

# Population Aging and Social Protection in Nigeria

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# Outline

- Introduction
- Social Protection in Nigeria
- Lifecycle Deficits (LCDs) Components in Nigeria and Implications for Social Protection
- Financing LCDs in Nigeria
- Conclusion and Recommendation

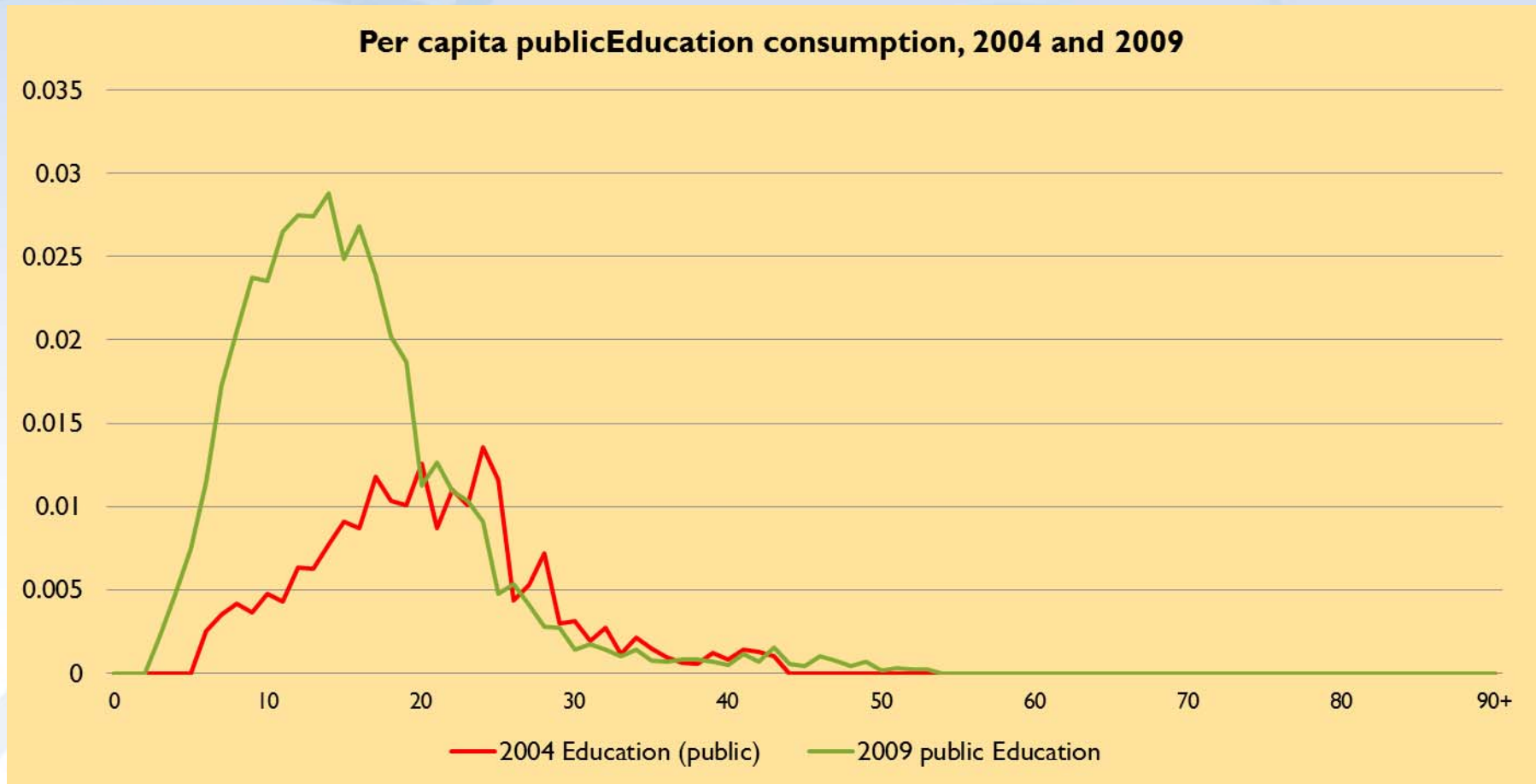
# Introduction

- Natural and unplanned uncertainties in the lifecycle;
- Income less than consumption
- Social Protection(SP) as solution
- How SP operated in Nigeria

# Social Protection in Nigeria

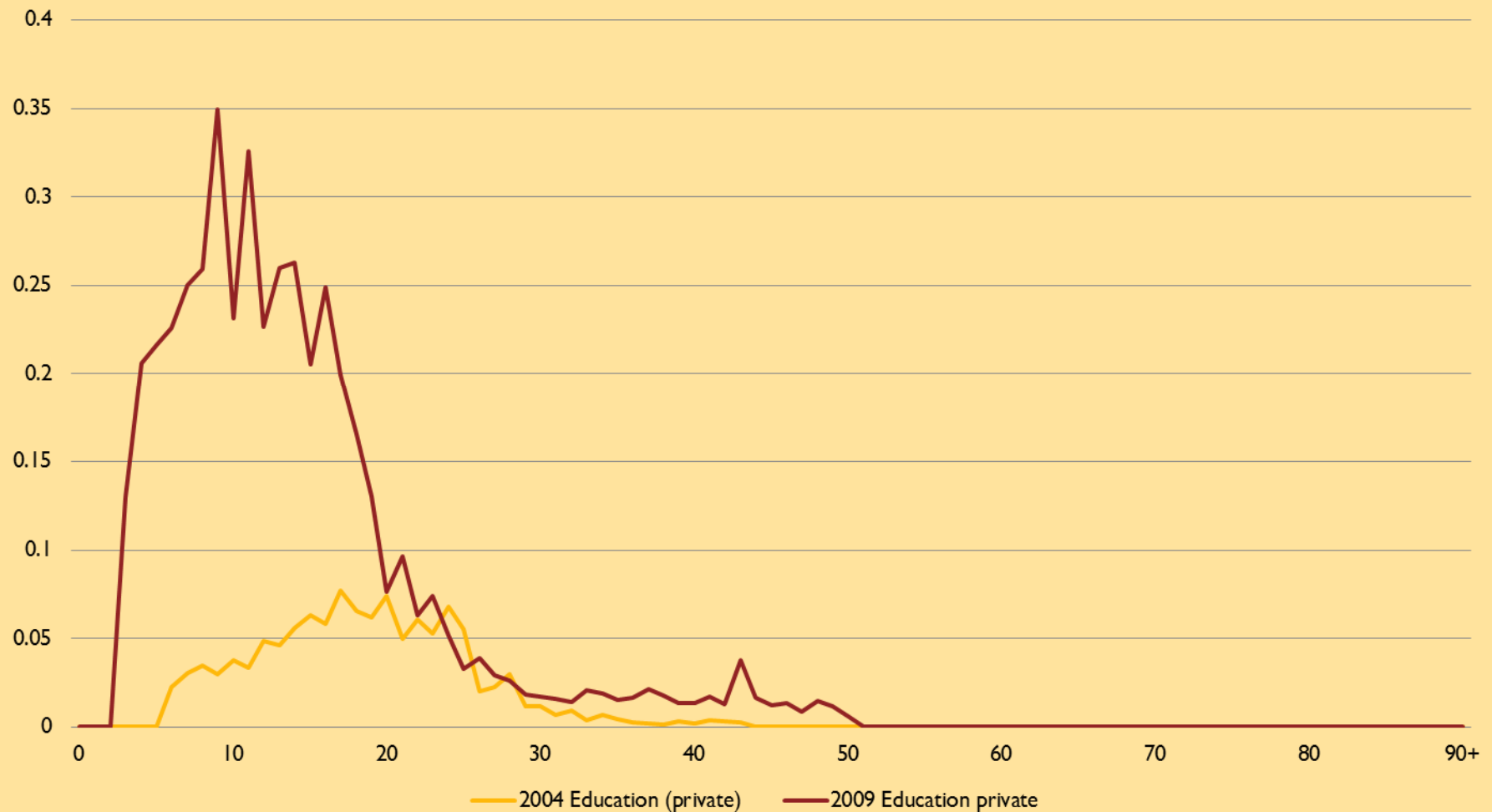
- Two main types: assistance and insurance or formal and informal
- In practice implemented in a multi-pillar framework: five varieties
  - zero- pillar--- assistance
  - first to fourth pillars; insurance varieties, through different types pension related schemes

