GLOBAL MONITORING REPORT 2015/2016

Development Goals in an Era of Demographic Change

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Global Monitoring Report 2015/2016

PART 1: Monitoring Global Development Progress

PART 2: Development in an Era of Demographic Change

Global Monitoring Report 2015/2016

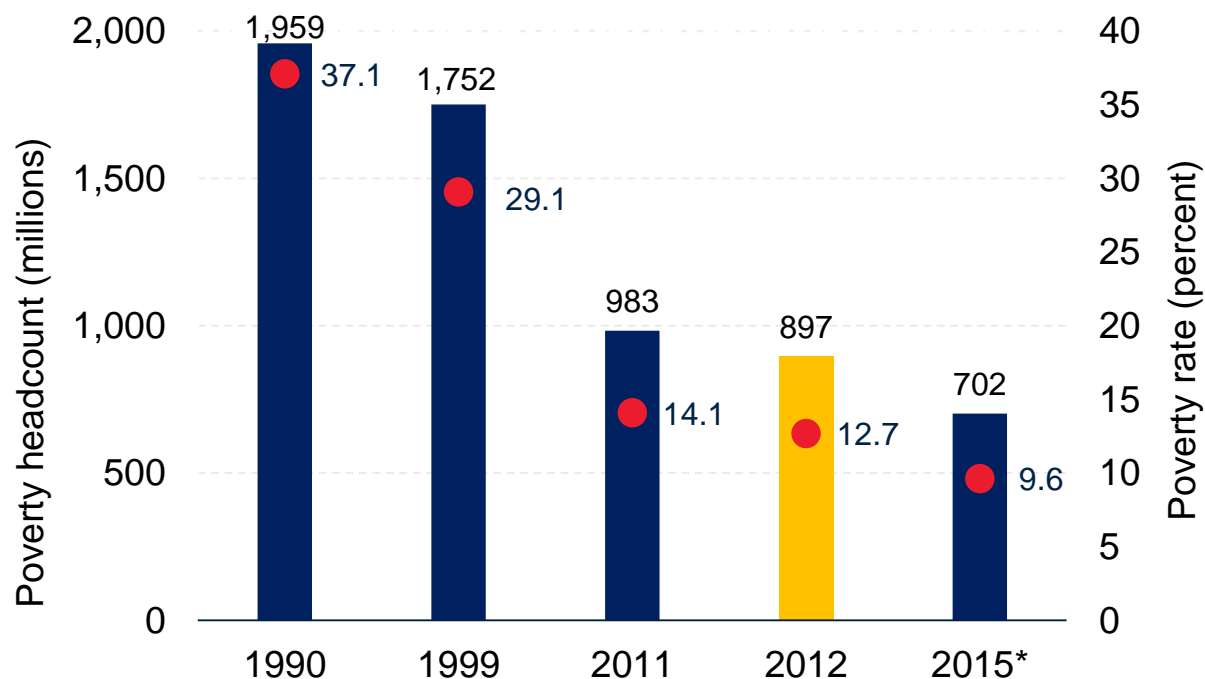Development Goals in an Era of Demographic Change

PART 1: Monitoring Global Development Progress

- Development progress over the MDG period

- Three key remaining challenges

Development progress: Income poverty

For the first time in history, the extreme poverty may have reached single digits. Yet, some 700 million remain extremely poor.
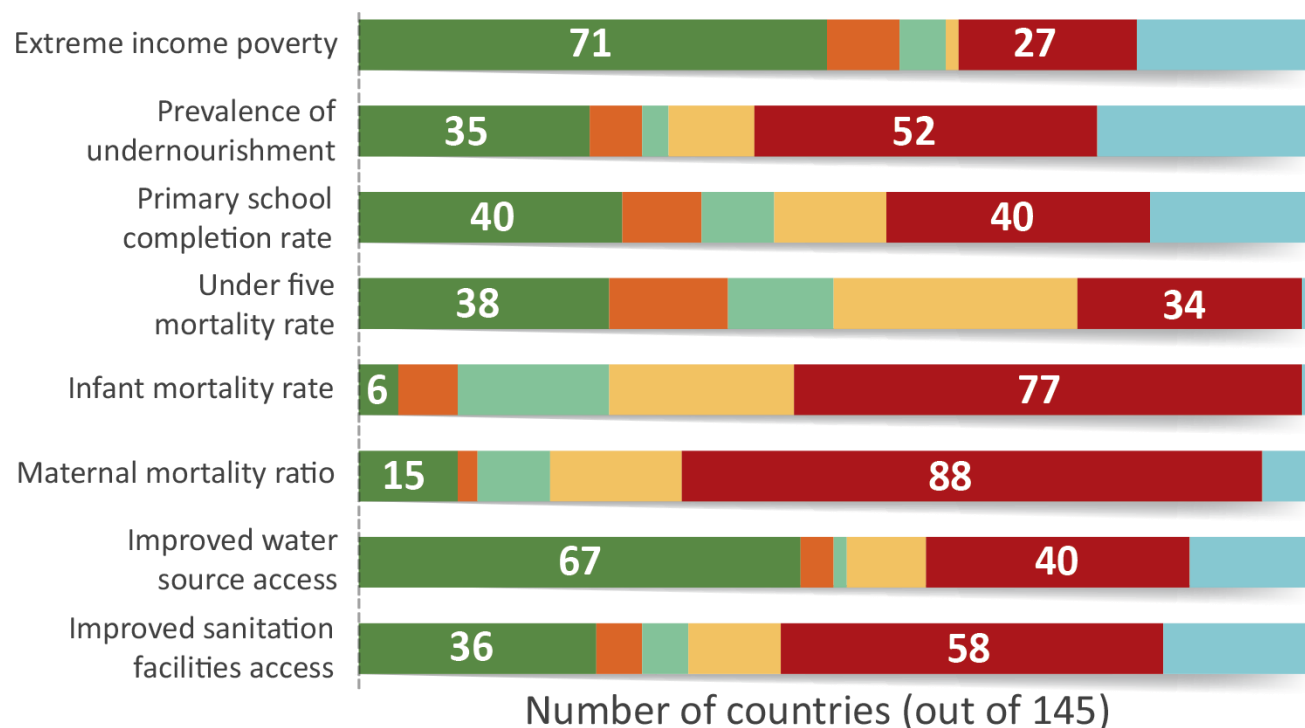

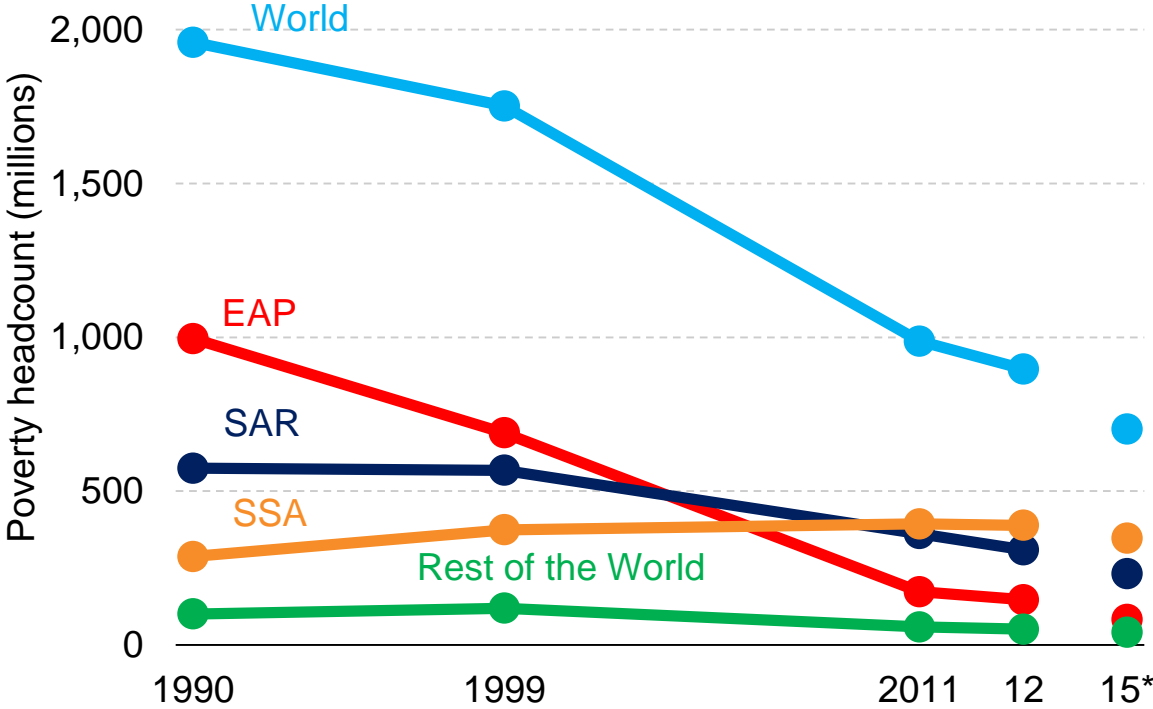Note: Based on the $1.90 poverty line and 2011 PPP.
* Forecast

Development progress: Non-income dimensions

While income poverty fell rapidly during the MDG-era, a large unfinished agenda remains for the SDGs with respect to non-income goals.

