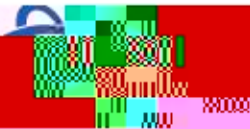


Demographic Transition and Demographic Dividends New International Evidence

Michael R. M. Abrigo
EastWest Center, and
Philippine Institute for Development Studies

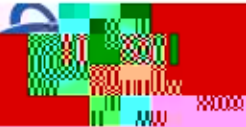


Acknowledgements

- AndyMason
- Membersof NTAteamsthat constructedNTA for the 60+economiesin our database

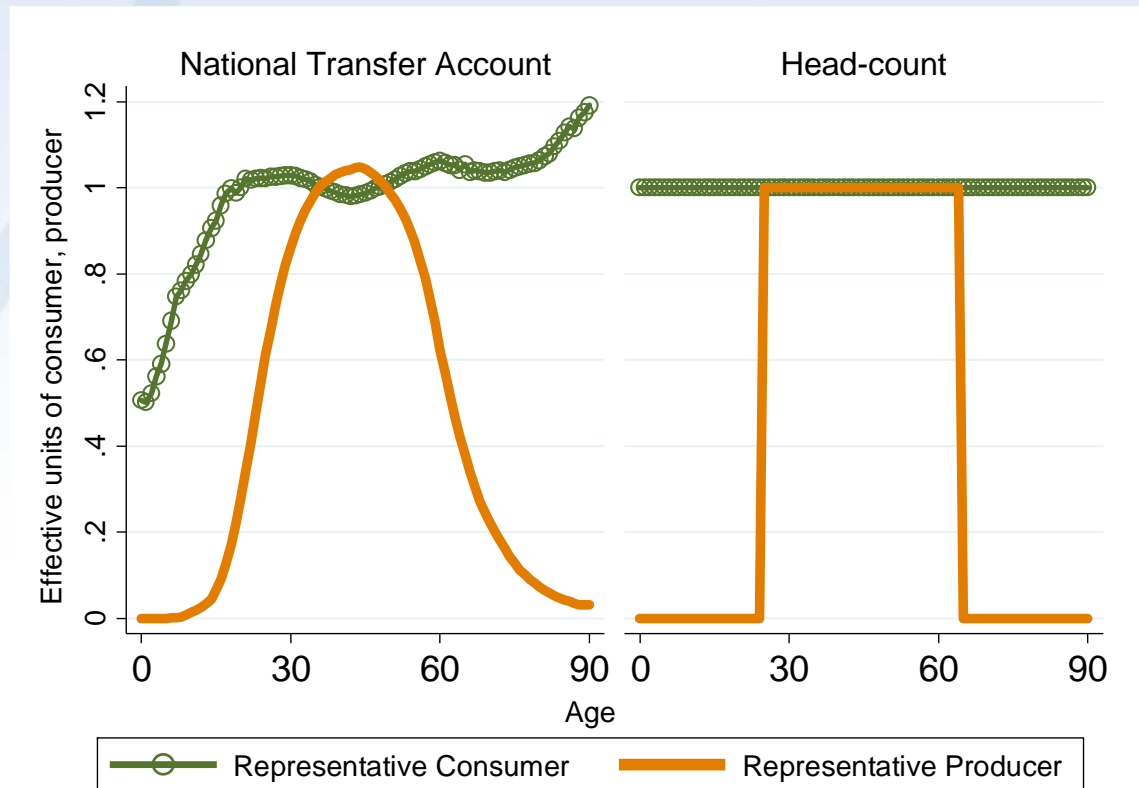


NTAMembership



National Transfer Account

“Understanding the Generational Economy”

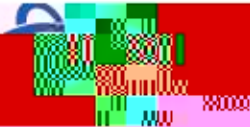


Purpose

- Quantify the demographic dividend
 - Contribution to economic growth of changes in fertility, mortality, and age structure that occur over the demographic transition
- Explore channels through which demography influences the economy
- Capitalize on the increased availability of National Transfer Account data
 - Country team esa

