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SENEGAL

CONTENT

CONTEXT

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STYLISTED FACT : NTA results for Senegal

OPPORTUNITY WINDOW: Senegal DD opportunity window

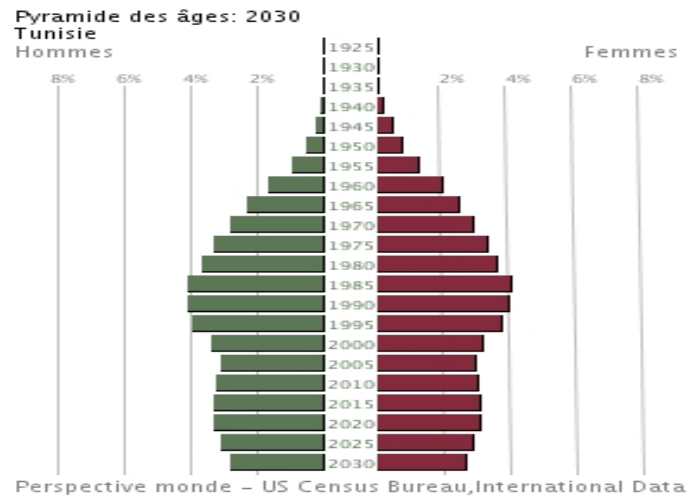
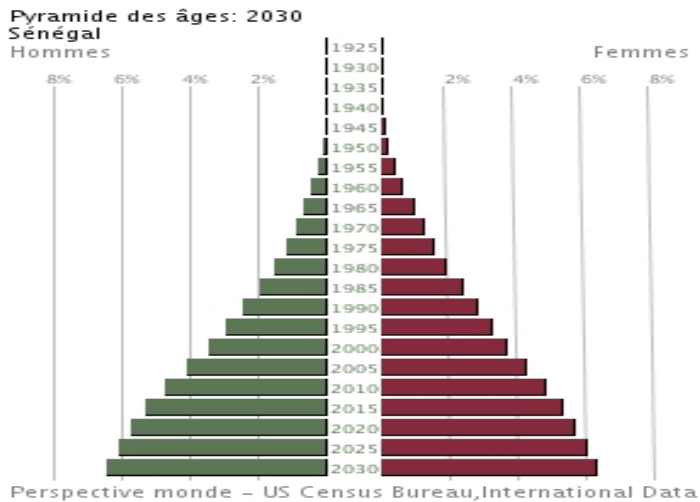
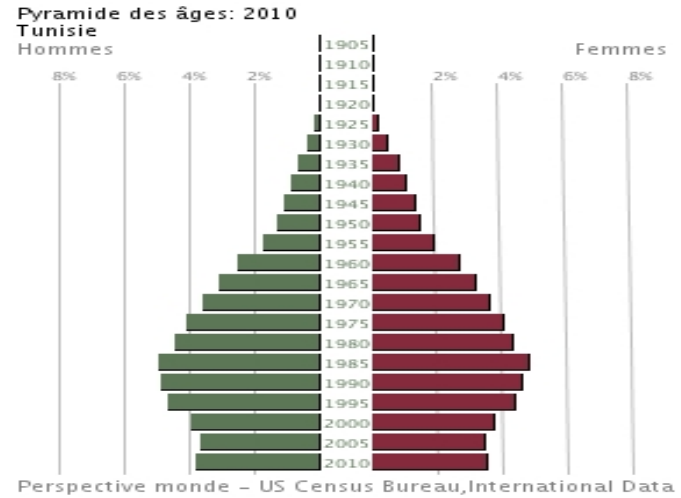
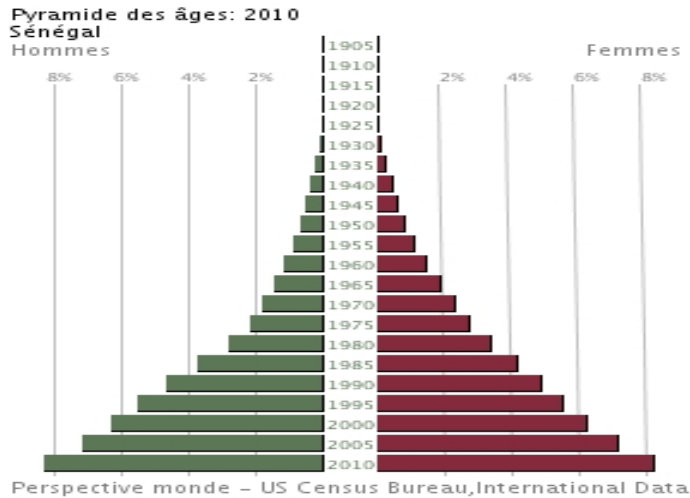
CHALLENGE: Is Senegal LCD system funding is sustainable?

