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Population Dynamics and Economic Outcomes in West Africa

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Abstract

In recent times, there appears to have been a resurgence in research investigating the effects of population dynamics on economic outcomes in different regions of the world. This has further been inspired by the performance of some Asian economies, where the demographic transition has been observed to play a prominent role. Most African countries are beginning to experience declining fertility and mortality rates. This is expected to enhance economic outcomes. It is against this backdrop that the present study attempts to examine the effect of population dynamics (declining fertility and mortality, growth of population and labour force) on economic growth in West Africa over the period 1970 to 2011. A panel data modelling approach was employed, using fixed effects and random effects estimation techniques. The findings revealed that the demographic transition is beginning to yield positive and significant effects on growth in the region, while some negative effect through mortality remains. Specifically, growth rates of fertility, labour force and population enhanced economic growth, while infant mortality growth lowered the level of output in West Africa. To maximize the gains from the demographic transition, the study recommends, among other things, increased investment in education and training of the younger population to enhance their productivity.