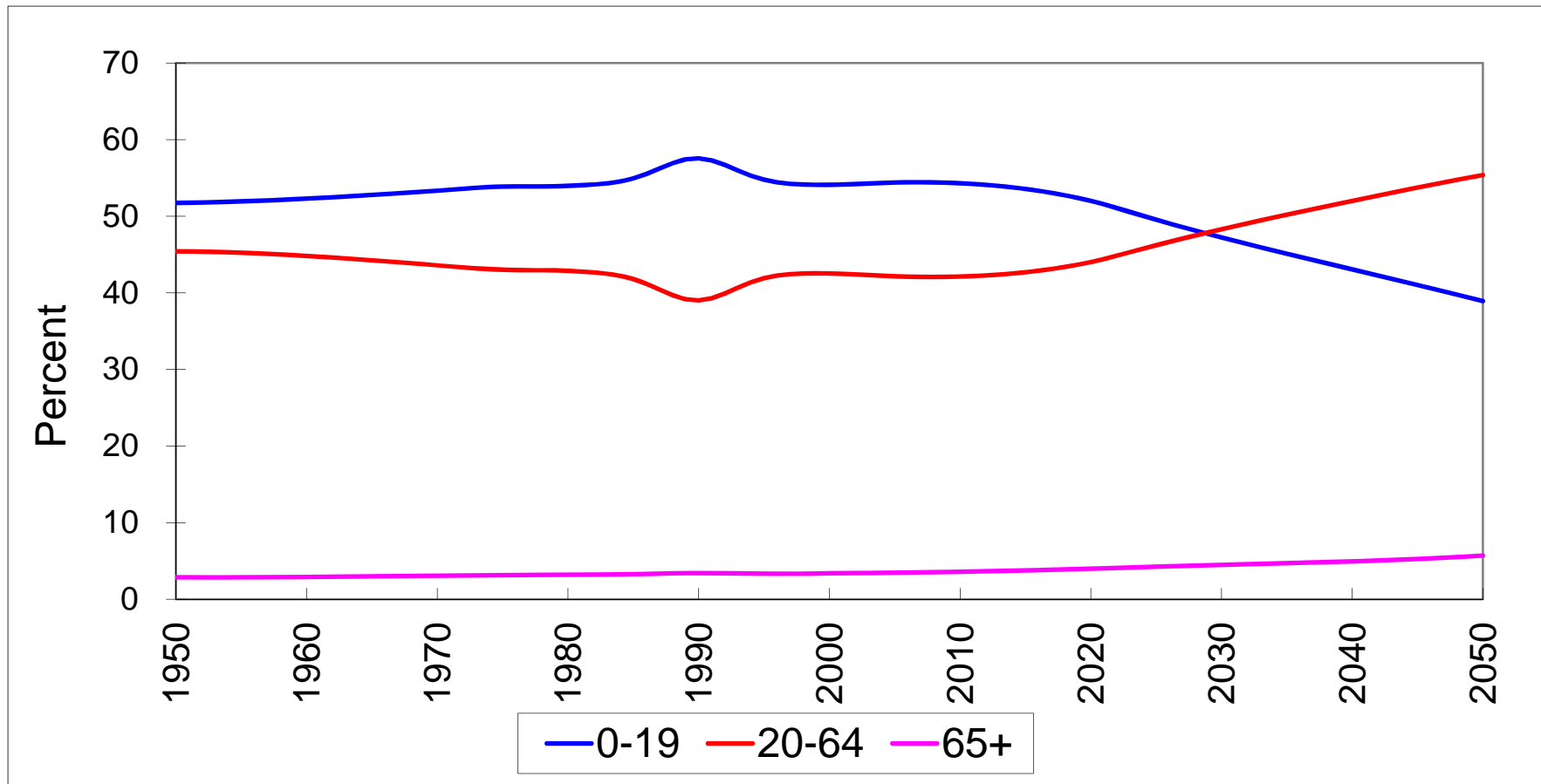
- GDP growth rate: 7%
- Poverty rate: 55%