CONCLUSIONS

CONTEXT(1/2)

- Incidence of poverty remains high (52.2% in 2005 and 46.7% in 2011 ESPS 1 & 2)
- Achieving all the MDGs remains problematic
- Inadequate economic programs with the social demand

CONTEXT(2/2)



- Even in 2030 the structure of the population of Senegal still has a very large compared to the base Tunisia

STYLIZED FACT : Senegal is experiencing a demographic transition

THE ***TOTAL FERTILITY RATE*** WENT FROM **6.6**
CHILDREN PER WOMAN IN 1986 TO **5.0** IN
2011.

(SOURCE: DHS SURVEYS, UN)

STYLIZED FACT : Senegal is experiencing a demographic transition

THE *POPULATION GROWTH RATE DECREASED*

FROM **3.1** IN 1986 TO **2.3** IN 2011

(SOURCE: UN POPULATION PROJECTIONS)

STYLIZED FACT : Senegal is experiencing a demographic transition

MORTALITY DROPPED SIGNIFICANTLY IN THE SAME PERIOD.

- THE ***INFANT MORTALITY RATE*** (FROM 86.4 TO 47 PER THOUSAND BIRTHS)
- THE ***MATERNAL MORTALITY Ratio*** (FROM 769/100.000 births in 1990 to 392 in 2011)

(SOURCE: DHS SURVEYS)

STYLIZED FACT : Senegal is experiencing a demographic transition

CHANGE IN THE AGE STRUCTURE

YEAR	AGE GROUP		
	0-19	20-64	65+
1986	55,0%	41,3%	3,6%
2011	51,3%	44,4%	4,3%
2030	41,9%	53,0%	4,9%

STYLIZED FACT : Senegal is experiencing a demographic transition

THE *DEPENDENCY RATIO DECREASED FROM 1.33 IN 1986 TO 1.15 IN 2011**

THIS IS THE SIGN OF A VERY SLOW TRANSITION

NOTE: This ratio is over estimated as it excludes the 2 million migrants (25% of the labor force) of the diaspora

