An abundance of children

Level of education
IN FOCUS: Megatrend: Demography – the study of human populations establishes the basis for long-term political and economic decisions.

INTERVIEW: How demographic factors influence the labour market.

OVERVIEW: Examples of GIZ’s work

FACTS AND FIGURES: Population trends around the world
Megatrend: Demography

For decades, demography – the study of human populations – was the Cinderella science, but nowadays, it is impossible to ignore. Its forecasts and findings provide the knowledge base for policy recommendations which will determine the future success of economies and societies.

Mesenburg in the East German state of Brandenburg has welcomed many heads of state and government over the years. Its baroque palace is the German Government’s guesthouse. The locals are accustomed to the clattering of helicopters and to limousine motorcades passing their front doors. But these sights and sounds have little to do with local people’s lives.

Outside the castle, Uwe Krause, 68, climbs into a grey minibus. ‘My Zündapp is on its last legs,’ he moans. ‘The spark plugs are dead.’ In Mesenberg, with its population of just 150, the community bus, which is driven by volunteers, is a vital part of the local transport system; indeed, it is the village’s main link with the outside world. There are no public amenities here, and the last shop closed 15 years ago. Mesenberg has a demographic problem. The young people have moved away because there’s no work for them and no prospects for the future. To compensate for the outmigration and mortality in Brandenburg, every family would need to have an average of 2.13 children, according to the Federal Statistical Office. In reality, it is only 1.4.

9,000 km to the south, in Umkhanyakude District in KwaZulu-Natal, South Africa, a man climbs out of a green Land Rover. The two sides of the trailer fold out to form a roof for his ‘teaching space’. Swiftly, he sets up a table with computers – and is soon surrounded by young people. ‘Not so fast,’ he laughs. He represents a non-profit organisation called Mpilonhle – a Zulu word meaning ‘a good life’. The teenagers practise their computer skills, learn about AIDS prevention and talk to the social worker about their problems. The Land Rover is a mobile learning unit. ‘We are a point of contact for kids who want to try and come to grips with their situation – and carry on learning,’ he explains. In some ways, these young people have reason to be optimistic. Their country’s strong economic growth should, in theory, create enough jobs, but there’s one problem: growth and prosperity are not reaching rural Umkhanyakude. That’s why Mpilonhle is offering ‘education on wheels’. ‘Education,’ says its representative, ‘is the only way out of poverty.’

Brandenburg and KwaZulu-Natal have one thing in common: if they want to curb the exodus, they must take action and offer young people, above all, a decent future. That means breaking with tradition and setting things in motion. In Mesenberg, this is where the community bus comes in, while in Umkhanyakude, this role is played by the mobile units. Identifying and responding to population trends helps to safeguard prospects for the future. Demography provides the hard data required for this process. This scientific discipline investigates trends within a given population, based on analyses of three processes: fertility, mortality, and migration. This in turn creates opportunities to deploy levers such as family planning, elderly care, vocational training, and health services. Countries can learn from each other, although there is no ‘one size fits all’: each country needs a tailor-made solution.
The countries of sub-Saharan Africa have the world’s highest birth rates. Here, the population is expected to double by 2050 and could well quadruple by 2100. If this abundance of children is to create an economic bonus, appropriate frameworks must be put in place.
The Asian ‘tiger economies’ have capitalised on the demographic dividend, which accounted for up to 40% of the economic growth achieved between 1960 and 1990. Thanks to a good education system and free markets, the labour market has been able to absorb the growing working-age population.
The attention given to demographic trends is on an upward trajectory – but demography has not always attracted such a high level of interest. When biologist Paul R. Ehrlich published his book The Population Bomb in 1968, he shocked the world with his gloomy prognostications of the famines that supposedly lay ahead. These would be inevitable, he warned, because the Earth lacks the material resources needed to cope with overpopulation.

Economic growth: the panacea?

