4D

Dialogue #1: Data for Demographic Dividends

Government–Government Policy Dialogues on Demographic Diversity and Dividends

UNFPA · African Union · german cooperation DEUTSCHE ZUSAMMENARBEIT

INTRODUCTION

Demographics are shifting around the world: How can countries increase their chances of capitalizing on this demographic change to promote human potential? A new dialogue series builds on discussions started at the Nairobi Summit on ICPD25 around policies and practices that countries can use in population and development planning. Titled Government–Government Policy Dialogues on Demographic Diversity and Dividends, the "4D Series" is hosted by the African Union Commission, United Nations Population Fund and Government of Germany. A virtual kick-off event on 5 October 2020 introduced issues to be covered in dialogues over the next two years among government leaders and experts.

Parts of the world are still very young with high population growth rates, while other regions are rapidly ageing and still others are experiencing population decline. This diversity in demographic realities presents both challenges and opportunities at the centre of this series.

The first dialogue in the series focused on the importance of quality demographic data, welcoming more than 130 participants from 51 countries to a virtual video-conference on 19 November 2020. Six breakout groups focused on the latest tools and techniques for using data for policy planning and tracking:

■ Generation and use of population projections
■ Indices on human capital
■ Data on employment and the enabling business environment
■ Data regarding older persons
■ Using National Transfer Accounts (NTAs) to integrate policy planning
■ Strengthening capacity to monitor progress: coordinating national data systems for accountability.

This booklet provides a brief account of the dialogue with the aim of inspiring further discussions on the issues raised. It summarizes the views of a diverse group of stakeholders, includes several links to resources and features a few of the many country examples (though not globally representative) shared during the event.

> Definition: A demographic dividend is the economic growth potential that can result from shifts in a population's age structure which free up resources for investment in social and economic development.

> **"** We live in an era of profound and diverse demographic changes. The world population is growing from almost 8 billion people in 2020 to almost 10 billion in 2050. Age structures are changing in all regions of the world.
> Maria Flachsbarth, Parliamentary State Secretary to the German Federal Minister for Economic Cooperation and Development

EXECUTIVE SUMMARY

Certain conditions need to exist to make the most of opportunities in demographic change. Countries require timely, disaggregated and detailed demographic data in order to make informed decisions about development plans, policies and investments that create an enabling environment for such conditions to prevail – notably in health, education and economic opportunity. This list, though not exhaustive, captures key points of action raised in the dialogue:

- **Plan for a first and second demographic dividend (DD).** The first DD occurs when the labour-force is larger than those who depend on it, and the second DD occurs when longevity allows older people to accrue and invest assets. Both require timely investments to create optimum conditions. Neither are automatic but depend on the right policy mix, and that relies on robust data.
- **Strengthen capacity** to collect, analyse and use demographic data by investing in professional training, employment, communication and dissemination of results. Build capacity for data platforms, systems that support data collection, and more research and analysis.
- **Coordinate** efforts across ministries, agencies, donors and sectors to improve data systems and make the most of new technologies and innovative approaches.

- **Disaggregate data** by age, sex, gender, rural versus urban, population groups such as persons with disabilities or refugees, and other detailed subcategories to uncover patterns, trends and other important information hidden by broader data.
- **Standardize data** to enable comparisons and facilitate efforts to build harmonized databases.
- **Ensure data quality** and timeliness. Ensure completeness, even representation, transparency and regular collection that keeps up with the pace of change among populations.
- **Ensure data privacy**, ethics and protection.
- **Combine sources** beyond national censuses to make the most of other surveys at national and subnational levels and sources such as telecommunications, banking or satellite data, e.g. combine large data sets, labour-force surveys, innovation surveys, administrative registries and cross-sectional and panel data.
- **Facilitate donor coordination** and identify gaps to mobilize adequate funding for data collection, analysis and communication.
- **Enhance understanding** of the uses and limits of demographic data. Simplify messages for evidence-based decision-making. Invest in tools to make data accessible and understandable.
- **Enhance partnerships** among countries for more efficient collection of quality data. Share knowledge and foster country-to-country exchange to improve the quality of data.
- **Recognize the Nairobi Summit commitments** to sexual and reproductive health and rights and the empowerment of women and girls as key levers to accelerating economic growth and sustainable development.