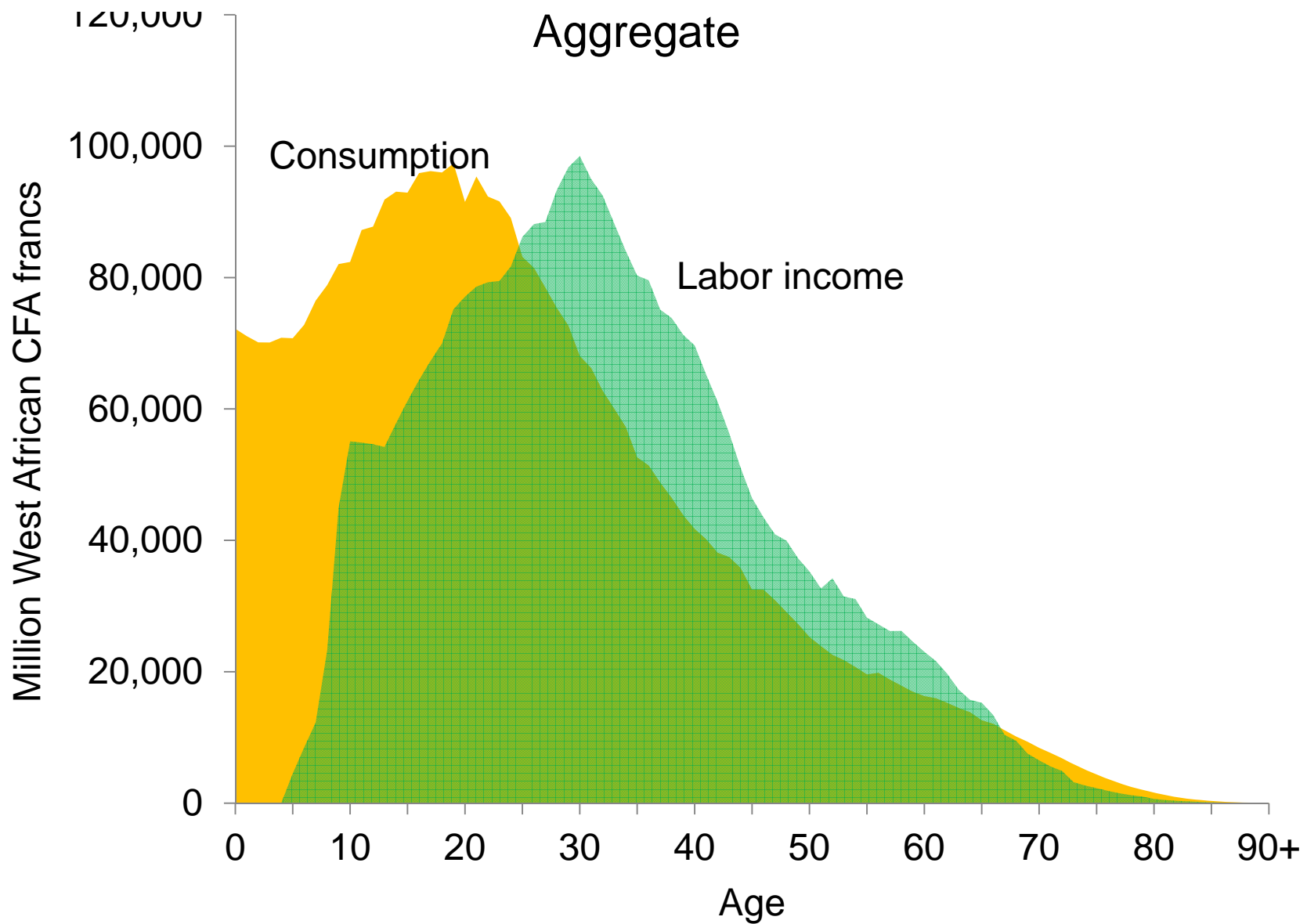
(* SOURCE: DHS SURVEYS)

