**Malawi: Harnessing the Demographic Dividend to Accelerate Socioeconomic Transformation and Economic Development in Malawi (2016)**

This report summarizes the results of a study carried out to assess Malawi’s potential for harnessing the demographic dividend and discusses the policy options that are required to do so.

It reviews demographic, economic and human capital trends, challenges, and opportunities, and their implications for Malawi’s development; how the demographic dividend can be harnessed under different policy scenarios; and a review of current policies and their performance in other countries, which can be adopted in Malawi.

The report would be beneficial for those wishing to understand Malawi’s potential in harnessing its demographic dividend to better inform programming and policy, as well as those looking to gain a better understanding of relevant demographic, economic, and human capital trends in Malawi.

 **Methodology:** The study uses a mixed methodology approach including a review of general literature on the demographic dividend, and of population and economic dynamics in Malawi; a collation of national demographic and socioeconomic indicators from various data sources; and modeling the potential demographic dividend that Malawi can earn under different policy and investment scenarios, which are based on differing levels of economic investment and family planning and education policy implementations using DemDiv.

**Key Findings:** The findings of the study can be separated into three different categories:

1. Population and Age Structure Changes:
Two scenarios (Status Quo & Economic Emphasis) would lead to a slight reduction of the average birth rate, from 5 births per woman to 3.94, which would decrease the dependency burden on the working age group, but the country will continue to harbor a high child dependency burden.
The remaining two scenarios (Social Emphasis and Combined) would halve the fertility rate to 2.12, which would result in a marked increase in the working age population and a relatively low dependency burden.
2. The Working Age Population and Job-Creation Challenge:
All four policy scenarios would have a significant increase on the size of the working age population, aged 15 years and above. All four scenarios, however, show that Malawi will face an enormous challenge in creating enough jobs for a rapidly growing labor force.
3. Change in Economic Growth and Average Incomes:
The four different scenarios project different timelines for Malawi’s transition to middle income status, ranging from 2030 (Combined and Economic Emphasis Scenarios) to 2040 (Social Emphasis Scenario) to 2054 (Status Quo Scenario). These results all underscore the fact that the demographic dividend is a long-term phenomenon and that sustained investments are needed.

**Conclusion:** Malawi’s aspirations to transform into a middle-income country can benefit from the demographic dividend. However, this is not guaranteed and is time bound therefore the country must act quickly by prioritizing policies and investments to accelerate fertility decline, improve human capital, accelerate economic growth and job creation, and enhance good governance and accountability in service delivery and use of public resources.