- Unemployment rate: 23% (15-64 yrs)
- Unemployment rate: 47% (15-19 yrs)
- Unemployment rate: 23% (20-24 yrs)

Age structure

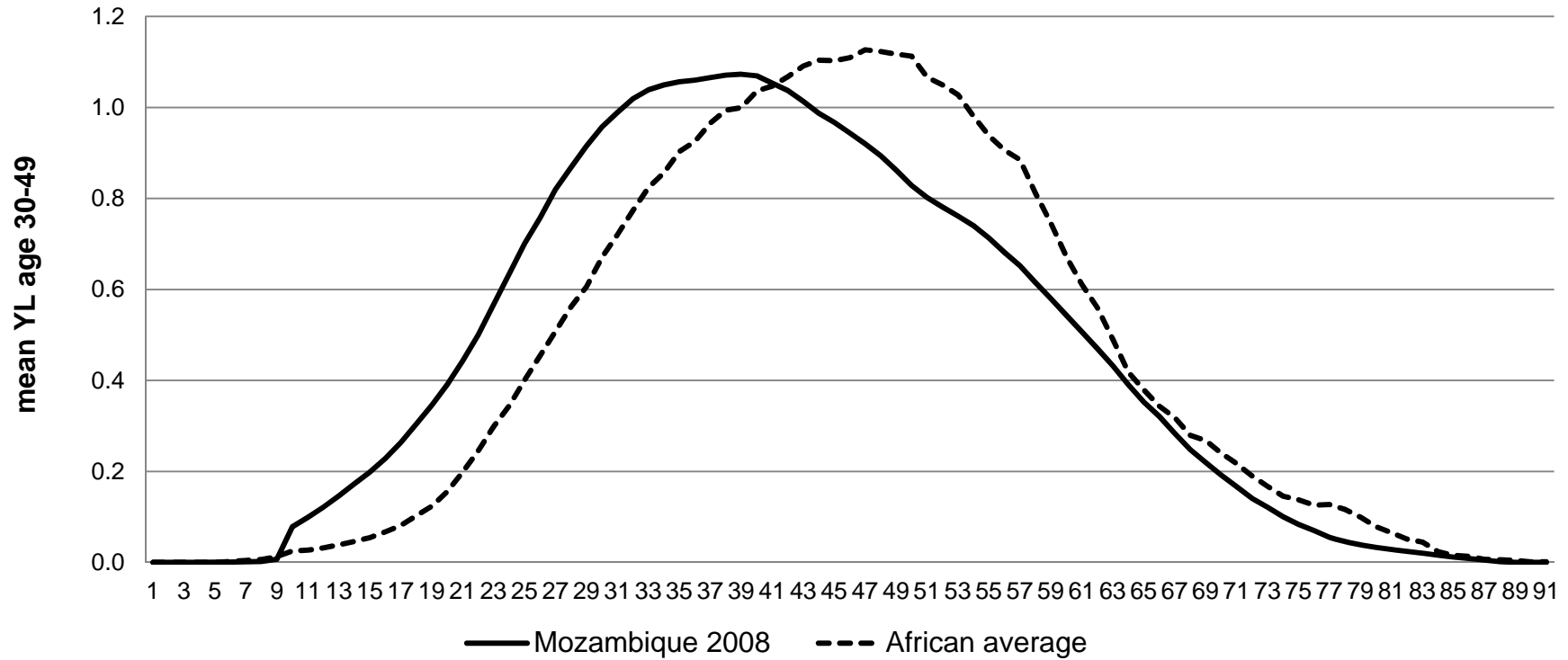


Population Age Structure, Mozambique, 1950-2050

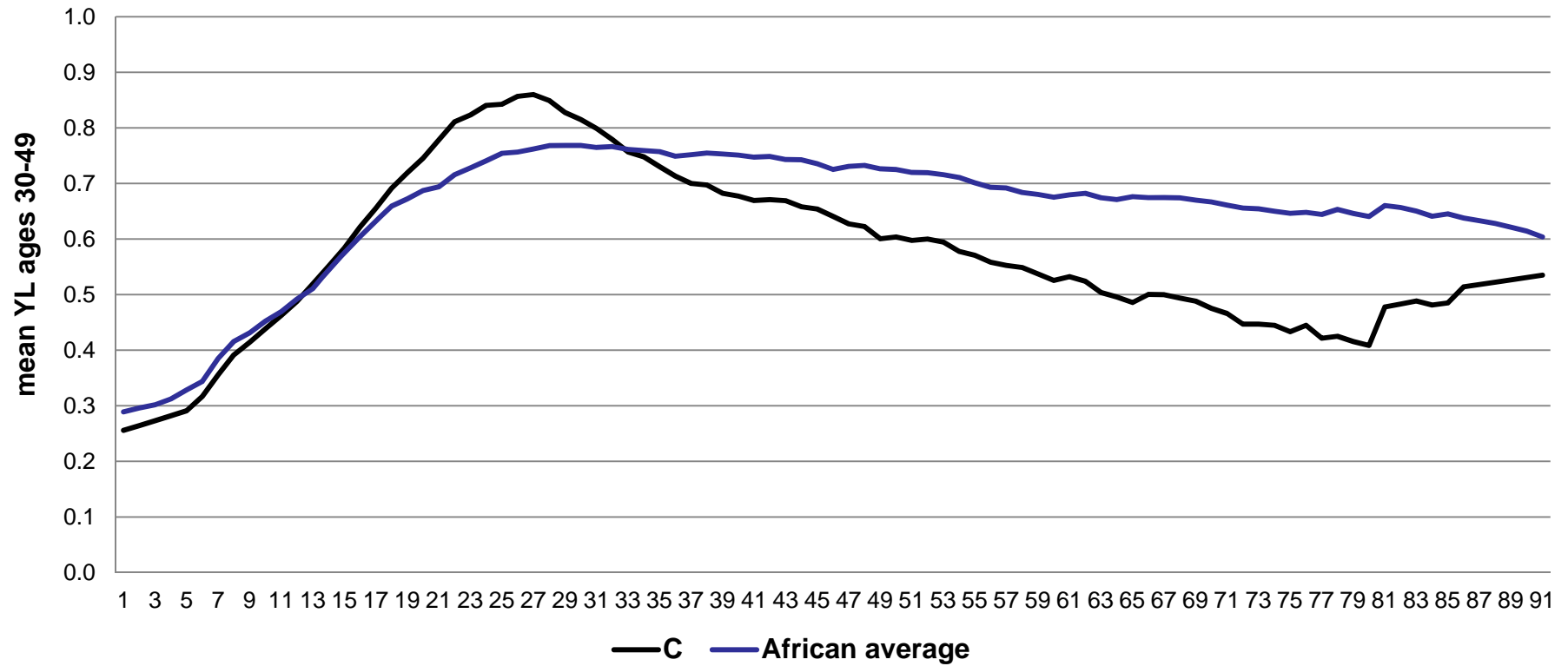