STYLIZED FACT : Senegal is experiencing a demographic transition

❖ CONSTRAINTS AND LIMITATIONS

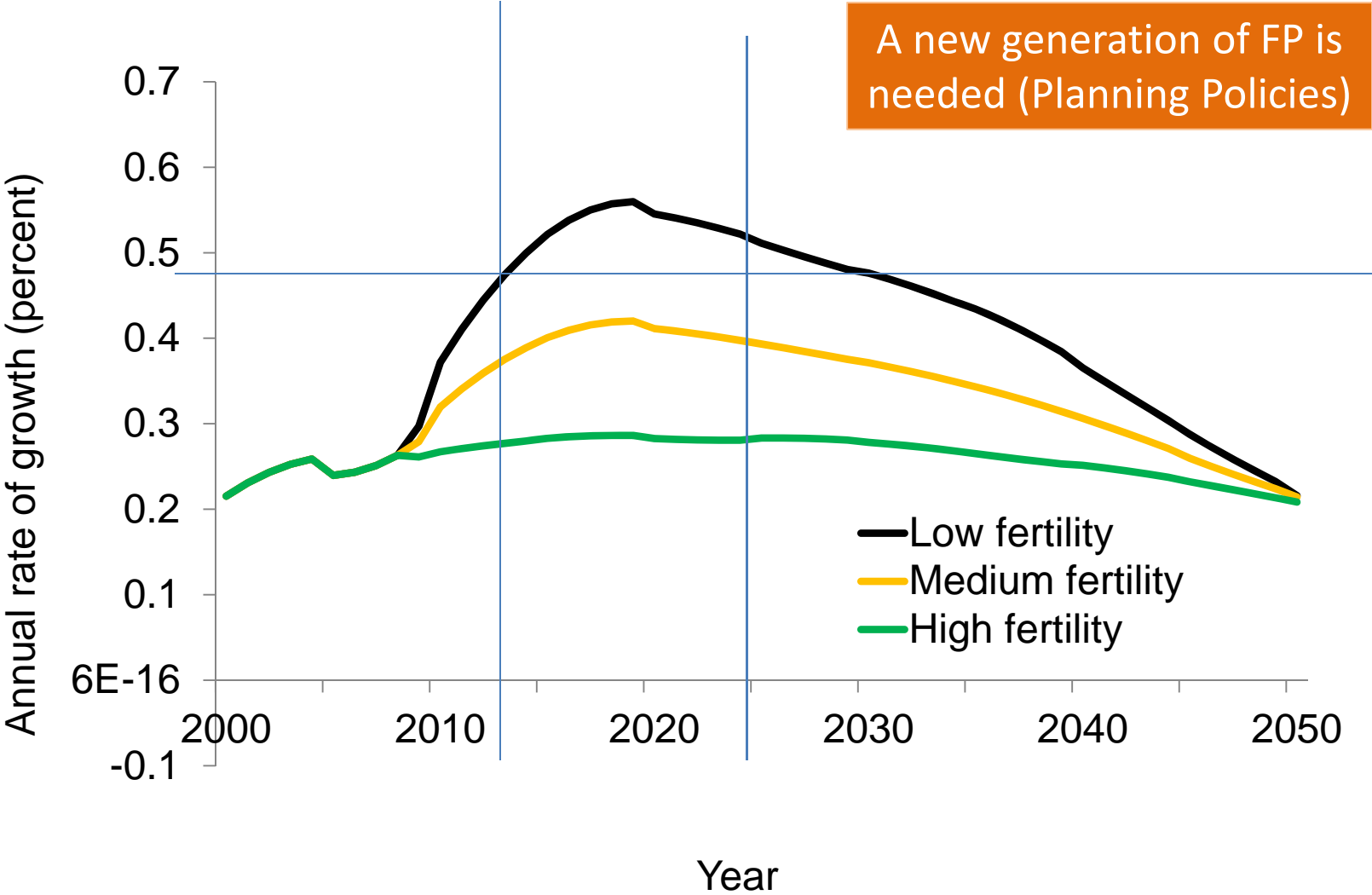
- ✓ ***MATERNAL AND INFANT MORTALITY, WHILE DECLINING, ARE STILL HIGH (SENEGAL WILL NOT ACHIEVE THE MDGS FOR THESE INDICATORS)***
- ✓ ***USE OF FAMILY PLANNING IS STILL VERY LOW (12% OF WOMAN IN 2010)***
- ✓ ***CULTURAL RESISTANCE STILL PRESENT***

STYLIZED FACT : NTA results for Senegal



Aggregate labor income and consumption in Senegal, 2005. *Source:* NTA data.

