



Expert Group Meeting on Population and Sustainable Development

Human Capital and Sustainable Development in Africa

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Human Capital

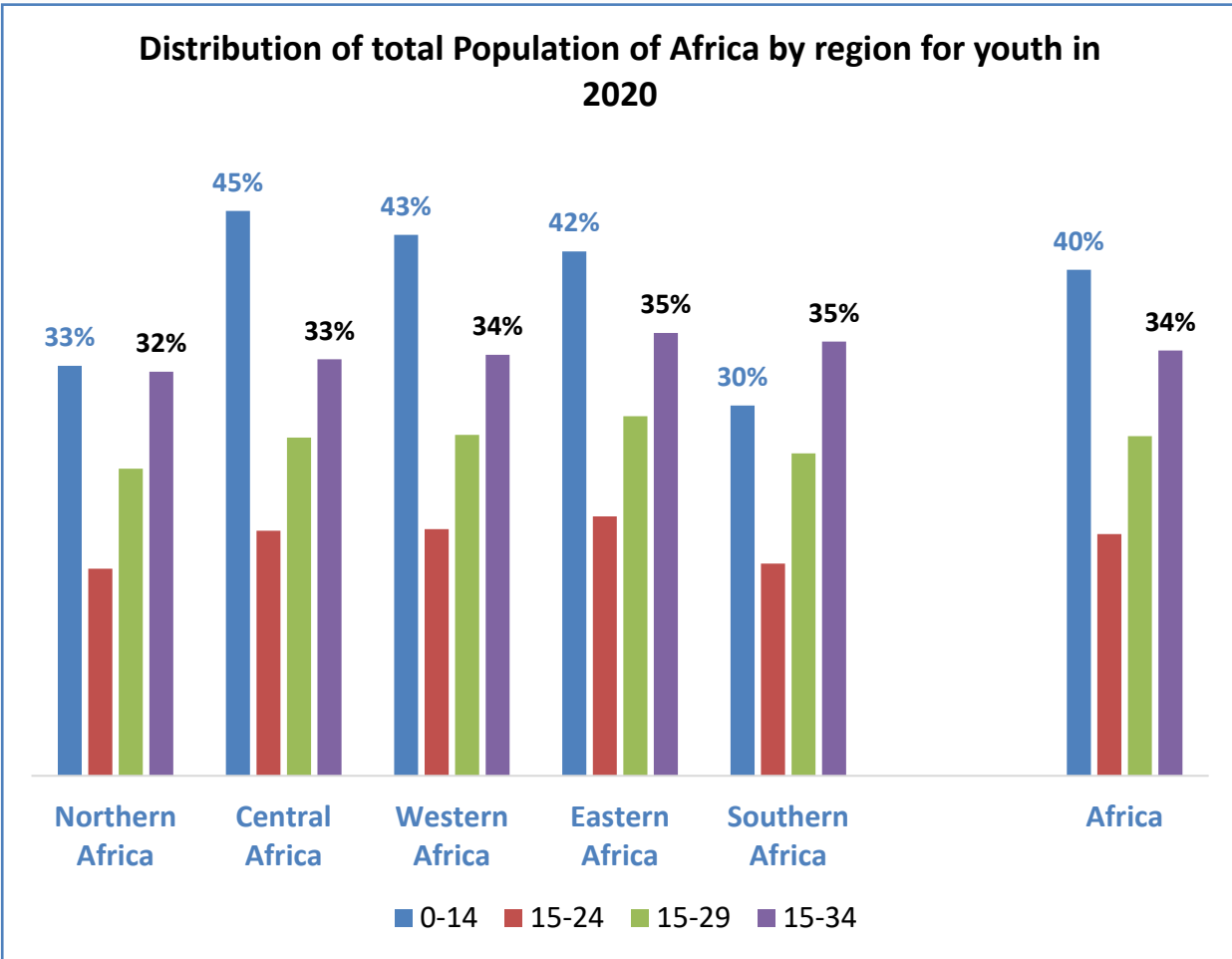


Sustainable Development

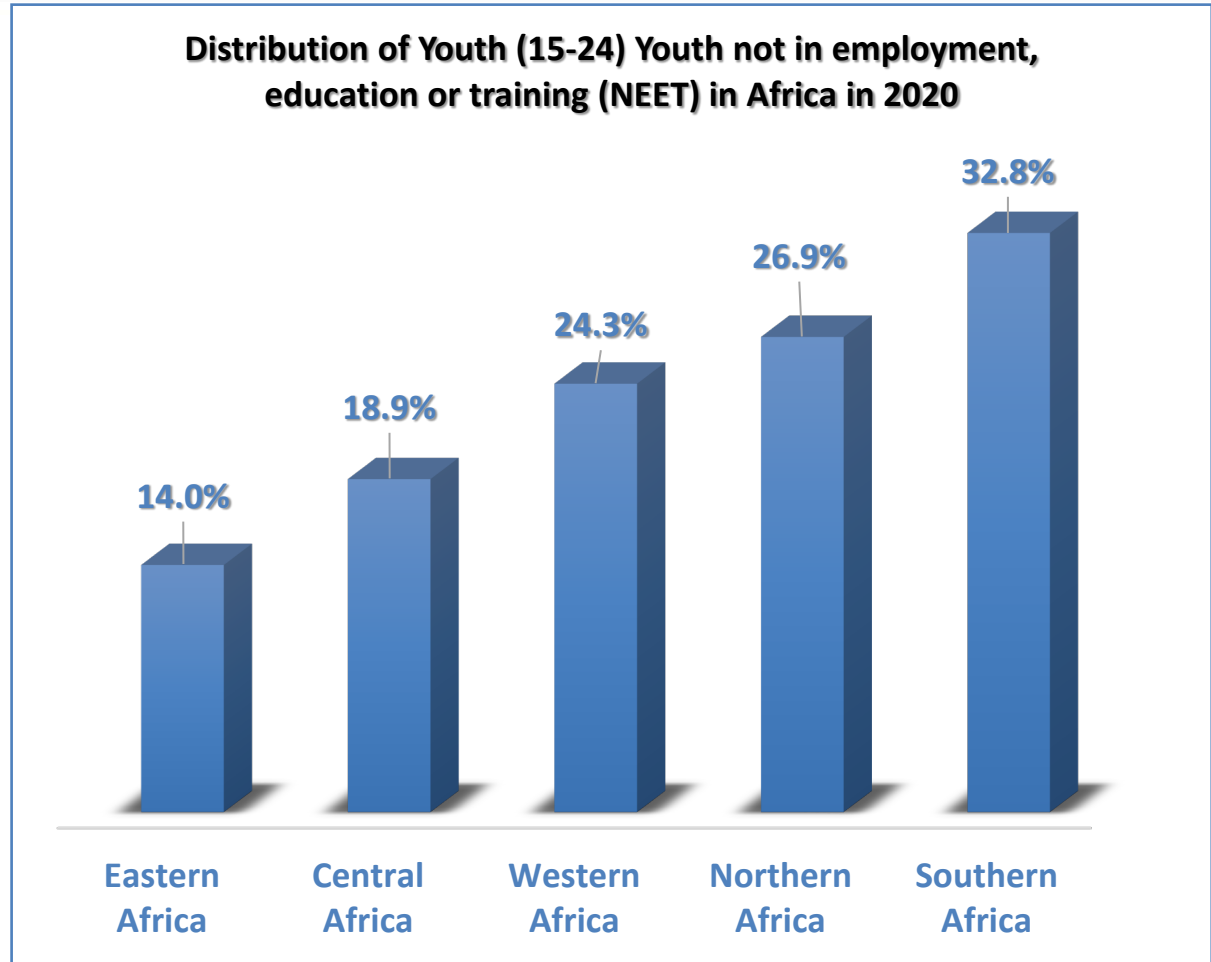
Acknowledgements

- UN Population Fund
 - Support for construction and use of National Transfer Accounts in Africa
 - Support in the application of NTA/NTTA
 - Support for construction of National DD Observatories (NDDO)