Number of countries (out of 145)

- ■ Target met
- ■ Insufficient progress (2015-20)
- ■ Seriously off target (after 2030)
- ■ Sufficient progress (before 2015)
- ■ Moderately off target (2020-30)
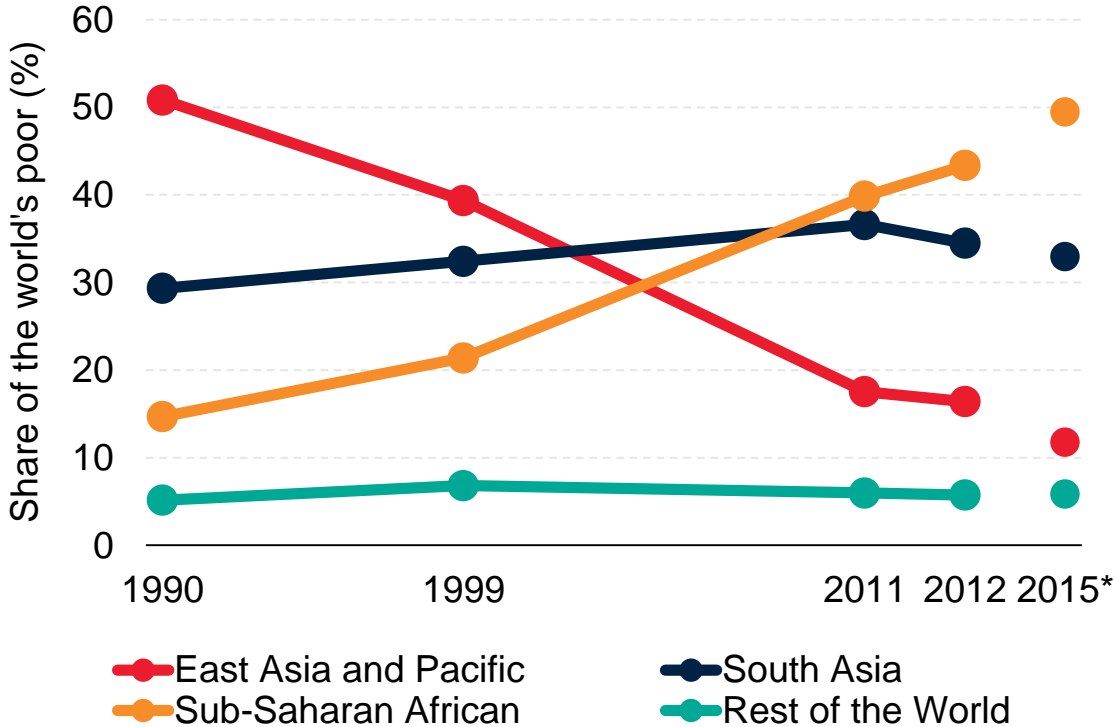- ■ Insufficient data

Challenge #1: Depth of remaining poverty

The pace of poverty reduction differed significantly across regions
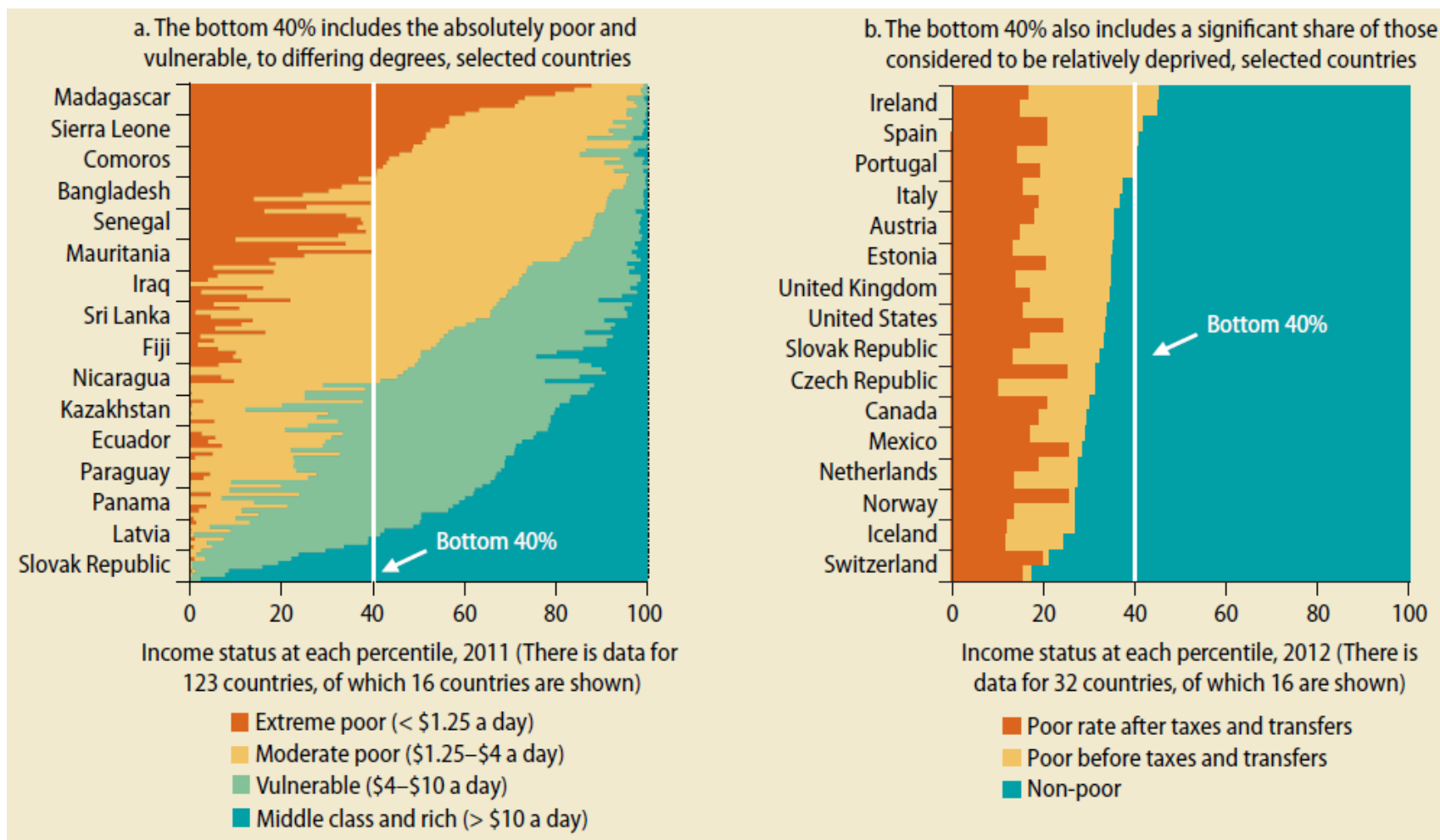
Challenge #1: Depth of remaining poverty

With extreme poverty concentrating in Sub-Saharan Africa, more focus is needed on the poorest among the poor