# Lifecycle Deficits & Components in Nigeria



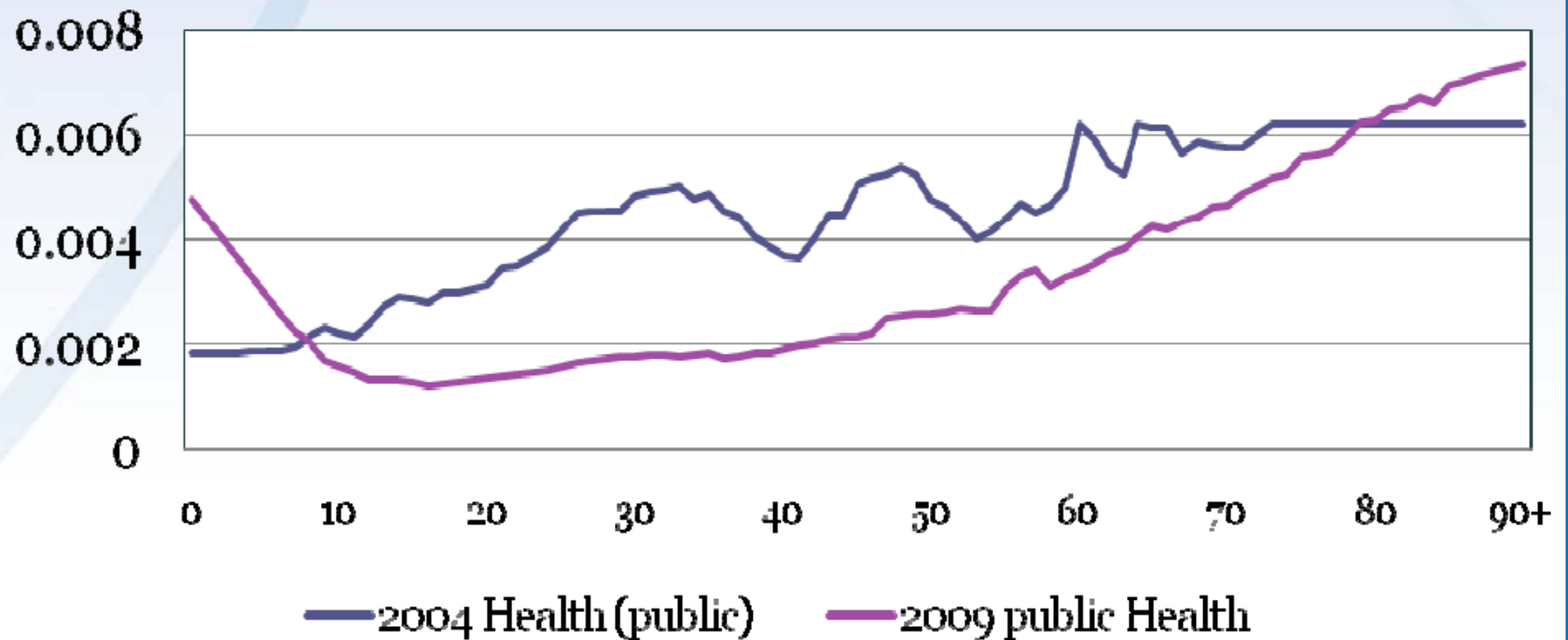
- Higher consumption in 2009
- Consumption earlier in 2009 & extended to 50+ years

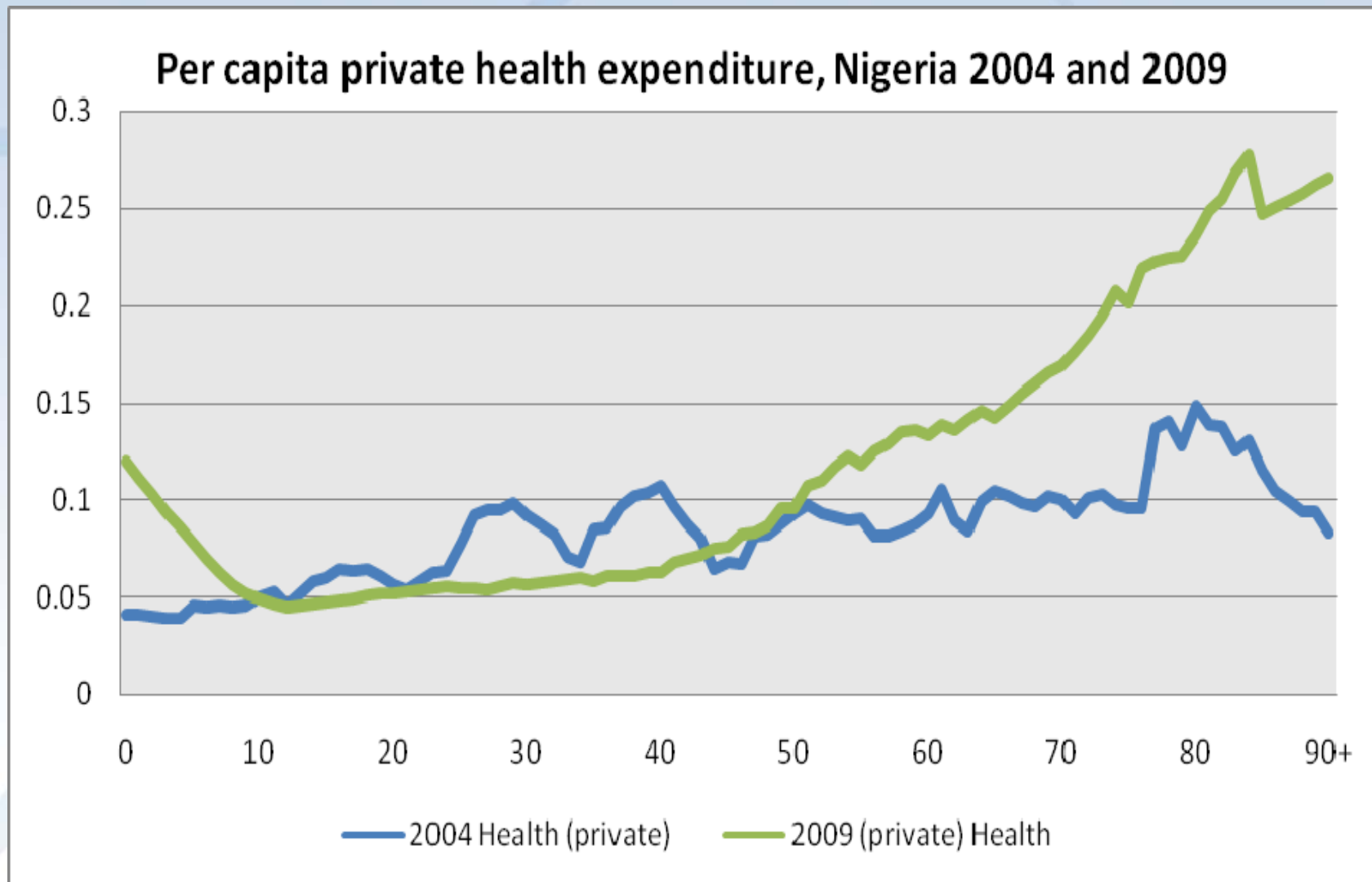
**Per capita private Education consumption, 2004 and 2009**