‘Overpopulation’ became an emotive term and was deemed to be the cause of numerous problems. Governments responded by launching family planning programmes: China even imposed a one-child policy on its population. But when some of Ehrlich’s predictions proved to be unfounded, demography began to feature less prominently in the public debates from the 1980s onwards. Instead, the belief in the power of economic growth came back into vogue: with positive economic and social development, it was long believed, population sizes would automatically decrease and overpopulation would cease to be a problem, for example in countries of sub-Saharan Africa. The Millennium Development Goals adopted by the United Nations in 2001 also made no explicit mention of the word ‘demography’. However, climate change and rising food prices have sensitised large sections of the population to demographic issues, and demographers themselves have sharpened their focus: rather than merely looking at population size, they are now increasingly studying population composition, intergenerational relationships, regional distribution within countries, and international migration and demographics.

Sociologist Jack Goldstone has identified four demographic ‘megatrends’ which will change the world and determine the future of humankind. Firstly, the world’s population will have swelled to 9.2 billion by 2050. Secondly, also by 2050, the number of over-60s will have increased from the present figure of 780 million to two billion, with 80% of these older people living in developing and emerging countries. Thirdly, in these same countries, the number of young people will increase to unprecedented levels. As it will »

EXAMPLES OF GIZ’S WORK > DEMOGRAPHIC CHANGE

Education, migration

**Project:** Pilot Programme to Promote Migrant Organisations’ Projects
**Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)
**Overall term:** since 2007

**EXAMPLE: AFGHANISTAN** Girls in Afghanistan were long denied access to schooling. Even today, many parents refuse to allow their daughters to travel long distances to school, which means that the girls can only attend a school near their homes. In the old quarter of Herat, a disadvantaged district of the city in western Afghanistan, Kaussar – a migrant organisation based in Hamburg – has built a school which is currently attended by 200 girls. With support from a local engineering company and a local building firm, the project partners have renovated an existing building and built a new one. The school is run by Herat Education Department, which pays the teachers’ salaries and covers other costs. Kaussar is now equipping the library and providing teaching materials.

Women and employment

**Project:** Economic Integration of Women in the MENA Region (EconoWin)
**Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)
**Overall term:** 2010 to 2016

**EXAMPLE:** EGYPT, JORDAN, MOROCCO, TUNISIA In these countries, only around 25% of all women were in employment in 2009. The project adopts a variety of approaches in order to change this situation. A media campaign aims to change perceptions of women’s roles. Cooperation with the private sector is intended to promote work models which facilitate a balance between women’s employment and family life. The number of suitable jobs has not kept pace with the growing number of well-qualified women, so mentoring is provided to help women find work. Women who are less skilled are encouraged to train or to work in the tourism industry.
become steadily more difficult for them to fulfil their expectations for the future, this will manifest in rising levels of frustration and violence. Young people will migrate to countries and regions which they believe offer them a better future. The fourth and final megatrend is urbanisation. By 2050, more than two thirds of the world’s people will live in cities, with a large proportion living in megacities in emerging and developing countries. These megatrends appear to be inevitable. Nonetheless, well-crafted policies can do much to influence them or mitigate their effects. The knowledge held by demographers can help.

Bonus and dividend: an overview

A society has a good starting point for material prosperity if the working-age population outnumbers those who are socially and economically dependent on it, especially children and the elderly. A society with this favourable ratio is said to have a ‘demographic bonus’. After a time, however, this demographic window of opportunity closes: if birth rates and death rates fall, the proportion of elderly in the population will increase at some point in the future. As a result, the bonus ceases to exist. The ‘demographic dividend’ is the economic benefit that a country derives from the bonus. But what does this mean for a country in practical terms? Why is this bonus converted into an economic dividend in some parts of the world and not others?

Let’s take an armchair journey around the world to look at the demographic bonus and how the opportunities that it affords are being utilised to varying degrees. We will start with South Korea, a country which has capitalised on the dividend, and then move to North Africa and the Middle East – two examples of regions where the bonus is not being used. Our journey then continues to sub-Saharan Africa, which has a long way to go before it achieves a bonus, and ends in Germany and China as post-dividend countries.

