Demographic Dividend
In Africa, Prospects, Opportunities And Challenges: A Case Study Of Uganda

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ABSTRACT

This paper gives an exploration of the prospects, opportunities and challenges of demographic dividend in Africa with Uganda as a case study. The objectives include; assessing the level of demographic dividend the African block has achieved. To identify the challenges lying ahead and the potential opportunities for Africa and Uganda in particular. The study designs used include exploratory, descriptive and causal. Although Africa is experiencing a drop in fertility rates, some countries are still ranked among the most fertile in the whole world, Uganda is a very good example in this regard. If this concept is to be achieved, the fertility rates must continue to plunge since older generations who are considered as non-productive have shorter life expectancies. The dividend is likely to vary across countries. Africa therefore may need to Invest more in human capital to harness the dividend.

Uganda faces the same challenges as most African countries, with most prone areas being voice and accountability by public officials, health, market share in the global market, rule of law being far below the minimum required standard, governance effectiveness and above all human rights violation and corruption levels. Uganda’s dependence ratio is at 103, with fertility rate of 7 per woman in her life time as confirmed by United Nations.

Keywords: Demographic dividends, per capita income, Governance Index, Voice and Accountability, Dependence ratios

1. INTRODUCTION

This manuscript gives an exploration of the prospects, opportunities and challenges of demographic dividend in Africa in general taking Uganda as a case study. The focus brings out the perspectives from the African block, drawing examples from other regions outside Africa and the entire globe.

Demographic Dividend: This is a level of a country’s development where, the release of supplies and reserves for a country's cost-effective advancement and the potential opulence of her population as it rises from an agricultural and subsistence country to a manufacturing economy. In the early stage of this evolution, fertility rates reduce, resulting into a work force that is momentarily rising more rapidly than the population dependent on it, or/and otherwise equivalent to the population growth when , per capita income increases more hurriedly over the same period under considerations.

This is quite an exciting turn of a nation, where an average fertility rate of women goes down as the productive age increases which brings about a positive trade off in terms of GNP due to an increase in Per capita of any given country.
The implication of this situation is that, countries with the big proportions of young people are possibly to spending much of their resources to the young people’s care, which subsequently slows down the speed of economic growth. Likewise, if a big portion of the resources are required for a less productive portion of the elderly people in the nation. In contrast, though, when the biggest population of the country is within the productive ages output, per capita incomes are kept high and other factors held constant, which is the desired direction to go to.

2. IMPLICATIONS OF DEMOGRAPHIC DIVIDEND TO AFRICA AS A REGION

Looking at country by country and/or region by region within the African continent, this may not be the case for all and may be the majority of African countries.

If this concept of demographic dividend is to be achieved in Africa as a continent, the fertility rates are expected to decline slowly and gradually. The older aged are looked at as those who have shorter life expectancies with the dependency ratio will reducing enormously.

Opportunities of Demographic Dividend for Africa

According to Paulo Drummond (2014), Africa is anticipated to contribute over and above 80% of the global population hike during this century. This increase will bring about a commensurate increase in the working ages of the populations in the continent which are looked at as a great opportunity for Africa. If this increase in the working ages will be strapped up, then it is apparent that this will automatically translate into superior expansion, which will subsequently result into demographic dividend. This quantification of the probable demographic dividend is based on the experiences by other regional blocks like Asia.

The demographic dividend will fluctuate from country to country, basing on such factors like the primary functioning age population and the rate and degree of demographic changes over time. It will be significant therefore to guarantee that the correct compassionate policies, as well as those nurturing human beings, wealth addition and occupation formation, are in place to translate this opportunity into tangible economically viable opportunity.

Venturing in person resources is significant in exploiting the demographic dividend. Countries that have invested in education thus realizing higher educational levels of their people have heavily benefited in this regard. The Asian marvel is contributed to investing education for their citizens.

What do we then say or do as Africa as a continent?

Converting Africa’s amplified prospective from the demographic changeover into material dividend will require appropriate policies and enabling environment politically, socially and economically. The member countries in the continent must be more democratic than they are today.
Family planning as a strategy for Africa

Africa as a continent needs to invest a lot in family planning if demographic dividend is the way to go for the continent. Important to note is that many sub-Saharan economies have experienced impressive and encouraging economic growth over the past decades. On average GDP growth rates are over and above 5% per annum. Unfortunately, in these economies the poverty levels are still prevalent with some citizens earning less than $2 per day, yet the birth rates are still rated high with over 2% per annum, which keeps the economies below the accelerated economic growth as seen among the Asian tigers.