- Private education consumption also much higher in 2009.
- 2009,value about thrice 2004 value.

## Per Capita health expenditure(Public), Nigeria 2004 and 2009

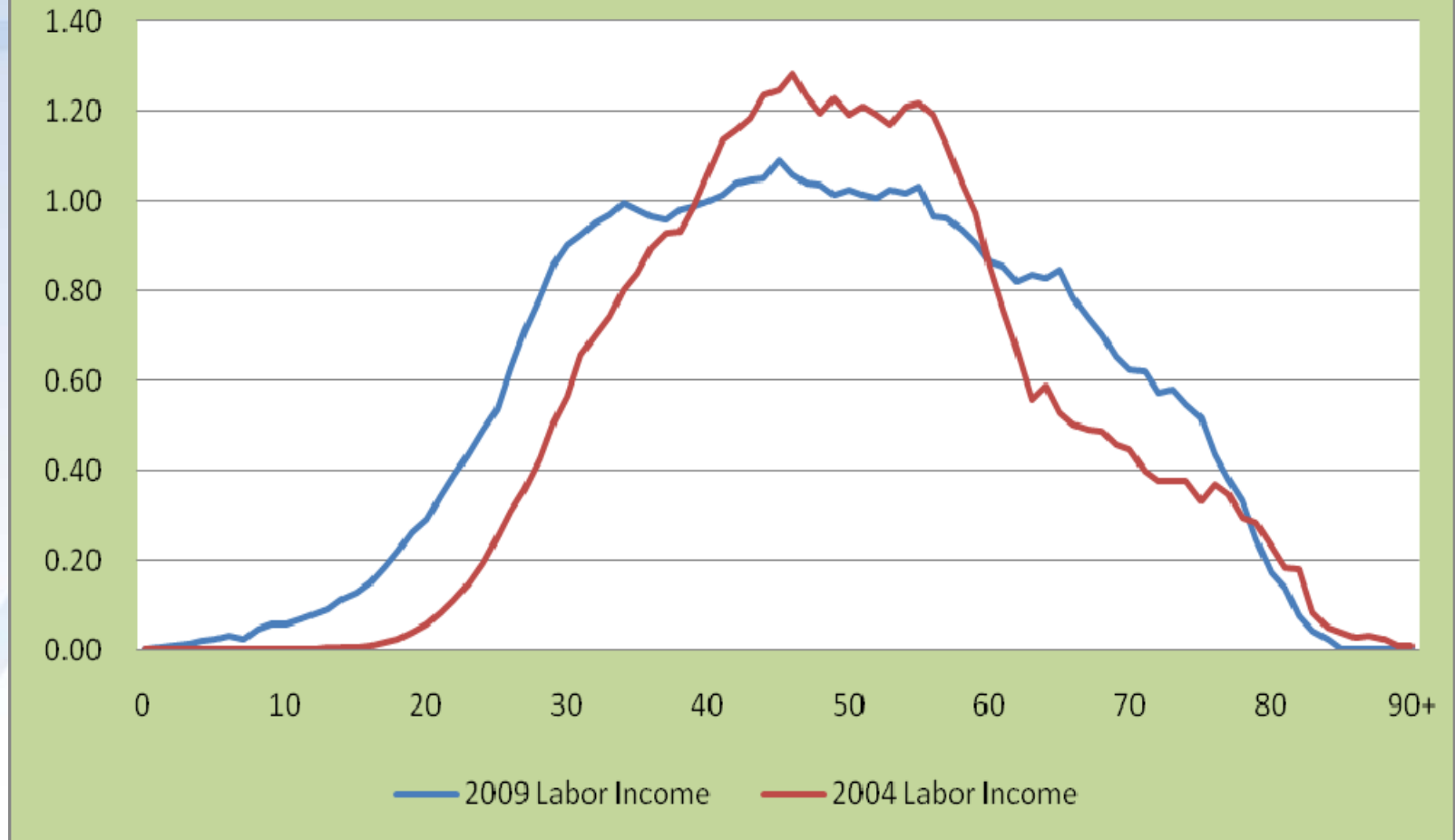




- Private health consumption in 2009 was generally higher than in 2004 except for persons of ages 10 to 40 years.

