



THE CONTRIBUTION OF KADUNA STATE TO CREATING AND HARNESSING DEMOGRAPHIC DIVIDEND IN NIGERIA: AN APPLICATION OF SUB-COUNTRY NATIONAL TRANSFER ACCOUNTS (NTA) APPROACH

**Olanrewaju Olaniyan
Akanni O. Lawanson
Noah Olasehinde
Stephen Dauda
Yusuf Auta**

Presented at the 2020 NTA Virtual Conference

August 2020



Introduction

- Nigeria, with a population of over 200 million, is the black most populous country in the world, and 7th globally.
- A federation of 36 States and Federal Capital territory
- sub-categorized into six geopolitical zones: (North Central, North East, North West, South East, South South, & South West)
- Kaduna is one of the seven States in the North West zone
- Kaduna has a population of about 8.4 million, representing 4.6% of Nigerian population

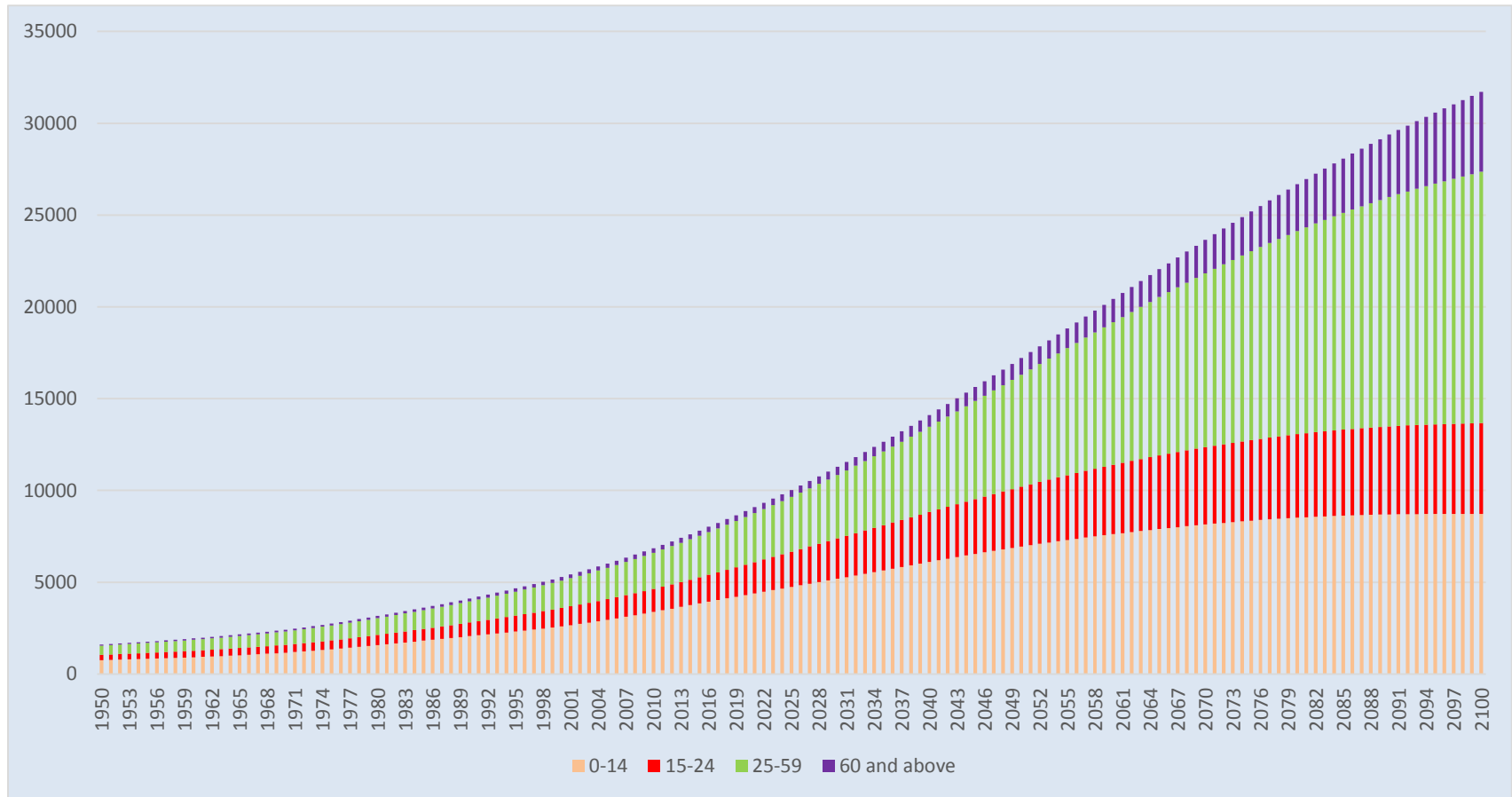


Introduction

- Population growth rate of 3.2 %
- Projected to reach 12.96 million by 2030
- About 46.1% and 80% of population are below 15 years and below 35 years, respectively
- High TFR of 5.9% compared to national average of 5.3%
- Low contraceptive use of 13 percent of women aged 15-49 years