Africa therefore need voluntary family planning coupled by political support to achieve this desired investment. Training and capacity build is quite necessary for that matter.

Lessons from other regional blocks like Asia

Africa can draw excellent and practical lessons from Asia as a continent but specifically from eastern Asia, where demographic dividend is evident in these economies. This exodus began in the late 1850s and early 1960s, where during that time, the countries invested more in the youths and family planning, where youths were encouraged to start families in the late youth ages and have less numbers of children in their lives.

If African economies supported by the political hands can borrow these ideas and implement them successfully, then demographic dividend will easily be achieved in the African economies within the possible shortest times.

Important to remember is the need to have improved general health, hygiene and sanitation, investing in education and gender equity. While family planning may be vital in achieving demographic dividend, it is on the other hand imperative that people must be healthy, educated and there must be equity in gender, to enable families and citizens look at everything objectively and handle matters critically with analytical skills and minds.

The Arguments and basis for changes in Africa

Africa accounts for about 20% of the world’s youths between the ages of 10 – 19 nears. The working populations in Africa are growing at a very high rate. If mortality rates and fertility rates continue to decline as the case is today, the dependency burden will drastically reduce, resulting into an active and employable youths who may have a chance to invest and become more productive in the long run. This will subsequently bring about high economic growth, which will yield into demographic dividend, which a subject of concern for Africa.

If demographic dividend is to come our way, Africa needs to create a window for job creation. With the anticipated reductions in dependency ratios, savings among families will definitely crop in. When this is coupled with improved health, education family planning, investment will prosper and economic growth will
be realized, which will definitely translate into demographic dividend. But all these developments will require appropriate policies, strategies and projects.

**Challenges for Africa**

In Africa today, there is lack of concerted efforts by all players who may lead to demographic dividend. Many African countries instead have started experiencing back slashes because of the growing numbers of peeved and unemployed youths which have started emerging. Uganda is a case in point, where the economies may face various social risks. Other challenges among the many include gender disparities where the girl child still faces a challenge of neglect by many.

3. **UGANDA’S DEMOGRAPHIC DIVIDEND STATUS, POPULATION PROFILE AND EXPERIENCES**

In Uganda today, the majority of the population are youths and children with over 45% of the population being under 15 years of age and with a growth rate of over 3% per annum on average for the past decade and even today.

Although Uganda is committed to family planning initiatives, education for the youths and specifically the girl child, there is still a long way to the demographic dividend achievement, because the dependency ratio is still high with low levels of employment, and above all, very high levels of fertility amongst women which stands at close to 7 children per woman in their lifetimes.

Taking a closer examination of the behavior of Uganda’s population structure of 1970 and 2010, the two are almost similar and identical in nature, however, the country’s fertility rates reduced from 7.1 to 6.2 respectively. This does not put Uganda in a better place in terms achievement.

*Figure 1: Percentage of Uganda’s population 1970*
However, Uganda 2030 population pyramid illustrates a thinning at the bottom. This is illustrated by the structure here below.

**Economic Indicators**

Uganda’s Population of over 35% are still surviving on less than USD 1.5 Per day yet the annual GDP growth rate is estimated at close to 6% whereas the GINI index is estimated at 45.

Looking at Uganda with GINI of 45 implies it is less than 50 which would be categorized as fair. There is still a long way to go for that matter.

**Table 1: Demographic Indicators for Uganda: Age Structures**

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Percentage</th>
<th>Population size</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
<td></td>
</tr>
<tr>
<td>0-14 years</td>
<td>48.7%</td>
<td>8,714,354</td>
<td>8,765,900</td>
<td></td>
</tr>
<tr>
<td>15-24 years</td>
<td>21.2%</td>
<td>3,775,679</td>
<td>3,833,574</td>
<td></td>
</tr>
<tr>
<td>25-54 years</td>
<td>25.7%</td>
<td>4,618,088</td>
<td>4,615,616</td>
<td></td>
</tr>
<tr>
<td>55-64 years</td>
<td>2.4%</td>
<td>405,740</td>
<td>447,118</td>
<td></td>
</tr>
<tr>
<td>65 years and over</td>
<td>2.1%</td>
<td>327,771</td>
<td>415,075</td>
<td></td>
</tr>
</tbody>
</table>

*Sources: UBOS 2014 estimates*
The fertility rate for Uganda stands at close to 7 children per woman in her life time. The dependency ratio of 103 is still a threat. Uganda is among the many developing countries which still have a long way to go towards achieving demographic dividend during this century.