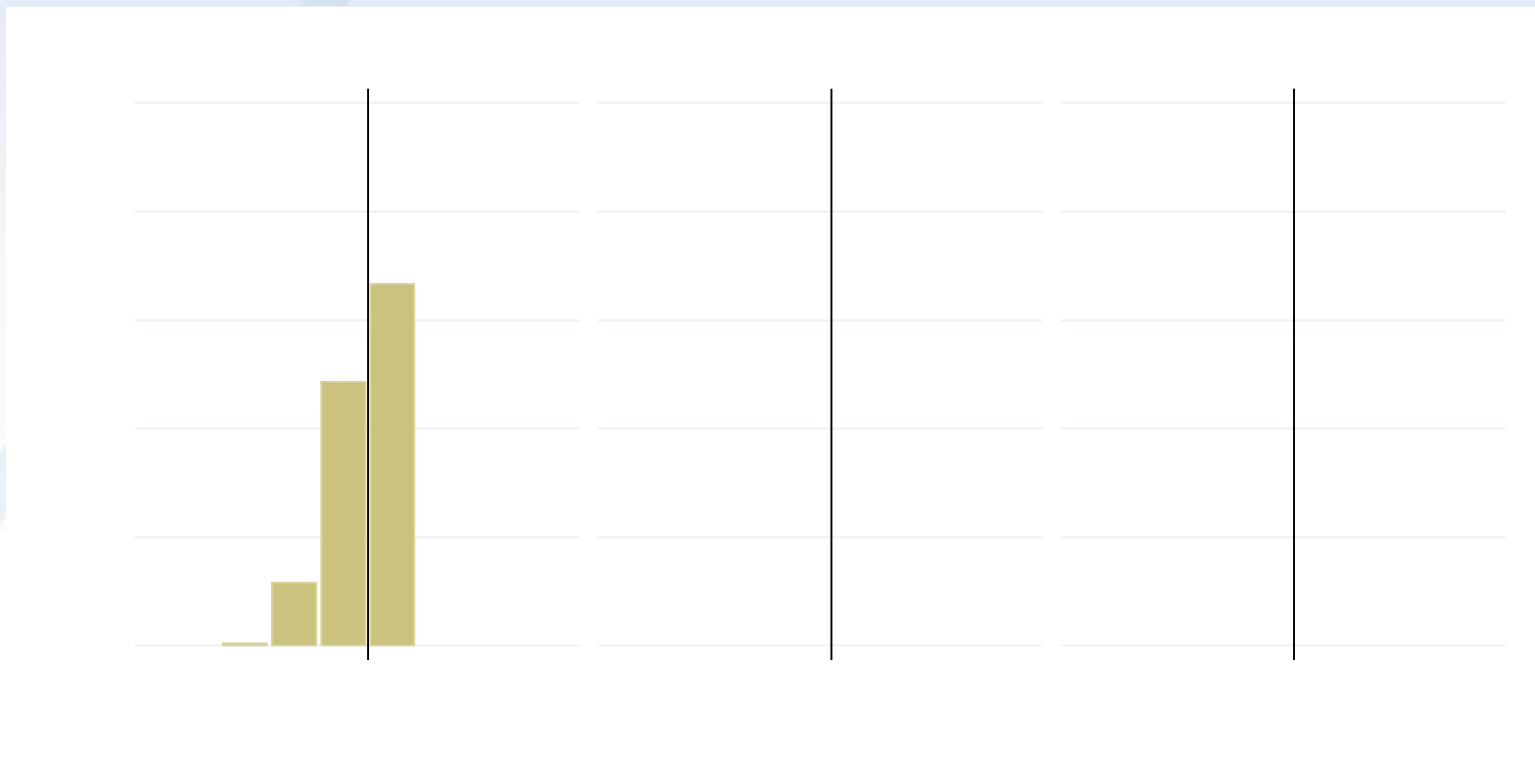
Demographic Dividends

- First



First Demographic Dividend

About 70% of countries currently benefitting



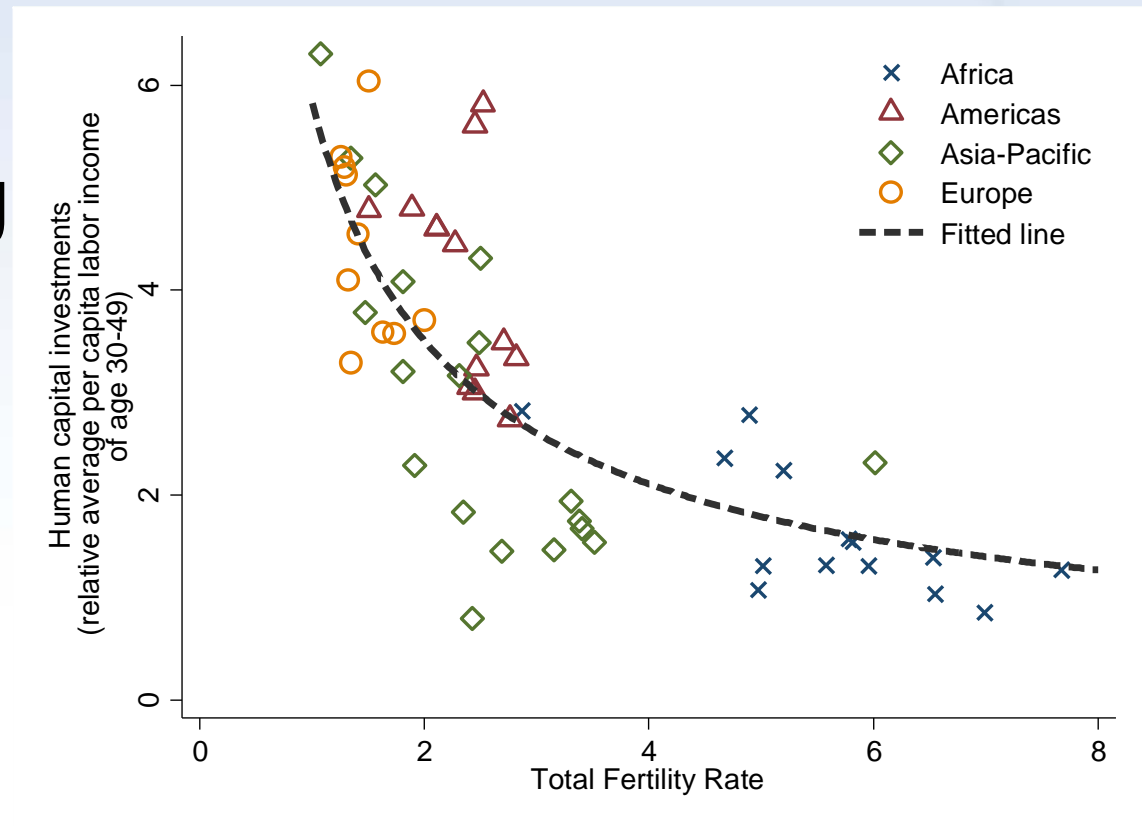
First Demographic Dividend

Substantial, Sustained, Transitory

Region	Timing (Average)		Dividend (% points)		
	Start	End	Average	25 th	75 th
Africa	1991	2084	0.38	0.15	0.53
Americas	1974	2032	0.51	0.21	0.71
Asia Pacific	1975	2033	0.56	0.18	0.80
Europe	1964	2001	0.35	0.14	0.51
World	1977	2041	0.45	0.17	0.62