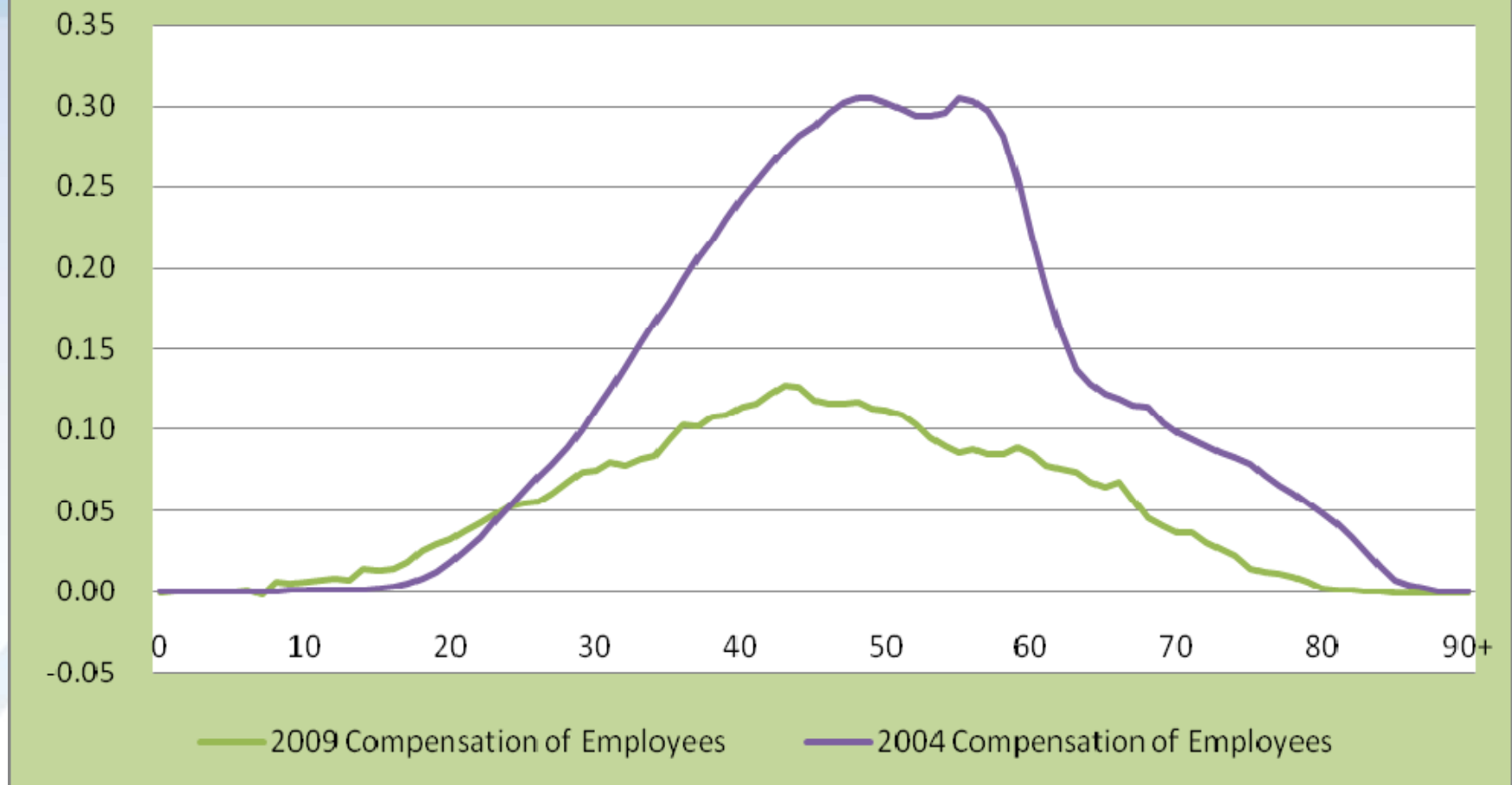


## Per capita Labour Income in Nigeria



- Peak of labour income is higher in 2004
- Income earned earlier in 2009
- Higher income later in 2009

## Per Capita Earnings (Compensation of Employees) in Nigeria, 2004 and 2009



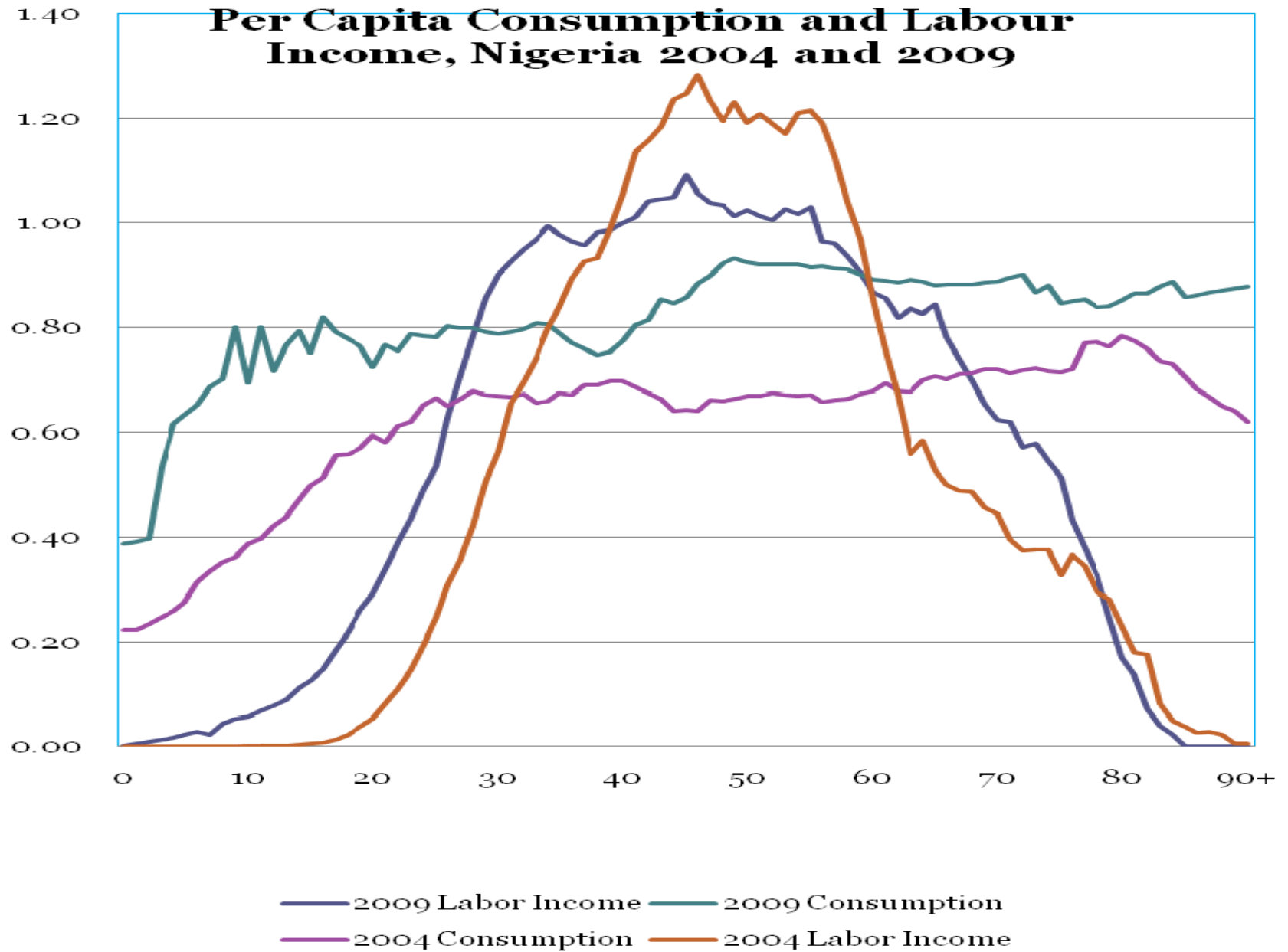
- Formal sector earnings were lower for all age groups in 2009 than 2004.

