



EVIDENCE BRIEF

Harnessing the Demographic Dividend: Accelerating Structural and Socioeconomic Transformation in Mozambique (2015)



Why is it important?

This report summarizes an analysis to assess Mozambique's chances of harnessing a demographic dividend and the policy options the country can adopt in order to optimize its chances of earning one. The study is beneficial for those wishing to learn about the current structural and socioeconomic status of Mozambique, and to inform policy and programme planning.

Methodology

The study employed a mixed methods approach that included a review of documents, data collation and analysis, modelling and policy assessment. The review of the general literature on the demographic dividend, population dynamics and economic change in Mozambique was complemented with data collation to examine trends in demographic and socioeconomic indicators from various national data sources, primarily from the National Institute of Statistics (INE). Data from UN agencies and the World Bank were also used.

Key findings

To demonstrate Mozambique's potential demographic dividend under different policy scenarios, the study used the modelling tool DemDiv, based on four policy scenarios. By 2051, the Business-as-Usual and Economic Emphasis scenarios would lead to a fertility rate of 4.6 children per woman and a population of almost 87 million people. The age structure would not differ greatly from the current one and economic progress would continue to be held back by a high child dependency burden.

The Moderate scenario projects lower fertility, a smaller population size, and a lower child dependency burden than the Business-as-Usual and Economic Emphasis scenarios, but it is under the Combined Scenario that the effect of simultaneous investments in both social development and economic parameters is most apparent. All four policy scenarios showed a significant increase in the size of the working-age population and an enormous employment gap challenge.

Under the Business-as-Usual scenario, the country would achieve limited economic growth and the per capita GDP would increase from \$557 in 2011 to \$1,036 in 2035. Under the Economic Emphasis scenario, per capita GDP would increase to \$2,280 by 2035, and to \$4,890 by 2051. Under the Moderate scenario, per capita GDP would increase to \$2,595 by 2035 and \$6,634 by 2051. Under the Combined scenario, economic, social and demographic factors are prioritized to achieve socioeconomic transformation as per the National Development Strategy (2015-2035).

Conclusion

It is recommended that the country prioritize investments in social development pillars to achieve 2035 development goals. Economic policies would need to be much more equity conscious than they have been to make sure that economic growth would be inclusive and reduce poverty levels.

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