- Lifecycle Deficit and its components

Labour Income. Mozambique and Africa

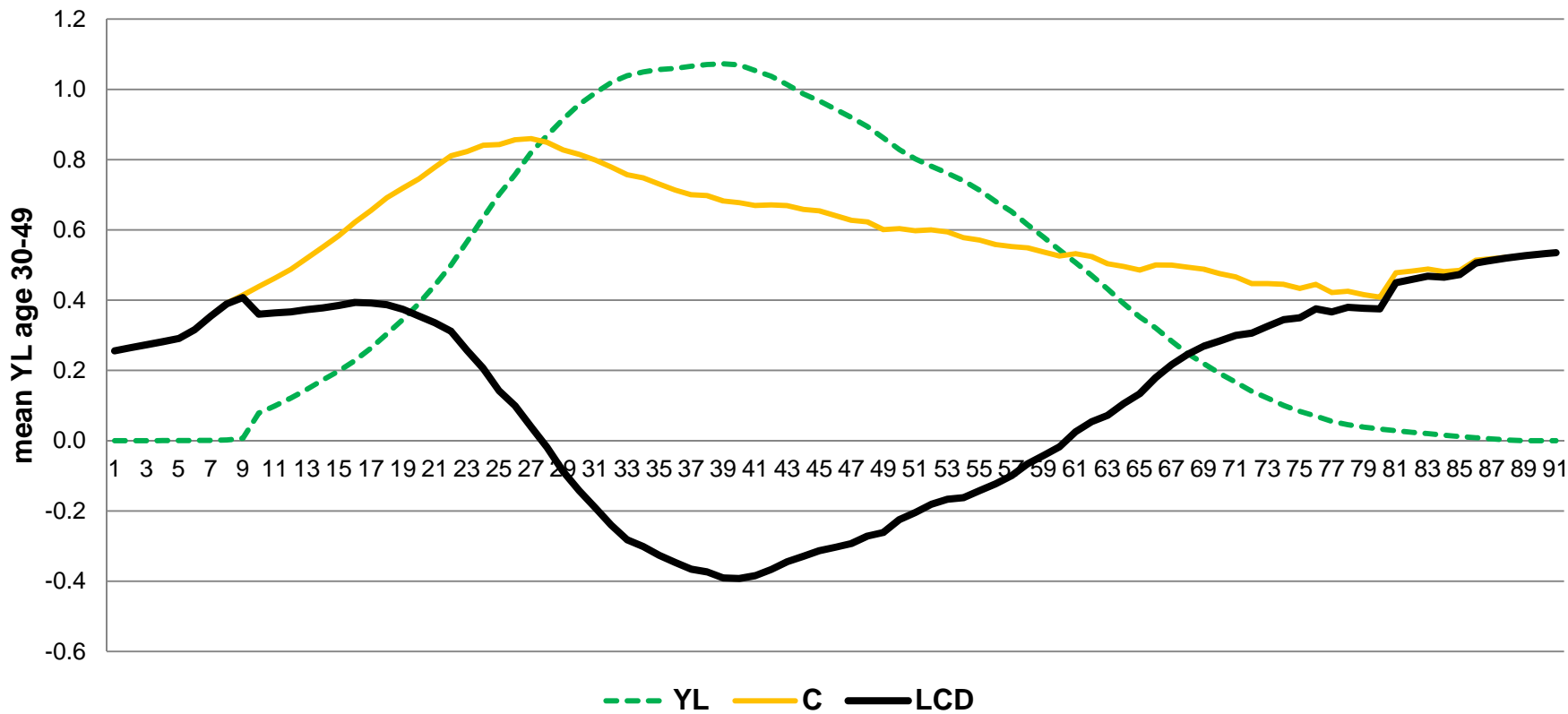


