THE PROFILE OF DEMOGRAPHIC DIVIDEND - CAPE VERDE
Evidence & Implications for Public Policies

3rd Edition of NTA – AFRICA CONFERENCE
Demographic Dividend, Generational Economics and Sustainable Development in Africa

Taking Stock and Building Forward Better 5 years after the adoption of the African Union Roadmap on Demographic Dividend

06-08 Sept. 2023| Somone, Senegal

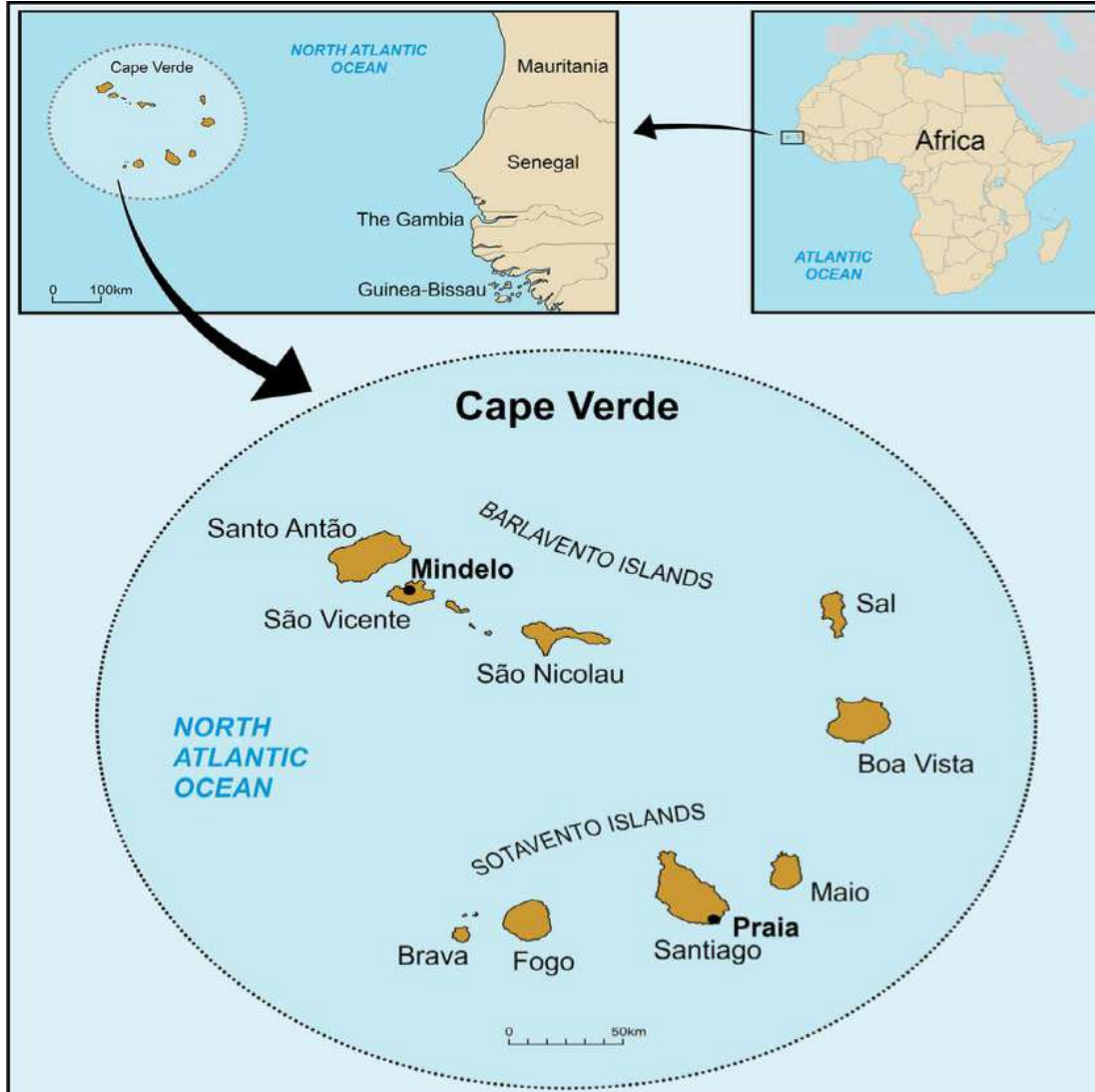**Adilson J. M. da Silva**, INECV
José F. Delgado, DNP