Second Demographic Dividend

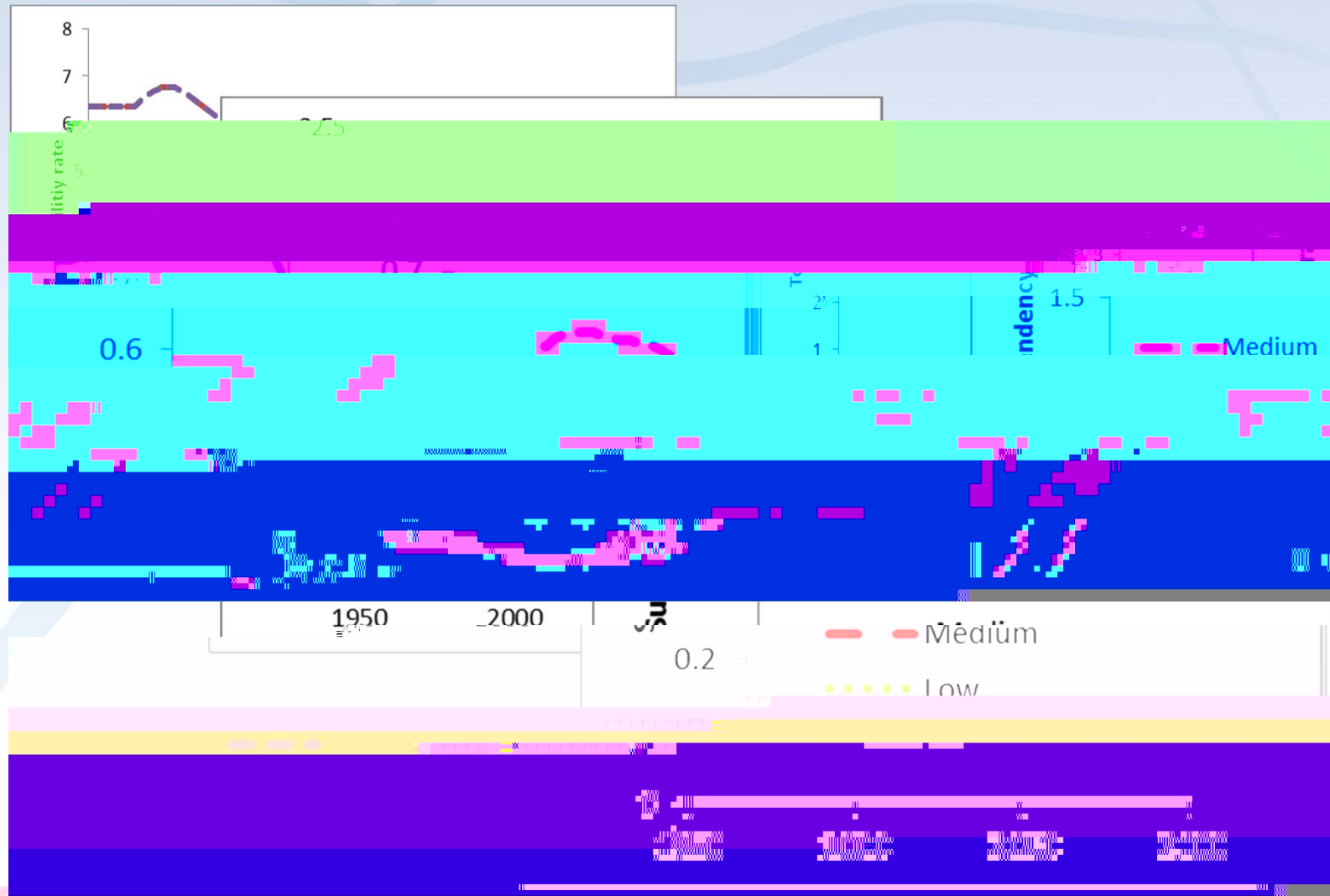
Greater human capital spending with fewer children per woman