## Per Capita Self-employed Income in Nigeria, 2004 and 2009

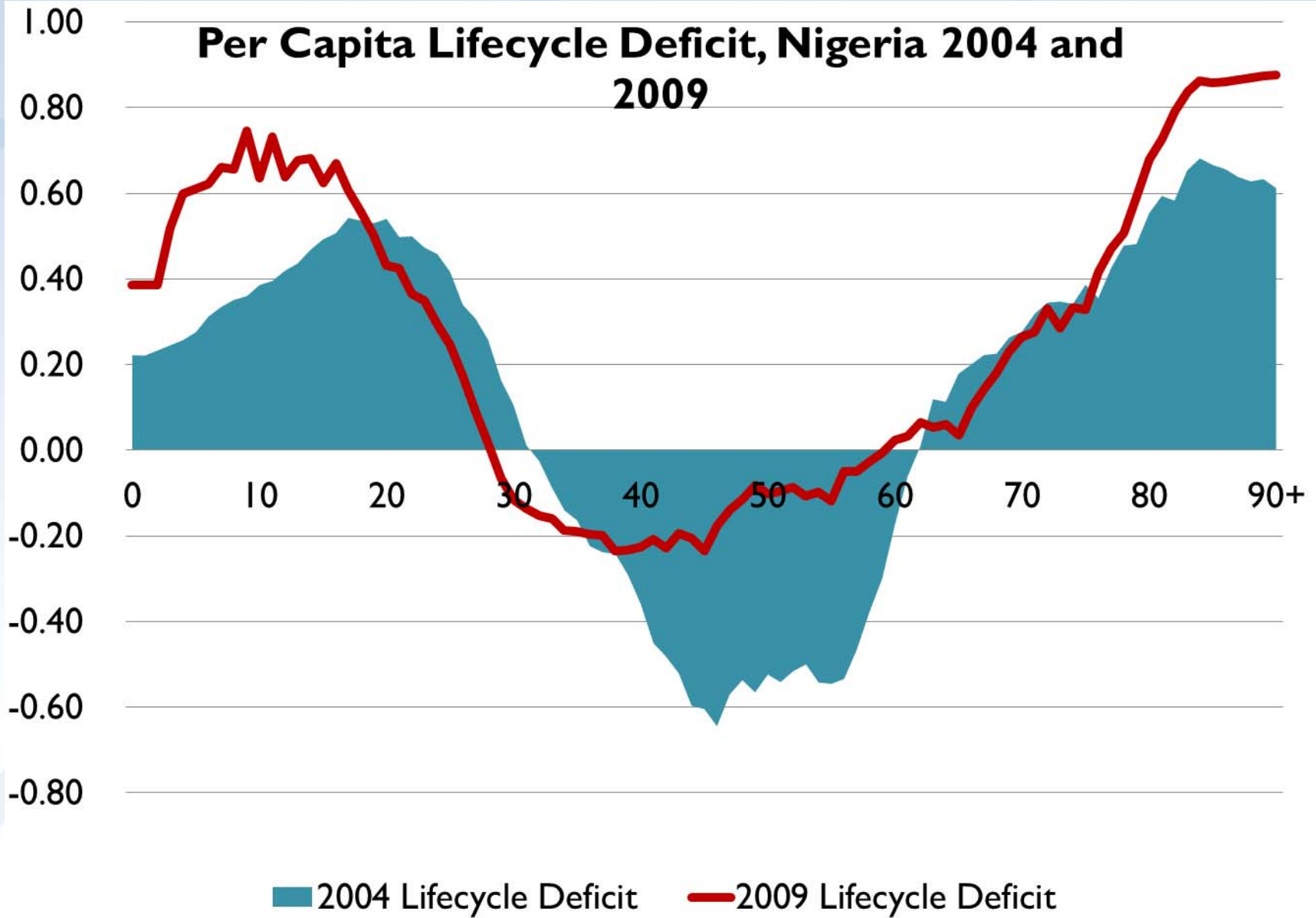


- Self-employed income in 2009 dominate 2004 values
- Entry into labour force earlier in 2009

### Per Capita Consumption and Labour Income, Nigeria 2004 and 2009



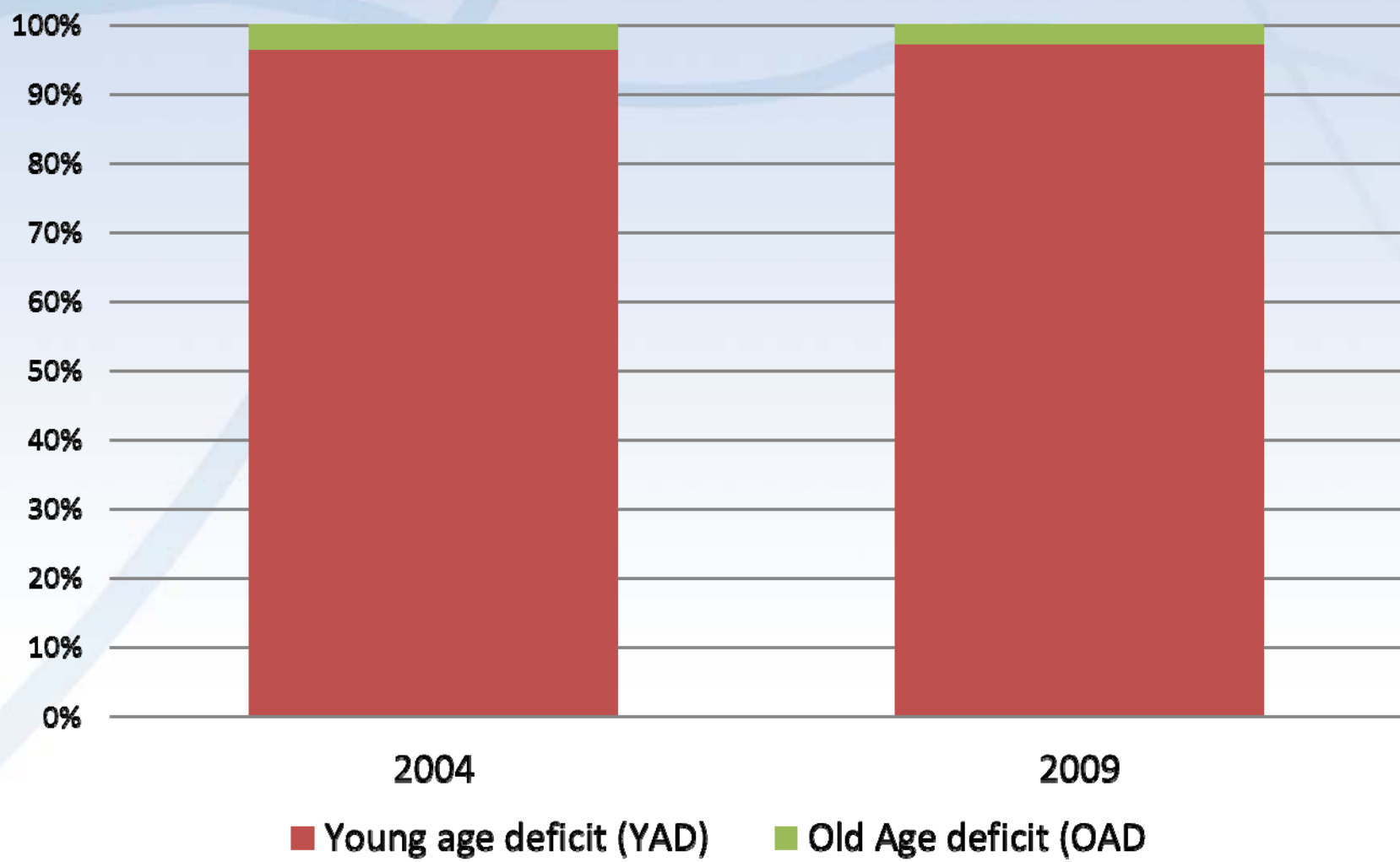
# Per Capita Lifecycle Deficit, Nigeria 2004 and 2009



