Side Event at the Ministerial Conference on Partnerships for the Development of Productive Capacities in LDC

Cotonou, Benin

Date: July 29, 2014

Time: 18.00-19.30

Title: Development of Human Capital and the realization of Demographic Dividend in LDCs

Concept Note
1. Introduction

The Minister’s conference on the LDCs will be held in Cotonou, Benin from 28-31 July, 2014, following the Istanbul conference Programme of Action of May 2011. The Government of Benin, the chair of LDCs, will host this meeting. Although it is a gathering of economists and political leaders, however, using the 1994 ICPD lens and reviewing the population age structure of the LDCs\(^1\) and the linkages between population dynamics and economic growth, the active participation of UNFPA at the main conference is unquestionable. The age structure dimensions of population studies have opened new ways of viewing the population dynamics beyond population size and growth rate. The often muted truth is that the Youth of today are the drivers of skilled labour and the engine of the productive capacities in LDCs, provided timely and large scale investments are made in social and economic policies that favour these youths.

As the world comes together to discuss the future of opportunities that avail themselves to Africa\(^2\) and LDCs in mineral oils, other extractive industries and trade, we need to take stock of the immediate past success in economic growth on the continent and subsequently constructively plan for the future of the continent.

Sub-Saharan Africa has just experienced one of the best decades of growth since the 1960s. Between 2000 and 2012, GDP grew more than 4.5 percent a year on average, compared to around 2 percent in the prior 20 years (World Bank). About one-quarter of countries in the region grew at 7 percent or better, and several African countries are among the fastest growing economies in the world. At the same time, many Africans are dissatisfied with this economic progress.

The incidence of poverty has fallen as Sub-Saharan economies have expanded, yet overall growth in Sub-Saharan Africa has not been as pro-poor as growth in other regions. Each 1 percent increase in average per capita consumption has been associated with a reduction in poverty of 0.69 percent; elsewhere in the world, that reduction has averaged just over 2 percent (World Bank 2013). In part, Africa’s poverty reduction has been less marked because in many countries the source of growth is primarily oil, gas, and mineral extraction, not labor-intensive sectors such as agriculture or manufacturing. Young people, who have weaker links to the world of work than the general population, are therefore doubly disadvantaged.

Sub-Saharan Africa today faces an unprecedented opportunity. Half of the population is under 25 years of age. Each year between 2015 and 2035, there will be half a million more 15-year-olds than the year before. Meanwhile, the population in the rest of the world is, or will soon be, aging. Africa’s youth bulge offers a range of opportunities. First and foremost, the world’s goods and services, which as mentioned above, is the way to sustainably lift people and nations out of poverty as Asia did. Realizing this brighter vision for Africa’s future, however, will require a clearer understanding of how to benefit from this asset by massively investing in those sectors and also preparing the youth for the required/needed skills. Meeting the youth employment challenge in all its dimensions—demographic, economic, and social—and understanding the

\[^1\] Demographic and Health Survey Reports 2000-2014 in LDCs in West and Central Africa

\[^2\] Over 70% of all LDCs are in Sub-Sahara Africa
forces that created the challenge, can open potential pathways toward a better life for young people and better prospects for the countries where they live. Secondly, the demographic transition, which created the youth bulge that is entering African labor markets can, in the longer term, stimulate economic growth and development. Third, the role of mineral exports—which have shaped the structure of recent economic growth but failed to sufficiently increase the number of wage jobs most desired by youth—and the prospects for reversing this trend in the future. Fourth, the largely untapped reservoir of opportunities in farming, at a time of high global prices for agricultural commodities and rising local and regional demand for food. The challenge of youth employment in Africa may appear daunting, yet Africa’s vibrant youth represent an enormous opportunity, particularly now, when populations in much of the world are aging rapidly. Youth not only need jobs, but also create them. Africa’s growing labor force can be an asset in the global marketplace.