- Research and policy teams from over 30 countries who use NTA in Africa
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- Economic Commission of Africa (ECA), Hewlett Foundation, International Development Research Centre, World Bank,
- Governments and institutions that have supported regional and country-specific work.

Demographic Overview



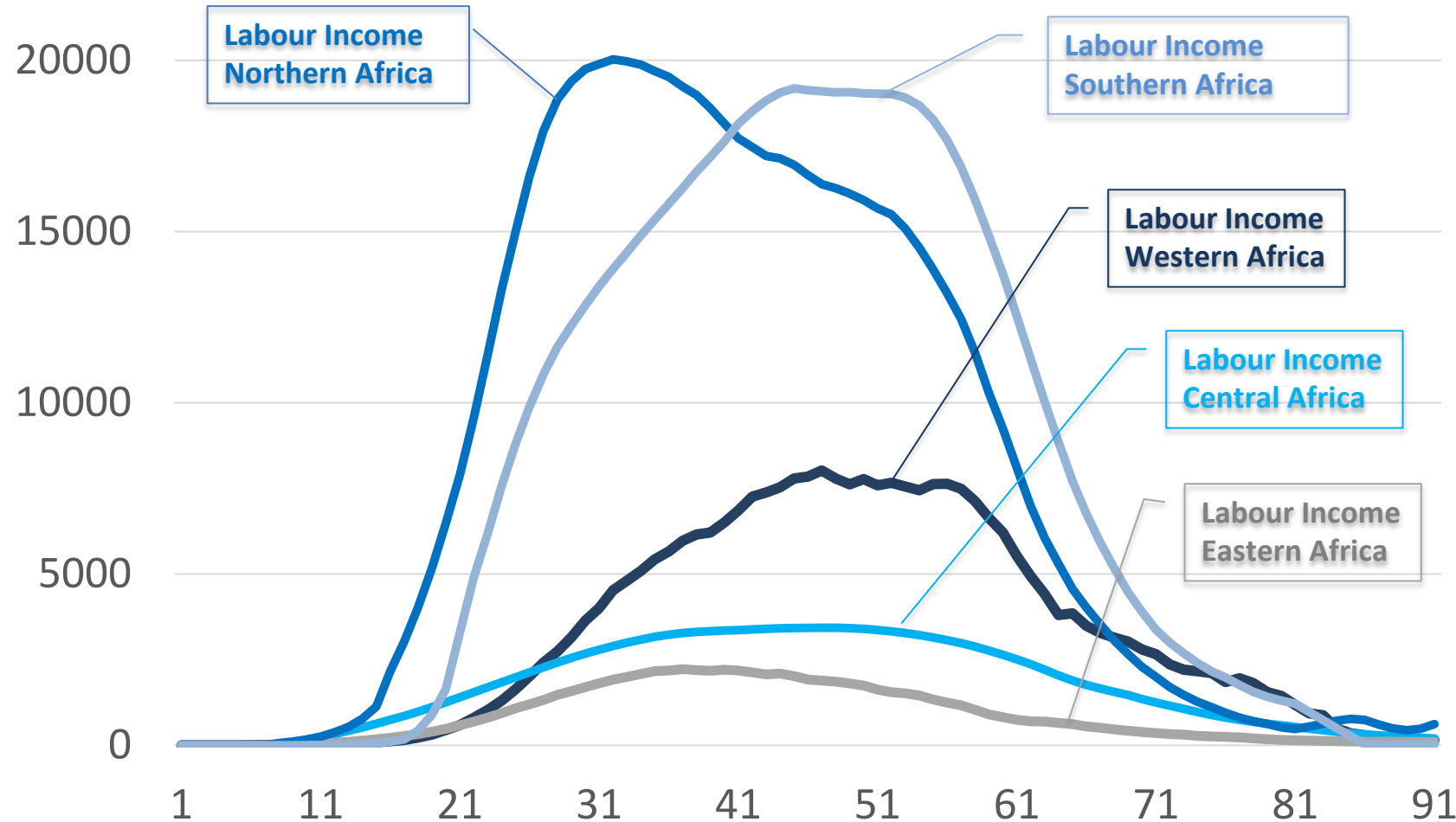
Source: ECA based on UNDESA



Source: ECA based on ILO (2020)