Only 50 years ago, South Korea was an isolated and impoverished agricultural country with an average of five children per family. Then politicians, economists and scientists developed a comprehensive strategy aimed at achieving progress in South Korea: as a result of substantial investment in education and family planning, broad access to contraception and better health care, birth and death rates fell, creating a demographic bonus for the country. Over time, the importance of women’s labour force participation for economic development was also recognised. The wealth generated was reinvested in education. Today, South Korea is one of the world’s richest countries. In a study of 103 present and former developing countries, the Berlin Institute for Population and Development found that not a single country has achieved social and economic development without a parallel fall in birth rates.

But the demographic bonus can also become a burden – and erupt into violence. In March 2011, teenagers spray-painted the wall of a school in the Syrian city of Dara’a with graffiti criticising the regime. When security forces arrested 15 of them, little did they know that this action would ignite a civil war. A few days earlier, young people from the slums around Cairo had lent weight to the demonstrations in Tahrir Square against Egypt’s dictatorship. The Arab uprisings took many people by surprise – but not the demographers. They had already predicted that the rising proportion of young people in Arab societies – in theory, a demographic bonus – would create a widespread sense of frustration if politicians did nothing for these young people. Those in power paid the price for their politics of neglect – for high youth unemployment, for many graduates’ unfulfilled aspirations, and for the lack of political freedom, and endemic corruption. Precisely because growing numbers of people in these countries had a good education but found that there were not enough jobs available due to stasis in the private sector, their frustration erupted into rage.

Our third port of call is sub-Saharan Africa, and here too, in a few years’ time, there could be the same potential for unrest that we are observing in the North African countries today. Sub-Saharan Africa is one of the world’s poorest regions. According to estimates by the World Bank, 73% of people in the sub-Saharan African countries survive on less than US$2 a day. The birth rate is close to five children per woman. The population pyramid lacks the ‘bulge’ in the middle where the working-age population and breadwinners should be. This is a major impediment to prosperity and economic growth.

‘Family planning is a human right and one of the most effective and cost-effective measures to reduce poverty.’

Werner Haug, member of the Executive Board of the United Nations Population Fund (UNFPA)
INTERVIEW

'TAKING ACTION AGAINST SKILLS SHORTAGES'

Raimund Becker is a member of the Executive Board of the German Federal Employment Agency.

How are demographic trends impacting on Germany?
Demographic trends will have a major impact on our social welfare systems, especially pension insurance, and the labour market. We must expect to see a significant reduction in the working-age population. In our report Perspective 2025: skilled workers for Germany, we predict that without an increase in labour force participation and a high level of immigration, the working-age population can be expected to shrink by up to six million. Admittedly, we have seen an increase in labour force participation by women and older people in recent years, and now that there is freedom of movement for Eastern European workers in the EU, net immigration of foreign nationals into Germany in 2011 amounted to around 300,000 people. But even if these trends continue and the raising of the retirement age to 67 has an effect on the labour market, we must still expect to see a decrease in the working-age population of around 3.5 million by 2025. So there is an urgent need for action.

What action needs to be taken by policymakers and society?
They must adopt further measures to counter the impending shortage of skilled workers. I can see real deficits occurring in specific health sector occupations. Our report, Perspective 2025, sets out a dual strategy with 10 pathways to plug the gap on a sustainable basis: for example, we must make better use of the domestic potential, and, at the same time, encourage the managed immigration of skilled workers. Improving the transition from school to the workplace, expanding the range of childcare options, retirement at 67, abolishing priority reviews for certain occupations, and implementing the EU Blue Card Directive are good building blocks in securing the supply of key workers.

We still have a long way to go, however. We must improve general conditions for workers and for people wishing to re-enter the workforce. It is also important to look more closely at the negative incentives in the tax system that make the prospect of accepting a socially insured job unappealing, but we also need to put income splitting for married couples under the microscope, and the same applies to mini-jobs.