Consumption. Mozambique and Africa



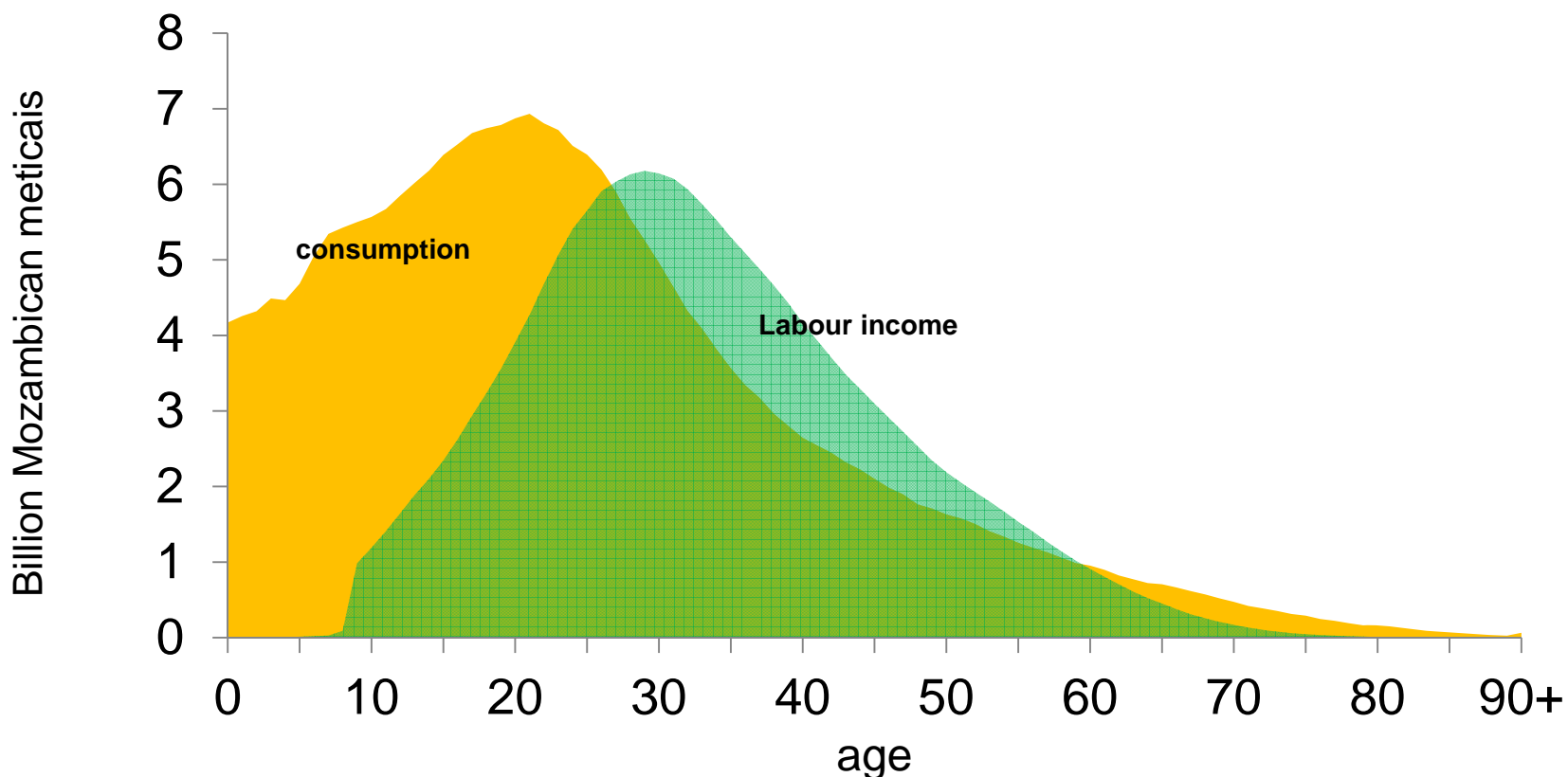
Rapid declining of C comparing with rest of Africa countries