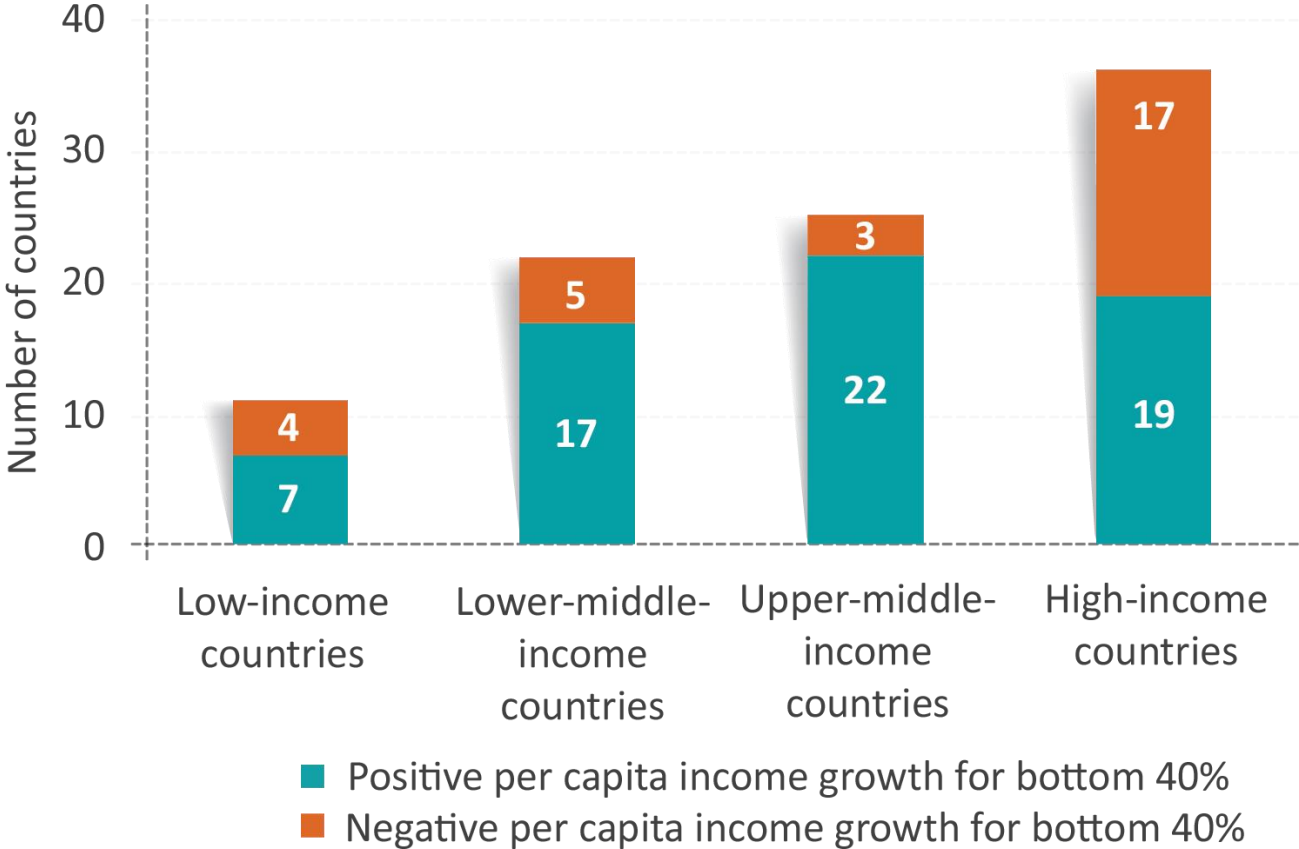Note: Based on the $1.90 poverty line and 2011 PPP.
* Forecast

Challenge #2: Unevenness of shared prosperity

"Shared prosperity" refers to boosting incomes of bottom 40 percent

a. The bottom 40% includes the absolutely poor and vulnerable, to differing degrees, selected countries

Income status at each percentile, 2011 (There is data for 123 countries, of which 16 countries are shown)

- Extreme poor (< $1.25 a day)
- Moderate poor ($1.25–$4 a day)
- Vulnerable ($4–$10 a day)
- Middle class and rich (> $10 a day)

b. The bottom 40% also includes a significant share of those considered to be relatively deprived, selected countries

Income status at each percentile, 2012 (There is data for 32 countries, of which 16 are shown)

- Poor rate after taxes and transfers
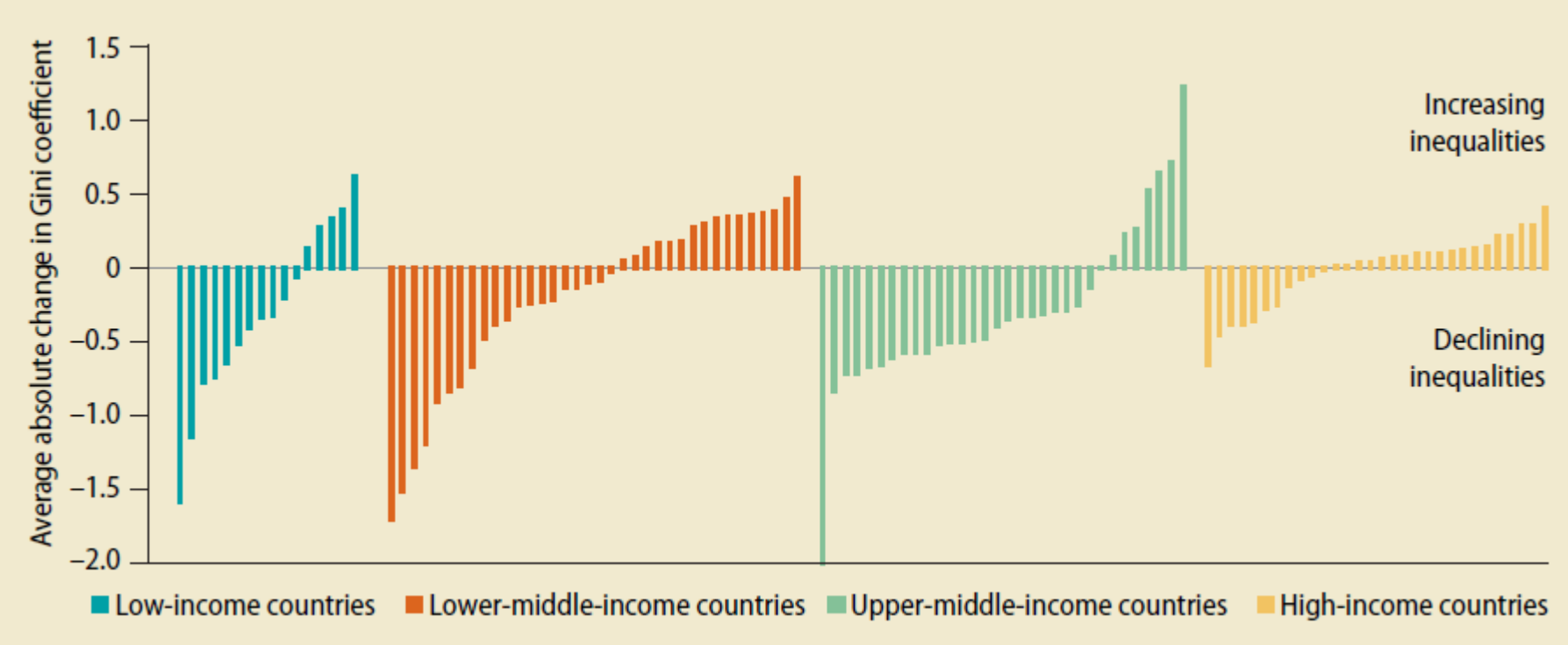- Poor before taxes and transfers
- Non-poor

