

**NTA 12**  
**Mexico City, Mexico**  
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# **ANALYSIS OF REGIONAL DISPARITIES IN BENIN'S ECONOMIC DEPENDENCY**

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# OUTLINE

- Context and objective
- Theoretical framework
- Data and methods
- Empirical results
- Conclusion and policy implication

# CONTEXT AND OBJECTIVE

- African leaders are taking into account the need to take advantage of youth to accelerate the development of the continent
- Capitalizing on the demographic dividend depends a great deal on the characteristics of the economic life cycle
- It is important to understand disparities in economic dependency by age

# CONTEXT AND OBJECTIVE

- Recent academic papers show that there are differences in economic dependency between countries (Mason and Lee 2011 ; 2012; Hammer et al. 2015; Dramani and Oga, 2017)
- There is a gap in the literature about intra- country differences in economic dependency

# CONTEXT AND OBJECTIVE

**Objective: Analyze intra- country differences in economic dependency by age**

# THEORETICAL FRAMEWORK

- Generational economy based on life cycle deficit (LCD)
- Economic life cycle is determined by production (YL) and consumption profiles (C) by age
- $LCD = C(a) - YL(a)$

# DATA AND METHODS

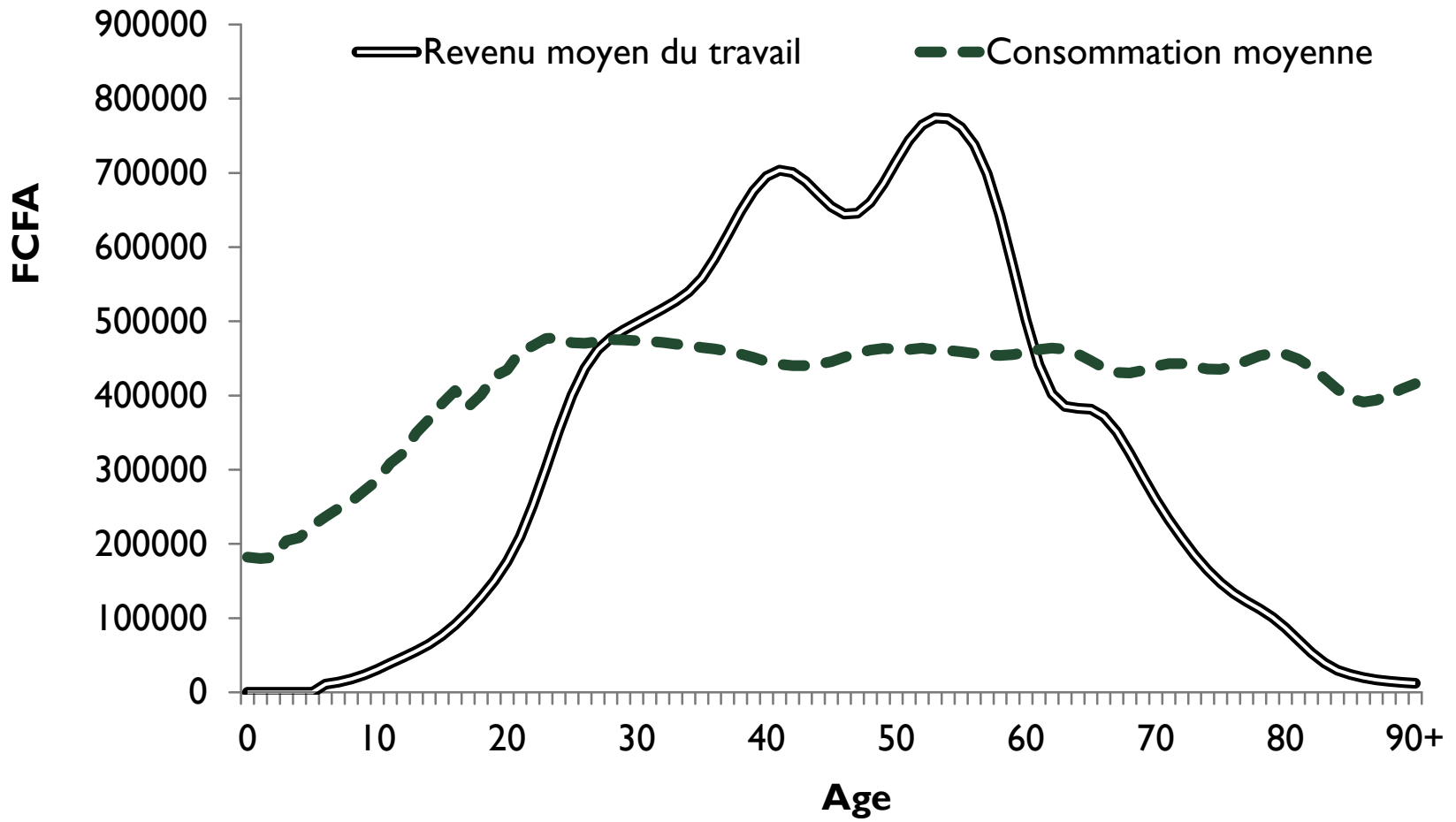
- LCD age borders between the life cycle stages of dependency are not fixed
- Age borders are endogenously determined by age profiles of production and consumption
- $EDR (\%) = [LCD / (\text{Total Labor income})] * 100$