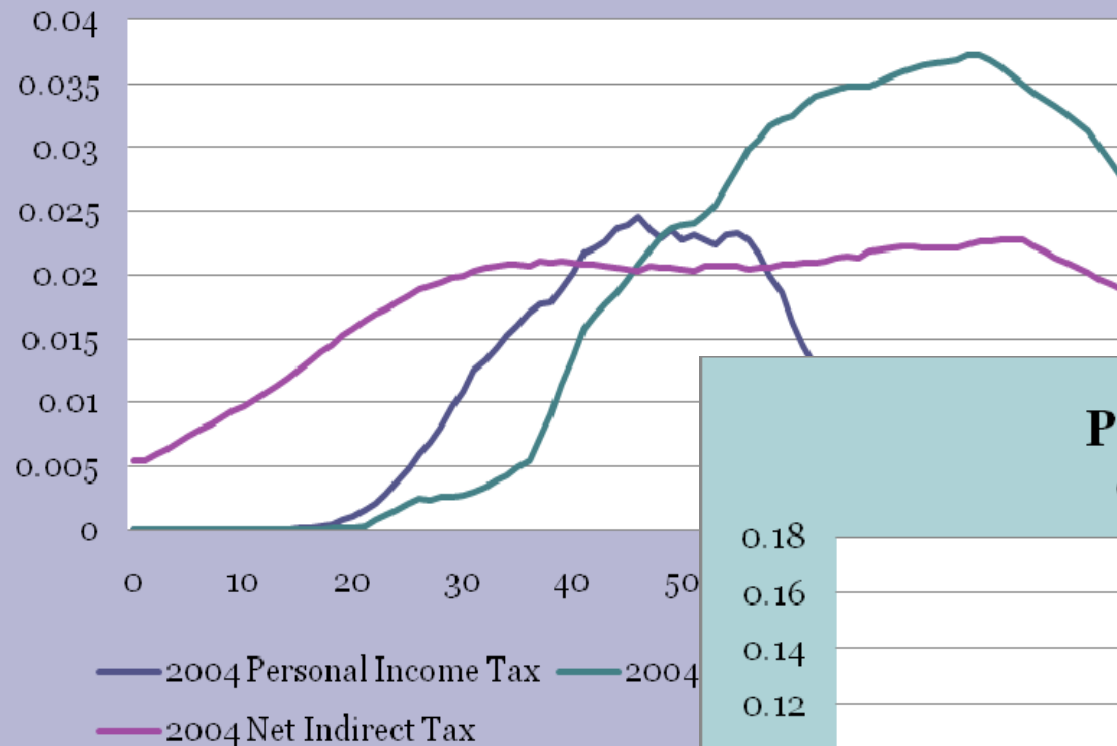
# Magnitude of Deficit and Surplus in Nigeria (N '000)

	2004	2009
<b>Young age deficit (YAD)</b>	4,798,136	9,206,489
<b>Old Age deficit (OAD)</b>	189,794	280,381
<b>Total deficit (YAD+OAD)</b>	4,987,930	9,486,870
<b>Total surplus for surplus ages</b>	1,313,895	1,875,824
<b>Lifecycle deficit</b>	- 3,674,035 -	7,611,046