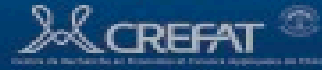
How people Produce in Africa ? Labor Income over the life cycle

Labor Income Profiles by Region in Africa (USD PPP 2014)



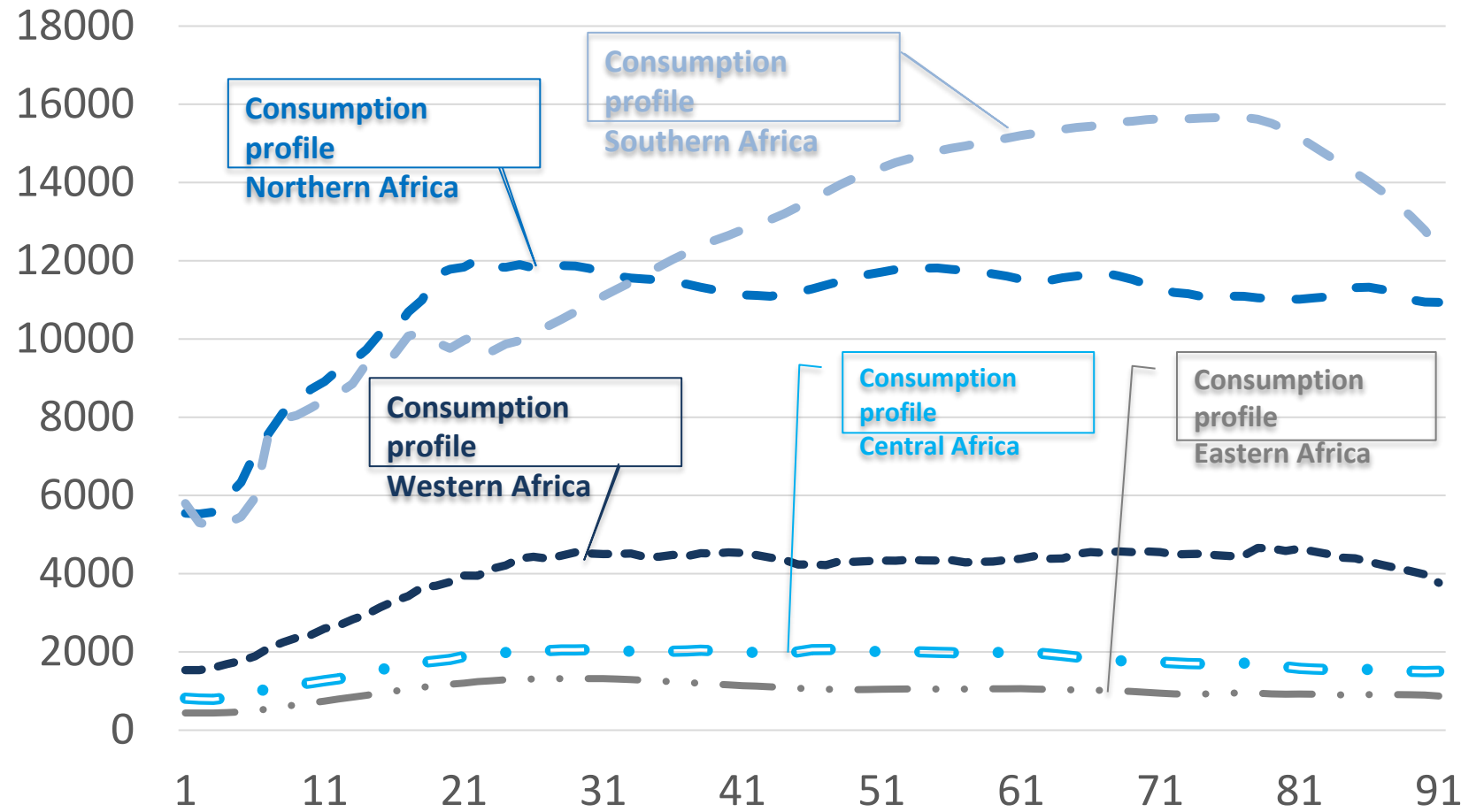
The shape of the labor income profile of Northern and Southern Africa shows a significant dominance over that of other regions.

Moreover, the analysis of these two profiles shows that labor income in North Africa is dominated by the contribution of young people (around 29-39) and that of South Africa by adults (45 to 55).



Difference in well-being within Africa ? Consumption profiles through age

Consumption profiles over life cycle by region in Africa (USD PPP 2014)

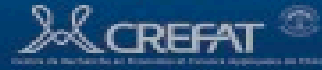


The shape of the consumption profile of Northern and Southern Africa shows a significant dominance over that of other regions in Africa.

This indicates disparities in well-being between regions.

The Shape of consumption indicates that the southern Africa have the most important well being for adult (34 +) and northern Africa the most important well being for youth (0 to 34) in comparison to other regions

Source: CREG estimates, 2020



Importance of Life Cycle Deficit in Africa ?