Table 2: Dependency Ratios

<table>
<thead>
<tr>
<th>Category</th>
<th>Dependency ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youths</td>
<td>97.5</td>
</tr>
<tr>
<td>Elderly</td>
<td>4.8</td>
</tr>
<tr>
<td>Potential support ratio</td>
<td>20.5</td>
</tr>
<tr>
<td>Total</td>
<td>102.4</td>
</tr>
</tbody>
</table>

Source: UBOS 2014 – Estimates

It is an established fact that if a country is to achieve demographics dividend, the total dependency ratios should be less or equal to 50%. Uganda standing at 103 is still on the high side, and demands a lot in terms of reduction.

Health Indicators for Uganda

Life expectancy in Uganda today stands at 59 years of age for both men and women, whereas the mortality rate of 5.7% deaths per every 100 live births. On the other hand, contraceptive uses for all methods totals to less than 30%. This leaves Uganda in great need to improve.

Table 3: Education Indicators for Uganda

<table>
<thead>
<tr>
<th>Category</th>
<th>Age Group</th>
<th>Levels of Education Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Primary or Higher</td>
</tr>
<tr>
<td>Men</td>
<td>15 to 19</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td>20 to 24</td>
<td>58%</td>
</tr>
<tr>
<td>Women</td>
<td>15 to 19</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>20 to 24</td>
<td>54%</td>
</tr>
</tbody>
</table>

Source: UBOS 2014 (Estimates)

From the table it is clear that most Ugandans don’t go beyond secondary education. Yet if demographic dividend is to be achieved education must be emphasized and invested in for that matter. Despite the bigger population of women more than men in Uganda, more men attain education than women. This implies there is still need to invest more in education and in particular among women or the girl child. Many educationists argue that, if you want to educate the nation and bring about high levels of development, educate the girl child. Therefore, there is urgent need for investing in education to assist Uganda achieve demographic dividend in the long run.

Governance Indicators, Government Effectiveness and Global Competitive index for Uganda

Governance is a combination of the customs and society by which power in a country is exercised. This covers the procedures and guidelines by which government is brought into power and removed out of power. (World Bank group, 2015.)
The World Group Indicators (WGI) are measured by looking at, votes and liability, Stability politically, effectiveness of government, quality of regulations, rule of law, controlling and managing corruption in any given country. Uganda still has a lot to do to address all the named indicators. The overall indicators are summarized in the diagram below.

### Table 4: Global competitiveness for Uganda

<table>
<thead>
<tr>
<th>Pillars</th>
<th>Best Scores</th>
<th>Uganda’s Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Institutions (1-7) best</td>
<td>115</td>
<td>3.3</td>
</tr>
<tr>
<td>2. Infrastructures (1-7) best</td>
<td>129</td>
<td>2.3</td>
</tr>
<tr>
<td>3. Macroeconomic environment (1-7) best</td>
<td>96</td>
<td>4.4</td>
</tr>
<tr>
<td>4. Health and primary Education (1-7) best</td>
<td>122</td>
<td>4.4</td>
</tr>
<tr>
<td>5. Higher Education and training (1-7) best</td>
<td>129</td>
<td>2.7</td>
</tr>
<tr>
<td>6. Goods market efficiency (1-7) best</td>
<td>119</td>
<td>3.9</td>
</tr>
<tr>
<td>7. Labor market efficiency (1-7) best</td>
<td>27</td>
<td>4.7</td>
</tr>
<tr>
<td>8. Financial market development (1-7) best</td>
<td>81</td>
<td>3.8</td>
</tr>
<tr>
<td>9. Technological readiness (1-7) best</td>
<td>119</td>
<td>2.8</td>
</tr>
<tr>
<td>10. Market size (1-7) best</td>
<td>86</td>
<td>3.3</td>
</tr>
<tr>
<td>11. Business Sophistication (1-7) best</td>
<td>109</td>
<td>3.5</td>
</tr>
<tr>
<td>12. Innovation (1-7) best</td>
<td>96</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Average rating</strong></td>
<td><strong>95</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

*Source: Global Competitiveness report, 2014/2015, ranking*

*Figure 6: Aggregate indicators on a radar scale*

The inner red radar represents Uganda’s scores where as the outer blue represents the best scores in the world. These are indicators collected from various entrepreneurs, people and technocrats who participated in surveys from both industrialized and less developed countries worldwide, Data was collected from over 30 data sources,
prepared by different surveys by different institutions, think tank sources and private institutions. Also NGOs and international organizations including multinationals were included.