Challenge #2: Unevenness of shared prosperity

Prosperity needs to be better shared with the bottom 40 percent of the income distribution, especially in high-income countries
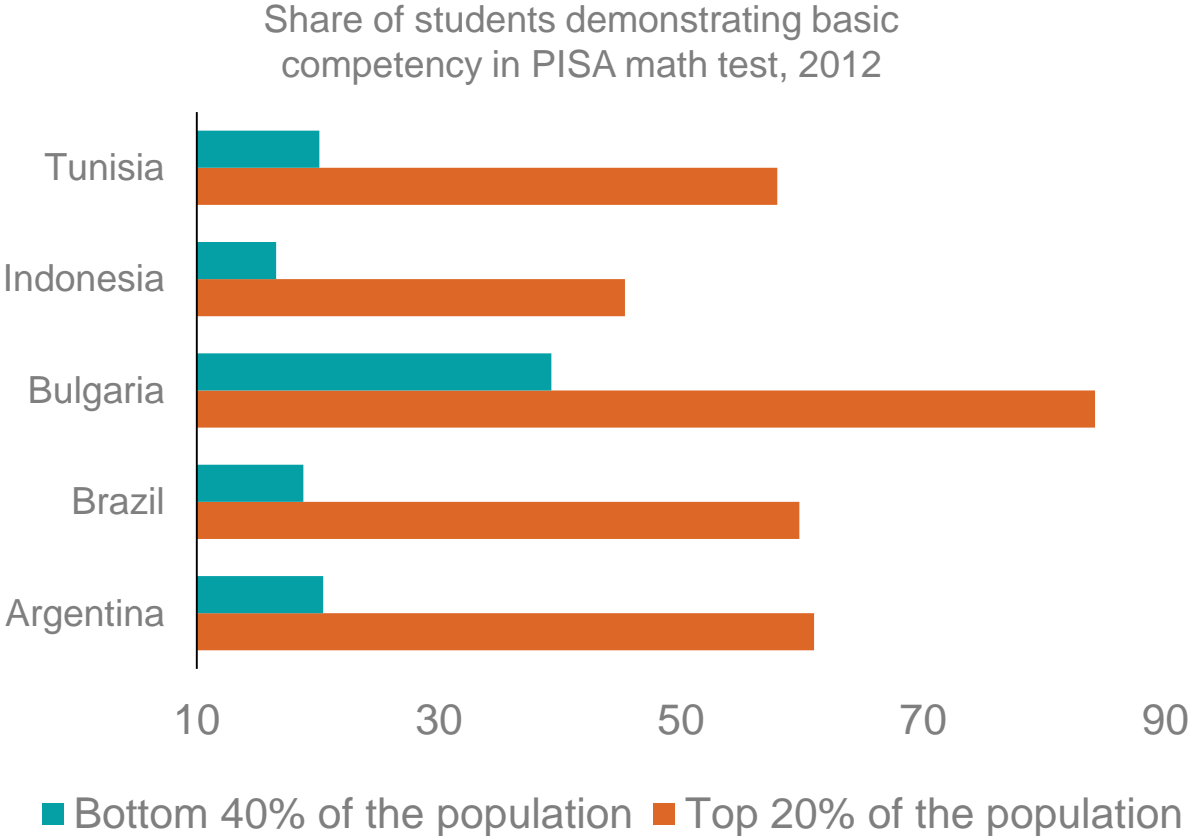

■ Positive per capita income growth for bottom 40%
■ Negative per capita income growth for bottom 40%

Challenge #2: Unevenness of shared prosperity

Income inequality declined over the 2000s in a small majority of countries. It rose in most high-income countries.
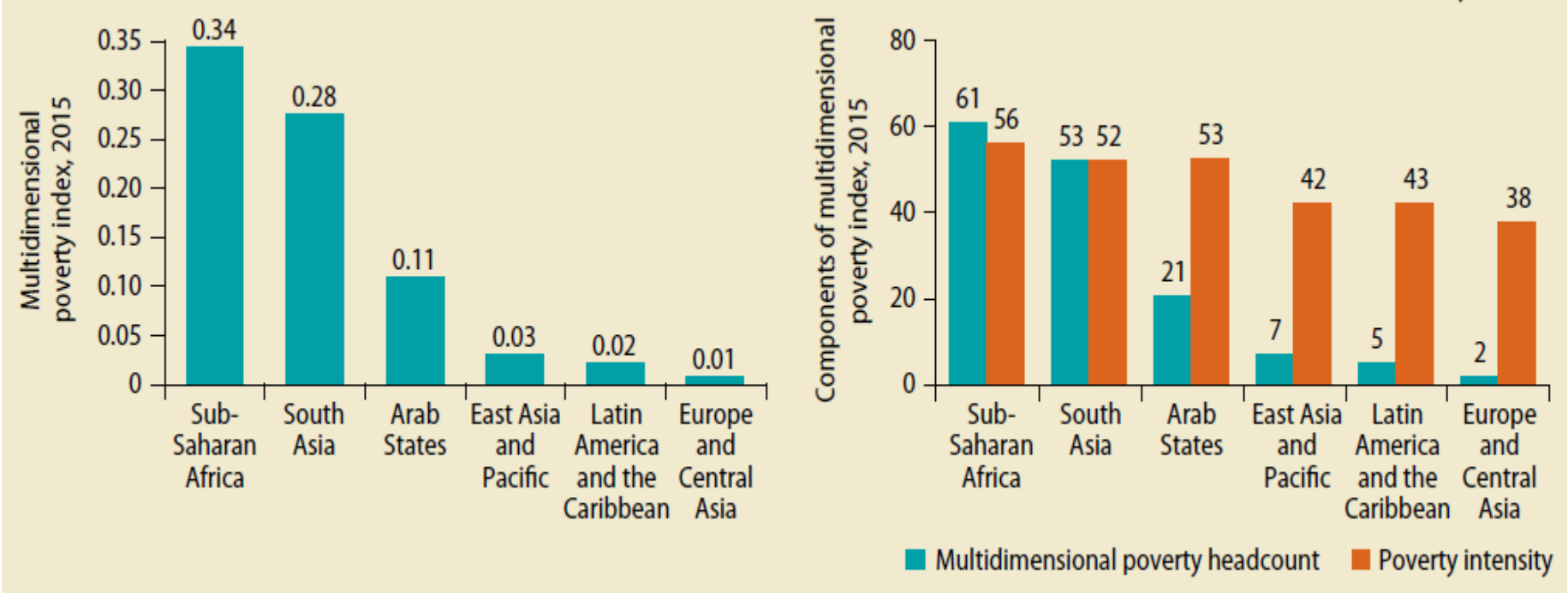
Challenge #3: Disparities in non-income dimensions

Tied to inequality of opportunity, relative deprivation in non-income dimensions is widespread

Share of students demonstrating basic competency in PISA math test, 2012

■ Bottom 40% of the population ■ Top 20% of the population
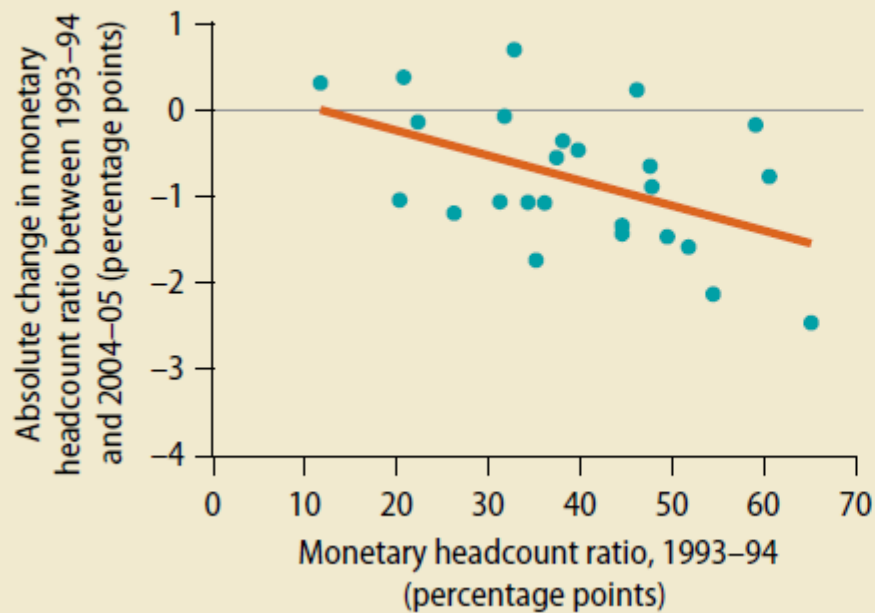
Challenge #3: Disparities in non-income dimensions