TOPICS

1. Context/Materials

2. Analysis of life-Cycle

3. 1st DD: (The opening of) the window of opportunity
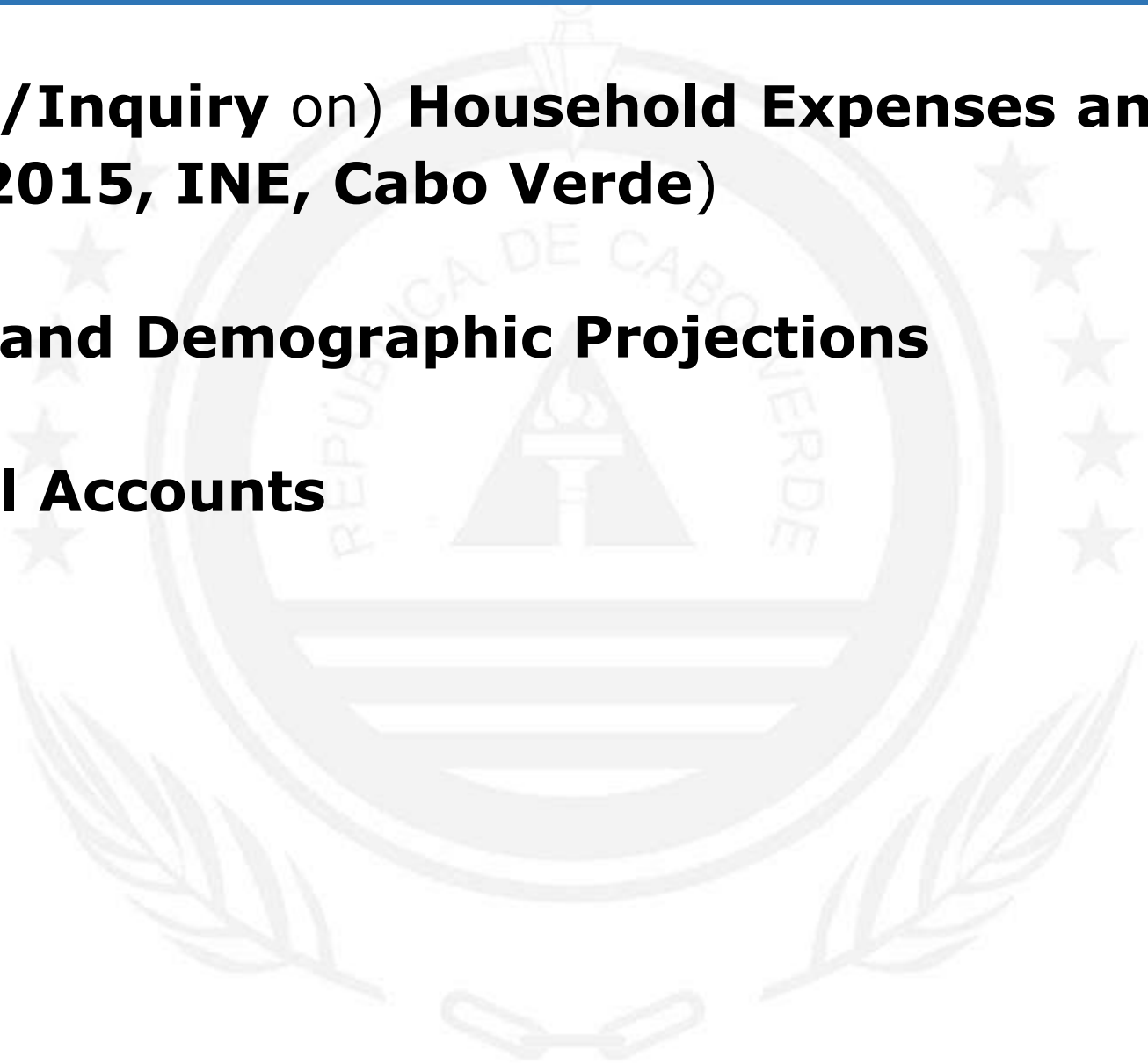
CONTEXT/MATERIALS

CAPE VERDE

> A little **WEST AFRICA** country located 570 km off the western coast of Senegal