Labor Income and Consumption profiles over the life cycle in Africa region (USD PPP, 2014)

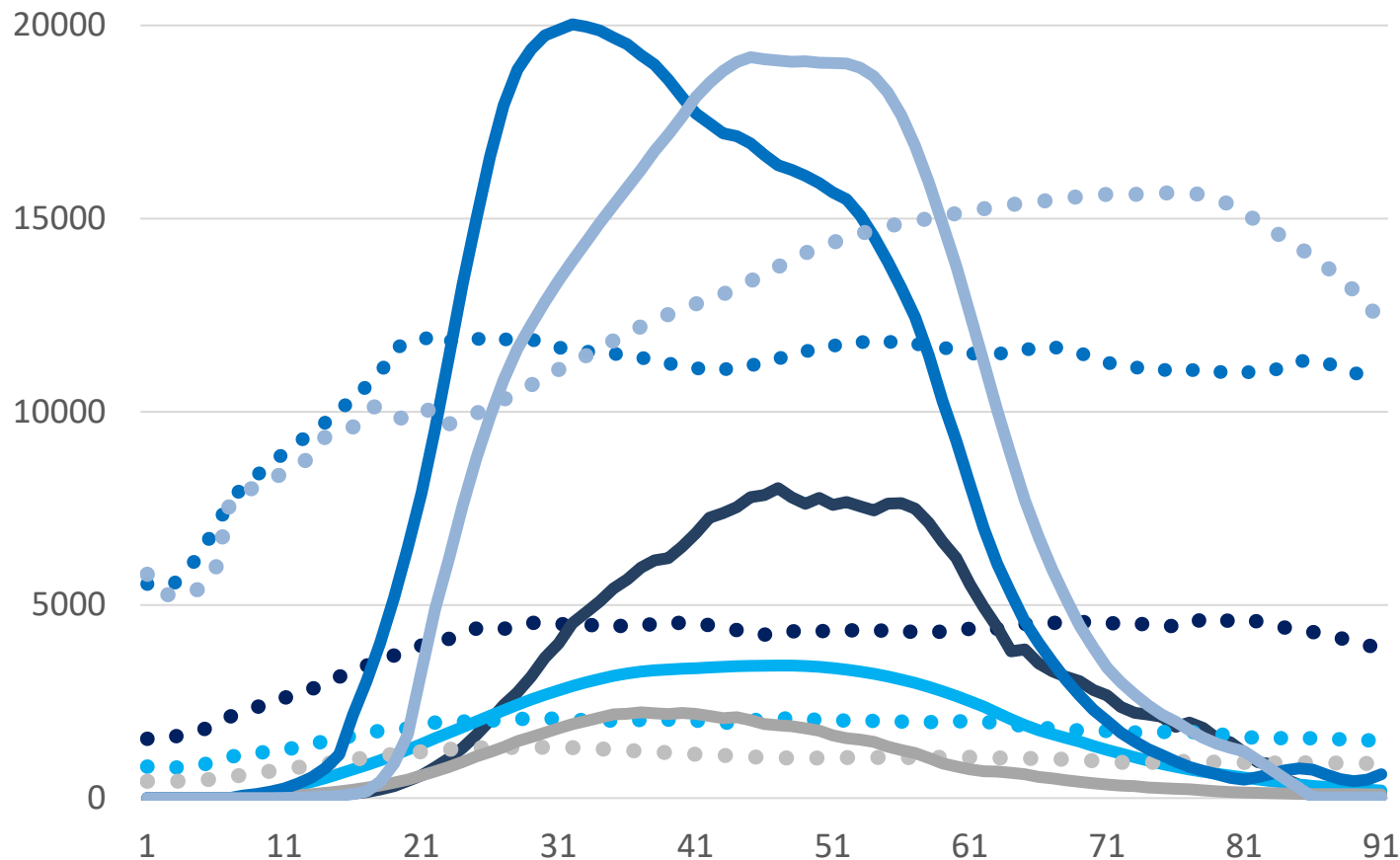
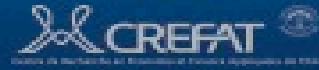


Table 1: START & END YEAR OF SURPLUS

	Start year of surplus	End year of Surplus	Duration of Surplus
Northern Africa	23	56	33
Southern Africa	26	57	31
Western Africa (ECOWAS)	31	62	31
Central Africa	28	64	36
Eastern Africa	26	56	30

Source: CREG estimates, 2020



LIFE CYCLE DEFICIT FOR YOUTH

Table 2: Life Cycle deficit for youth

	LCD Global 15-24 (Billions USD)	LCD Global 15-29 (Billions USD)	LCD Global 15- 34 (Billions USD)	LCD Global 15-24 as % GDP	LCD Global 15-29 as % GDP	LCD Global Youth 15- 34 as % GDP
Eastern Africa	47.54	43.57	26.16	6.7%	6.1%	3.7%
Central Africa	17.85	13.24	3.32	3.8%	2.8%	0.7%
Northern Africa	143.53	12.91	-133.52	6.8%	0.6%	6.3%
Southern Africa	80.29	74.50	59.81	10.6%	9.8%	7.9%
Western Africa	206.46	249.57	243.69	14.3%	17.3%	16.9%

Northern Africa is different from the other region in term of youth LCD.

Source: CREG estimates, 2020

- Life Cycle deficit for youth ranges between 0.7% (Central Africa) to 16.9% (Western Africa) of GDP for all the regions except Northern Africa
- In Northern Africa, Youth generates a surplus of 6.3% of GDP and this resource is reallocated to other age groups.
- **Is this difference in surplus creation attributable to investment in human capital?**