It is in view of this background that UNFPA has proposed to have a Side Event at the margin of the Ministerial conference on LDCs to critically review and deepen the understanding of the concept of demographic transition and demographic dividend; what policies need to be put in place to generate maximum gains like (or even better than) east Asia; what actions need to be identified and implemented; and finally when to begin to act. Without Africa taking advantage of this massive potential human capital, inequalities between and among nations could further deepen and pass along the legacy of poverty and discrimination in the Post 2015 development era.

2. Context and rationale

The **demographic dividend** refers to the window of opportunity that opens up when the largest proportion of the population is in the working age group and the proportion of dependents (children and elderly) is smaller. The phenomenon reduces the dependency ratio and ushers in economic growth as witnessed in other regions such as East Asia.

This work force needs to be adequately prepared in order to gain the momentum to enter into the productive capacities. The level of preparedness at country or regional level is not automatic. Conscious development in social economic policies that are pro-poor and investments in health and nutrition, education and creation of jobs need to take place now and on a large scale. Four main issues, which will be discussed more fully during the Side Event, need to happen:

a. **Large investment in fertility reduction through voluntary family planning**

To trigger off the demographic transition, government must develop and operationalize policies that favor reduced fertility through voluntary family planning. This is the sine qua non for the demographic transition that will balloon the population pyramid and result in the youth bulge. This precludes also that maternal and child morbidity and mortality are concurrently being tackled and nutrition for children under age of two is underway. Many countries in the region
have very high fertility rate (TFR between 4 and 7)\(^3\). As a result of this, a smaller percentage of people in the productive age group (15-64) are working and dependency ratio is very high. In some countries in the region, 45-50\(^4\)% of the population are carrying and supporting the dependent population of almost 60\% (mostly those under the age of 15 years).

Currently, the CPR in the region is among the lowest in the world while the unmet need for family planning varies depending on the phase of demographic transition of the countries in the region. However, as information on family planning services and the commodity become more common knowledge, the unmet need will tend to rise.

Prepositioning family planning and access to high quality sexual and Reproductive health services remain critical to the reduction of maternal mortality without which the demographic transition can take place. This is also central to attainment of women empowerment and achievement of gender equality (see below).

\section*{b. Adolescent girls empowerment}

Re-conceptualization of gender equality in the post MDG agenda within the context of the LDCs has to take cognizance of how challenges facing the youth, especially adolescent girls and young women will be addressed. There is need to recognize young people as invaluable agents of change, capable of defining the path of social and economic development and with the highest potential of determining the security of their nations.

In 2005, the regions with the highest percentage of ever-married women among those aged 15-19 were Western and Middle Africa with 33\% and 29\%, respectively. For the period 2000-2011 just over one third (34 \%) of women aged 20-24 in developing regions were married or in union before their 18\(^{th}\) birthday i.e. an equivalent of 67 million women. About 12\% of them were married before the age of 15.\(^5\) The prevalence of early marriage varies among countries with only 2\% in Algeria to 75\% in Niger. Child Marriage Country profile for Liberia for instance, shows that about 38\% of the women aged 20-24 were married/in union before age 18. Other challenges in Africa are the high numbers of teenage pregnancy and harmful rites of passage that deter girls from completing their education. In many countries, such practices including child marriage are condoned and supported by cultural perceptions of masculinity and patriarchy which often compromise girls realization of their basic human rights and attainment of equality in the private and public arena.

\begin{itemize}
\item \(^3\) Country DHS Reports (2000-2014)
\item \(^4\) Ibid
\item \(^5\) UNFPA :Marrying too Young, NY, 2012, p22
\end{itemize}
Child marriage is a violation of girls’ rights and it effectively brings a girl’s childhood and adolescence to a premature end by imposing adult roles and responsibilities before she is physically, psychologically and emotionally ready. Urgent actions are needed to take solutions to scale and prevent child marriage in the next decade(s). Ending child marriage requires strategies for girls’ empowerment, social and cultural transformation, legal reform, and policy action. The May 2014 African Union “Global Partnership to End Child Marriage” is a welcome development. Proven solutions involve girls' schooling (especially secondary) and programmes that offer life skills, literacy, health information and services, and social support; and increasing access to sexual and reproductive health information and service, including youth friendly services. For sustained gains, it is important to focus on cultural practices that hold back women’s empowerment and eliminate all socio-cultural impediments to girls’ education. Addressing gender inequalities that make girls prone to early marriage and ultimately more prone to die while giving birth are critical stepping stones for more sustainable and equitable development. It is important to underline that the adolescents and youth of today are central to realizing development that is sustainable and equitable. Greater investments in their education, health and labour market opportunities can shape the well-being of tomorrow’s adults and, in the process, ultimately narrow the gaps between countries in human development.

