

The post-2015 development agenda challenges countries to speed up progress in multiple sectors, simultaneously. There are no easy shortcuts to achieve that, but some countries have an age structure that provides an added advantage for rapid economic growth—if the right, time-sensitive investments are made.

Many developing countries, especially in Africa and Asia, enjoy this opportunity because they have experienced a recent fertility decline and have a proportionately large young and working-age population. Asia experienced a sevenfold increase in GDP per capita during its demographic dividend window, and Latin America experienced a twofold increase.

The window is now open for many young economies in Africa and Asia to speed up transformational development, if they rapidly empower, educate and employ young and working-age people.

If successful, this large generation eventually grows older with more savings and wealth to secure a protected old age and invest in the next generation. This added wealth and social security among the youth bulge as they grow old is sometimes called the second dividend.

Why does the demographic dividend matter for sustainable development?

The post-2015 development agenda will unfold in the midst of structural demographic transformations, coinciding with ambitious aspirations for health, security and justice for present and future generations.

A demographic dividend can only occur if countries invest in the empowerment, education, and employment of young people, and assure macroeconomic and labour policies that lead to a major expansion of safe and secure employment, including good governance.

Today, many countries are on the crossover of this potential—with a proportionately large young and working-age population. But much more must be done to enable the dividend: increase the empowerment of girls and women, ensure universal and high quality education that is tailored to new economic opportunities, and expand secure employment.

Why do we need global leadership?

Success is time-critical, and harnessing the demographic dividend demands vision and leadership beyond national borders, galvanizing the combined actions of governments, donors, and business.

The demographic dividend can accelerate economic growth and national development

Demographic dividend—window of opportunity

The demographic dividend is the economic benefit that can arise when a population has a relatively large proportion of working-age people, and effectively invests in their empowerment, education and employment.



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every childbirth is safe and
every young person's
potential is fulfilled

How to harness a demographic dividend?

Empower, educate, and employ through public action, and private sector involvement

Why do we need public action?

All governments must **empower, educate** and **employ** young and working-age people to yield a demographic dividend. Likewise, public actions are needed to enable fertility decline, a necessary precursor to such a dividend.

It is public action that ensures the rights and freedoms, services and information needed for development, as well as universal and high-quality coverage of schooling and health care and the policy climate for private investment.

Moreover, the expansion of public-sector jobs in health and education can have multiplier effects on the demographic dividend, simultaneously expanding formal employment and providing the teachers and workers needed for universal schooling and health coverage.

Why do we need private sector involvement?

The private sector provides 90 per cent of all jobs in the developing world, and the greatest prospects for full, formal employment—a key to increasing gross domestic product (GDP) per capita.

Private-sector partners can help forecast labour demand, identify skill gaps and provide the requisite technical, vocational and work-place training to ensure that learning is linked to a growing economy.

The private sector—partnering with government and civil society—can offer insight into the current constraints to job growth and help expand critical infrastructure and policy reform.



Empower

A critical foundation for the demographic dividend is ensuring that all people have the rights and freedoms to define their lives, pursue education, join the workforce and accrue wealth. Enriching opportunities for all persons contributes to the economic growth of households, communities and nations.

These rights and freedoms include reproductive rights, and all young people, especially girls, need to be free from forced or coercive marriage and enabled to choose the number and spacing of their children. Families should be able to balance work and family life, and ensure the health and well-being of children.

Women's empowerment is critical to achieving a demographic dividend, especially in countries where birth rates remain high. Women who are freed from unintended pregnancies not only enjoy better health and healthier children, but are more likely to promote development as economic actors and entrepreneurs.



Educate

A demographic dividend depends on people, generating and capitalizing on new opportunities and new information-based economies. National policies that ensure lifelong access to education—universal and of high quality—are essential to give workers the skills and expertise to work productively.

Countries will need to expand high-quality schooling, including secondary and technical training, to ensure that workers are prepared for the 21st century economy. Public policy is critical to the level and quality of education and the readiness of local workers, but apprenticeships and on-the-job training by the private sector can ensure that the right capabilities are tracked to future jobs.



Employ

A demographic dividend can only be realized, if the skills developed are deployed in productive activity. The political climate for industrial and business investment must be welcoming, promoting growth in formal employment and entrepreneurship, and tailoring partnerships to the unique opportunities in each country.

Business and entrepreneurship depend on a reliable tax and regulatory environment, access to financing, adequate infrastructure and skilled workers. Nearly half of companies surveyed by the World Bank Group cited a bad investment climate as the top constraint to conducting business in developing countries. They underscored the critical need for adequate power supply and skilled workers.

The private and public sectors must jointly promote high-employment industries that match the evolving skills and resources in each country, with long-term planning and partnerships for the growth of high-skilled training and industry.

