



Family planning and the demographic dividend

FACILITATING FERTILITY DECLINE BY PRIORITIZING FAMILY PLANNING SERVICES, IMPROVING CHILD SURVIVAL AND PROMOTING WOMEN'S EMPOWERMENT

POPULATION DYNAMICS

Population growth, age structure and characteristics, urbanization, migration and household composition – **‘population dynamics’** – have a profound impact on the health of the economy and human development.¹ Consideration of population dynamics includes examining the impact of **both** low and high rates of population growth on the health of the economy and human development.

For example, it is widely recognized that population ageing is causing social and economic challenges for industrialized, developed countries; this includes reduced labour supply as well as reduced productivity, consumption and savings.² Conversely, Africa has a projected growth of 1.3 billion between now and 2050, and virtually all of that growth will be in the 51 countries of sub-Saharan Africa, the region's poorest countries.³

Governments must influence country-specific population dynamics by making

them an integral part of national policies and planning processes.

For example, countries with very low fertility rates face important choices if they are to avoid a collapse of pension systems and a heavy burden of caring for a rapidly rising proportion of elderly citizens.⁴

In countries with high fertility rates, investing in voluntary family planning can change their demographic structure. This, in turn, can improve health, education and employment outcomes and accelerate economic growth. By using rights-based approaches to slow population growth now, governments can promote a population age structure that will open up opportunities for investments and savings over the long term,⁵ while also meeting the internationally agreed priority of helping to secure universal access to reproductive health, particularly in countries where high fertility is accompanied by poor access to sexual and reproductive health information, education and services.

This briefing paper from the International Planned Parenthood Federation (IPPF) explores a strategic approach to enable governments to capitalize on the demographic dividend, and all that it has to offer. Three key action points emerge:

- Governments and donors should plan and invest in voluntary family planning services according to the current and projected population of reproductive age.
- Empower women to make autonomous decisions about family planning by tackling economic, social, cultural, political and geographic barriers.
- Governments should invest strategically in public health, education, the economy and governance, and their policies and investments should be based on the population structure over the long term.

Figure 1: The demographic transition

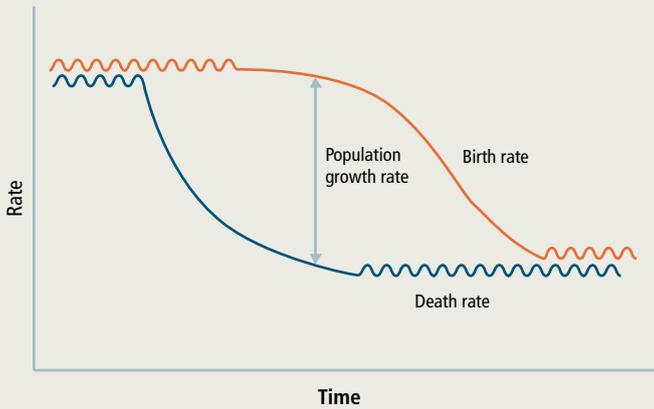
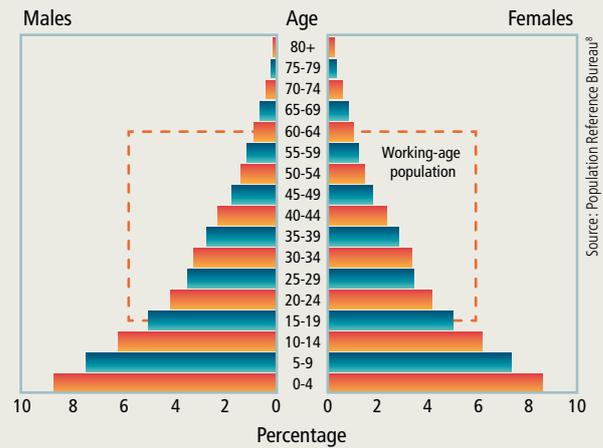


Figure 2: Thailand's demographic transition: 1970



THE DEMOGRAPHIC DIVIDEND

The **'demographic dividend'** is the window of opportunity that opens up as fertility rates decline, when faster rates of economic growth and human development are possible when combined with effective policies and markets.

The opportunity for the demographic dividend happens when fertility rates decline significantly, which results in a lower proportion of children relative to working-age adults. This figure, known as the **'dependency ratio'**, describes the ratio of the economically dependent part of the population to the productive part.⁶

The opportunity for the demographic dividend arises after a **'demographic transition'** where birth and death rates shift from high to low levels in a population. The decline of mortality usually precedes the decline in fertility, resulting in rapid population growth. As access to family planning and sexual and reproductive health services increases, and when women become more educated and have more opportunities to participate in the formal workforce, fertility rates also decline. Population growth then slows to a sustainable pace.