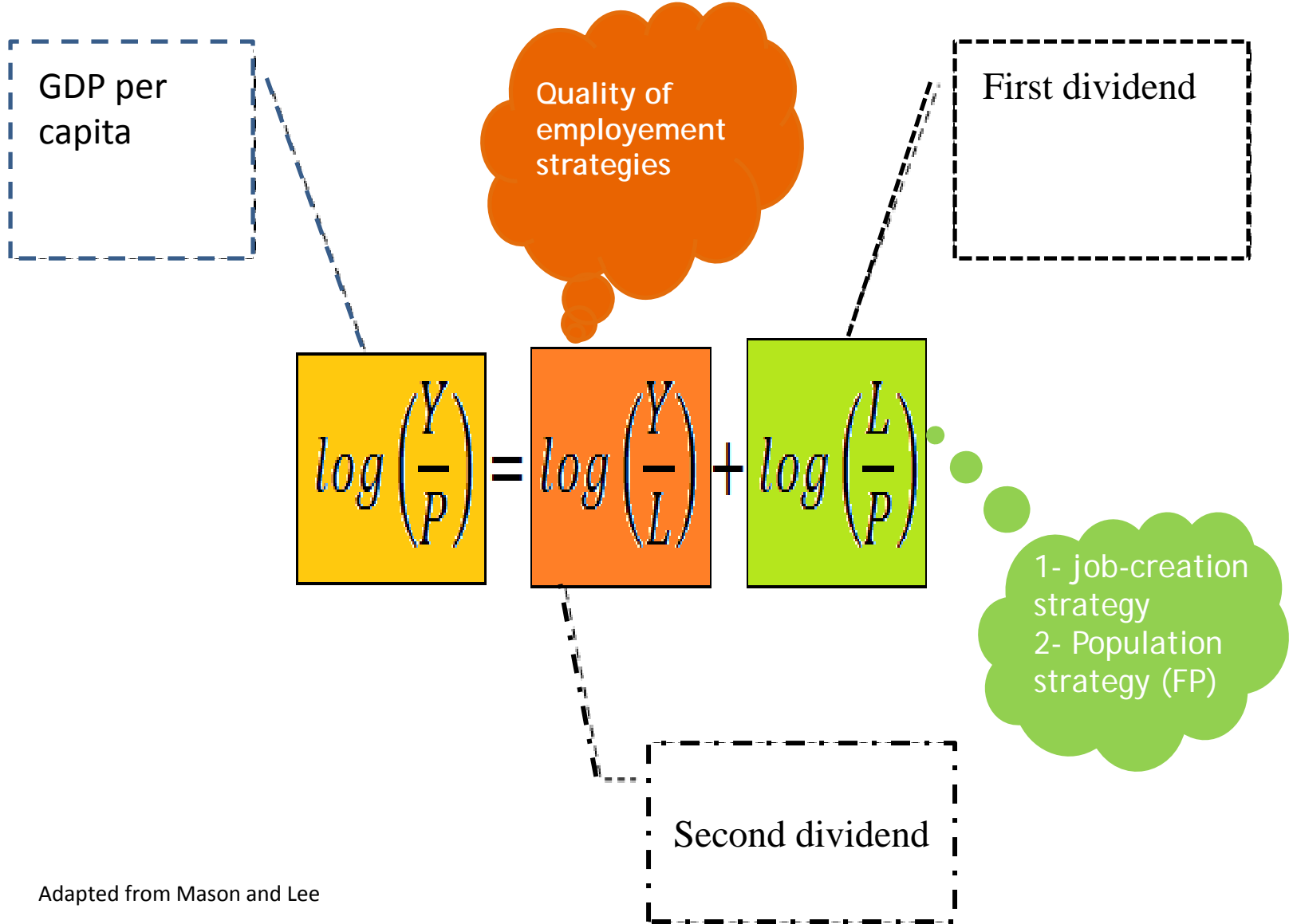
STYLIZED FACT : NTA Results for Senegal



Estimation of annual growth rate of support ratio in Senegal based on low, middle and high fertility for the period 2000 to 2050

Source: calculate on NTA data ; Estimation of population and projection provide by UN population 2012.

