Kenya ranked among top 5 gainers of population growth

Kenya is among the economies that are poised to reap the highest dividends from a rapidly growing population in the next 35 years, London-based *Economist* magazine says in its latest assessment of long-term growth prospects for countries worldwide.

The Economist Intelligence Unit (EIU), the research arm of the magazine, says Kenya’s labour force will nearly triple to 48 million by 2050 from the current 18 million, offering the economy a unique potential to speed up growth. The EIU says a large base of economically active people should enable Kenya to sustain an average annual gross domestic product (GDP) growth rate of nearly 4.7 per cent over the 35 years.

The army of young workers should contribute approximately 1.7 per cent of the GDP growth, the EIU says, with the balance coming from capital and factors like technological advancements (referred to as total factor productivity).

“For countries with favourable demographics, our forecasts assume that growth-friendly policies are pursued and are successful in providing jobs for a growing workforce to ensure longer-term growth,” says the report titled Long-term macroeconomic forecasts.

Kenya’s demographic dividend is third in Africa behind Nigeria (1.9 per cent of a 4.9 per cent GDP growth) and Angola (two per cent of a 4.3 per cent GDP growth). The workforce in the two countries is expected to increase from nine million to 28 million in Angola and 56 million to 161 million in Nigeria, giving them an edge in terms of the absolute labour force by 2050.

Globally, Nigeria tops the demographic dividend list followed by Pakistan with 119 million (an increase from the current 60 million), Philippines with 78 million (from the current 40 million) and Kenya with 48 million.

“These economies will primarily benefit from favourable demographics in the forecast period, with higher birth rates supporting a healthy supply of workers,” EIU analysts say.

“The contribution to growth from changes to the labour force for these economies will be positive and represent a larger driver of growth than capital and TFP.”

The report flies in the face of previous ones that have sought to highlight a bulging population as an impediment to economic advancement in Kenya and the continent.

In Kenya, for instance, it has been argued that a large population piles pressure on the limited economic resources in a country where nearly 50 per cent of the population is living below the poverty line.

READ: [Kenya rural birth rates defy family planning drive](http://www.businessdailyafrica.com/Kenya-s-poor-households-in-child-bearing-rat-race/-/539546/2679794/-/y3ojx3z/-/index.html)

Concern over the population’s effect on the economy, which is shared by many economists, stems from the fact that Kenya’s economic growth increases by about one per cent yearly while her population grows at a rate of three per cent annually.

To be in a healthy position economic growth needs to outpace population growth, allowing the government to plan and put structures in place for investing in human capital.