What opportunities and risks are associated with recruiting skilled workers from abroad?
Where immigration is concerned, we have made a good start but we must continue to develop a consistent strategy. Our long-term labour demand and our social welfare systems can only be secured through the immigration of skilled workers. We are looking at a requirement of around 400,000 immigrants annually. So we’re promoting mobility within Europe and encouraging skilled workers from southern Europe to consider working in Germany, and providing support for migrants wishing to take this step. But expecting other European countries to meet our skills needs is not enough. Most other European countries will face the same problems as our own in the medium to long term. The current unemployment in Spain, Greece and Portugal merely overshadows this problem, but as soon as the financial and sovereign debt crisis has abated, skilled workers will be a scarce commodity there too. So over the long term, it is important to recruit skilled workers from non-EU countries as well. But in doing so, we must ensure that we do not weaken the countries of origin. It is also important to ensure that German workers are not squeezed out of their jobs.

How do the Federal Employment Agency and GIZ work together?
We are utilising the tried-and-tested and very good cooperation between GIZ and our own International Placement Services in order to secure the supply of skilled workers, for example in the recruitment of nurses from Serbia, Bosnia and Tunisia. GIZ runs preparatory courses, deals with visas and German language training, and devises development policy measures for the countries of origin so that the outmigration does not weaken them. The Federal Employment Agency reaches agreements with partner administrations in the countries of origin, provides support for employers in Germany, and deals with the selection interviews. This can create ‘triple win’ scenarios: it relieves the burden on third countries, including the financial burden, offers individual workers employment prospects, and enables us to provide skilled workers for the German economy to whom it would otherwise have had no access. GIZ and the Federal Employment Agency are ideal partners here.

Interview: akzente
There are various reasons for the ‘baby boom’, but two factors stand out as particularly significant and provide a good starting point for a policy response. According to a report by the global health consulting firm Futures Group, in 2005, only 22% of women in sub-Saharan Africa were using family planning. There is clearly major potential to improve upon this figure. Secondly, due to poor public health, transformed society. Rural families with large numbers of children were no longer the norm, and an abundance of children was no longer necessary or seen as desirable.

Today, Germany must contend with a different set of demographic trends: according to the Statistical Yearbook 2012, 2.3 million Germans are in need of long-term care and this is expected to increase by a further one million by 2030, despite an anticipated decrease in the total population by as much as 17 million by 2060. As a result, the term ‘intergenerational warfare’ is being bandied around. But this is mere hyperbole, as well as being an inappropriate response: the situation is far too complex to be reduced to an ‘old vs. young’ dichotomy. What is certain, however, is that as a result of these demographic trends, major challenges lie ahead for Germany, including a sharp drop in the East German population, a lack of skilled workers, and an urgent need for reforms of the pensions, nursing care and health systems. How can we integrate older people into working life and benefit from their experience? This brings us back to Brandenburg. Let’s cast a glance at the little town of Dahme, which has a population of just 3,200. Here, we see two massive brick-and-glass structures. These are new care homes, offering a total of 400 places in sheltered accommodation for the elderly. It is a way of safeguarding Dahme’s future and creating jobs. Soon, however, Germany will face a severe shortage of appropriately skilled geriatric nurses, and one option now being considered is to encourage targeted immigration of trained professionals from abroad.

China faces similar but even more dramatic problems than Germany. Its demographic bonus will soon be exhausted and the economic dividend will expire within a few years. The days when large numbers of young workers were the drivers of economic growth are long past. China is ageing. In 2050, the country, which introduced a one-child policy in 1980, will be overtaken by India as the world’s most populous country. And in the meantime, the Chinese must come to terms with various forms of emotional impoverishment: alongside the elderly, there are children without siblings and men without wives, for many girl foetuses are aborted because a higher value is attached to boys.

But China also shares many of Germany’s ambitions for the future. It is keen to know how elderly care services can be better organised, how quality management in this area can be improved, and how health can be mainstreamed in the workplace. ‘The pace of reform in China is impressive,’ says Günther Taube, who heads the Health, Education and Social Protection Division at GIZ. ‘It only took China a few years to introduce pension and health insurance for many millions of people.’ A particular challenge for countries with ageing populations is the ‘fiscal time bomb’: as the population

‘Demographic development in the countries of North Africa and the Middle East, Europe’s most important neighbours, will have a growing influence on potential migration flows in the Mediterranean region.’