Absolute deprivation in non-income dimension is especially prevalent and intense in Sub-Saharan Africa and South Asia
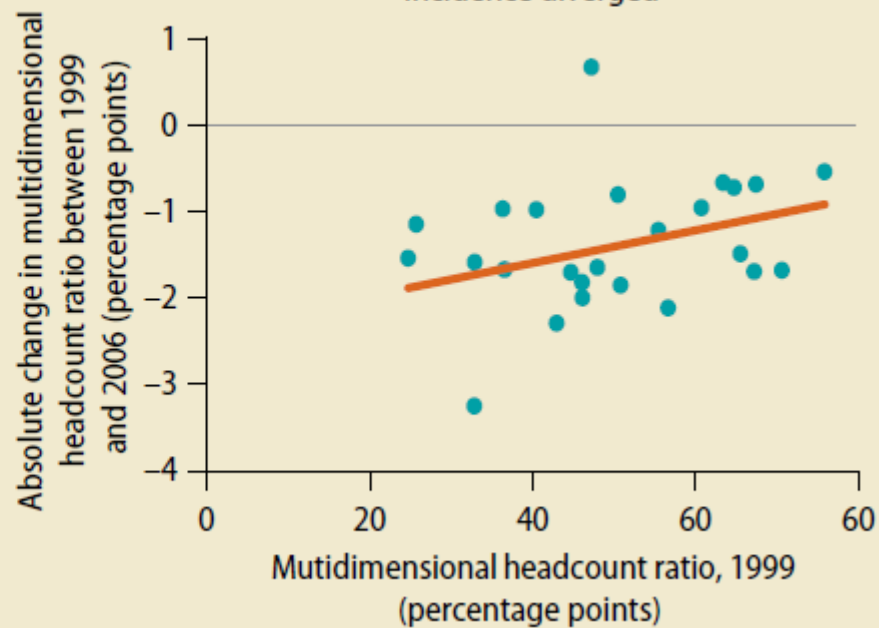
Challenge #3: Disparities in non-income dimensions

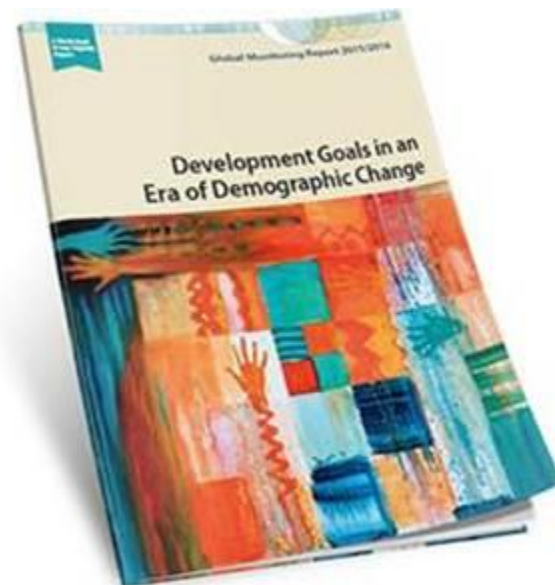**Multi-dimensional poverty measures provide complementary perspectives**

a. Monetary poverty incidence in India converged across states

b. ... while multidimensional poverty incidence diverged
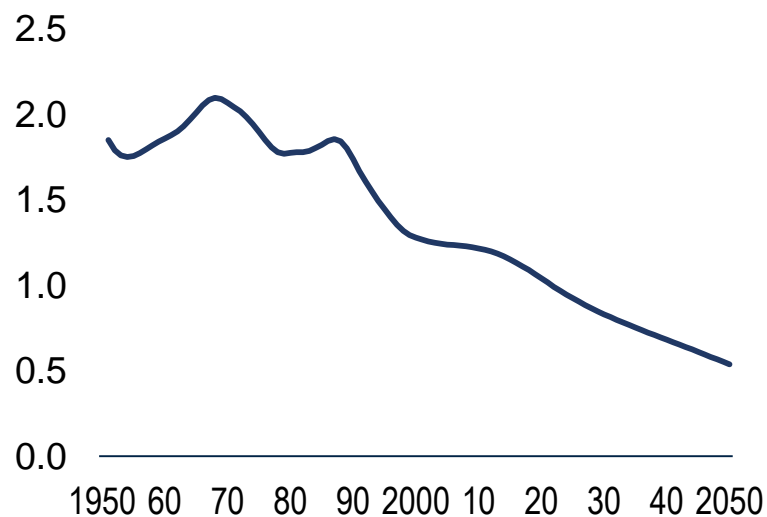
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PART 2: Development Goals in an Era of Demographic Change

- First World Bank Group report on global demography since 1984

- What has changed since then?

- Plan of talk:
  - Patterns
  - Country-level policies
  - Cross-border policies

Patterns: Global trends are at a turning point

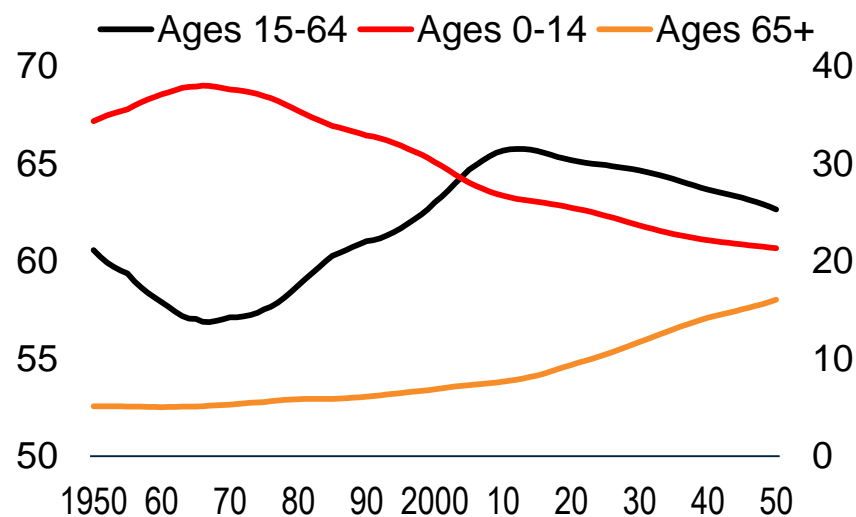## A period of unprecedented global population growth has ended
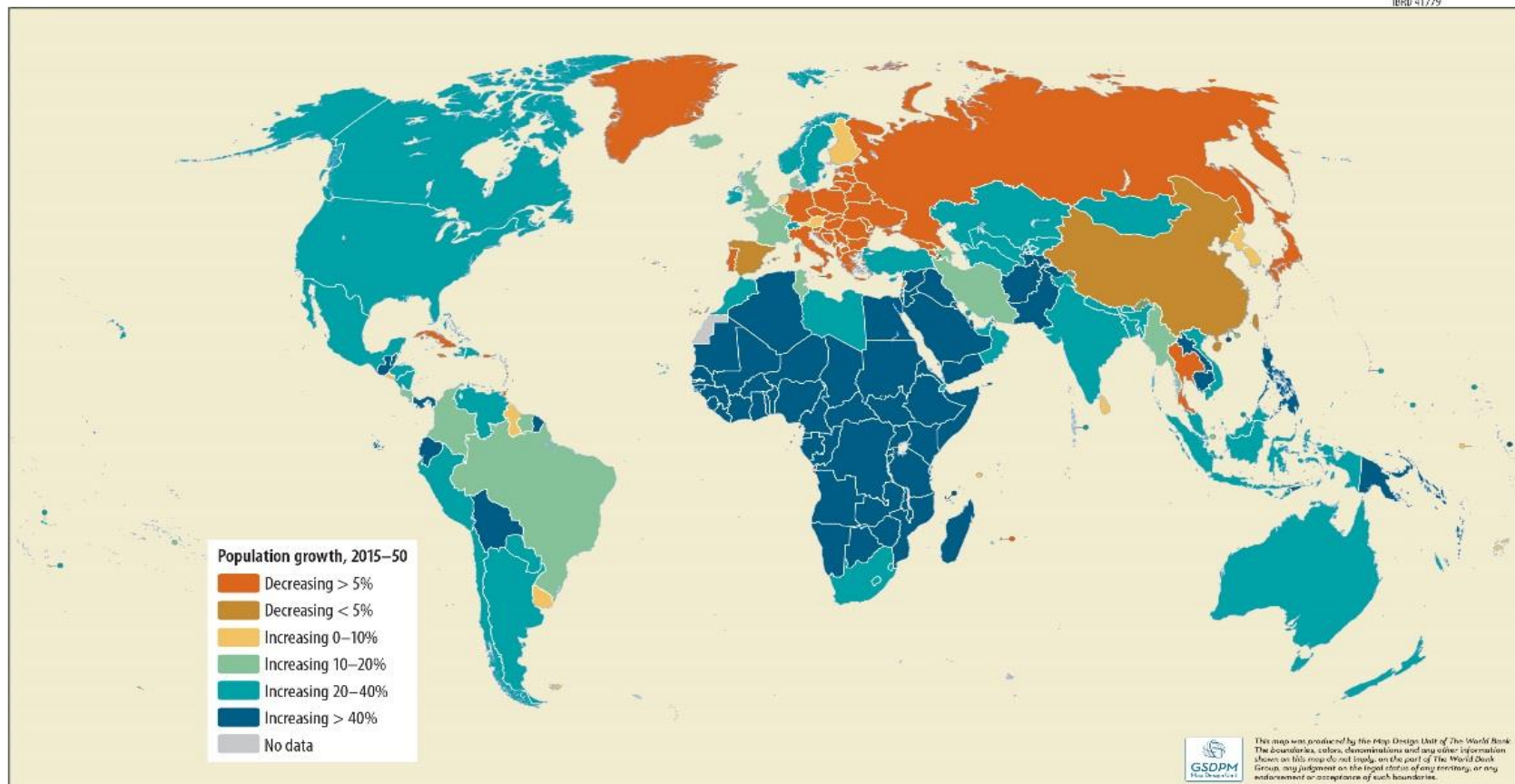
Population growth rate (percent)