1. WITHOUT DEMOGRAPHIC DATA, CHALLENGES REMAIN INVISIBLE

> **"** **What remains invisible, is going to be neglected and unnoticed. Therefore, if data is not collected, certain problems remain invisible and for invisible problems there will be no policies. This creates a vicious cycle.**
> Alexandre Kalache, President of the International Longevity Centre–Brazil and Global Ambassador for HelpAge International

When everyone is put in the same box, vulnerabilities are obscured, challenges and possibilities go unnoticed, and policies cannot be adjusted to meet specific needs. Not only does the overall lack of data hinder analysis, but data collection often fails to include detailed categories and therefore does not permit meaningful disaggregation. Three examples are as follows:

Gender: Making the gender dimensions of data visible is a priority for all development planning. The challenge starts with data collection itself, and the need to measure the value of women's work, impact of education for girls, and link between lower fertility rates and demographic dividends.

Migration: Standard research methods do not adequately account for people on the move. Without accurate data, migration's impact on development can be neglected.

▶ The African Union Gender Scorecard is published annually in partnership with the United Nations Economic Commission for Africa and the African Development Bank. Its 2017 theme was "Harnessing the demographic dividend through investments and youth empowerment, particularly young women for leadership and civic participation". This monitoring and accountability tool evaluates African Union Member States' performance and motivates action to improve in areas where they are lagging.

Employment: Data and statistics related to work and the business environment are inadequate despite their critical importance. Women and youth are often concentrated in the informal sector, making them hard to track. Also, data must go beyond the unemployment rate to include labour-force participation and under-utilization rates, and the share of youth not in employment, education or training (the NEET rate).

▶ In Bhutan, the Programme for International Assessment (PISA) compared learning outcomes and performance with other countries. Finding subject-area differences between boys and girls, stakeholders reviewed curriculum and materials to assess perpetuation of gender stereotypes, and took measures to strengthen skills and competencies.

▶ In five countries in Africa, the project "Demographic Dividend with a Gender Dimension" aims to harness demographic dividends by sharing tools, resources and knowledge products such as country-specific situation analysis. It is a joint effort of the United Nations Economic Commission for Africa, Economic and Social Commission for Asia and the Pacific and regional partners with UNFPA support.

2. RECOGNIZING THE FIRST AND SECOND DEMOGRAPHIC DIVIDENDS

DOUBLE BY 2050

The population in sub-Saharan Africa is set to double by 2050, and in most of sub-Saharan Africa, the working-age population is growing faster than any other group.

Large youth population: Countries with the greatest demographic opportunity for development are those entering a period in which the working-age population has good health, quality education and decent employment and provides for a lower proportion of dependents. A "youth bulge" does not guarantee economic growth, however. Countries must invest in young people. This includes investing in data platforms that allow for information-sharing among adolescents and youth, while protecting their rights to understand how and why data is being collected and analysed.

▶ In Cambodia, government ministries joined a multi-sectoral task force with youth organizations and young people to identify priorities for demographic data. A two-year process produced a Youth Development Index focused on education, health and well-being, employment opportunities, and participation and engagement. The initiative supports decision makers with information needed to invest in youth development and capacity building.

In Egypt, an index developed at national and regional levels assesses the potential for harnessing demographic dividends while ensuring the country is progressing in terms of human capital indicators. The index is based on the 3Es policy framework of women's empowerment, education and employment using the recent available data from the 2017 population census. The information is used in development planning, including revision of the national agenda Egypt Vision 2030.

> **"** We see the youth as catalyst for development. So we need to know what kind of young people we have and where the investments should go to prepare them.
> Dialogue participant from Ghana

In Ghana, recent revision of the youth policy highlights the need for better demographic data in order to guide investments and the design and analysis of efforts to harness demographic dividends. A Youth Development Index using triangulated data from the Demographic and Health Survey (DHS) and other data sources was developed to track the progress of youth, address gaps and meet the needs of the most vulnerable.

