THE EFFECT OF AGE DEPENDENCY BURDEN ON GDP
IN SUB-SAHARAN AFRICA

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Abstract

The discussion of population and its relationship with economic growth has in the past overlooked an aspect of population which is its age structure. This describes how different age groups are distributed in the population. This study examines population age structure by investigating the relationship between the age dependency burden and economic growth for the Sub-Saharan region. It also discusses the implications that the age dependency ratio may have economically, politically and socially. The objective of this study was to establish a relationship between the age dependency ratio and the GDP per capita of Sub-Saharan countries. The data used in the investigation included the GDP per capita of these countries, the Gross Capital Formation, the Labour records, the Gross Secondary Enrolment Ratio and the Age Dependency Ratio. The study conducted a cross-country analysis using the OLS regression method to establish a relationship between the independent variables and the GGDP per capita which is the dependent variable. The study finds that the age dependency ratio holds a significantly negative relationship with the GDP per capita underscoring the theory that it negatively impacts economic growth (GDP per capita).