The working-age share of the global population peaked and the world is now aging

Global population shares by age cohort (percent)
Ages 15-64 on left axis, Ages 0-14 and 65+ on right axis

— Ages 15-64　— Ages 0-14　— Ages 65+

Note: Based on data from UN WPP 2015
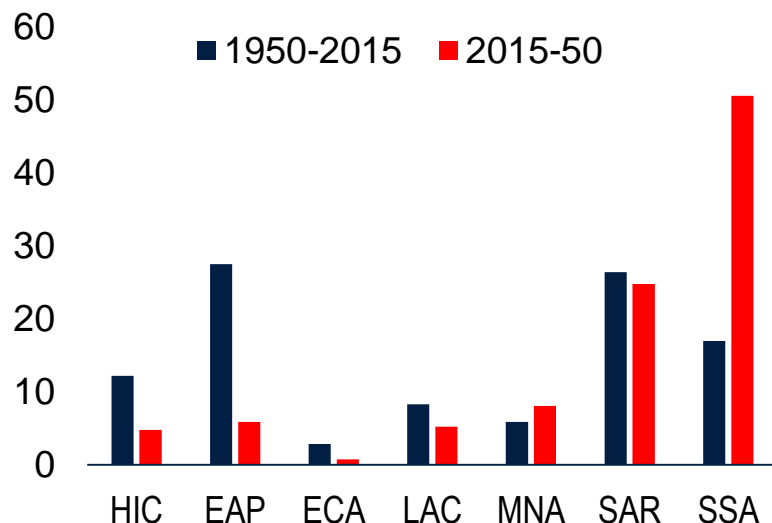
Patterns: Stark disparities across countries

Cumulative change in population, 2015-50

Patterns: The rise of Sub-Saharan Africa

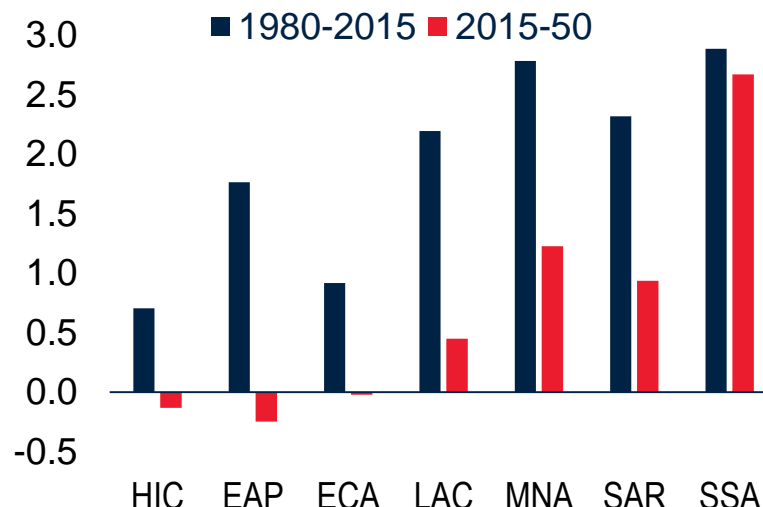**More than half of global population growth through 2050 will be in Sub-Saharan Africa**

Share of global population growth (%)

HIC High-income countries
ECA Europe and Central Asia
MNA Middle-East and North Africa
SSA Sub-Saharan Africa

Working-age population growth is slowing globally but will remain high in Sub-Saharan Africa

Annualized growth rate, ages 15–64 (%)

EAP East Asia and the Pacific
LAC Latin America and the Caribbean
SAR South Asia

Note: Based on data from UN WPP 2015

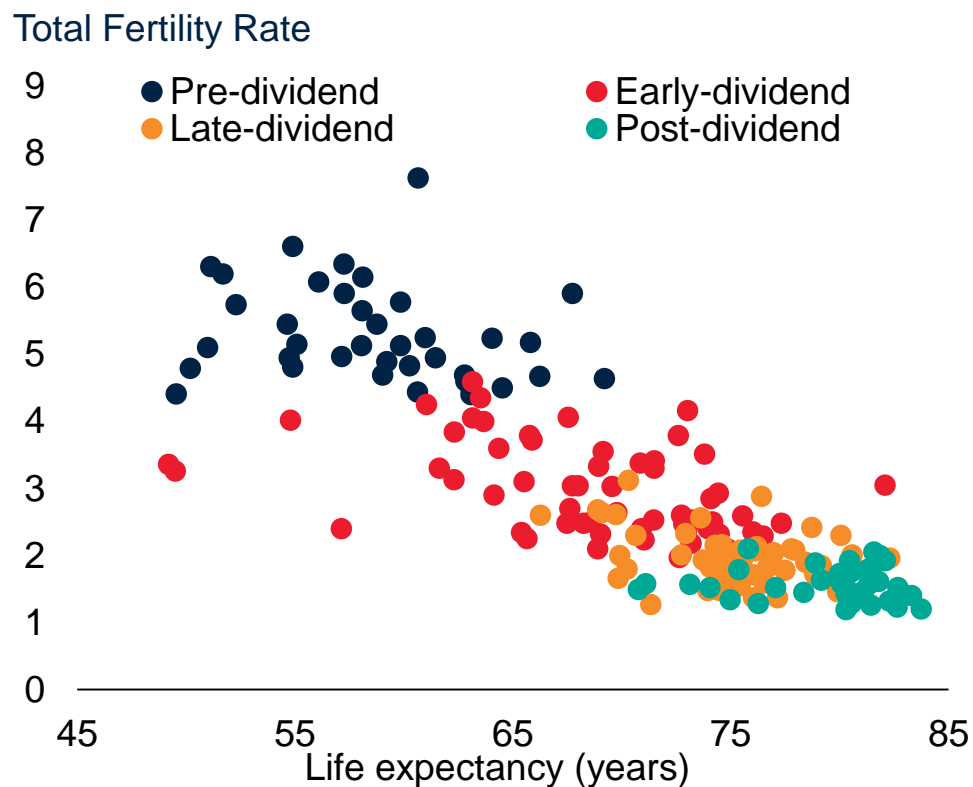# Patterns: A new typology of demography and development