# DATA AND METHODS

- 2015 household survey data from INSAE (institute of Statistics)
- Population data from INSAE, 2013 census data and projections

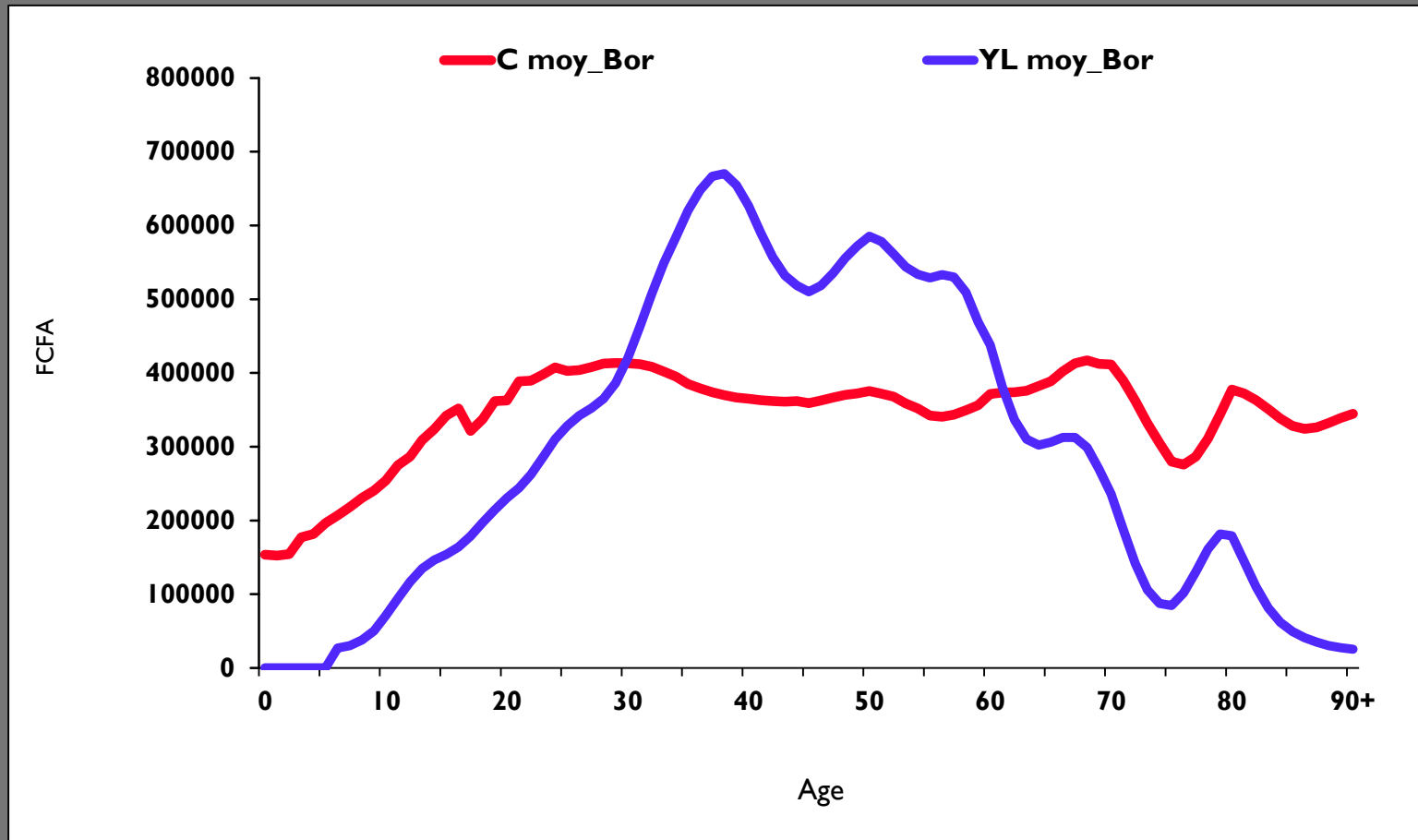


# ECONOMIC LIFECYCLE PROFILE, 2015



Source: LAREG, Authors' calculation

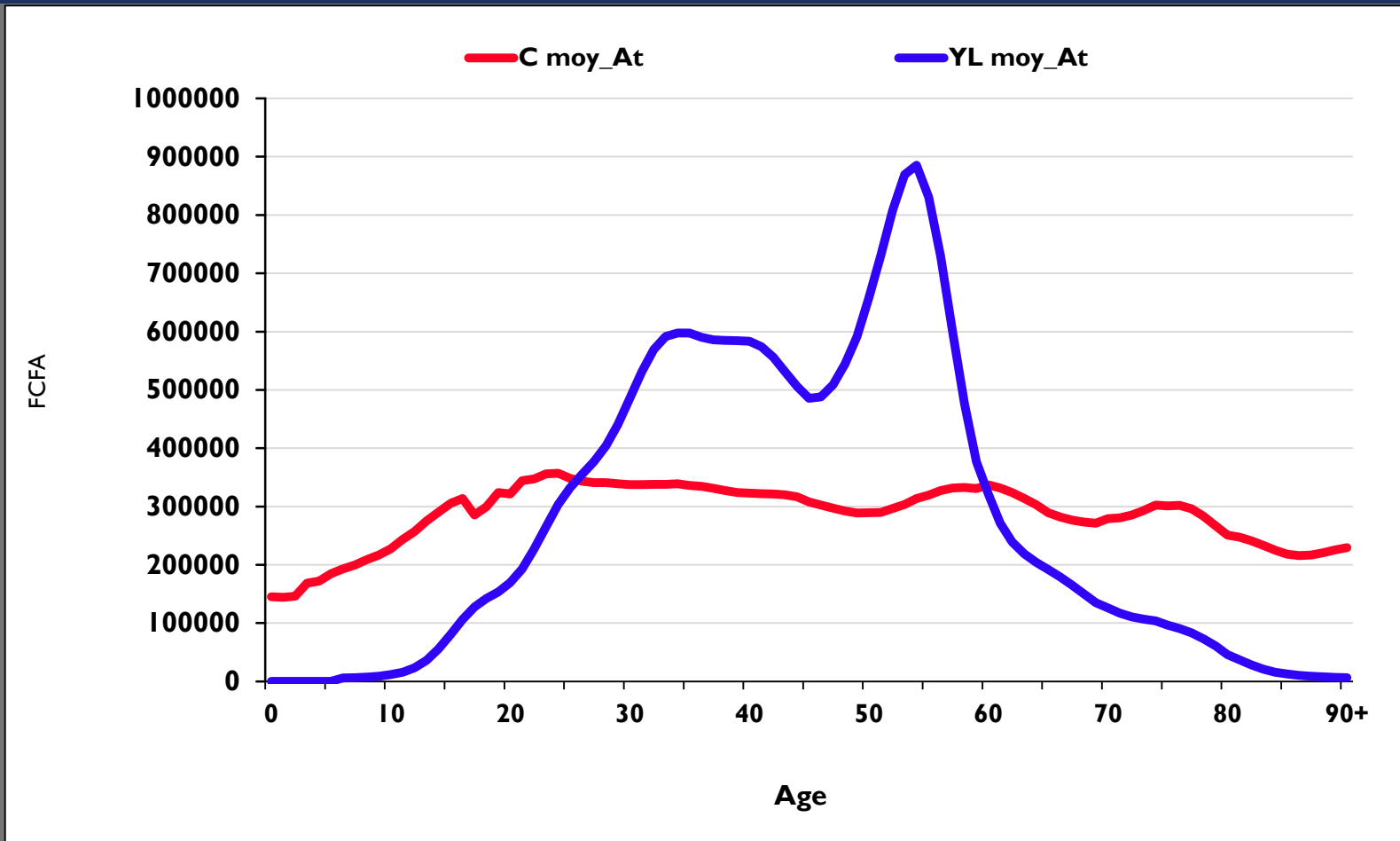
# ECONOMIC LIFECYCLE PROFILE, 2015



Source: LAREG, Authors' calculation

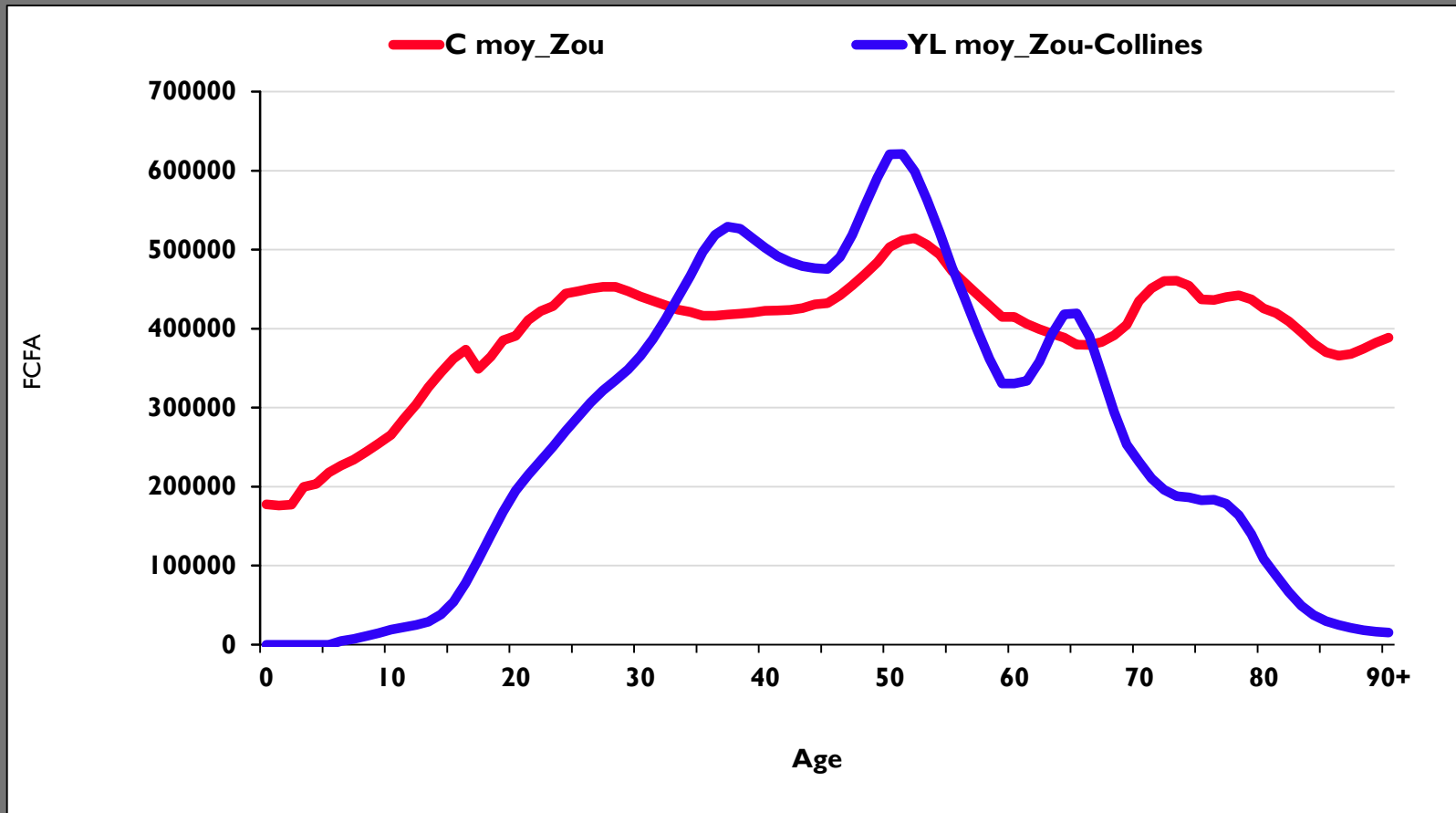