German Federal Office for Migration and Refugees (BAMF)
Women’s educational level and their integration into working life are key development factors. International studies show that women with more education tend to have fewer children and are able to provide their families with more health and economic benefits.
A high proportion of elderly people in the population poses major challenges for society, notably in relation to the financing of social welfare systems. At present, these problems mainly affect affluent economies. By 2050, however, 80% of over-60s will live in developing countries.
ages, health costs increase, and there are more burdens on public budgets. China faces particular constraints on its government’s scope for action: the US think tank Brookings has calculated that in China, the tax burden for each working-age person must rise by more than 150% over the next 20 years in order to provide the same level of care for the elderly that it provides today. A lively exchange between China and Germany on these future-oriented issues is already under way. GIZ plays a role here, organising forums and dialogues, hosting experts and launching training programmes for managers.

Penalties for omissions

At the end of this whirlwind tour of bonuses and dividends, one thing is clear: a failure to take action is punished severely. It is not enough simply to make demography the word of the day. There are levers to be applied, and that has to happen now. But how? Demographic trends have an effect on all the key economic and social sectors, from health, water, climate, employment, social security, and governance to rural development. ‘Demography is a cross-cutting issue but it also has its own separate strategic and technical profile,’ says Hans-Heiner Rudolph, who heads the section New Socio-political Perspectives, Demography and Development at GIZ. Demography, he says, is one of the most important determinants of sustainable development. ‘Alongside the traditional bilateral perspective, GIZ’s advisory services are increasingly focussing on the global perspective, especially where demographic trends are concerned,’ adds his colleague Günther Taube. GIZ was recently commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) to implement a programme to assist BMZ to integrate demographic aspects to a greater extent into the global debate on policies for the post-MDG period.

Other German public authorities and ministries are facing up to the challenge of ‘demographic development’ as well. The Federal Employment Agency, under the auspices of the Centre for International Migration and Development (CIM), is working with GIZ to develop a strategy to support the migration of skilled workers, initially for the health sector. »

EXAMPLES OF GIZ’S WORK > DEMOGRAPHIC CHANGE

Social inclusion, health

**Project:** Indo-German Social Security Programme  
**Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)  
**Overall term:** 2011 to 2014

**INDIA** In India, social security benefits such as health care and old age pensions are restricted to employees in the formal sector. However, around 94% of the labour force works in the informal sector. The Indian government wishes to develop health insurance, old age pensions and life and accident insurance for these workers, especially those living below the poverty line. The programme provides policy and strategy advice at the central level, and at central and state levels, it carries out training and provides technical advice. It also supports an Indo-German social policy dialogue. (Please turn to page 30 to find out more about the introduction of the health insurance scheme.)

Population growth and climate

**Project:** Sustainable Management of Natural Resources  
**Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)  
**Overall term:** 2003 to 2015

**CAMEROON** People who overexploit natural resources ultimately destroy their own livelihoods. Cameroon’s government has therefore decided to take action and is enforcing sustainable forestry management through implementation of consistent application of a national forest and environment sector development programme. GIZ advises on the development of a national climate strategy and is assisting Cameroon’s Ministry of Forestry and Wildlife and Ministry of Environment and Protection of Nature to devise a set of instruments for financial planning and for implementing and monitoring the national budget. GIZ’s programme advises the municipalities and their partners, for example public and private companies, on how forestry income can be used and forestry reserves transferred to their users.
The German Federal Ministry of Economics and Technology (BMWi) recently commissioned GIZ to recruit qualified geriatric nurses from Vietnam to work in Germany. With its broad network of international contacts, GIZ is well-placed to feed other countries’ experience into these debates and reform efforts in Germany.

Demographic issues can still arouse sensitivities within the scope of bilateral cooperation between Germany and its partner countries. A good example is the Human Rights / Sexual Health Project in Burkina Faso, which is implemented by GIZ on behalf of BMZ. The project includes screenings of a film about contraception, in which a woman explains why she is taking the pill. A member of the audience shouts: ‘Women have no business doing that!’ A woman responds: ‘But we already have so many children!’ Outreach social work is intended to help improve gender equality. Counsellors provide information about sexual and reproductive health, inform children and young people about their rights, and encourage girls to attend school, for example.