## Proportion of deficit by age group in Nigeria



### Per capita public transfer outflows, Nigeria 2004

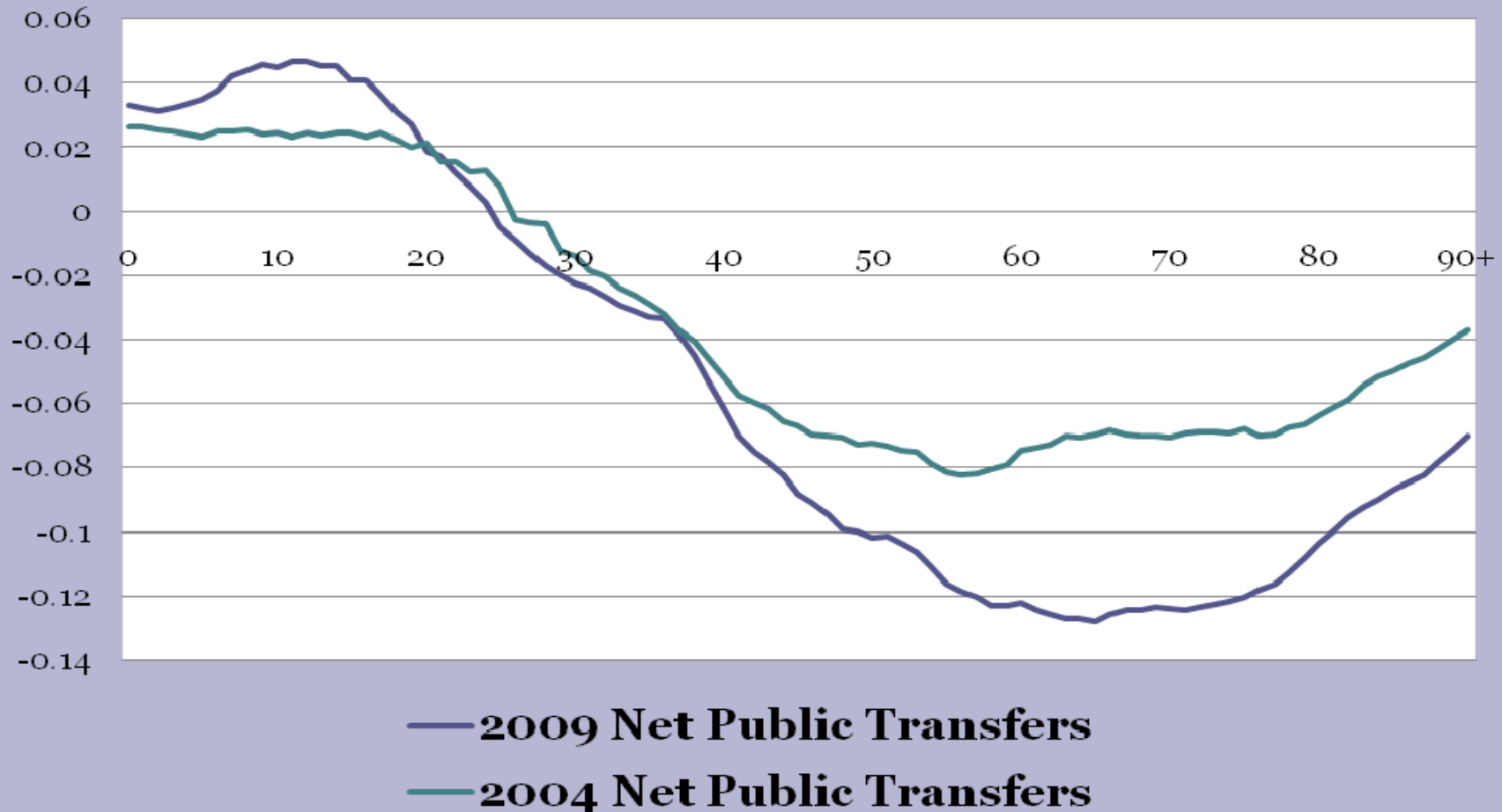


### Per capita public transfer outflows, Nigeria 2009



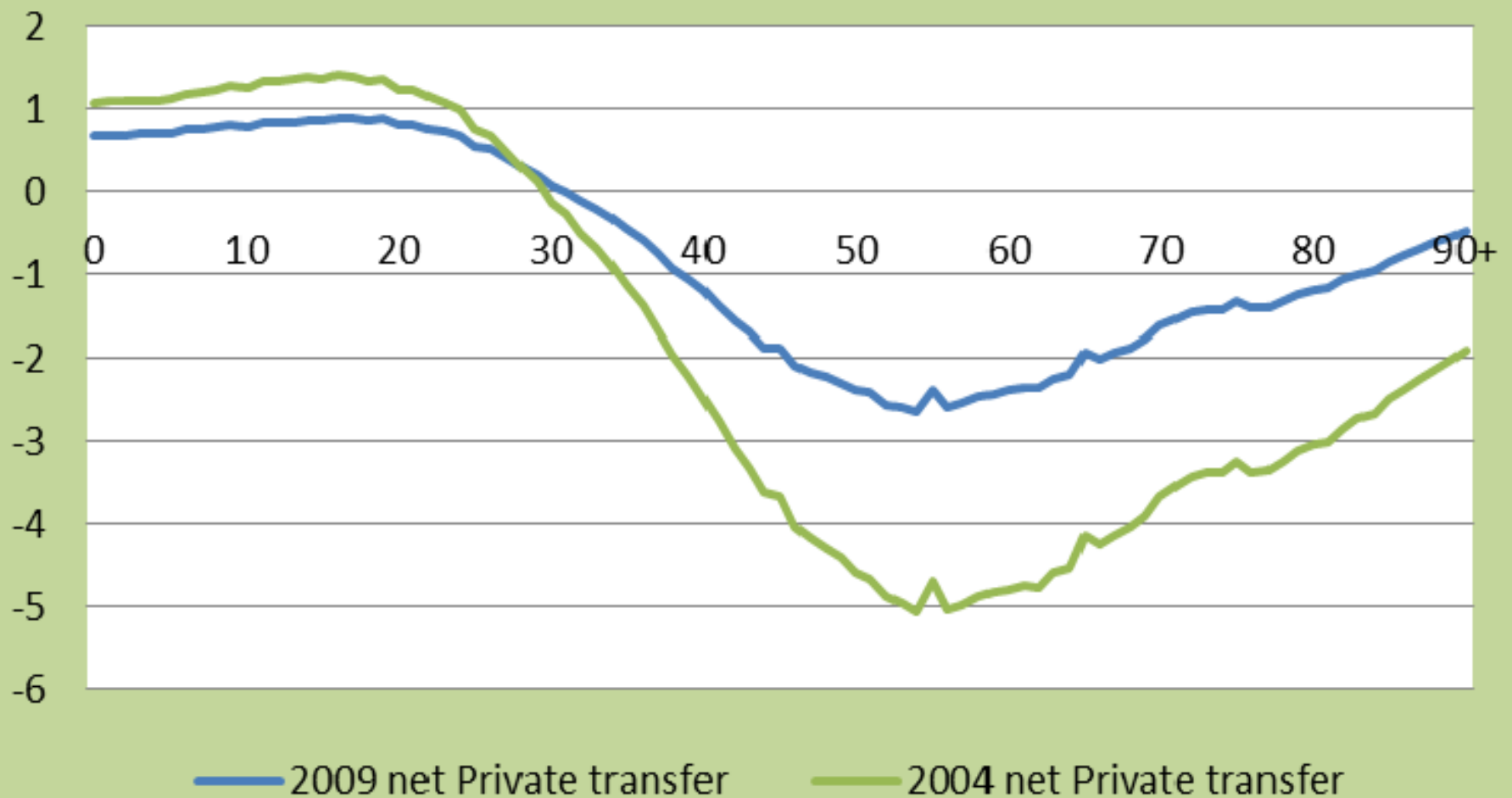


## Per capita net public transfer flows by age in Nigeria, 2004 and 2009



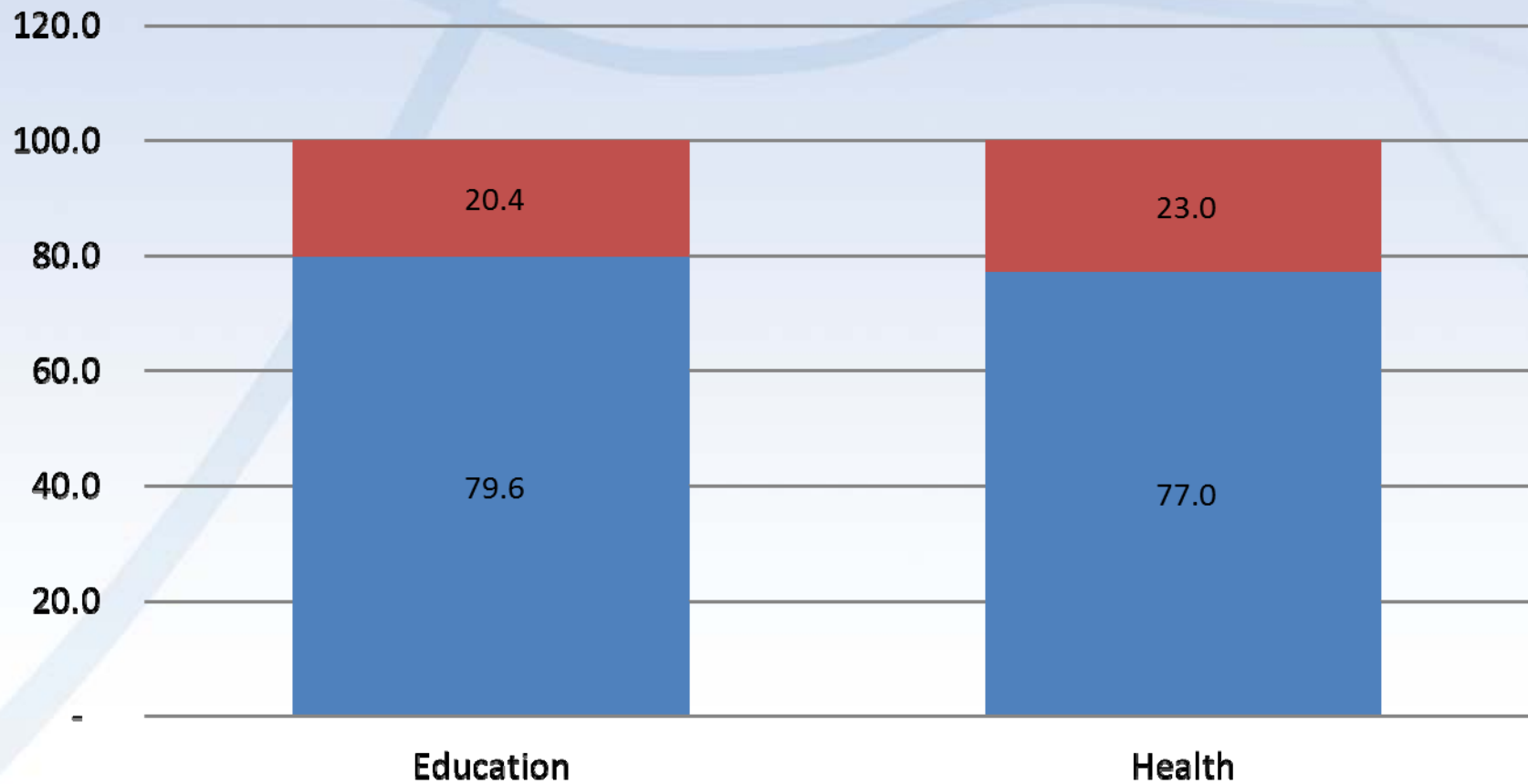
There is more of public outflows from the population than inflows for persons of age 20 and above