# ECONOMIC LIFECYCLE PROFILE, 2015

Source: LAREG, Authors' calculation

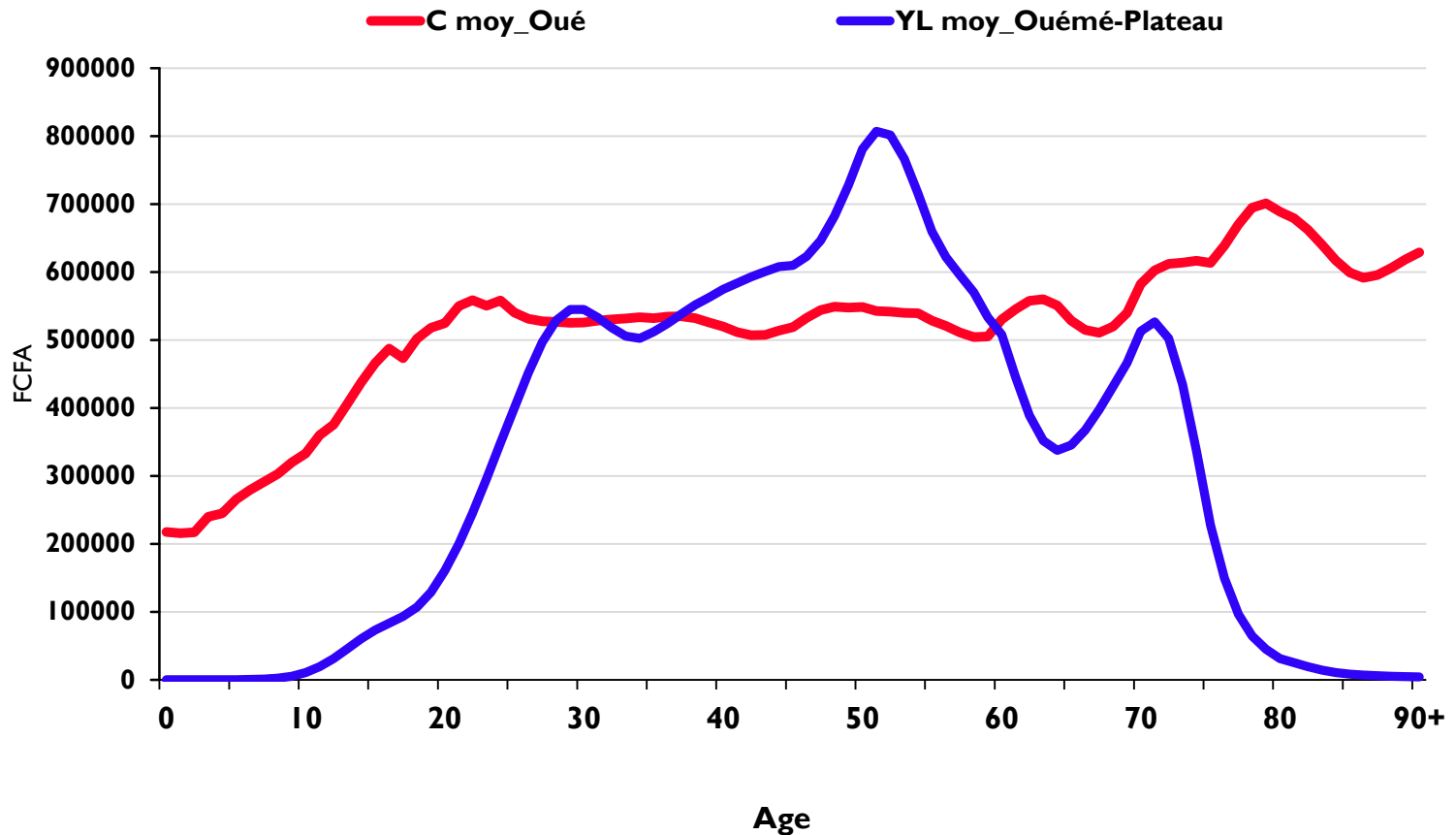


# ECONOMIC LIFECYCLE PROFILE, 2015

Source: LAREG, Authors' calculation

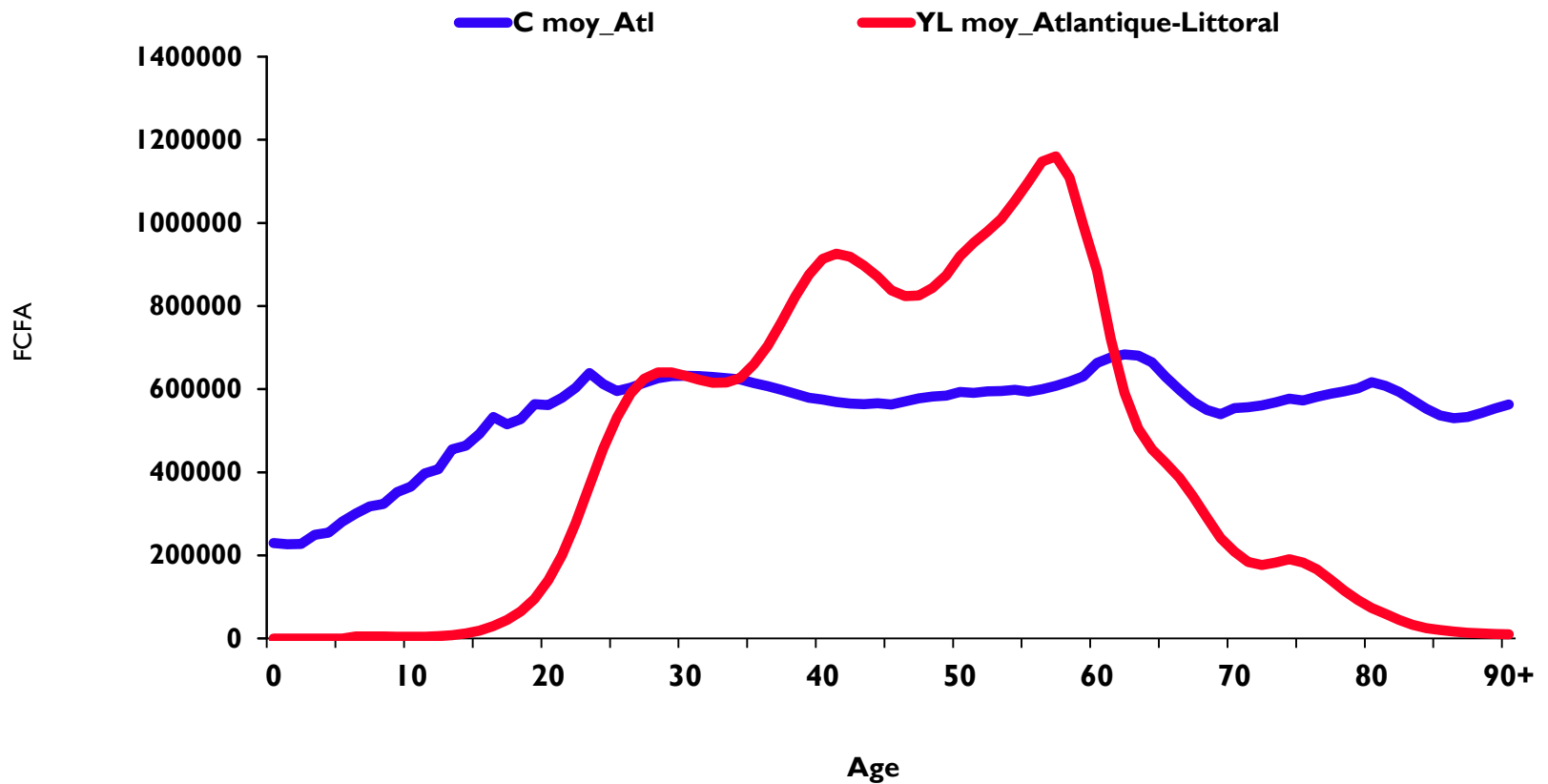


# ECONOMIC LIFECYCLE PROFILE, 2015



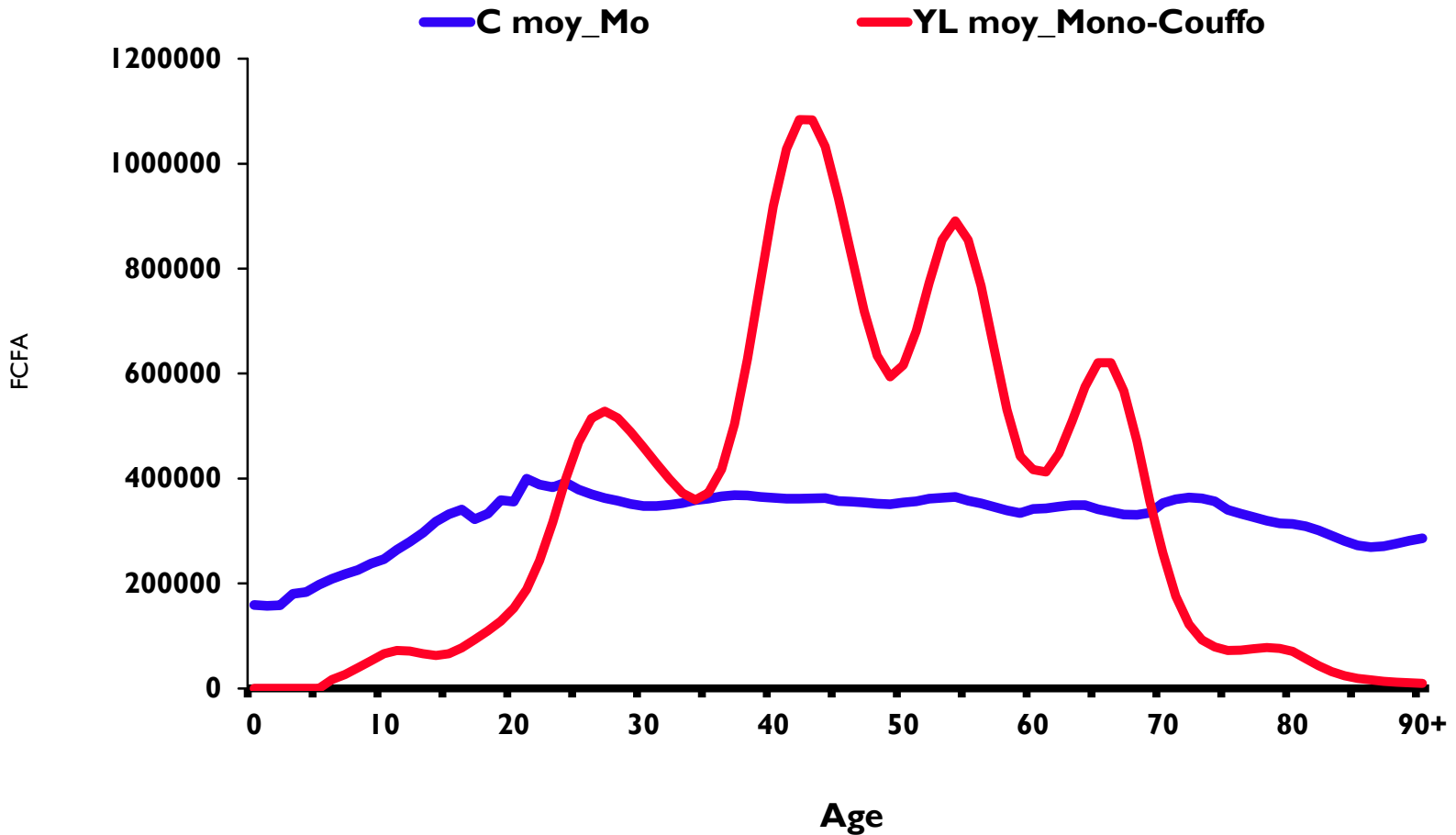
Source: LAREG, Authors' calculation

# ECONOMIC LIFECYCLE PROFILE, 2015



Source: LAREG, Authors' calculation