Comparatively, Uganda is worst in the 2nd pillar of infrastructures, followed by the 9th pillar of technological readiness, both of which fall below Uganda’s average score of 3. However, looked at from the global scene, Uganda is performing greatly below the minimum score for most of the nations.

4. MAIN CHALLENGES FOR UGANDA TOWARDS DEMOGRAPHIC DIVIDEND

From the radar chart above the 12 pillars indicate there many challenges Uganda faces that must be addressed in order to achieve demographic dividend. Important to note is that institutional development is paramount if the dividend is to be achieved. On the other hand, voice and accountability together with corruption need immediate attention.

Uganda still has a lot challenges in this regard, to political stability because as per the indicator value of -0.84, for political stability means there is much to be addressed to attain a desirable level as a move towards demographic dividend for the country.

To the outside community Uganda may be looked at as politically stable but in reality there a lot required to be addressed to meet this requirement, because the political leaders have deprived many Ugandans their rights to access their needs and the leaders have totally failed to account for the tax payers monies that s why the rating still stands at a negative value.

Voice and accountability for Uganda requires immediate redress to meet the minimum basics for the country to be regarded closer to the required levels.

In addition, according to the global competitiveness index, the level of productivity sets the level of prosperity that can be earned by an economy. Uganda’s competitiveness index according to 12 pillars requires immediate attention, if demographic dividend is to be achieved both in the medium and long run.

According to World bank data 1998-2014, the quality index ranges between, (-2.5 weak; 2.5 strong): Records indicate The average value for Uganda during that period was -0.1 points with a minimum of -0.36 points in 2014 and a maximum of 0.25 points in 1998. This situation has not changed a lot over the years.

The Uganda rule of law index in Uganda puts the country among the worst in the world (Monitor, June 2, 2015). This requires more efforts to address this situation.

Factors for consideration under the rule of law include among others, Assaults, Kidnapping, Robbery, Sexual Rape - Assault at the national level, rate is considered at 67.6, Rate per 100,000 population), in 2010. In this regard, ‘Assault’ means physical attack against the body of another person resulting in serious bodily injury;
excluding indecent/sexual assault; threats and slapping/punching. 'Assault' leading to death should also be excluded. (UN-CTS M3.2). Need to observe is that, on a number of occasions, government agents are directly involved in assaulting civilians. This is summarized in a simple table here below

**Control of Corruption in Uganda**

Corruption may mean lack of transparency in handling public and private resources, lack of accountability and misuse of resources. Uganda is till ranked among the corrupt nations in sub-Saharan Africa and the world at large.


5. **WAY FORWARD TOWARDS ACHIEVING DEMOGRAPHIC DIVIDEND**

Demographic dividend achievements require a number of issues to address as per indicators stipulated above. Uganda’s indicators need improvements if the required standards are to achieved. Uganda needs to make substantial investments in reproductive health and family planning, then fertility levels may begin to decline more significantly, and surviving children will be more likely to achieve better basic levels of health.

With additional investments in health and education and economic initiatives to facilitate job creation, Uganda may be able to experience the rapid economic growth known as a demographic dividend. There is some ongoing work on the topic of a demographic dividend in Uganda.

Further to consider, if Uganda is to achieve demographic dividend, include among others voice of the citizens and accountability, where public officers are expected to respect the citizens they work, who are the tax payers and to the government in general.

There is urgent need to strengthen and improve where necessary opinionated steadiness and absence of hostility among the citizens and by the government in the country which is considered fundamental for growth and subsequently, demographic dividend in the future.

Good governance, implying administration efficiency in the use of resources and value addition to civilians and citizens is another important and key requirement for Uganda to achieve and sustain demographic dividend in the future.

Uganda must improve her regulations in terms standards and manage dishonesty among public officials which have kept the country low over time in terms of growth and development. This applies to both private and public sector by taking the key pillars indicated in the manuscript as guiding principles and indicators.
6. REFERENCES


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