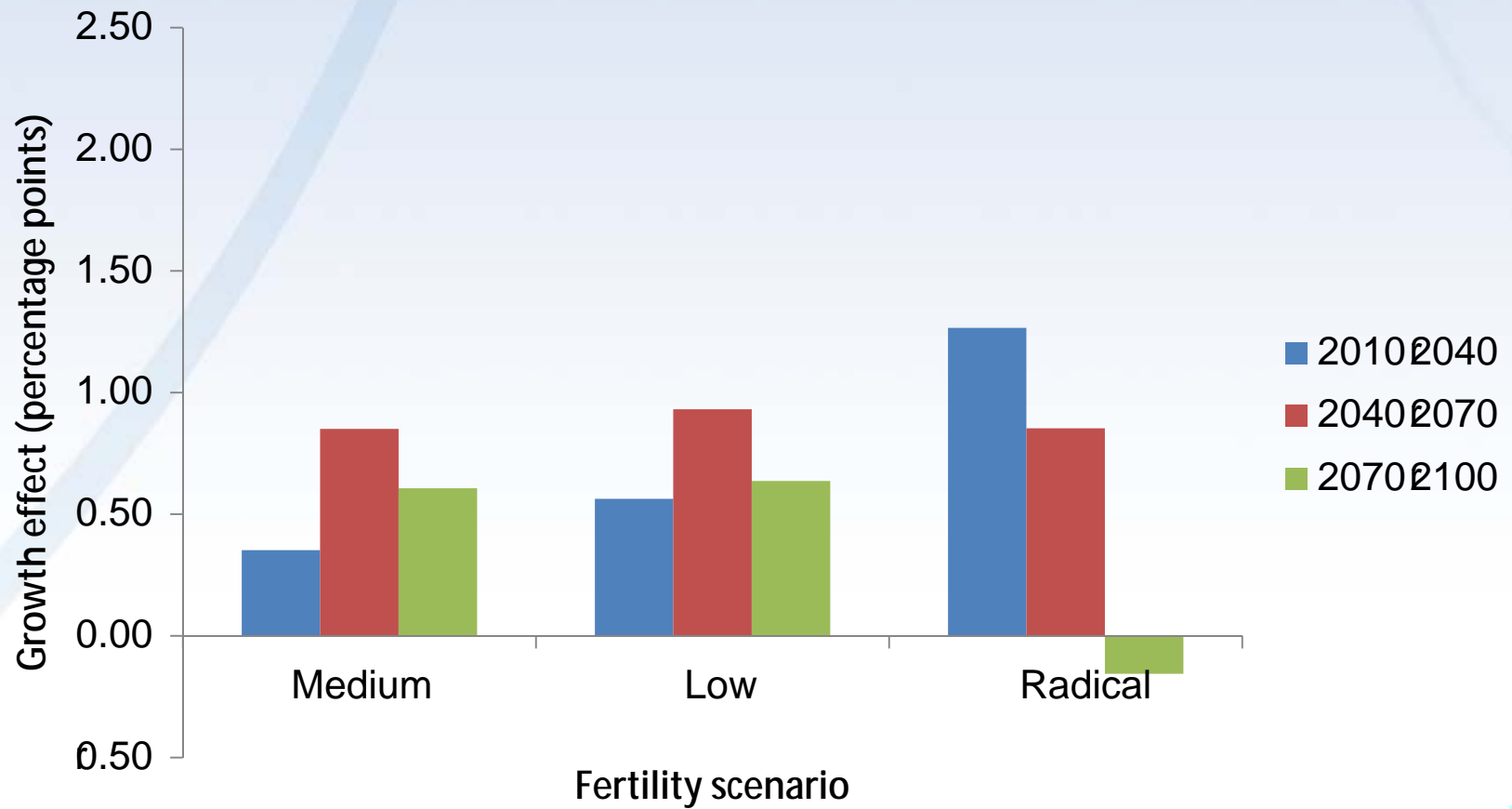
Model

- Economic growth influenced by size of labor force, human capital, physical capital, and exogenous technological change
- Standards of living influenced by first and second dividends with capital and human capital channels distinguished
- Model parameters: NTA estimates and standard parameters drawn from the literature
- Nigerian population scenarios
 - Medium and low fertility scenario compared with no fertility decline scenario.
 - Radical fertility decline scenario based on China's experience.