### c. Girls’ child education

In Africa, violence in school perpetrated by teachers and peers on the way to and from school is a great contributory factor to high drop-out rates for girls and non-completion of education. Abused women are less likely than other women to access family planning services and more likely to have an unwanted pregnancy apart from having increased risk of contracting HIV.

The current MDG indicators have rightfully recognized disparities in educational attainment between girls and boys as an important indicator of inequality. UNESCO (2012) provides more recent progress data. 16 countries in Africa have an index of 1.0 (boys’ enrolment is equal to girls’) and Guinea, Benin and Chad made the most progress from 1990/91 to 2009. However, in Africa generally, the school life expectancy (from primary to secondary school) is higher for boys than girls with higher drop-out rates for girls. The ratio for tertiary education also shows uninspiring gains.

These disparities in educational attainment and literacy among girls and boys have higher social economic repercussions and impact negatively on how women respond to health, issues e.g the number of children they have, the spacing of children, decision to seek sexual and reproductive health services, and access to jobs and wealth creation are all tied to the level of education that a woman has. Thus, the higher the level of illiteracy among women aged 15-24, the higher the propensity to marry early.

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6 UNECA: Assessing Progress in Africa toward the Millennium Development Goals, 2012
A World Bank study, Engendering Development, 2000 shows that education levels and lack of job opportunities contribute to growing HIV/AIDS infections and lead to hopelessness and diminished value of life hence higher propensity for risk taking behavior. Due to gender inequalities in education and employment, Sub Saharan Africa is estimated to have reduced its per capita growth by 0.8% points per year during the 1960-1992 (Blackden and Bhanu World bank, 1999. )

It has been argued that using the net enrollment of boys and girls at the primary level of education and achievement of parity at that level has not done much to reflect deeper inequalities between girls and boys when girls drop out of schooling or fail to complete secondary level of education. Thus using net enrollment at primary level as an indicator has only managed to raise the complacency of countries of meeting the MDG benchmarking while gaps between boys and girls have remained glaringly wider. A post MDG framework, especially in the LDCs, needs to expand this indicator to include completion of secondary education and its quality as the most minimal quintile for measuring parity.

d. Job creation

Although the GDP has been rising in many African countries, nevertheless, according to data from Population Censuses, more than three quarters of the employed remained in vulnerable employment in 2010 (ILO, 2013b), which points to the lack of economic and labour market transformation in the region. In fact, the regional vulnerable employment rate decreased by only 2.3 percentage points from 2001 to 2012. The vulnerable employment rate in Sub-Saharan Africa is estimated at 77.4 per cent in 2013, which is the highest rate of all regions. Given that paid employment opportunities (the complement of vulnerable employment) in the region are scarce, it is hardly surprising that a very high proportion of the population is in the labour force. The labour force participation rate across all labour market groups is estimated at 70.8 per cent in 2013, and sub-Saharan Africa is the only region in which the male adult labour force participation rate is projected to rise in 2014 and 2015.

In many developing economies, the manufacturing sector has served as an engine of paid employment creation, but by and large this has not happened in Sub-Saharan Africa. The industrial sector mostly represents mining and construction, while manufacturing has been declining as a share of GDP in the last two decades (AfDB, 2013). At the regional level, the share of industry in GDP slightly decreased in Sub-Saharan Africa from 30.7 per cent in 1991 to 29.7 per cent in 2011, but the share of manufacturing decreased by around a third in this period, from 16.7 to 11.1 per cent (World Bank, 2013). In terms of employment, the share of workers in industry in Sub-Saharan Africa, which is estimated at less than 10 per cent, is extremely low. In all regions this share is at least 20 per cent, and in the case of East Asia it is exceeding 30 per cent. Similarly, the proportion of the working-age population in paid employment is low in Sub-Saharan Africa (13.7 per cent). In other words, industrialization can be a powerful force to generate paid employment.
The vision of the AfDB 1 billion people and US$1 billion project is to build skills and make the most efficient use of new technologies to improve competitiveness and create jobs. This will also involve the improvement of family health, the education of boys and girls, based on an efficient and good governance economic policy.