Criteria for the demographic typology:

Growth of Working-age Population Share, 2015-30	Total Fertility Rate, 1985		Total Fertility Rate, 2015	
	<2.1	>=2.1	>4	<=4
<= 0	Post-dividend	Late-dividend		
>0			Pre-dividend	Early-dividend

Note: The working-age population is defined as the share of the population aged between 15 and 64 years. Total fertility rate is the average number of births per woman in her lifetime.
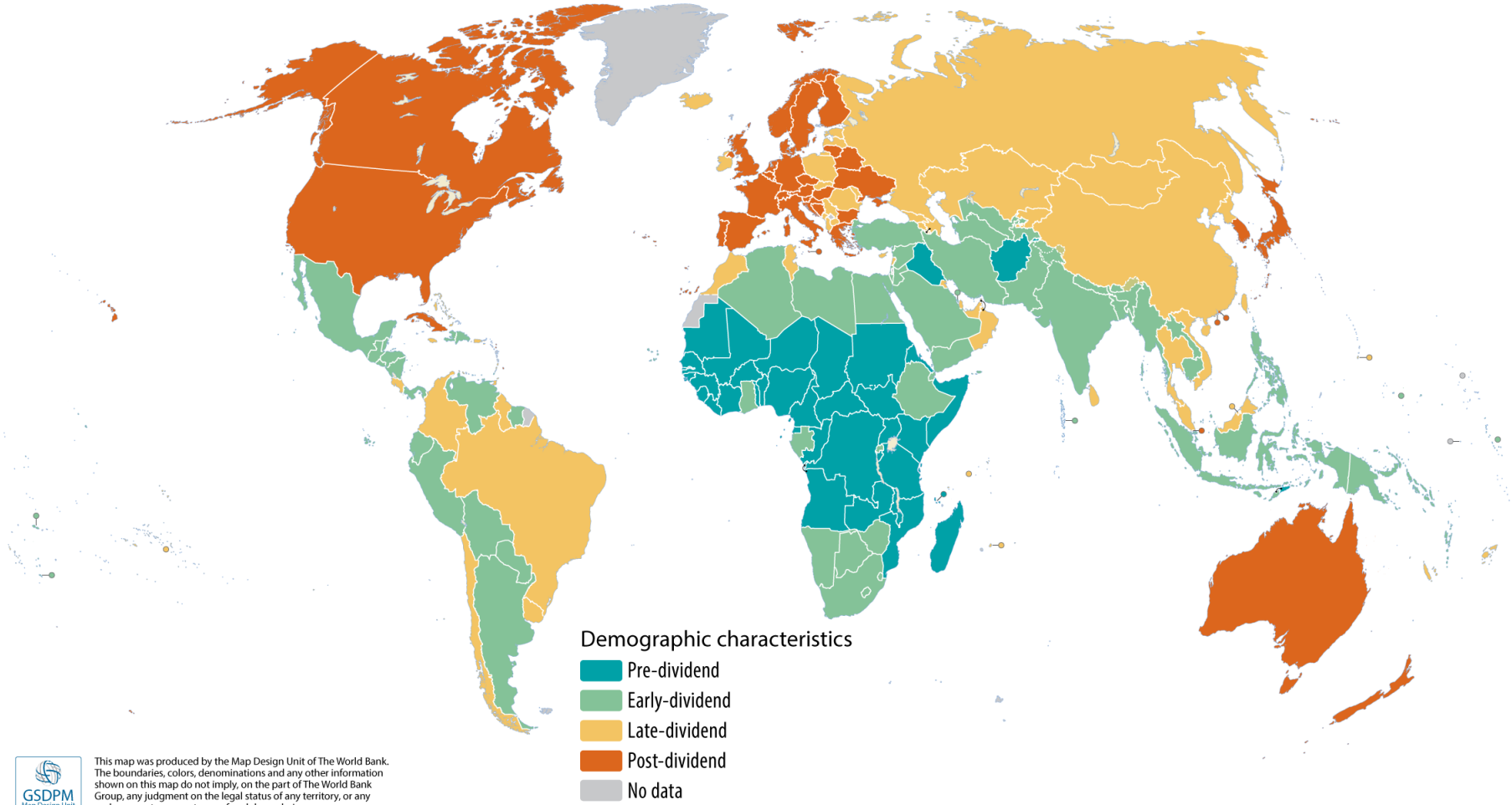
Patterns: Demographic transition through the lens of the typology

Four groups of countries can be identified based on the opportunities for growth and development that demographic change presents

Total Fertility Rate

Patterns: The world through the lens of the typology

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Demographic characteristics

- Pre-dividend
- Early-dividend
- Late-dividend
- Post-dividend
- No data

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SEPTEMBER 2015

Policies: Pre- and early-dividend countries

Pre-dividend countries lagging in human development outcomes

Sparking demographic transition
- Improve maternal and child health
- Expand education without letting girls fall behind
- Empower women
- Improve access to comprehensive family planning services

Early-dividend countries further along in demographic transition

Accelerating job creation
- Invest in human capital
- Enhance labor market mobility
- Reduce barriers to female labor force participation
- Strengthen conditions conducive to savings & job creation

Policies: Late- and post-dividend countries

Late-dividend countries with shrinking proportions of 15-64 population & aging accelerating

Sustaining productivity growth
- Continued mobilization of savings for productive investment
- Ensure public policies across encourage labor force participation of both sexes
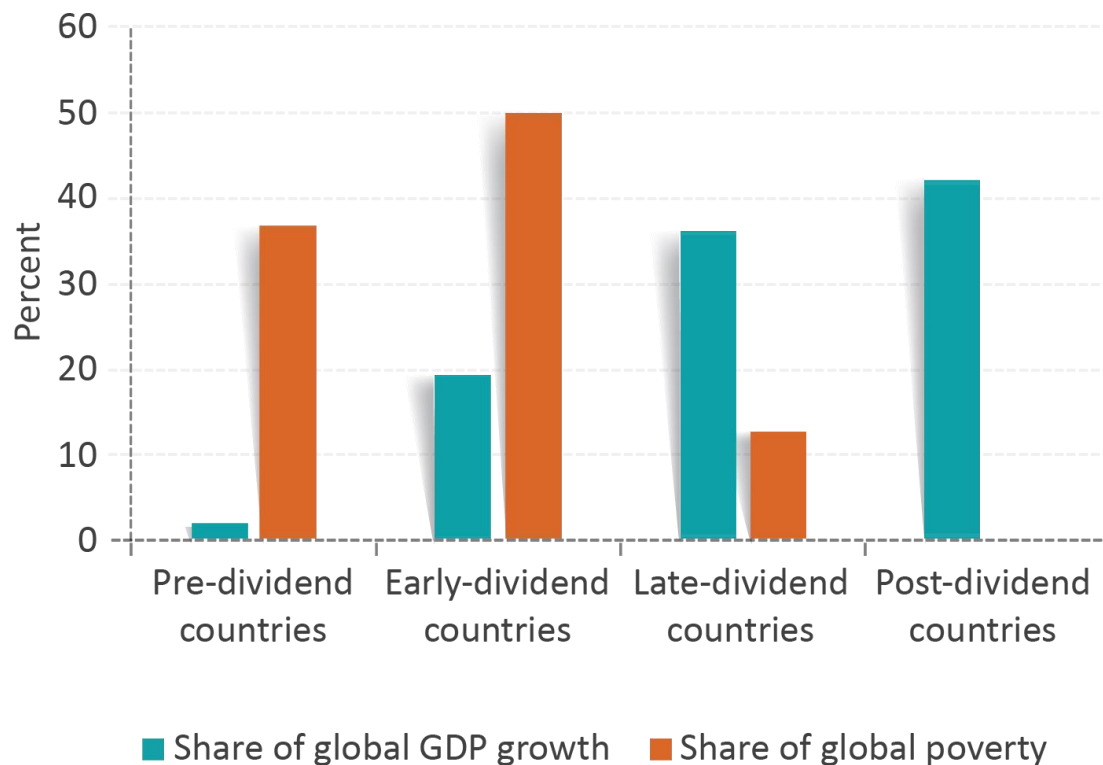- Design cost-effective, sustainable welfare systems