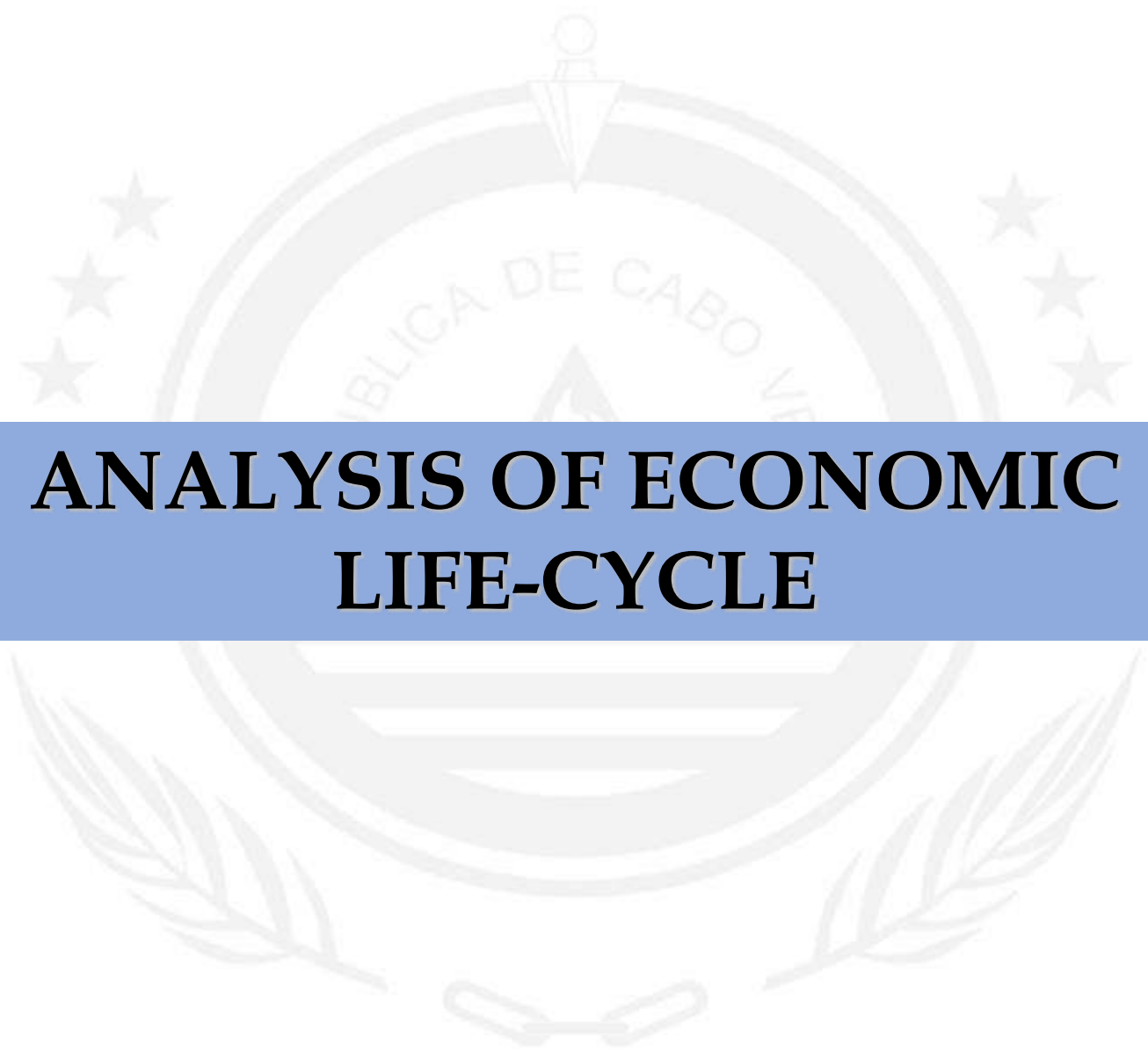> A cluster of **10** (littles) **islands** with a total of **491 233 inhabitants** (census 2021)

Island	Population	Area (km^2)
St. Antão	36 950	785
S. Vicente	75 845	227
S. Nicolau	12 306	343
Sal	33 615	216
Boavista	12 798	620
Maio	6 330	269
Santiago	**274 048**	**991**
Fogo	33 754	476
Brava	5 647	67
TOTAL	**491 233**	**3 994**

POPULATION EVOLUTION

	Year								
	1900	**1940**	**1950**	**1960**	**1970**	**1980**	**1990**	**2000**	**2010**
Popul.	143 929	181 740	149 984	199 902	270 999	295 703	341 491	434 625	491 875

MATERIALS

❑ (**Survey/Inquiry** on) **Household Expenses and Income** (**IDRF/2015, INE, Cabo Verde**)