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Source: LAREG, Authors' calculation

# CONSUMPTION AND LABOR INCOME BY REGIONS, 2015

	<b>Borgou/ Alibori</b>	<b>Atacora/ Donga</b>	<b>Zou/ Collines</b>	<b>Ouémé/ Plateau</b>	<b>Atlantique/ Littoral</b>	<b>Mono/ Couffo</b>
<b>Consumption (billions, XOF)</b>	<b>676,55</b>	<b>380,81</b>	<b>589,93</b>	<b>814,99</b>	<b>1109,69</b>	<b>400,81</b>
<b>%</b>	<b>17%</b>	<b>10%</b>	<b>15%</b>	<b>21%</b>	<b>28%</b>	<b>10%</b>
<b>Labor income (billions, XOF)</b>	<b>501,43</b>	<b>304,60</b>	<b>337,68</b>	<b>480,15</b>	<b>783,89</b>	<b>351,22</b>
<b>%</b>	<b>18%</b>	<b>11%</b>	<b>12%</b>	<b>17%</b>	<b>28%</b>	<b>13%</b>



# ECONOMIC DEPENDENCY RATIO IN BENIN BY REGIONS, 2015

	REGIONS					
	Borgou/ Alibori	Atacora /Donga	Zou/ Collines	Ouémé/ Plateau	Atlantique/ Littoral	Mono/Couffo