Lifecycle deficit (per capita). Mozambique 2008



**Surplus from 28 to 60 (32 years)
Older people work after 70 years**

Lifecycle deficit (aggregate). Mozambique, 2008

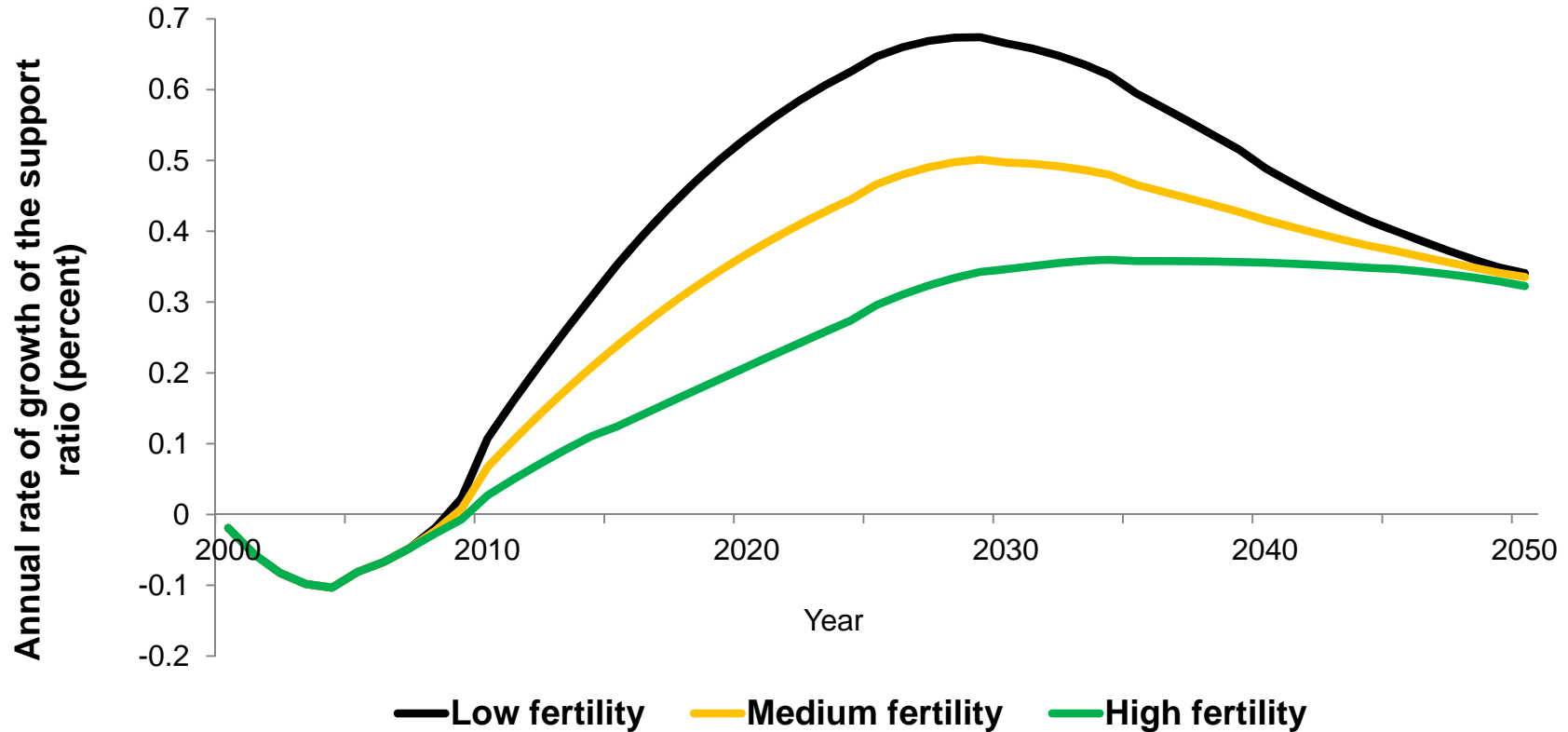


- Very high consumption for the young people as consequence of the demographic structure.
- Surplus spent on children