Older people: Often overlooked or considered a burden, older people can drive a second demographic dividend by contributing to households as caregivers and farmers, and through assets accrued over time. New measures and indicators may be needed to capture their contributions. Surveys collecting data on older people often fail to differentiate between subgroups by age, sex, gender, living situation, disability, financial situation or refugee status but instead treat "older persons" as one category. With more detail, data can make vulnerabilities more visible so that policies can better address them.

▶ Longitudinal studies have been effective in understanding the older population. The Generations & Gender Survey, a project of the UNECE's Generations & Gender Programme, is a longitudinal survey that follows the life-trajectory of individuals aged 18 to 79 to reveal the story behind the indicators. It has been used by more than 20 countries aiming to harness the second demographic dividend. An online version reduces the cost of data collection.

▶ In the Republic of Korea, the National Survey of Older Persons is an ongoing nationally representative longitudinal survey that collects data on well-being, health, financial situation, living conditions and welfare needs. Since 2008, it has collected data from more than 10,000 Koreans aged 65 and over every three years, using computer-assisted personal interviews. The study collects data that will assist in implementing social and economic policies for the ageing population.

DOUBLE BY 2050
The global number of older persons (60+) is expected to double by 2050, when it is projected to reach nearly **2.1 billion**.

▶ The National Income Dynamics Study (NIDS) is the first national panel study in South Africa. NIDS has followed the lives of the same 28,000 South Africans and those they live with since 2008. An initiative of the Government, the first five iterations were implemented by a research unit based at the University of Cape Town. Trained fieldworkers re-interview the same people about every two years to find out what, if anything, has changed for them since they were last interviewed.

> **We need to not only look at the first DD but also the latter DD. Older people are not a burden but an opportunity as they contribute a lot in society, as providers for households. We must collect the right data to be able to get the right picture of older persons.**
> Breakout group participant

3. OBSTACLES TO DATA COLLECTION AND ANALYSIS HINDER PLANNING

Insufficient human and financial resources, weak administrative systems and a silo-based approach hamper efforts to improve decision-making through data. The census is a main source of demographic data, yet expensive and not always conducted on a regular basis. Significant deficiencies exist in the civil registration and vital statistics (CRVS) systems of many countries, another crucial source of data on births, deaths and other vital events. Lack of standardization weakens analysis, and the need for system-wide statistical harmonization is further hindered by a tendency to focus on sectors.

45%
About 45 per cent of indicators for the **Sustainable Development Goals** require sound and reliable population data.

▶ **Initiatives such as the Bern Network on Financing Data for Development and its forthcoming "Clearinghouse for Financing Development Data" can facilitate donor coordination and help to identify funding gaps. The Clearinghouse will build on existing mechanisms and take lessons learned from other global funds, to encourage awareness of and commitment to development data.**

4. INNOVATIVE TOOLS AND STRATEGIES CAN IMPROVE DATA FOR DEVELOPMENT

Many different tools are being used to answer the question, "What key areas do we need to invest in now to set the stage for demographic dividends?" One resource for understanding population changes is the UNFPA Demographic Dividend Atlas, an interactive visualization of how increasing life expectancy, declining child mortality and declining fertility transform the structure of populations.