## Net Per Capita Private Transfer in Nigeria, 2004 and 2009



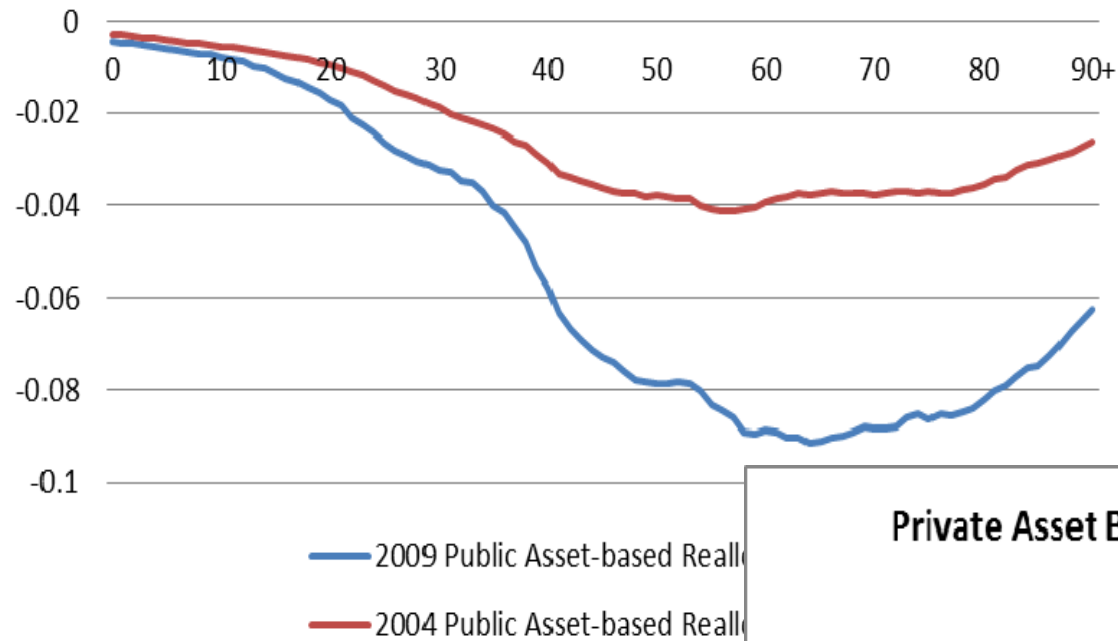
- Per capita inter-household transfer was relatively higher in 2009 than 2004.
- At each age, the inter-household transfer was at least five times higher in 2009 than in 2004

### Intra household financing of education and health of young age dependents in Nigeria, 2004

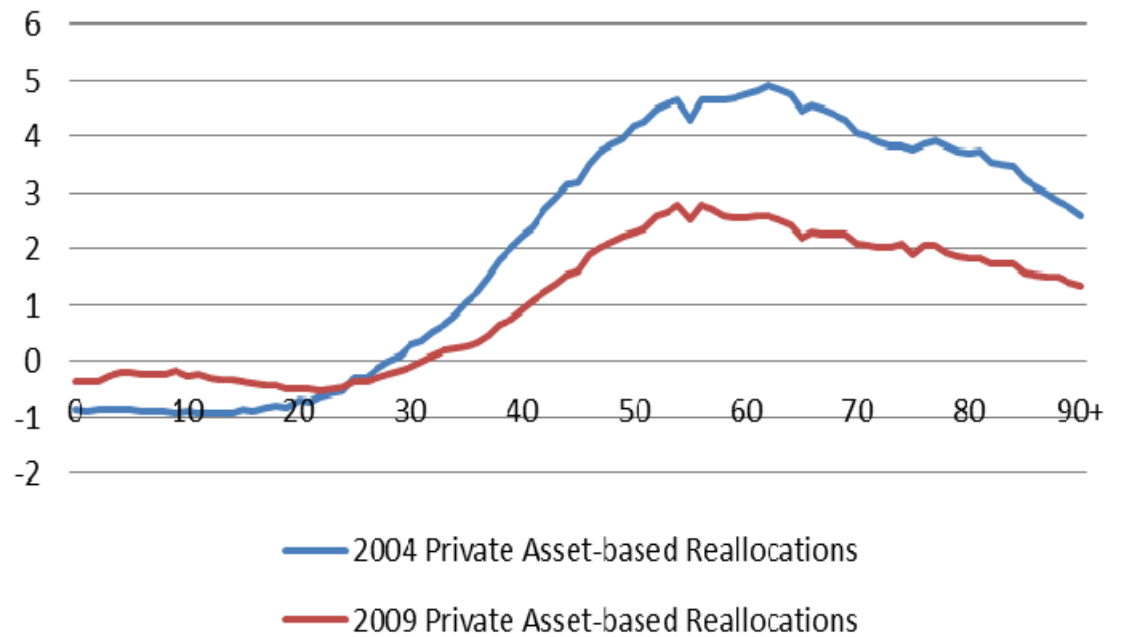


- Proportion financed by those in Old age group
- Proportion financed by those in surplus age group

**Public Asset Based Reallocations in Nigeria, 2004 and 2009**



**Private Asset Based Reallocations in Nigeria, 2004 and 2009**



## Full NTA Table for Nigeria, 2004 and 2009

Macro Controls	2004	2009
<b>Lifecycle Deficit</b>	<b>3,674,035</b>	<b>7,618,529</b>
Consumption	8,823,929	19,148,008
Private	8,038,110	17,713,223
Public	785,819	1,434,785
Less: Labor Income	5,149,894	11,529,479
<b>Age Reallocations</b>	<b>3,674,035</b>	<b>7,618,529</b>
<i>Asset-Based Reallocations</i>	3,314,781	3,538,937
Public Asset-Based Reallocations	(243,150)	(828,995)
Public Income on Assets	268,120	806,020
Less: Public Saving	511,270	1,635,015
Private Asset-Based Reallocations	3,557,931	4,367,932
Private Income on Assets	5,368,102	10,164,805
Less: Private Saving	1,810,171	5,796,873
<i>Transfers</i>	359,254	4,079,593
Public	-	-
Private	359,254	4,079,593

# Conclusion and Recommendations

- Households dominate in education and health spending for the YAD both in 2004 and 2009.
- However, there was some improvement in public expenditure in education in 2009 when compared with what happened in 2004.
- In spite of this, private expenditure in education in 2009 was about ten times the corresponding public sector value.

- Similarly in 2004, private education consumption was about 3.5 times the corresponding public sector value.
- The health consumption of the elderly was dominated by private consumption.
- There was a total absence of cash transfer in a significant way.
- In the education sector, cash transfer through scholarships; bursary and the like seem to have disappeared in Nigeria.
- Similarly, there a total absence of unemployment benefits in Nigeria.

- There is no formal public sector social support for the elderly in Nigeria.
- Social protection in Nigeria, is dominated by familial support through intra and inter-households transfers; placing a lot of burden on poor households.
- It is recommended that government in Nigeria should be developmental and implement formal social protection policies for the YAD, OAD and the unemployed.



**THANK YOU**