Post-dividend countries with shrinking proportions of 15-64 population & aging well underway

Adapting to aging
- Reform welfare systems for fiscal sustainability while ensuring social protection
- Raise labor force participation rates & productivity of everyone, at all ages
- Pursue policies that encourage fertility rebound, including measures to reconcile childcare & work
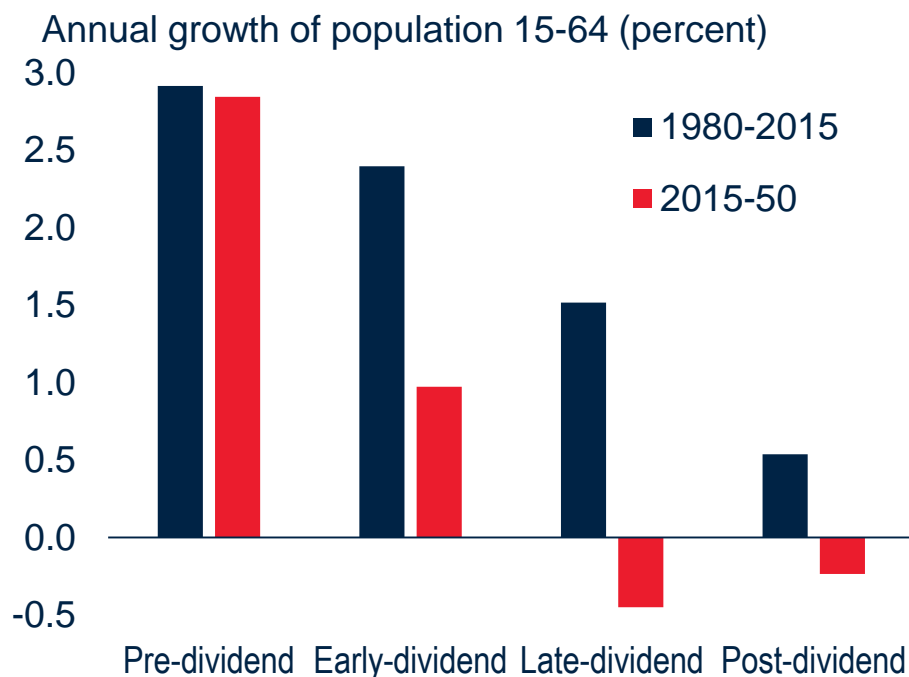
Policies: Development disparities

87 percent of the world's poor lived in centers of global poverty in 2015 while the engines of global growth accounted for 78 percent of global economic growth since 2000
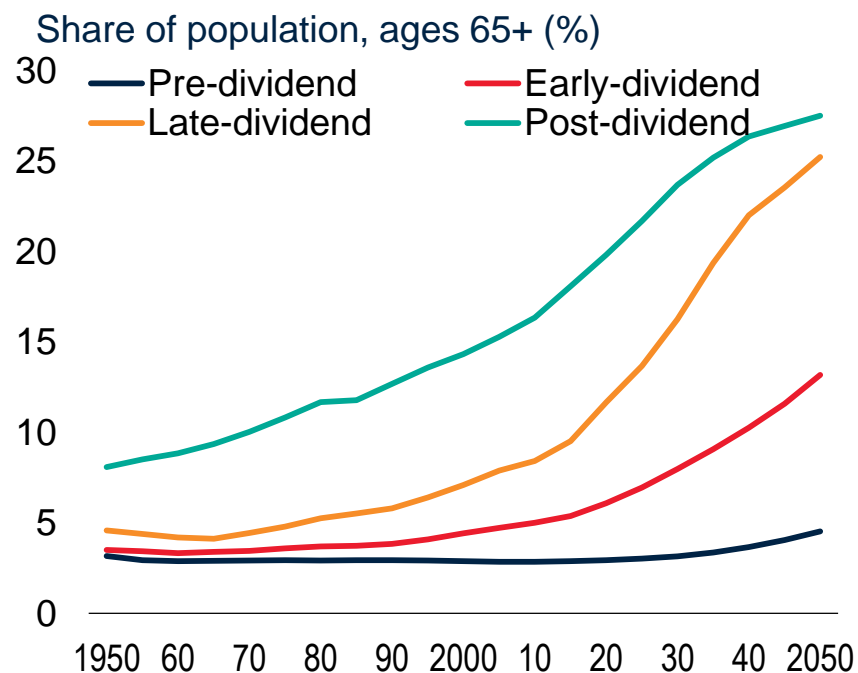

Note: Based on data from Povcalnet and World Development Indicators

Policies: Demographic divergences

Global working-age population growth will be dominated by the centers of global poverty

Annual growth of population 15-64 (percent)

Legend: ■ 1980-2015 ■ 2015-50

Aging already advanced or accelerated in the engines of global growth

Share of population, ages 65+ (%)

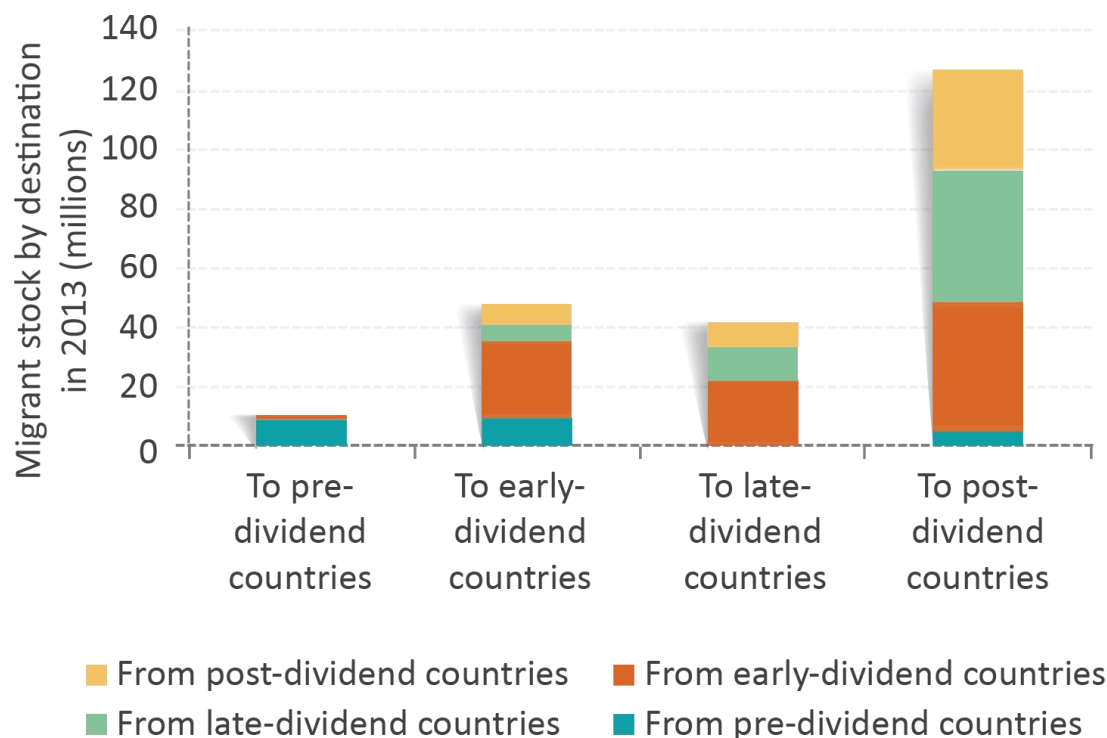Legend: Pre-dividend, Early-dividend, Late-dividend, Post-dividend

Note: Based on population data from UN WPP 2015, medium variant scenario

Policies: Leveraging greater globalization

- Scope for leveraging demographic differences between countries for own growth as well as positive development spillovers

    - Trade

    - Capital flows

    - Migration

- Channels are complementary

- Generally, migration more constrained than trade and capital flows

Policies: Potential for increased cross-border migration

Along with trade and investment flows, migration offers a global opportunity to arbitrage demographic diversity across countries.

Global Monitoring Report 2015/2016

The report is available on:

www.worldbank.org/gmr

Thank you.