Some 4,500 km away, in East Africa, Roland Werchota from GIZ gazes at his computer screen. MajiData is an online database which collects information on water and sanitation in the 200 vast slums in the Kenyan capital. ‘More and more people from the countryside are flocking to the major cities,’ says Mr Werchota, who heads a BMZ-funded team of advisors working on the Water Sector Reform Programme in Nairobi. This demographic trend needs answers. The more people fall sick due to poor hygiene in the slums, which have virtually no infrastructure, and the more time they have to spend looking for water, the less scope there is for social development. The information contained in MajiData serves as a basis for planning schemes to bring clean water to the slums.

‘Clean water has already reached more than one million people,’ says Roland Werchota. In parallel, his team helps to draft legislation and develop quality standards. The Kenyan authorities are keen to hear his message. ‘The water sector agencies are incredibly ambitious,’ he says. ‘Some laws are drafted and ratified within just 20 months. That is outstanding, even by Western standards.’ Nairobi is managing the transition to a formal water supply much more quickly than 19th century Paris, for example, he says.

Dialogue is often helpful in solving demographic problems. Balykchy, a town in northern Kyrgyzstan which has seen better days, is just one example. Many factories have closed and there are very few jobs for young people. They are also largely excluded from social and cultural life, so they turn to crime and drugs instead. The Regional Programme for Health in Central Asia, which is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and operates in Kyrgyzstan, Tajikistan and Uzbekistan, is adopting an unusual approach. Young people were sent out into the city with picture puzzles to ask older residents about the past. ‘Now, we can tell the story of our town to the generations who come after us,’ explains 13-year-old Bayastan. The project has helped young people to create an emotional bond with their surroundings, which were familiar and yet unknown to them. This has stimulated a wealth of new ideas. For example, now that the young people know how attractive their city used to be, they are keen to work with the mayor to develop a tourism strategy. GIZ has gained similarly positive experience of using intergenerational dialogues as a psychological response to demographic trends in Argentina, Russia and Guatemala as well.

**Europe’s relative weight in the world ... will decrease considerably in coming decades as a result of ... demographic, economic and military policy factors.**

*Wolfgang Ischinger, Chairman of the Munich Security Conference*
2.47 statistically, this is the average number of children born per woman in the world. The highest birth rate is found in the Niger (7.16 children per woman) and the lowest in Singapore (0.78 children per woman).

Source: CIA - the World Factbook, 2012

9.31 billion will be alive on Earth in 2050, according to a United Nations estimate.

Source: United Nations, Department of Economic and Social Affairs, Population Division, 2010

At 89.68 years, life expectancy is highest in Monaco. Chad has the lowest life expectancy worldwide – just 48.69 years.

Source: CIA - the World Factbook, 2012

16% of Europeans were aged 65 and over in 2010 and this is set to rise to 21% by 2025 – the highest percentage worldwide. But the proportion of senior citizens is increasing in other parts of the world as well. The share of over-65s in the world population is expected to rise from 8% in 2010 to 11% by 2025.

Source: United Nations, Department of Economic and Social Affairs, Population Division, 2010

83.7% of the world’s population over the age of 15 can read and write. For males, the figure is 88.3% and for females 79.2%. Two thirds of the world’s 793 million illiterate adults are found in only eight countries: Bangladesh, China, Egypt, Ethiopia, India, Indonesia, Nigeria and Pakistan.

Source: CIA - the World Factbook, 2012

28.4 years is the median age of the world’s population. The median age for men is 27.7 years. For women, it is 29.

Source: CIA - the World Factbook, 2012

The editors are delighted that akzente has such sharp-eyed readers! In Issue 04/12, we incorrectly stated that over 283 tonnes of meat are consumed globally each year. It should, of course, have read ‘283 million tonnes’ – thank you for pointing this out.