The demographic transition leaves a large generation of children and young people in its wake – a **'boom'** generation – and this creates a special bulge in the population structure that persists throughout the lifetime of that generation. When the individuals who make up this boom generation are young, they place pressure on the economy and their working-age parents, and the dependency ratio is high. However, as fertility rates steadily decline, countries are able to shift the dependency ratio so that there are more working-age adults to support a relatively smaller population of children.⁷

THE INSEPARABLES: FERTILITY DECLINE AND FAMILY PLANNING

Voluntary family planning is one of the most effective investments for facilitating fertility decline.⁸ Between the 1960s and the mid-1990s, contraceptive use among married women in developing countries increased from under 10 per cent to nearly 60 per cent and, in the same period, fertility declined by 50 per cent.¹⁰ Over half of the fertility decline in the modern era is attributed to voluntary family planning, with women's education and employment, economic protection and child survival also contributing.¹¹ Child survival plays a key role in initiating and sustaining lower levels of fertility; as infant and child deaths decrease, the desire for a smaller family and demand for family planning tend to increase.¹² When women can choose when and how often to become pregnant, they are more likely to have fewer children and are better able to achieve their desired family size.¹³

In spite of this evidence, funding for family planning has dropped dramatically since the mid-1990s.¹⁴ Infrastructure for delivering and meeting demand for family planning is inadequate, and there are currently 222 million women worldwide who want to limit or space their births, but do not have access to voluntary family planning.¹⁵ The unmet need that exists worldwide for family planning contributes considerably to rapid population growth in many areas of the global South, and to overall world population growth.¹⁶

The provision of voluntary family planning programmes enables women to exercise more choice and control over their reproductive health, while reducing population growth.¹⁷ Accordingly,

governments that have prioritized comprehensive family planning services are now experiencing a demographic dividend and all that it has to offer. However, if comprehensive voluntary family planning services are not widely available, the population will continue to grow rapidly and the burden of a youthful population will be magnified several times over.

EMPOWERING GIRLS AND WOMEN

To achieve development goals, and for an economy to function at its maximum potential, women must be given the opportunity to move successfully through education and into productive employment.¹⁸ Opportunities for women currently lag behind their capabilities,¹⁹ and high fertility and women's child-rearing roles are major barriers.²⁰ Governments can capitalize on the demographic dividend by empowering women through access to sexual and reproductive health services, and by providing decent work and educational opportunities.

Women who have an unmet need for voluntary family planning account for 79 per cent – nearly 63 million – of unintended pregnancies each year.²¹ Meeting unmet need for voluntary family planning would allow more women to be better able to plan their lives, to invest in each child and to generate an income.

Women's economic and political empowerment has impressive impacts on economies. Women, when educated and able to work, can earn more money and increase productivity for employers, resulting in widespread benefits.²² Girls' education – especially at the secondary level – can result in delaying the age of marriage and first pregnancy. Studies

Figure 3: Thailand's demographic transition: 2010

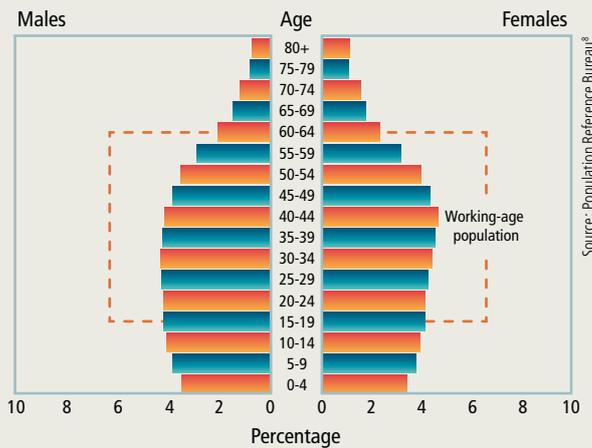
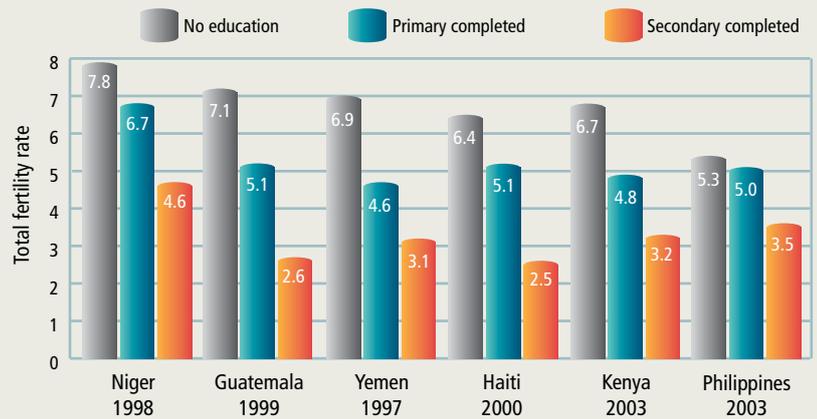