3. Objectives

a. Ensure a critical understanding of demographic transition and demographic dividend and the relationship between this and inclusive economic growth and investment in voluntary family planning.

b. Create a platform for dialogue and cooperation among actors in the sector on education (Including comprehensive sexuality education), health (including SRH) and structural and labour market.

c. Promote human rights approaches into human capital development for the youth (with special attention to adolescent girls) for the realization of demographic dividend

4. Program

The agenda of the program will be in three (3) phases and will be interactive:

a. **Key Note Address**: First Lady of Benin (TBC) and Mr. Marcel de Souza, Ministre du Developpement, de l’Analyse Economique et de la Prospective

b. **Panelists**:

   i. Prof. Babatunde Osotimehin, UN Under-Secretary General and Executive Director of UNFPA

   ii. Ms. Nyaradzai Gumbonzvanda, General Secretary, World YWCA, Geneva, Switzerland (TBC)

   iii. Mr. Dossou Antonin, Minister in charge of Public Policy Evaluation and Denationalization, Benin

   iv. Moreen Majiwa, Legal Officer, Oxfam, Nairobi, Kenya

   v. Ms. Zeinabou Maman Noura, Niger. Medical Student

   vi. Ms. Princess Elliot, Sierra Leone. Management Student
c. **Moderator/facilitator:** Mr. Gerard Guedegbe, VOA

The Choreography will start with the bilingual moderator, Mr. Guedegbe, a journalist who is conversant with the subject of Demographic Dividend who will provide a brief statement on the purpose of the gathering and introduce the subject within the context of the four pillars above namely: renewed family planning programming; girls empowerment, girls education and job creation.

Three sets of questions will be presented during the Side Event as follows –

i. Questions that would have been developed by the Moderator in advance of the meeting;

ii. Questions that would have been harnessed via the social media; and

iii. Questions from the floor.

Each of these sets of questions would be presented to the Panel members to give their opinion on. If time permits, the session may have several rounds of these questions. The questions related to recommitment to family planning will be championed by the Executive Director of UNFPA, Prof. Osotimehin while Girls’ Empowerment will be the domain of the General Secretary of World YWCA, Ms. Gumbonzvanda. Furthermore, questions related to job creation will be tackled by Mr. Dossou Antonin and Ms. Moreen Majowa; and those related to girls’ education will be discussed by both Ms. Elliot and Ms. Noura.

Finally, the UNFPA Executive Director would be asked to provide a closing argument on the role of UNFPA in Demographic Dividend in general and in the Sahel in particular. The Moderator would then wrap up the session and this will be followed by light refreshments. At the same time, a Press interview will be conducted by the ED.

The Moderator will provide a Summary of the entire Side Event with recommendations to UNFPA and the organizers of the main conference. This will be before the end of the conference.

A detailed Business Plan for the Communication aspect of the Event is being developed by the Communication Unit of the Regional office in collaboration with the CO/Benin.

The Side Event will take place in this same venue as the Main Conference – Palais des Congres de Cotonou. Furthermore, it will be decorated with Banners bearing the Theme of the Side Event as well as Key Messages to be disseminated.

**5. Guests**

50-70 guests are expected
A Note Verbal will be prepared for the ED inviting Country Representatives attending the Conference to also attend the Side Events; and CO in LDC countries will be contacted to use their network to invite attendees of the Conference to the Side Events. Finally, Benin CO will also invite the government officials, development partners and UNPFA stakeholders.

6. Date and Venue

The event will take place on Tuesday, July 29th 2014, from 18.00 –19.30hrs. The venue will be the same as the Main conference, Palais des Congres de Cotonou.