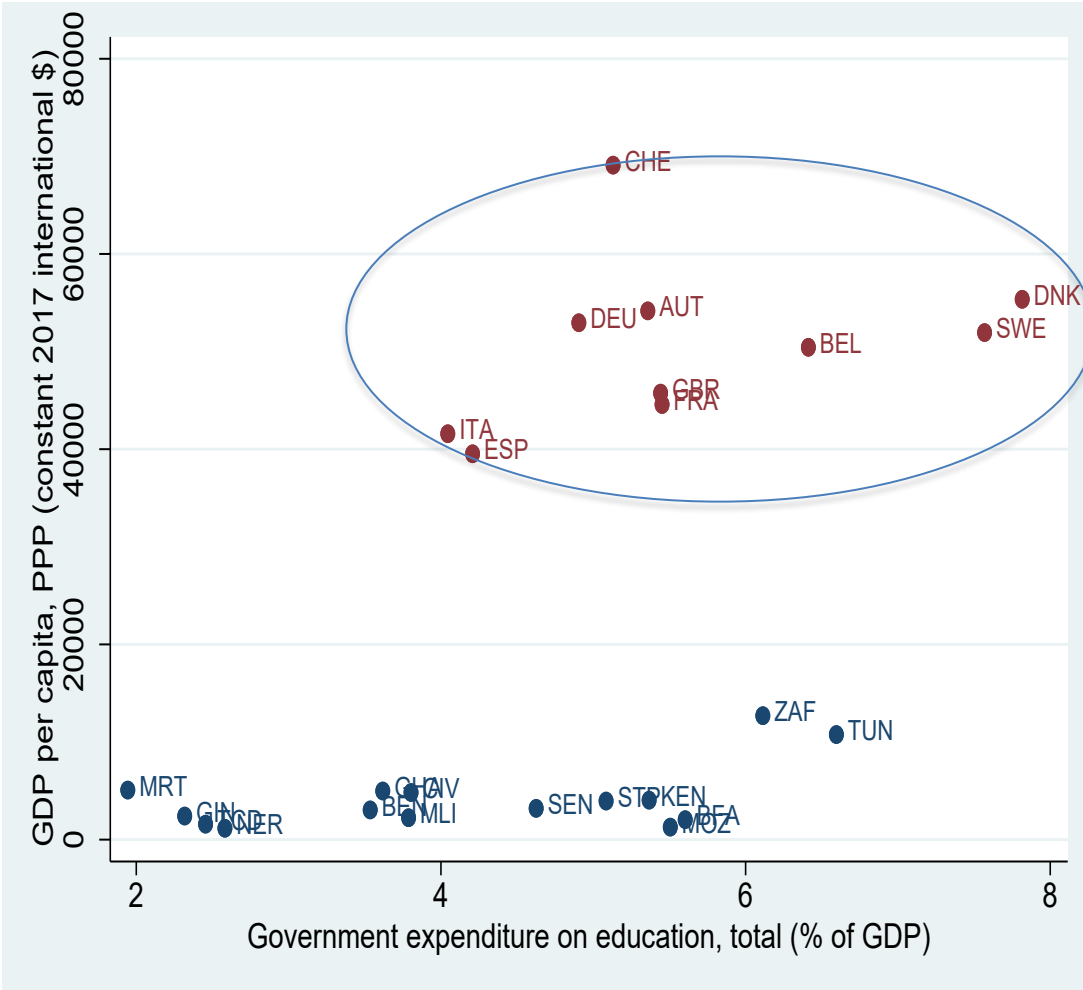
» » » HUMAN CAPITAL AND DEVELOPEMENT



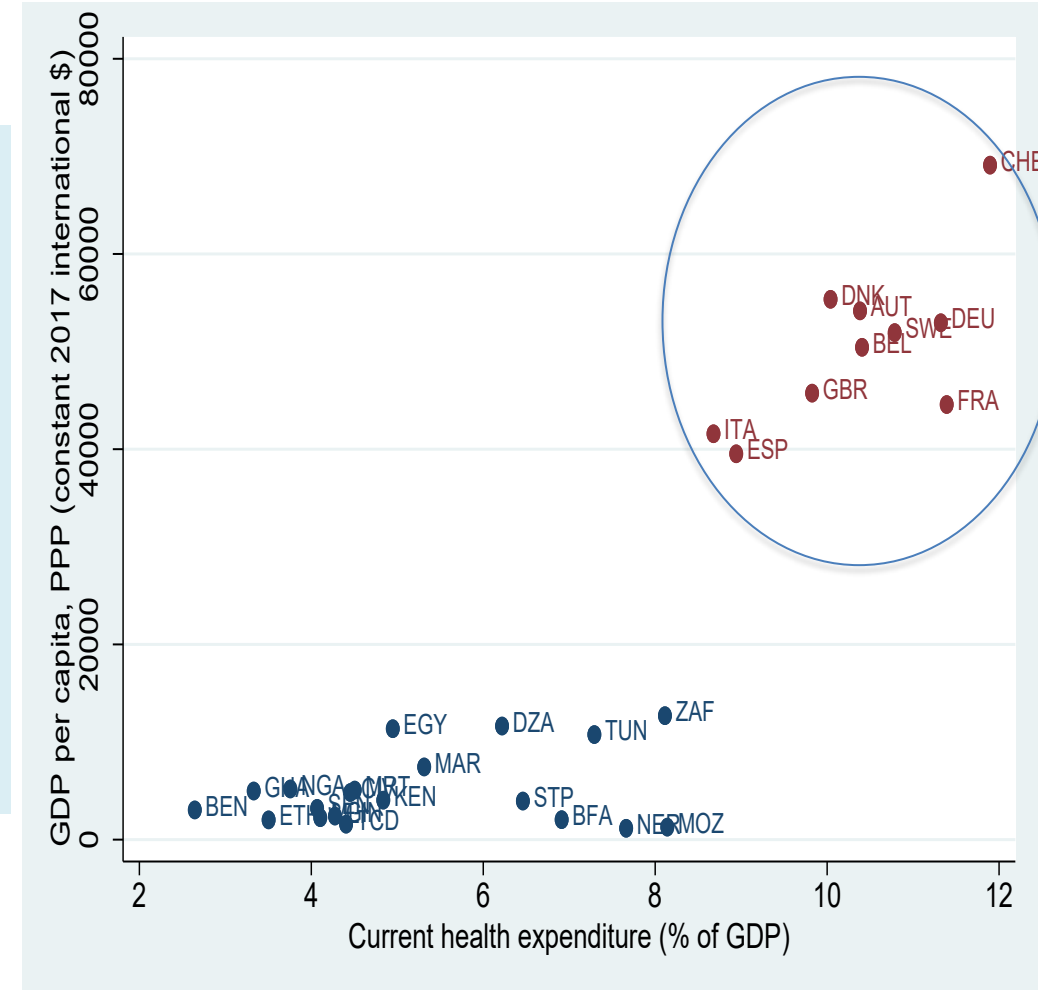
Place of Human Capital in Public policies, comparison across countries/region