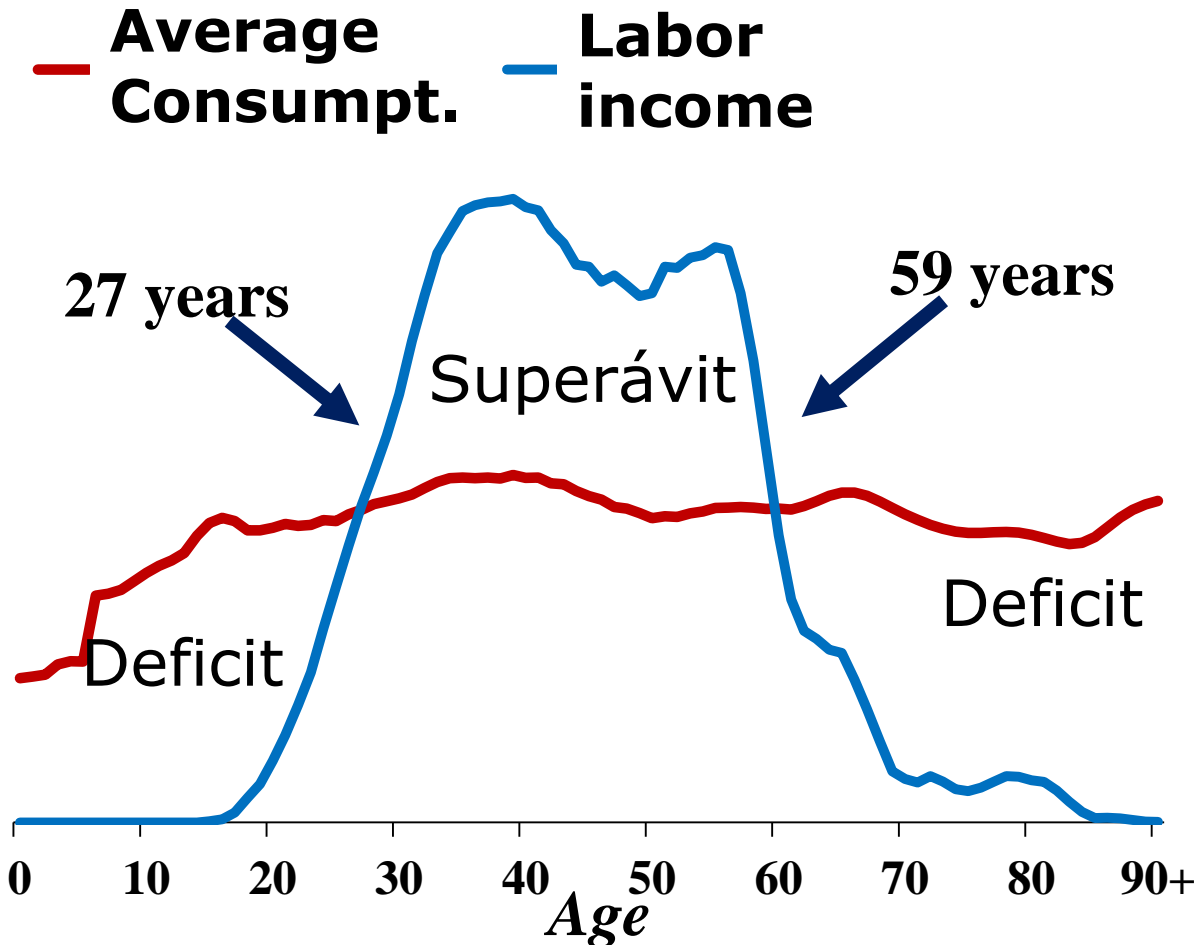❑ **Census and Demographic Projections**

❑ **National Accounts**

❑ **Etc.**
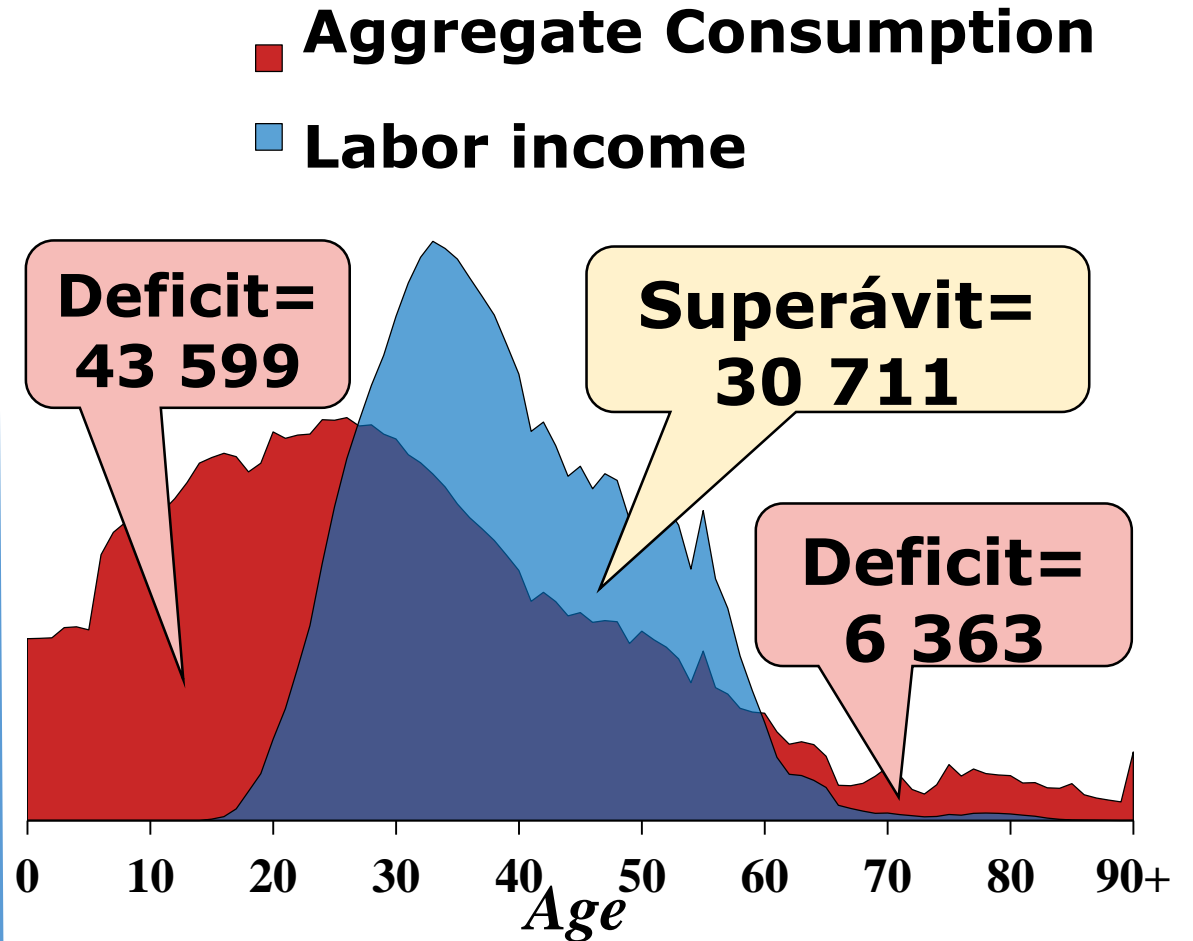
ANALYSIS OF ECONOMIC LIFE-CYCLE

ECONOMIC LIFE-CYCLE: LABOR INCOME vs CONSUMPTION

Graphic 1: Production vs average consumption (micro econ.) over the life-cycle, Cape Verde, 2015