Alternative data sources: Data gaps can be filled by combining information from censuses, Demographic and Health Surveys and living standard surveys (45 countries in Africa conduct at least one of these) with data from other sources. Increasingly, telecommunications, mobile money transfers, transportation, social media and even satellite imagery are sources of demographic data. Small area estimation techniques combining census and survey data may offer insights at subnational level, and rapid cell phone surveys may provide timely insights into peoples' lives.
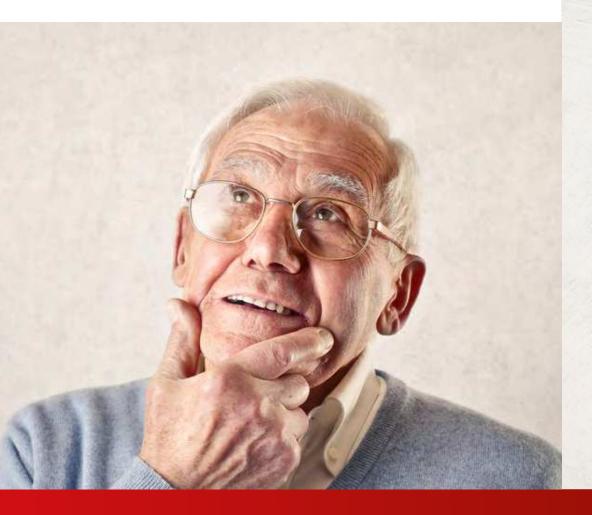
Population projections: Population projections and forecasting are indispensable for decision makers in all sectors and at all levels of government. Better methods are needed for accuracy at subnational levels as is local expertise. Demographers who specialize in projections and forecasts are in short supply in key countries, yet expert interpretation is what allows conclusions to be drawn from results.

▶ The German Demographic Portal was launched in 2012 to provide accessible and up-to-date demographic information, present best practices and provide a platform for dialogue. Opportunities to present and share demographic data can strengthen national, regional and global understanding of population change. It is a fundamental element of the Federal Government's demographic strategy.

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Indices of human capital: An index that measures the potential and achievement of citizens can take a long time to develop. Building the Youth Development Index in Cambodia took two to three years to consult with stakeholders and collect and interpret data from various ministries, provinces and sources.

National Transfer Accounts (NTAs): This accounting framework tracks economic flows from one age group to another, typically for a national population in a given year. Originally created for research purposes, NTAs are useful for understanding changing age structures and the impact of actions across generations. NTAs can help countries accelerate benefits from the first demographic dividend and prepare for population ageing.

Big data: Big data and advanced statistics present an opportunity for a variety of sectors, with vast amounts collected by private sector entities as part of their business offerings or by United Nations agencies in carrying out their programming. With data sets too large for traditional data processing, new ways of extracting and analysing data are needed to support the 2030 Agenda.

▶ Currently, some two dozen countries in Africa are engaged in creating NTA profiles in efforts that are government-driven with assistance from UNFPA and the World Bank, in response to demand from policymakers. NTAs are being integrated into the Demographic Dividend National Observatories in West and Central Africa. Regional scholars and academic institutions such as the Centre for Research in Applied Economics and Finance (CREFAT) in Senegal help countries to produce NTA reports and promote evidence-based advocacy using the results. In Senegal, the government used NTA results to inform its official recovery document on COVID-19, and in Mauritania the government used NTA results in its new national development plan (SCAPP).

▶ In South Africa, interest in NTAs was initially driven by academia engaged in research on inequalities. The information provides insight into subgroups using race, gender and geographic location. Though data used is nationally representative, attention is paid to representation across income groups, and to the need for transparency when assumptions are used to fill gaps in data.

5. DEMOGRAPHIC DATA IS IN DEMAND ON A DAILY BASIS

> " The level of influence and the power of data in shaping inclusive and rights-based actions is out there for us to leverage.
>
> Chinwe Ogbonna, Deputy Representative, UNFPA

An unprecedented number of people are actively engaging with demographic data and indicators around COVID-19. This presents an unusual opportunity to address data literacy and promote a culture of data use, where easy-to-use demographic data informs decision-making on a daily basis. This conversation should also emphasize the "human face" of data and its purpose as a tool that supports solutions for people and the planet.

While the pandemic has heightened challenges, creating additional constraints for National Statistics Offices and the 2020 census round, it also has focused global attention on economic transformation and recovery. The question is: How can we obtain and package demographic data in a timely way that encourages uptake by policymakers who prioritize targeted investments? The dialogue offered leaders and experts a forum to learn from one another. The next step is to build on promising best-practice models, tools, methodologies, innovations and modern technologies and take them to scale to enhance data for demographic dividends.

> " We need to humanize data on young people, to see the lives of young people whose potential has been cut short. We need to see beyond the statistics.
>
> Evalin Karijo, Project Director, Y-ACT, Youth in Action, Amref Health Africa

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