Investment efforts on Education

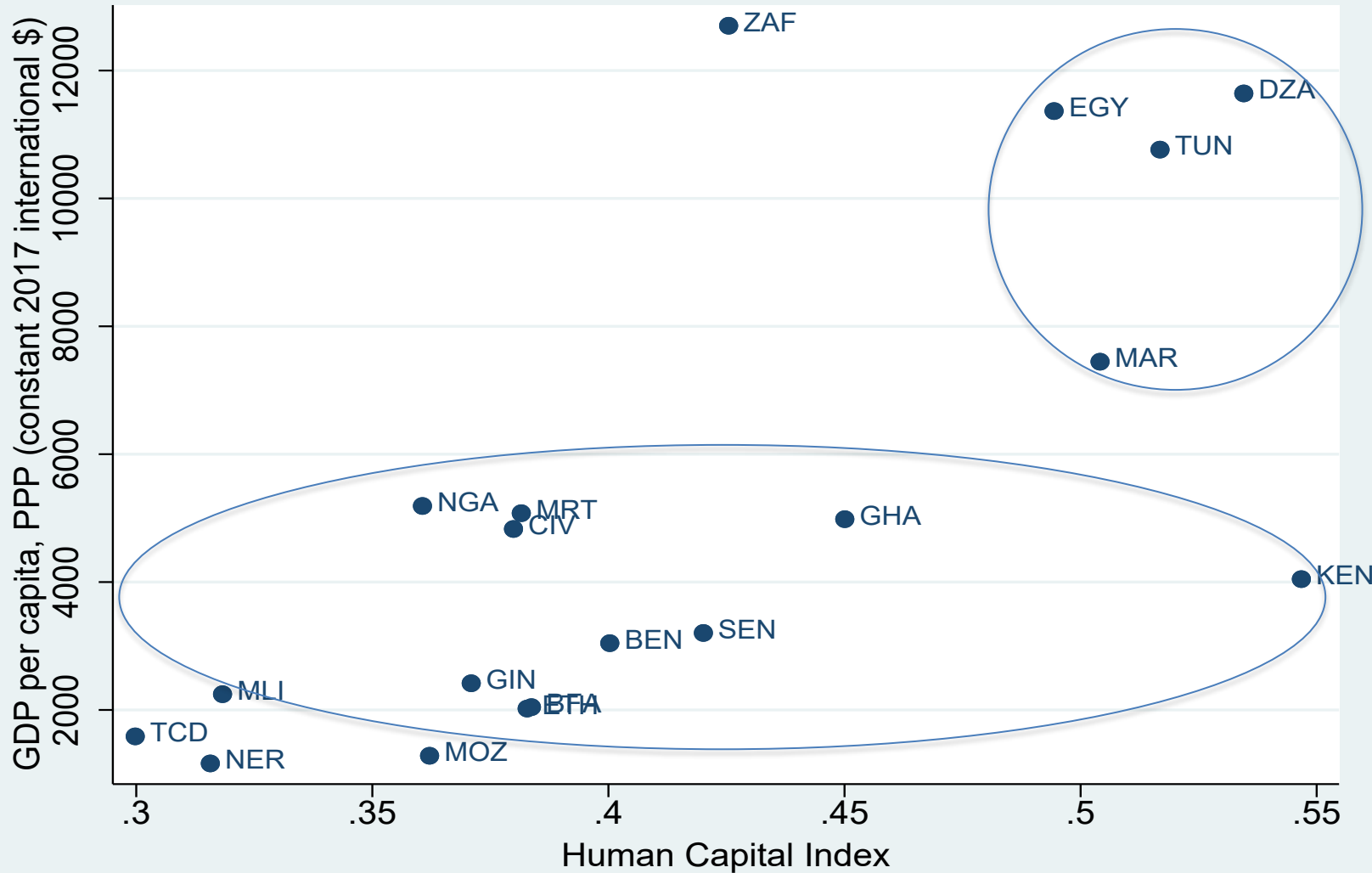
Investment efforts on Health



A significant difference between Africa and European countries on investments on Human capital

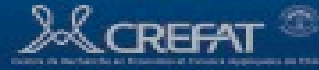


Human Capital and Economic Growth in Africa



We observe a significant difference between the countries of Northern Africa and those of Southern Africa except South Africa by analysing the link between the Human Capital Index and the Growth of GDP per capita.