Graphic 2: Production vs aggregate consumption (macro econ.) over the life-cycle, Cape Verde, 2015
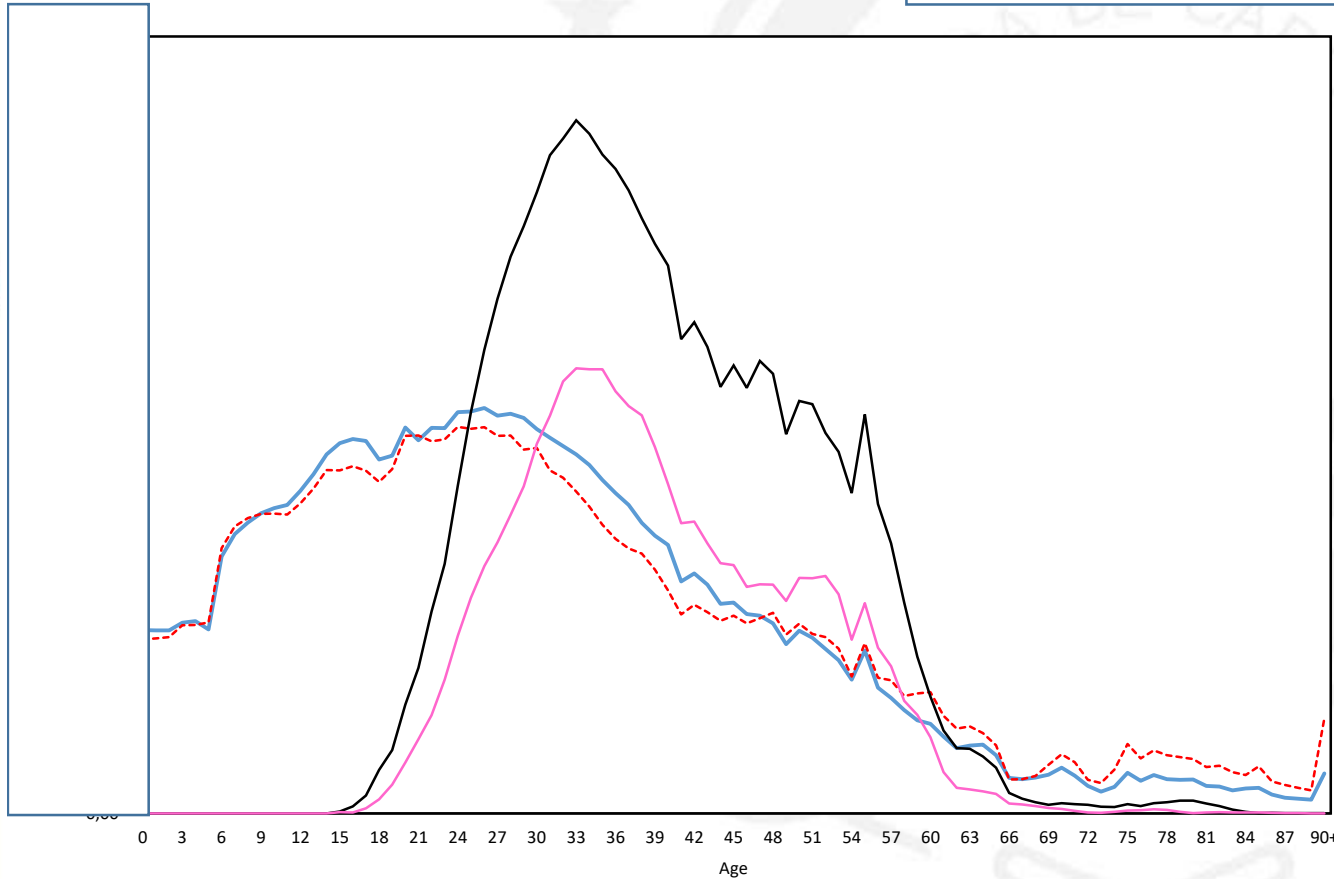
SUMMARY: AGGREGATE CONSUMPT vs LABOR INCOME (billions CVE) in 2015

GDP	158 699 (1,557 bil. USD)	% of GDP
LCD (Global)	**19 251** (188 bil. USD)	**12,1%**
LCD "0-26 years" (YOUTH)	43 599 (427 bil. USD)	27,5%
LCD ">= 60" (old age)	6 364 (62 bil. USD)	4,0%
Superávit (27-59 years)	-30 711 (302 bil. USD)	19,4%

ECONOMIC LIFE-CYCLE (BY SEX)

Graphic 3: Production vs aggregate consumption over the life-cycle, Cape Verde, 2015
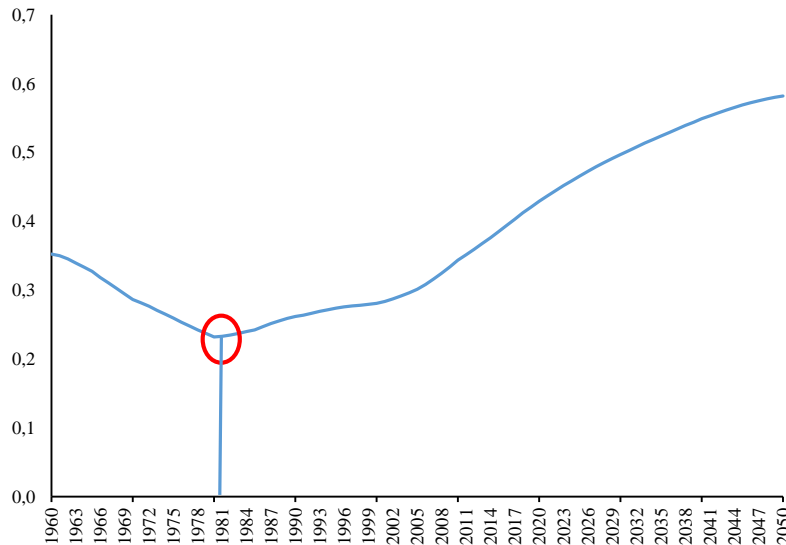
- Men's aggreg. consumpt.
- Women's aggreg. consumpt
- Men's aggreg. labor income
- Women's labor income