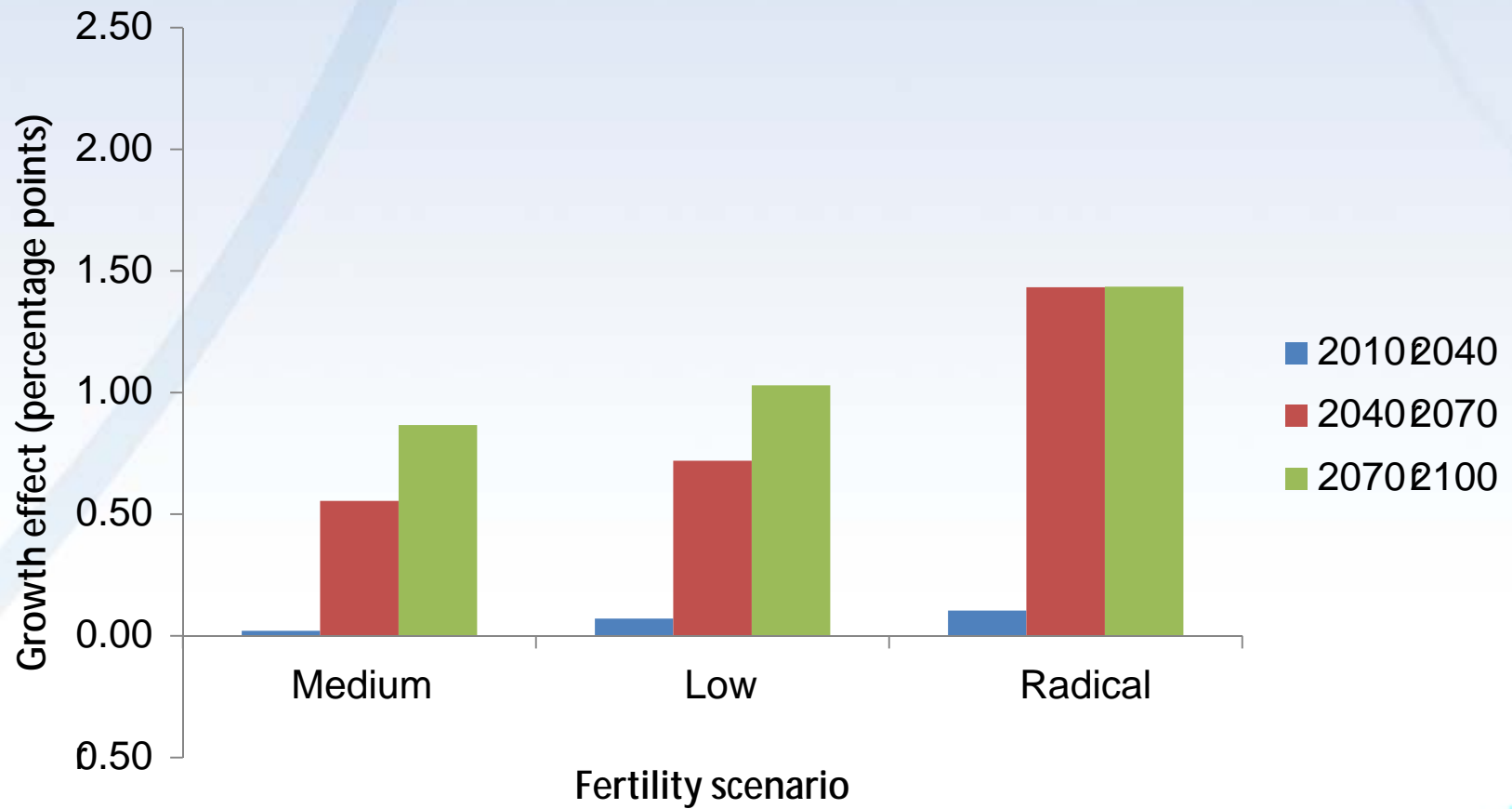
Threedemographicœscenarios



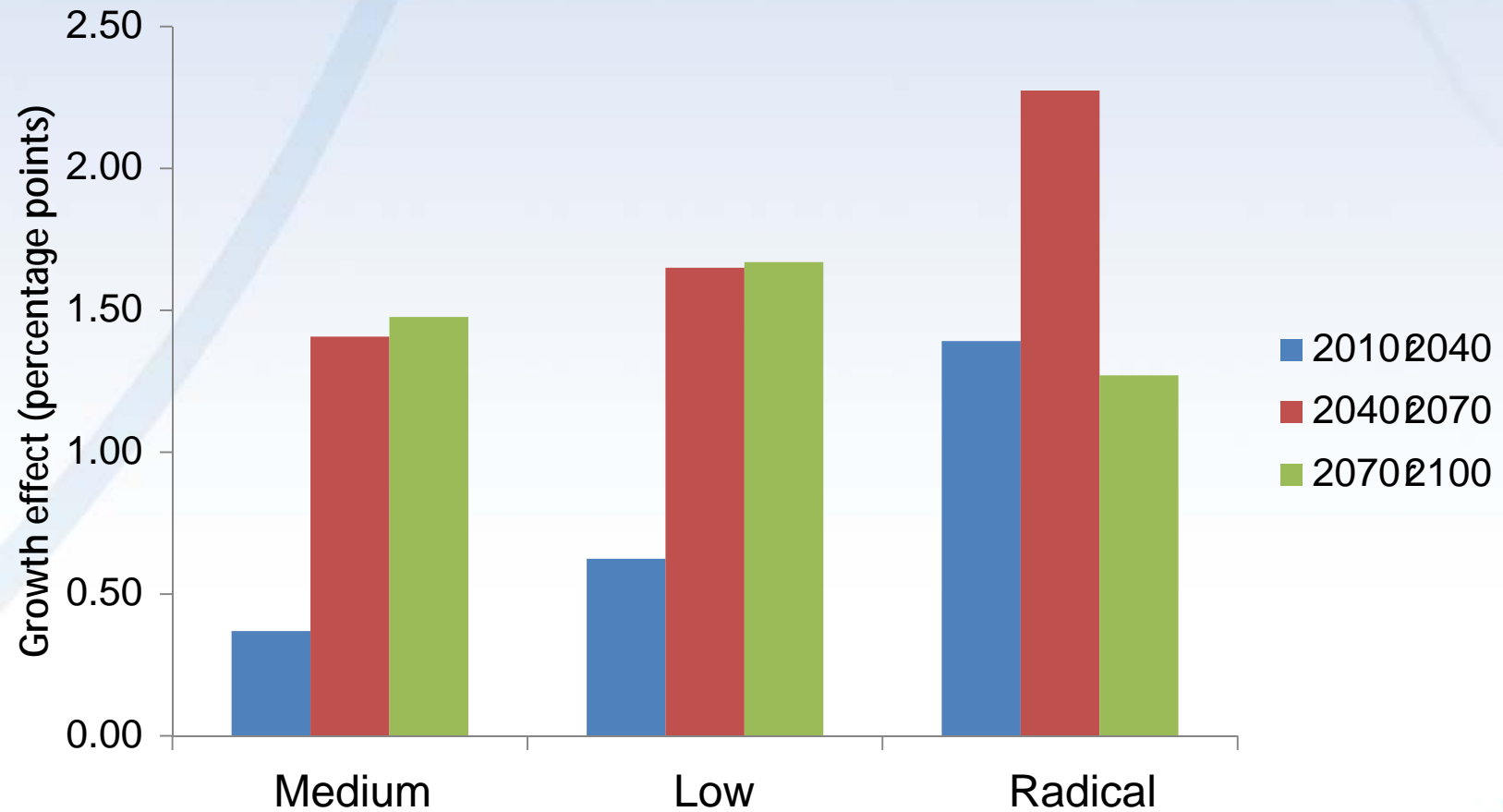
First Dividend



Second Dividend



Demographic Dividends Combined



Cumulative effect on per capita consumption