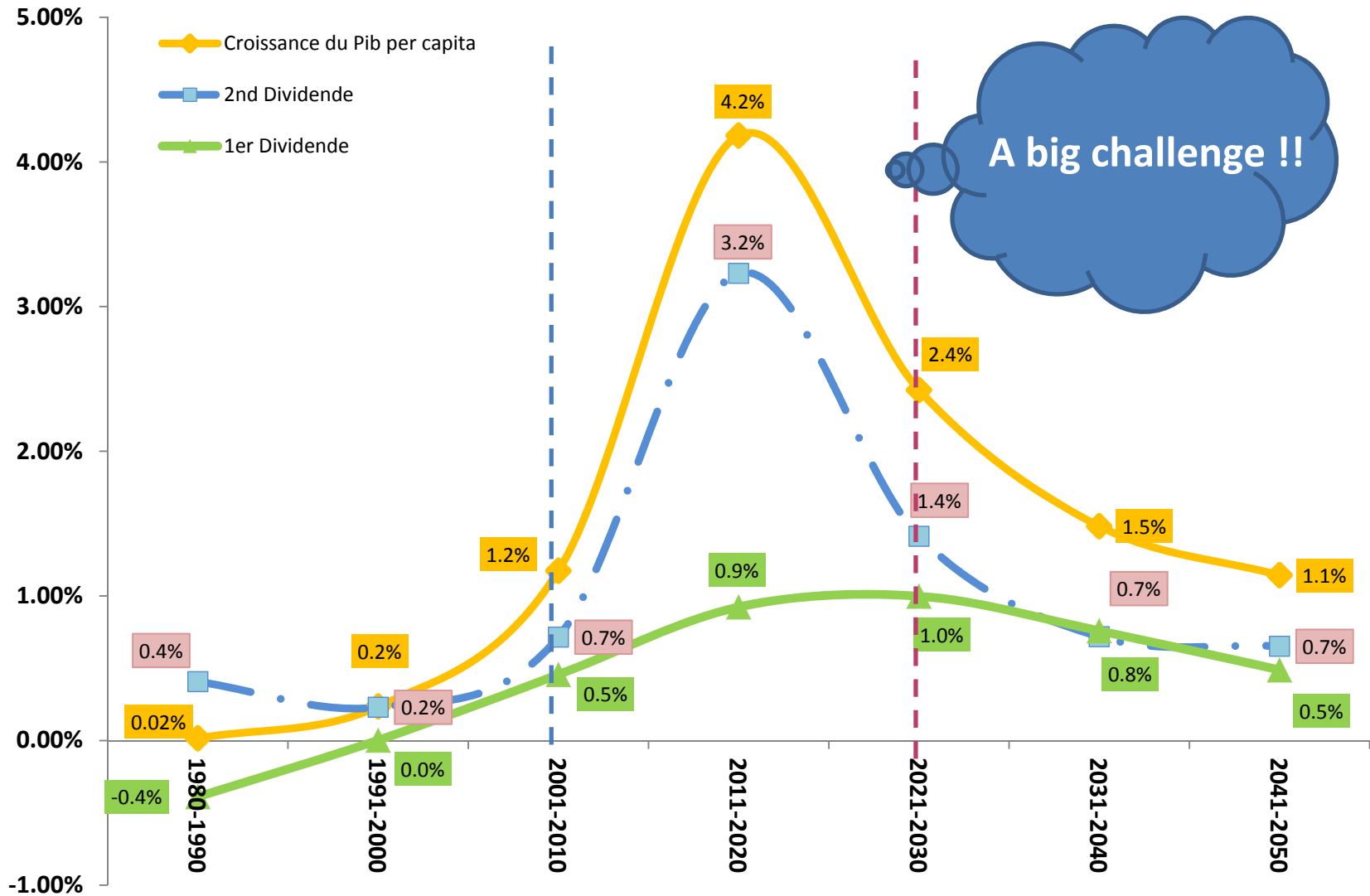
OPPORTUNITY WINDOW



Adapted from Mason and Lee

OPPORTUNITY WINDOW

GDP per capita growth rate and DD in Senegal



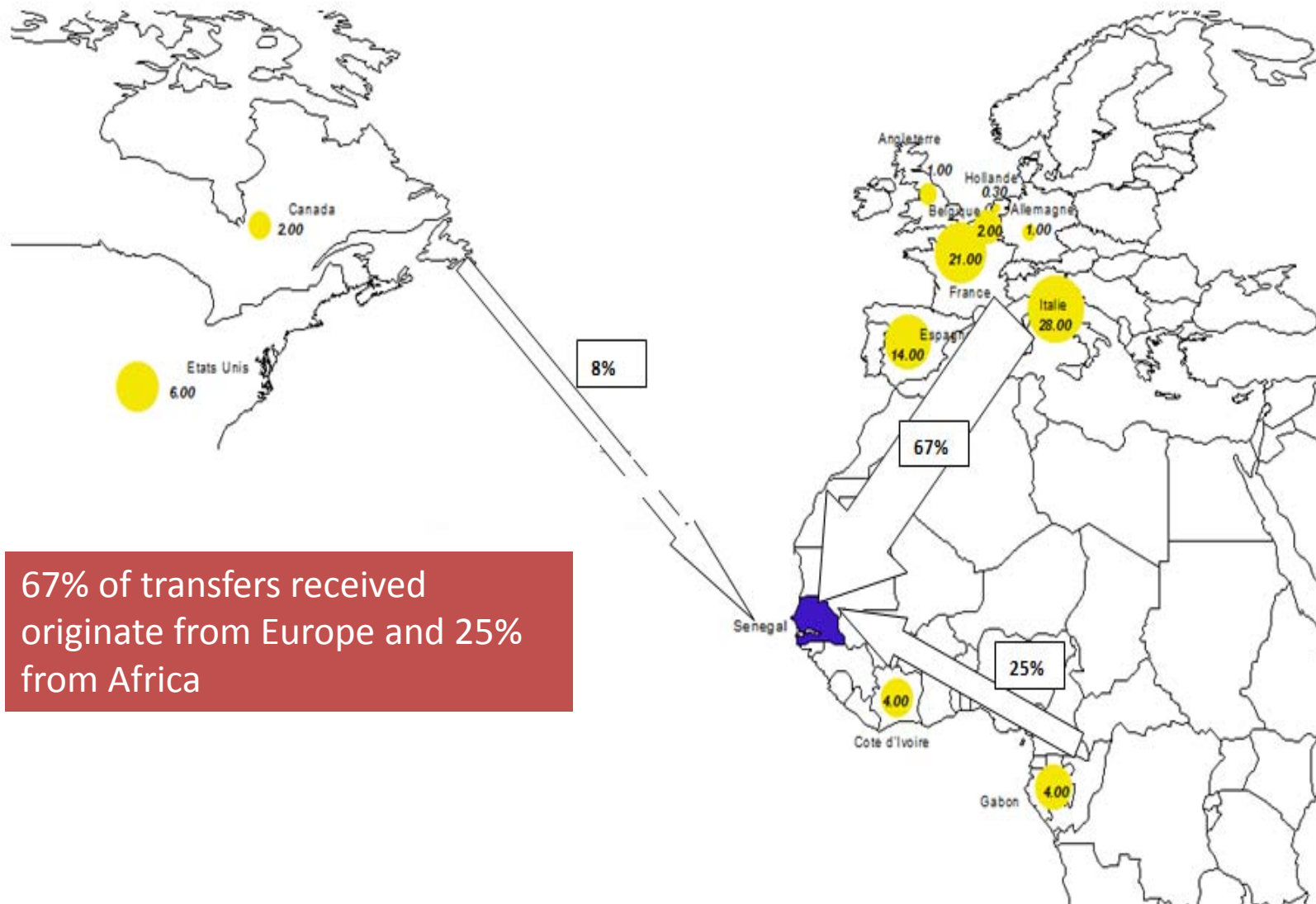
First and second demographic dividend in Senegal

Estimation of potential GDP growth , Source: ANSD Sénégal

CHALLENGE: Is Senegal's system of financing LCD sustainable?