	Men	**Women**
superávit (Period in years)	26 to 61	30 to 57
LCD	- 2 493 (-24 bil. USD) (**Superávit**)	21 744 (210 bil. USD) (**Deficit**)
% GDP	1.6	13.7

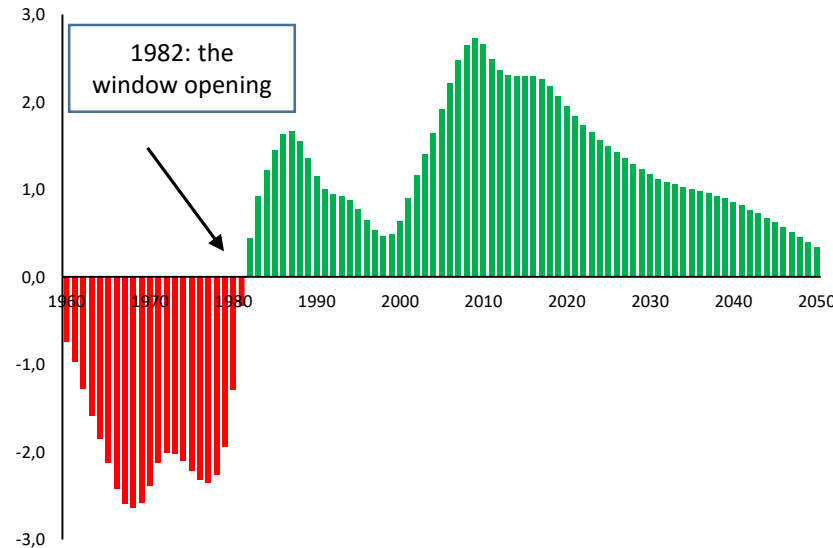# 1st DD: OPENING (of) THE WINDOW OF OPPORTUNITY

THE STATE OF DD

Graphic 4: Evolution of ESR, Cape Verde, 1960-2060

Graphic 5: Change (%) of the ESR growth rate, Cape Verde, 1960-2050

The **coordination of public policies must be intensified and improved** in order to benefit from the age structure of the population... creating employment at a faster rate than consumers.

- The year 1982 represents the opening of the window for the 1st DD

- The DD decreases from 2010, and (is expected to) ends in 2070

- In 2017, the DD represents 2.26% of GDP per capita growth.
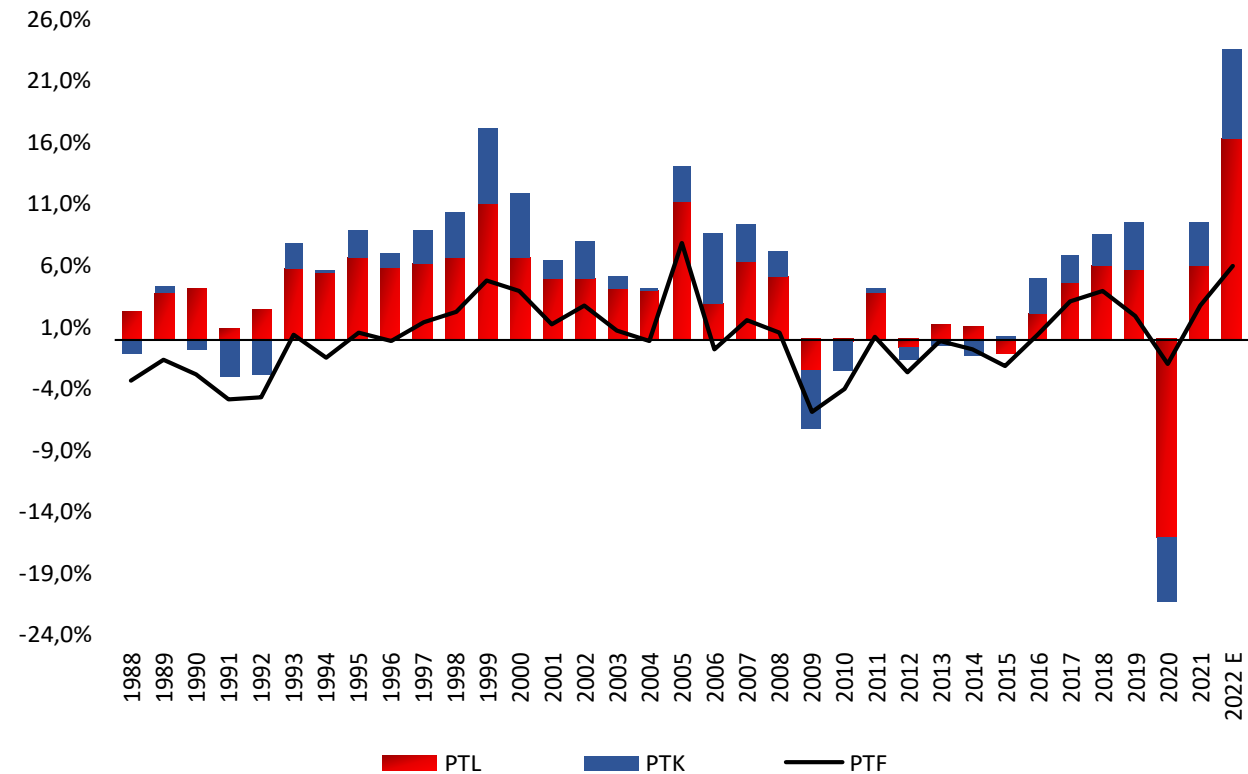
The ESR highlights the need to **implement synchronized economic** and **social policies** in favor of: **(a)** _productivity growth_; **(b)** the quality of _human capital_; **(c)** the _health system_; **(d)** the _gender equality_; and **(e)** the sustainability of _social protection regimes_.