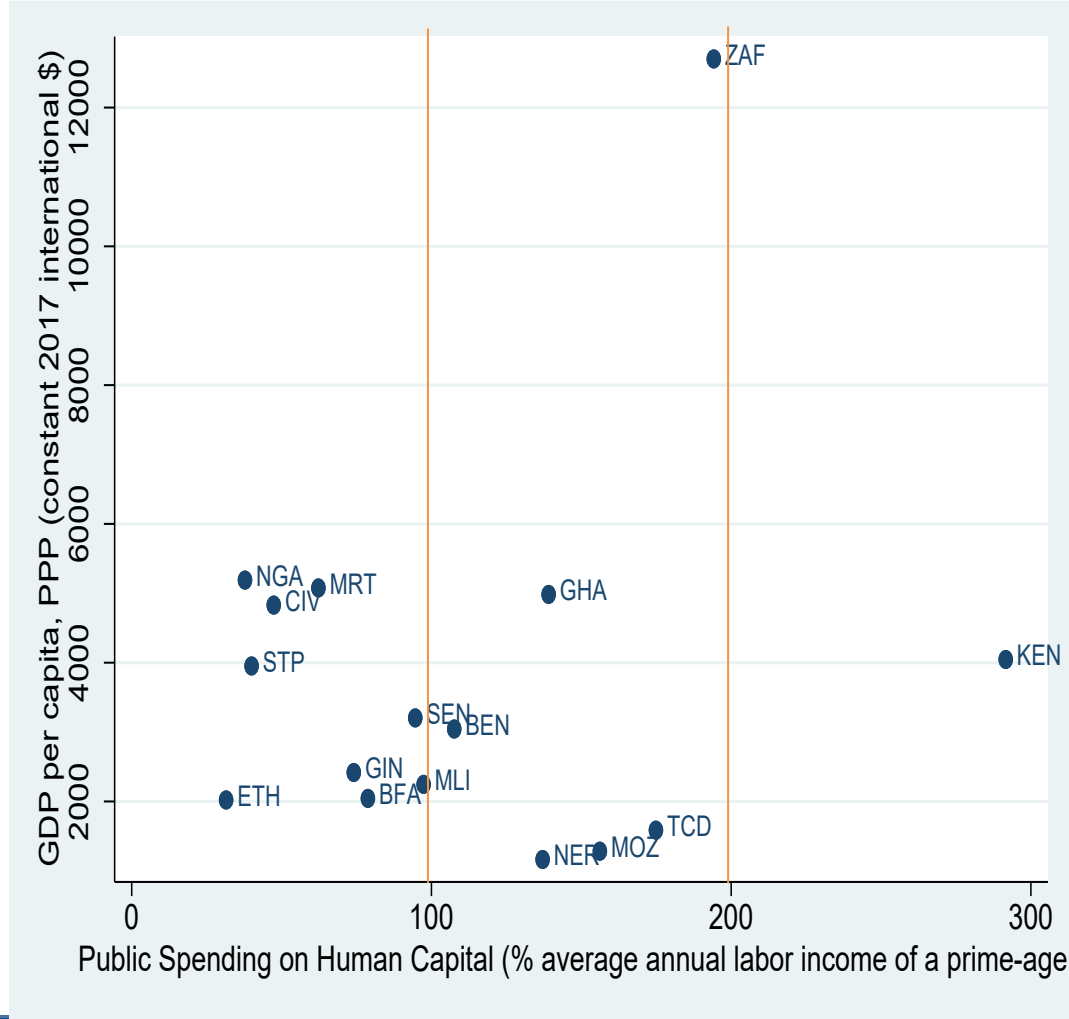
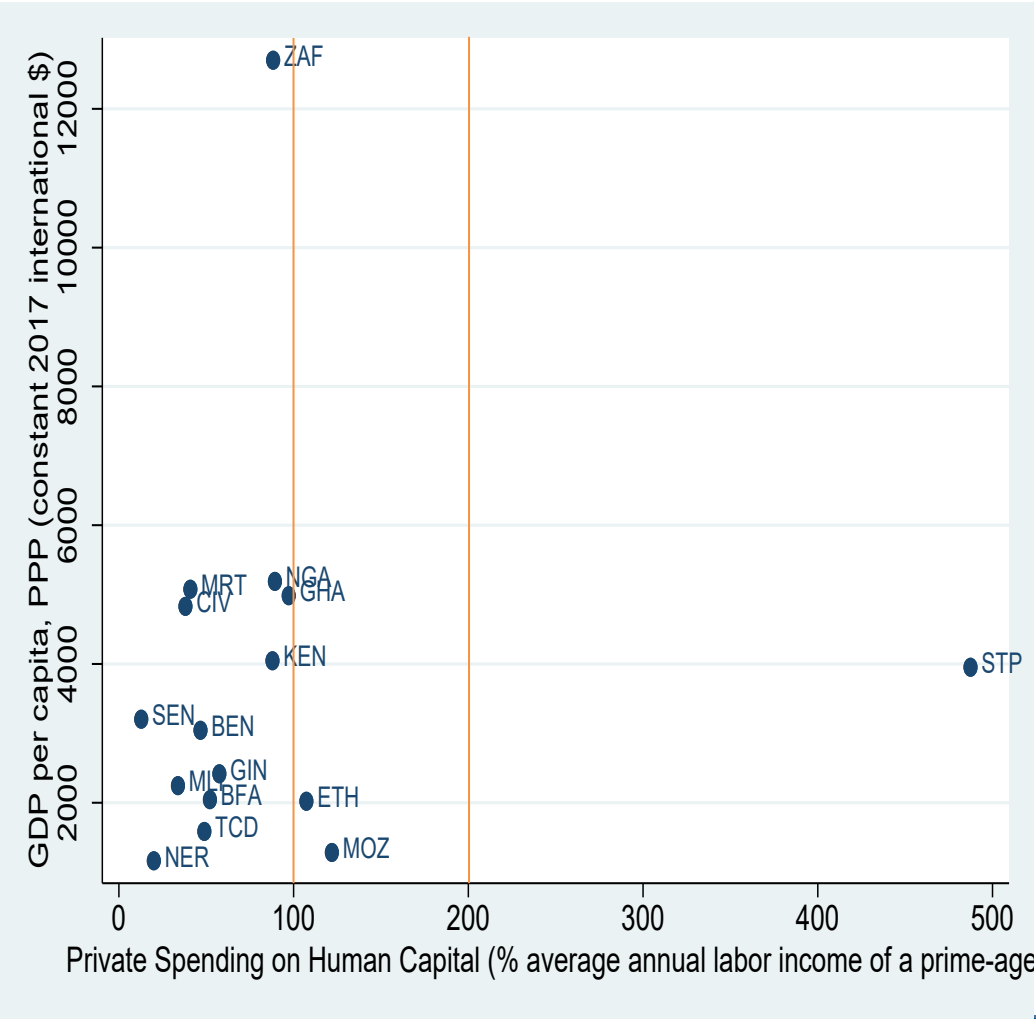
The countries of Northern Africa stand out clearly from other countries in Africa



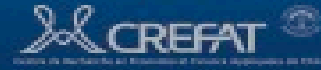
Which Institution Invest the most in HC in Africa ?