<b>LCD Aggregate (1)</b>	175,12	76,21	252,25	334,85	325,80	49,59
<b>YL Aggregate (2)</b>	501,43	304,60	337,68	480,15	783,89	351,22
<b>Surplus, Agr</b>	90,74	95,63	24,25	36,70	151,15	120,33
<b>EDR (%)</b>	<b>35</b>	<b>25</b>	<b>75</b>	<b>70</b>	<b>42</b>	<b>14</b>
<b>Age surplus (Years)</b>	<b>32</b>	<b>34</b>	<b>26</b>	<b>27</b>	<b>32</b>	<b>46</b>

# LIFE CYCLE STAGES BY REGIONS

<b>Regions</b>	<b>Age dependency (Young)</b>	<b>Surplus Age span</b>	<b>Age dependency (Old)</b>
<b>Borgou-Alibori</b>	<b>0-29</b>	<b>30-61</b>	<b>62 years and over</b>
<b>Atacora-Donga</b>	<b>0-25</b>	<b>26-59</b>	<b>60 years and over</b>
<b>Ouémé-Plateau</b>	<b>0-27</b>	<b>28-59</b>	<b>60 years and over</b>
<b>Atlantique-Littoral</b>	<b>0-26</b>	<b>27-61</b>	<b>62 years and above</b>
<b>Zou-Collines</b>	<b>0-32</b>	<b>33-55</b>	<b>56 years and above</b>
<b>Mono-Couffo</b>	<b>0-23</b>	<b>24-69</b>	<b>70 years and above</b>

# CONCLUSIONS AND POLICY IMPLICATIONS

- Even inside a country, there are differences in economic dependency that are linked to production and consumption by age
- Regions have to learn best practices from themselves
- Next step : explain why EDR varies so much inside Benin

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