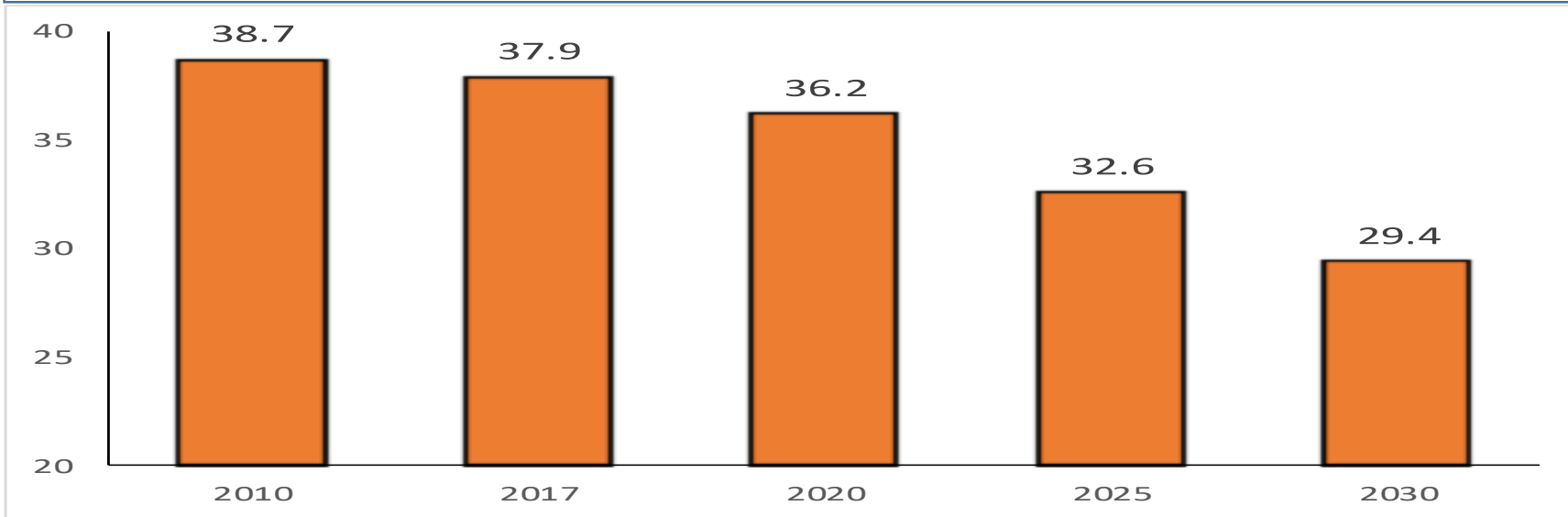**Contribution of Total Factor Productivity to the growth**

2016	2017	2022
0.3%	3.1%	5.9%

POLICY IMPLICATIONS & CHALLENGES

Graphic 7: Proportion of young people in the population (Demographic Projection 2010-2030)

The weight of young people in the population is decreasing!

We can NO LONGER continue to exclude them from the labor market

A national youth employment plan is needed

RECOMMENDATIONS

- Strengthen:
  - Education, training and employment policies
  - Health policies for young people and adolescents
- Promote youth employment, with special focus on women

- Adopt care policies to anticipate problems related to population aging, such as the treatment of degenerative diseases, among others

- Promote the extension of social protection coverage, especially for groups with poor coverage, in order to improve old age protection.

Thank you for your Attention