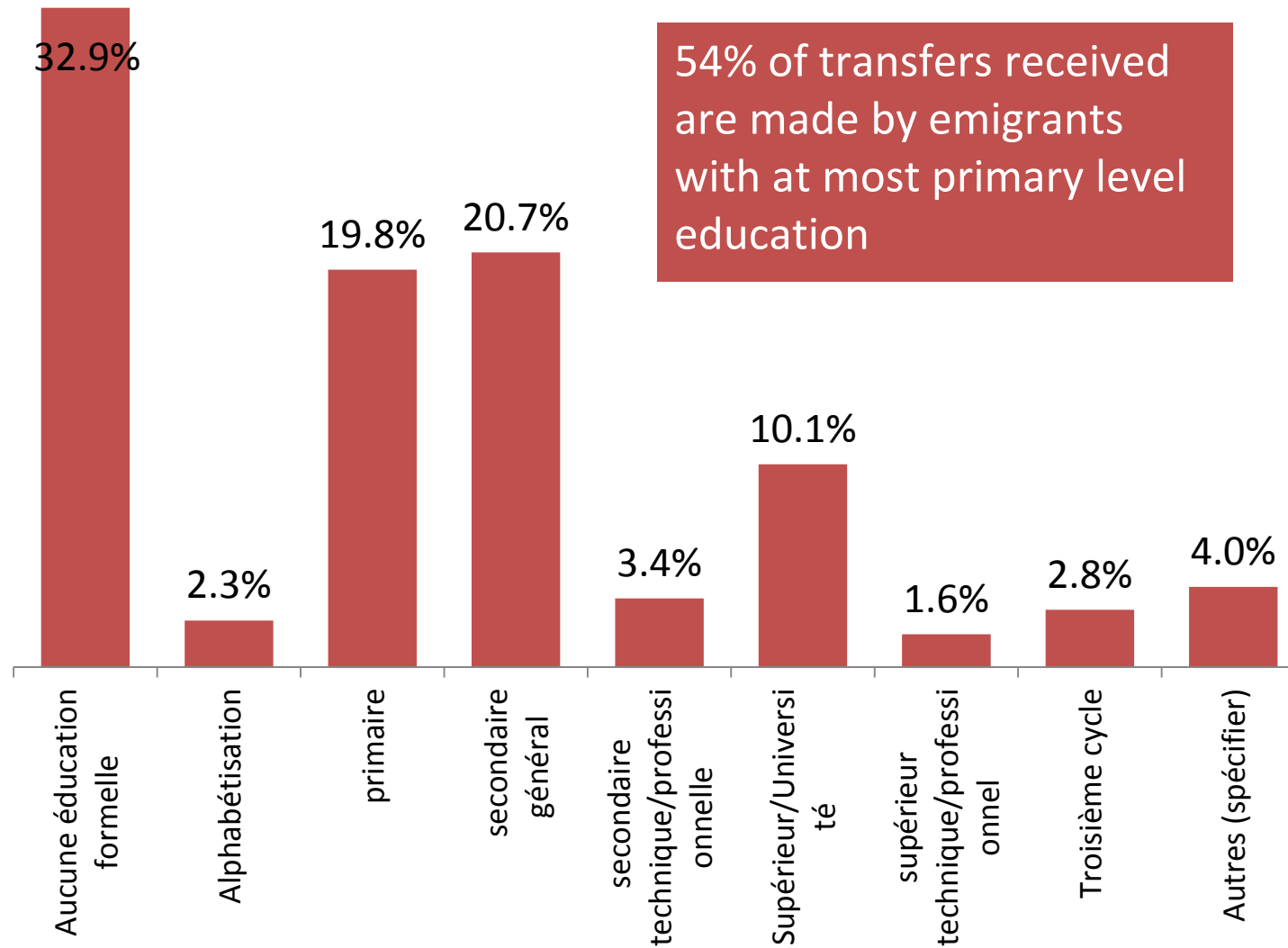
- The life cycle deficit represent 47% of GDP and is funded from two sources :
 - Reallocation of capital income
 - Net transfers
- Private transfers from diaspora are the primary source of funding, accounted for 94% of net transfers, while public transfers represent only 6%

