

Demographic dividend

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Demographic dividend, as defined by the [United Nations Population Fund](#) (UNFPA), is "the economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working-age population (15 to 64) is larger than the non-working-age share of the population (14 and younger, and 65 and older)".^[1] In other words, it is "a boost in economic productivity that occurs when there are growing numbers of people in the workforce relative to the number of dependents".^[1] UNFPA stated that "A country with both increasing numbers of young people and declining fertility has the potential to reap a demographic dividend."^[1]

Demographic dividend occurs when the proportion of working people in the total population is high because this indicates that more people have the potential to be productive and contribute to growth of the economy.

Due to the dividend between young and old, many argue that there is great potential for economic gains, which has been termed the "demographic gift".^[2] In order for economic growth to occur the younger population must have access to quality education, adequate nutrition and health including access to sexual and reproductive health.

However, this drop in fertility rates is not immediate. The lag between produces a generational population bulge that surges through society. For a period of time this "bulge" is a burden on society and increases the [dependency ratio](#). Eventually this group begins to enter the productive labor force. With fertility rates continuing to fall and older generations having longer life expectancies, the dependency ratio declines dramatically. This [demographic shift](#) initiates the demographic dividend. With fewer younger dependents, due to declining [fertility](#) and [child mortality](#) rates, and fewer older dependents, due to the older generations having shorter life expectancies, and the largest segment of the population of productive working age, the dependency ratio declines dramatically leading to the demographic dividend. Combined with effective public policies this time period of the demographic dividend can help facilitate more rapid economic growth and puts less strain on families. This is also a time period when many women enter the labor force for the first time.^[3] In many countries this time period has led to increasingly smaller families, rising income, and rising life expectancy rates.^[3] However, dramatic social changes can also occur during this time, such as increasing divorce rates, postponement of marriage, and single-person households.^[3]

The above concept is continually pushed at the UN especially at CPD meetings. As with most deceptions, there is always some truth in it. If you have none or just one or two children, there are not so many dependents to look after. In the short term there will be more people of working age. However you will **eventually run out of people**, like in Japan. There you have a country where there are very few children being born, a flat line economy for the last 20 years. I met the deputy ambassador some years ago for an evening meal where he boasted about how Japan had gone

feminist. It took all my self-control to stop from saying “ How will that help you anaemic birth rate”. You have to be polite when having dinner with an ambassador. Japan does not accept immigrants who are not of Japanese origin. There are some temporary guest workers, but not many. I worked for a Japanese company in Australia for 11 years and visited Japan often. They unfortunately got given access to legal abortion from Gen Douglas Macarthur, when he was military governor in the late 1940s. He thought they would not be able to feed themselves. But they became to second richest country in the world. However, they are going extinct, with no economic growth. At least not many Japanese immigrate out of their country.

The delegate from Moldova , was moaning about his aged country, low fertility rate and lots of people immigrating to other countries. He was not talking about any demographic dividend, much the reverse.

Russia is another basket case demographically. Lenin was a feminist and gave Russia abortion on demand in the 1920s. They are now suffering the consequences. In the last 20 years some ten millions Russians have emigrated away. These are the more skilled people, no country can afford to lose these number of good people. The Russians are trying to get people to have more children with little success.