Figure 4: Women's education and total fertility rate, selected countries²⁴

Where girls get better education, fertility rates fall across the world.



show that women who marry later tend to have fewer children than women who marry at a younger age. In African countries with high fertility rates and low average age at marriage, future population growth could be slowed as much as 15 to 20 per cent by delaying marriage and childbearing by five years.²³

To capitalize on fertility decline, governments must adopt gender-responsive economic policies and ensure that women's employment opportunities match their capabilities and aspirations.²⁵

STRATEGIC INVESTMENTS IN SOCIAL AND ECONOMIC POLICIES AND INFRASTRUCTURE

To promote future growth, governments must regulate markets, they must ensure that financial and governance institutions are sound, that education is universal, that public health measures are in place, and that sexual and reproductive health services are accessible.²⁶ If these conditions are in place when the young generation reaches working age, it is able to provide returns.

The experiences of countries that have seen high levels of economic growth and rapid development demonstrate that governments play an important role in ensuring that countries are in the best position to capitalize on the benefits of the demographic dividends.²⁷ The experience of some countries in Asia and Latin America reflects the benefits of the demographic dividend, where an economic window of opportunity opened in these countries as a result of a rapid decline in fertility, which then increased the proportion of working-age people relative to dependent children.²⁸ Countries responded by improving health and education, attracting foreign

investments, and enacting economic policies that created jobs, all of which resulted in the accelerated economic growth.²⁹

There is the potential for countries in Africa to capitalize on a demographic dividend in the coming years; however, the benefits of a demographic dividend are neither automatic nor guaranteed.³⁰ Currently, over 40 per cent of Africa's population is under 15 years of age.³¹ However, the presence of a young population alone is not enough to secure a demographic dividend. If young people are uneducated, if there are no available job opportunities, if their voices are not heard, and if governments do not respond, they will remain unemployed, frustrated and angry. During the 1990s, countries with young age structures (that is 65–70 per cent of the population under age 30) were three times more likely to experience civil conflict than countries with mature age structures.³²

As well as ensuring a demographic transition which significantly lowers the given country's dependency ratio, strategic investments in health, education, the economy and good governance are needed to encourage and sustain accelerated economic growth. Addressing rapid population growth and achieving a demographic transition is critical to realizing a demographic dividend; this can be achieved through promoting and increasing access to voluntary family planning, improving child survival, and empowering girls and women through educational and employment opportunities (see box on the right).

A SECOND DEMOGRAPHIC DIVIDEND³³

As a result of a 'first' demographic transition, age structures of populations change and typically become older. Economically, people often move into higher-paying jobs and countries experience higher per capita income. This can lead to a second demographic dividend typified by:

- **Greater accumulation of wealth:** lower fertility and increased life expectancy generally lead to patterns where people accumulate greater personal wealth during their working years. As people realize that they will live longer, they are more motivated to accumulate wealth that they can use to support themselves in old age.
- **Greater investments in human capital:** as people's wealth increases, and they have fewer children, they are more likely to invest more in the health and education of each of their children.

The extent to which a country realizes a second demographic dividend depends on how well it anticipates and organizes support for its elderly. For example, if economic policies and financial mechanisms are put in place early in the process of population ageing, this can help workers accumulate assets – for example, property, funded pensions and personal savings – so that they can achieve more financial independence in old age. In this scenario, population ageing will lead to sustainable family and government support systems and boost capital, productivity and per capita income.

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GLOSSARY³⁴

Population growth rate is the number of people added to (or subtracted from) a population in a year due to natural increase and net migration.

Demographic transition refers to the shift of birth and death rates from high to low levels in a population. The decline of mortality usually precedes the decline in fertility, resulting in rapid population growth during the transition period.

Demographic dividend is the window of opportunity that opens up as fertility rates decline, when faster rates of economic growth and human development are possible when combined with effective policies and markets.

Dependency ratio is the ratio of the economically dependent part of the population to the productive part; this is arbitrarily defined as the ratio of the elderly (age 65 and older) plus the young (under age 15) to the population of working age (ages 15 to 64).



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