National transfers account summary (aggregate values). Mozambique 2008

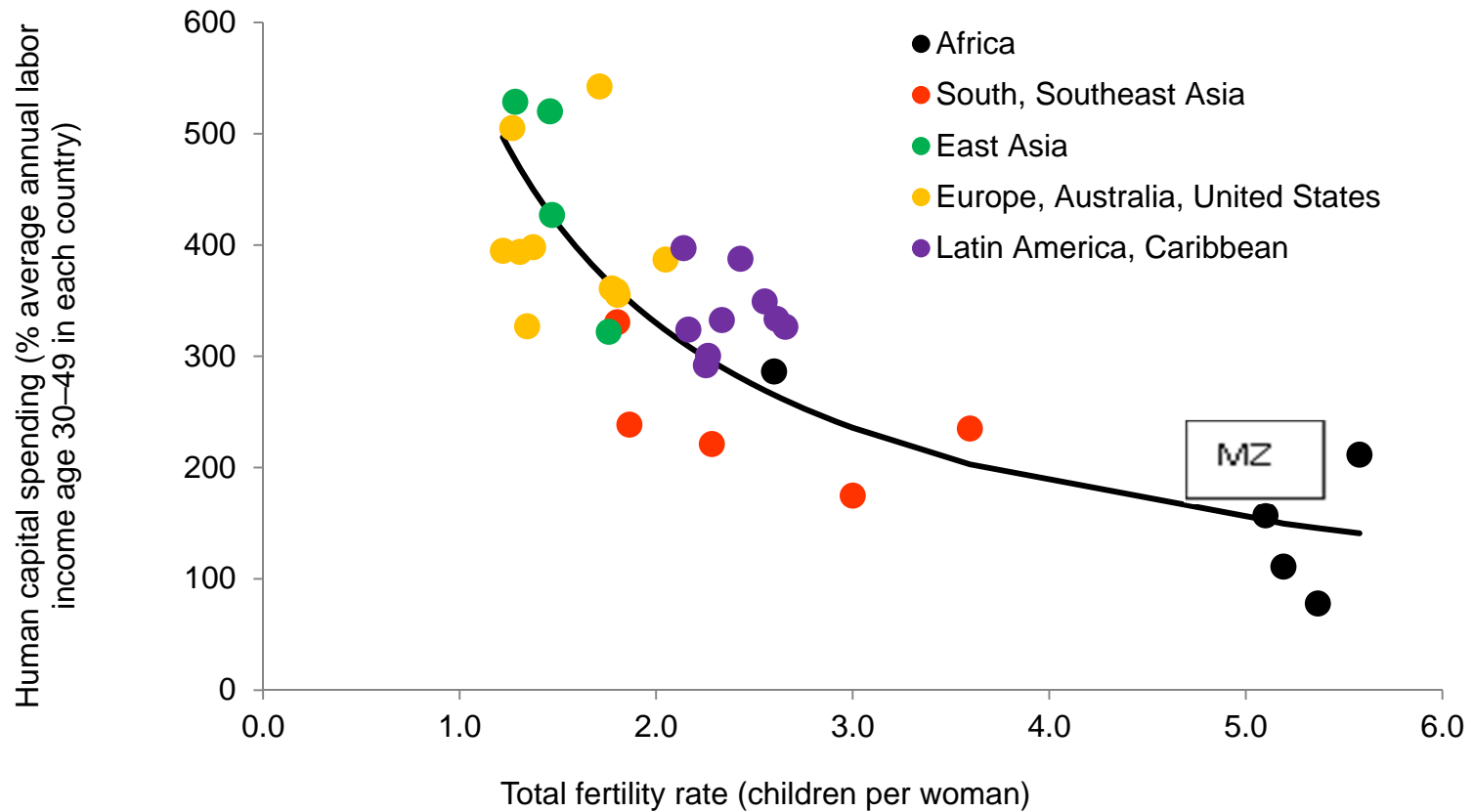
Billions Meticalis	all ages	0 - 19	20 - 64	65 - +
LCD	66,572	79,415	-16,841	3,997
Consumption	229,125	99,558	123,725	5,842
public consumption	36,613	23,353	12,534	0,725
private consumption	192,513	76,206	111,190	5,117
less: Labour income	162,553	20,143	140,565	1,845
Population (%)	100	56,4	40,6	3,0

First demographic dividend



- 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;

- Obrigado (Thank you)