Origin of transfers in Senegal



67% of transfers received originate from Europe and 25% from Africa

Transfers by emigrants' education level in Senegal



Source: Enquête sur les transferts de fonds des émigrés 2012, DMC, Ministère de l'Economie et des Finances, Sénégal

Sustainability of Nets Transfers in Senegal

- The sustainability of long-term transfer was studied on the basis of three scenarios:
 - 1- The first scenario is based on an assumption that net transfers will continue to grow at the average annual rate of 6.7% calculated for the period 2007-2010.
 - 2- The second scenario is based on an assumption that net transfers will grow at an average annual rate of 7.5%.
 - 3- The third scenario is based on an assumption that net transfers will grow at an average annual rate of 9%.

Sustainability of Nets Transfers in Senegal

Années	Transfers needed to finance the life cycle deficit (Billions of CFA)	<u>scenario 1</u>	<u>scenario 2</u>	<u>scenario 3</u>
		Assumption	Assumption	Assumption
		Average annual Growth rate: 1,067	Average annual Growth rate : 1,075	Average annual Growth rate : 1,09
2010	3553	565	565	565
2020	6213	1080	1164	1338
2030	9650	2064	2400	3166
2040	13088	3946	4946	7496
2050	16525	7545	10194	17746

Sustainability of Nets Transfers in Senegal

- It will take an average annual growth rate of 9%, much higher than the current rate of 6.7%, for net transfers to finance the lifecycle deficit in 2050
- These results show that transfers cannot sustainably finance the lifecycle deficit in the long term
- Indeed, the growth rate of transfers needed to cover the deficit is not consistent with the difficulties of the current international context:
 - Insecurity among emigrants (small jobs, difficult economic situation in Europe) reduces their chance to send money back to Senegal

Conclusion

- For Senegal to benefit from the first demographic dividend, from 2000 to 2040, requires a set of measures such as:
- Conduct a massive and sustained investment in education and health
- Promote of family planning and the fight against malnutrition
- Create jobs

Recommandations

- Is Senegal benefiting now from DD?
- Demographic and economic projections show us a very complex probable future ...
- Extend the estimation of NTA in other African countries in general and in Francophone Africa in particular
- Initiate a program or an international fund for DD research in Africa.

THANKS