Households efforts

Governments efforts

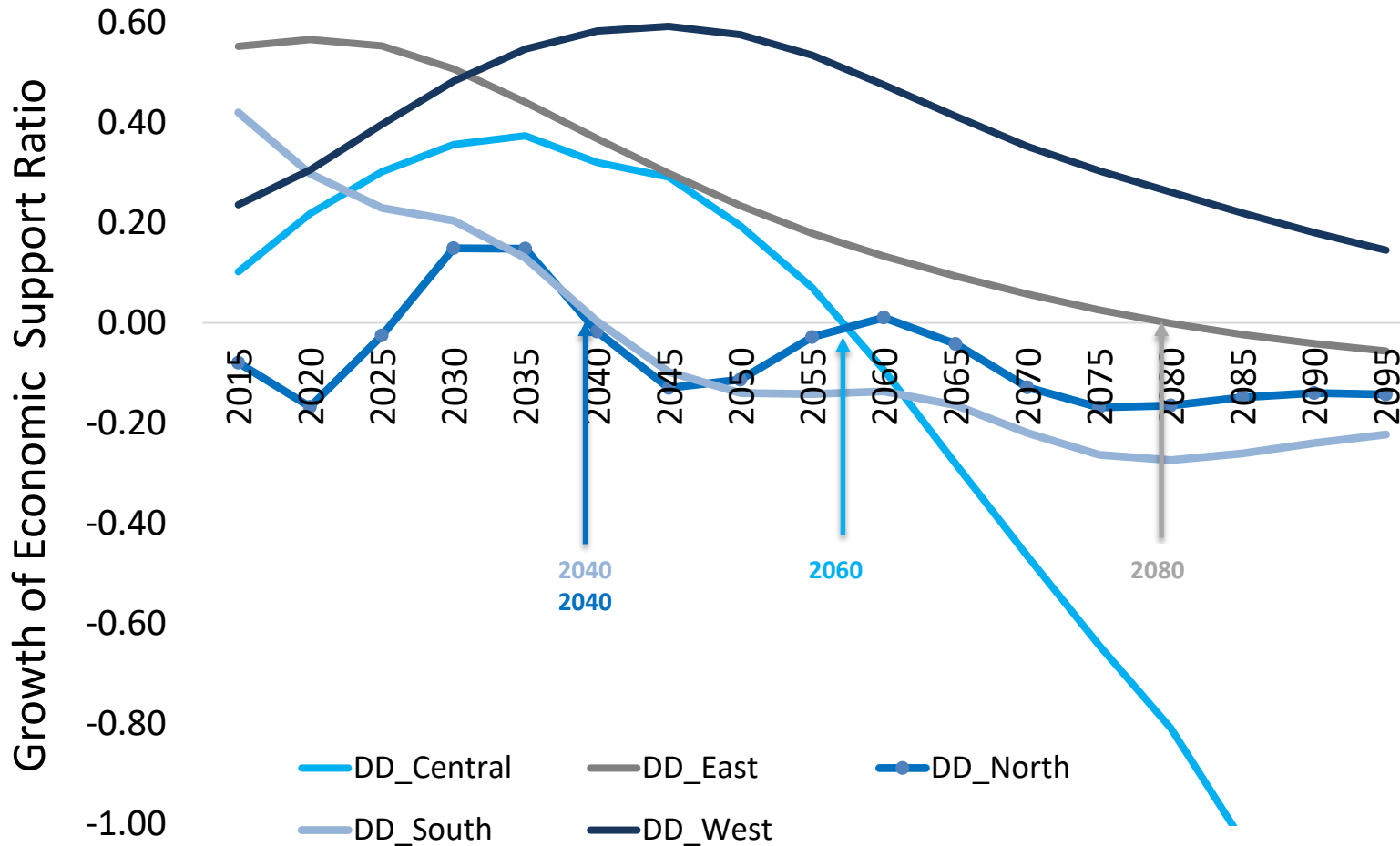


The two graphs highlight a difference between households and governments in investing in human capital.



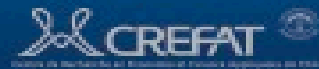
Sustainability with the lens of 1st DD in Africa

1st Demographic Dividend in Africa



- **Window of Opportunity closed:**
- Northern Africa and Southern Africa in 2040
- Window of Opportunity will be closed, between 2055-2060 for the Middle Africa and for Eastern Africa in 2080

- Needs to take actions to transform this potential in effective and inclusive growth
- Needs to provide new opportunities (jobs and skills) to youth in a changing world
- Policies in Africa must change in order to face the new socio-economic reality which is announced in the near future.



Conclusion & Recommendations

- **These facts highlighted in Africa and within African region:**
 - Low level of investment in Human Capital in Africa (With huge discrepancies across regions. Situation is crucial in West Africa compared to the North Africa)
 - Relatively low level of HCI in Africa. The Kenya is the only one performing in this index among SSA countries
 - Slow speed of harnessing the Demographic Dividend due to the Huge importance of the Social demand for youth (LCD)
- **In consequence, achieving sustainable development (SDGs) remains challenging in Africa. This calls for immediate actions mainly:**
 - Supporting investment in HC in Africa and keeping monitoring countries' efforts (like making available to researcher and policy makers new evidence in the field)
 - Investing in Demographic Dividend Observatory (DDNO) as recommended by the AU roadmap. This will help sharing the experience and create a community of practice at country and regional level



THANK YOU

