



# DEMDiv

## Projecting Policy Changes to Reap a Demographic Dividend

Photo by USAID/Kenya, Carole Douglas

### Accelerating Socioeconomic Growth

DemDiv illustrates—over a long period—how an increase in family planning use that changes the population age structure, combined with education and economic policy investments, can boost human capital and catalyze economic growth.

Policymakers in high-fertility countries are increasingly enthusiastic about the demographic dividend: the potential for faster economic growth due to changes in population age structure. But a demographic dividend cannot be achieved without strategic, integrated investments and policy changes in multiple sectors. To provide evidence about the specific investments needed and their benefits, the Health Policy Project (HPP) developed the new DemDiv model. DemDiv is a cross-national, customizable projection model that estimates the potential demographic dividend of a fertility decline motivated by increased use of family planning, combined with education and economic policy investments.

### How Does It Work?

DemDiv addresses the complexity of the demographic dividend by linking age structure with social and economic development. The model integrates three sets of policy variables: family planning, education, and economic competitiveness. These policy variables can be set and manipulated by the user to project results in up to four scenarios for a 20- or 40-year time period. The model applies the policy variables to demographic and economic components that interact to project gross domestic product (GDP), GDP per capita, and other development outcomes, including employment and investment.

DemDiv can be downloaded for free and applied in any country, although it is intended for countries with medium to high fertility rates. The user interface is largely in Microsoft Excel, making the tool readily usable by analysts without advanced statistical knowledge. A built-in database provides default data for each input, but more localized data can be entered when available.

### What Can It Do?

The goal of DemDiv is to generate support for family planning (FP)/ reproductive health (RH) investments among high-level policymakers outside the health sector. DemDiv is designed to be applied by country government agencies and be readily understood by and useful to national-level planners. The model has been applied in numerous countries, including Côte d'Ivoire, Ethiopia, Kenya, Nepal, and Uganda. Results from these applications indicate that scenarios combining ambitious family planning and education investments with governance and economic strategies show significant increases in GDP per capita compared to strategies that only emphasize governance and the economy. For example, results from [Kenya](#), led by the National Council for Population and Development (NCPD), show that GDP per capita would increase more than 12 times over by 2050 under a combined scenario of policy investments in family planning, education,

and macroeconomic programs compared to a base case scenario. At the launch of DemDiv in Kenya, the chairman of the Parliamentary Committee on Health, Dr. Rachel Nyamai, said that the model results can support efforts to change Kenya's age structure through investing in FP promotion and services and educational opportunities for girls, building domestic industries, improving market efficiency, and strengthening governance of public institutions.

DemDiv shows that the combined power of policy and program investments in family planning, education, and the economy can generate a demographic dividend not possible under a scenario of single-sector reforms. The model also illustrates that policy changes in these areas must begin now in order to see the benefits of a demographic dividend in coming decades. The use of country-specific data and scenarios developed

and validated by local stakeholders promote national ownership of the results and associated policy recommendations.

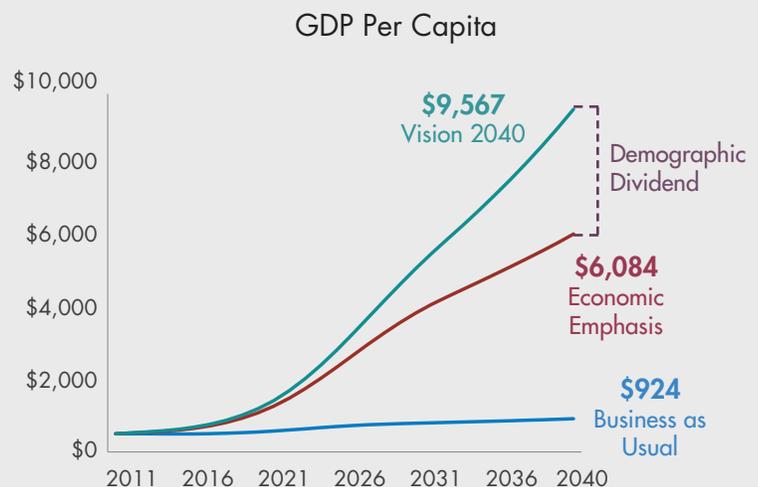
DemDiv has been used to consolidate policymakers' support for complementary family planning, education, and economic investments and to build new champions for family planning outside the health sector. Linking family planning investments to overarching development goals is necessary to ensure that new commitments, such as FP2020 and the forthcoming Sustainable Development Goals, are fully country-owned and viewed as national priorities.

The DemDiv model and its technical guide and user's manual can be downloaded from [www.healthpolicyproject.com/index.cfm?id=software&get=DemDiv](http://www.healthpolicyproject.com/index.cfm?id=software&get=DemDiv).

### DemDiv in Uganda

In 2014, HPP partnered with the National Planning Authority (NPA) as it prepared a new report on the demographic dividend in support of Uganda's Second National Development Plan. HPP worked closely with the NPA and other local stakeholders on the report, using DemDiv to generate three scenarios for Uganda's economic development. The model projected that if Uganda prioritizes ambitious family planning and education programs together with economic and governance policies, the country could realize a demographic dividend of US\$3,500 in GDP per capita by 2040, achieving the Vision 2040 national development plan.

The NPA report was launched and signed by Ugandan President Yoweri Museveni at the country's first National Family Planning Conference in July 2014. "Family planning is good for the children...for the family welfare, and for the country," Museveni stated in his comments accompanying the report launch. With birth spacing and timing, "the family would spend less on children and their needs. In turn, they would save and make wealth."



### Contact Us

Health Policy Project  
1331 Pennsylvania Ave NW, Suite 600  
Washington, DC 20004  
[www.healthpolicyproject.com](http://www.healthpolicyproject.com)  
[policyinfo@futuresgroup.com](mailto:policyinfo@futuresgroup.com)

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