Projected Population Age Structure of Kaduna State, 1950-2100

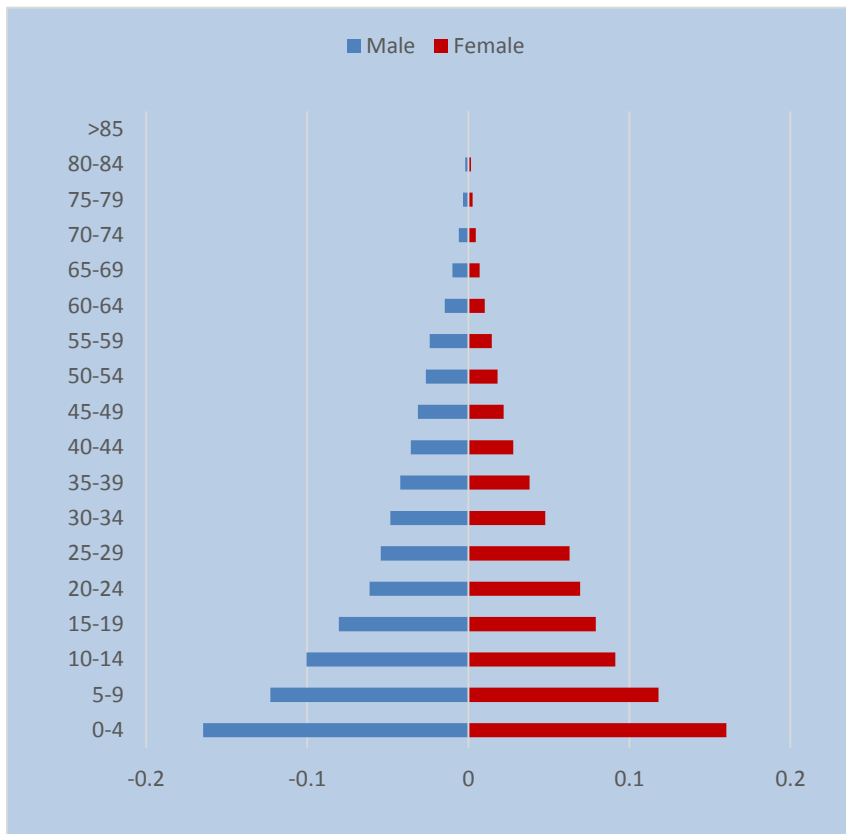




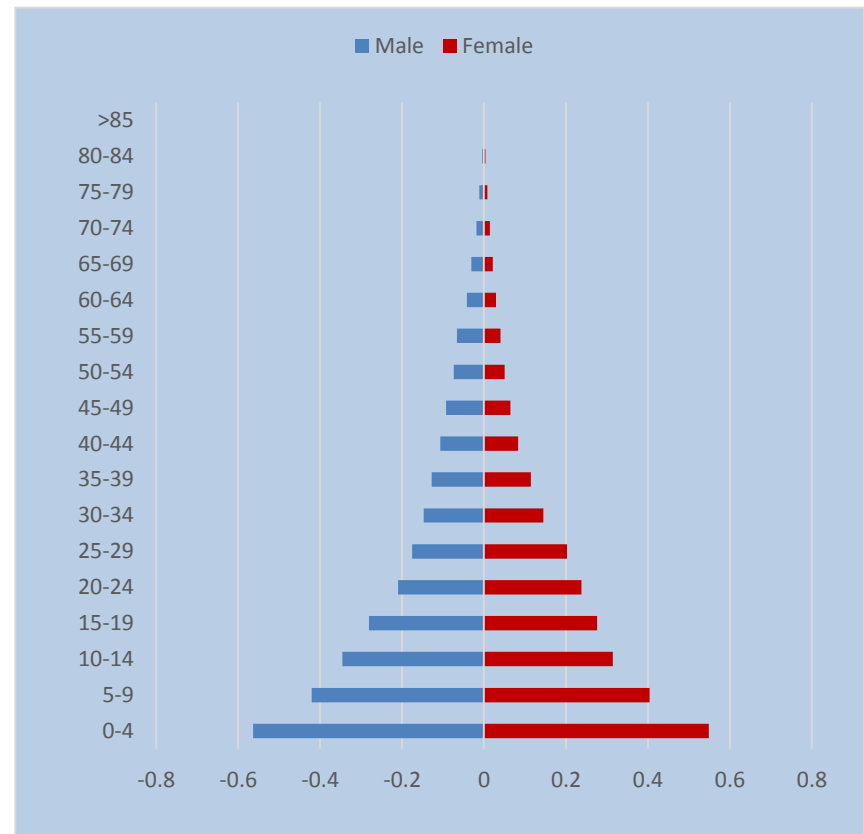
Population Pyramids of Kaduna State (1950-2100)



1950



2000

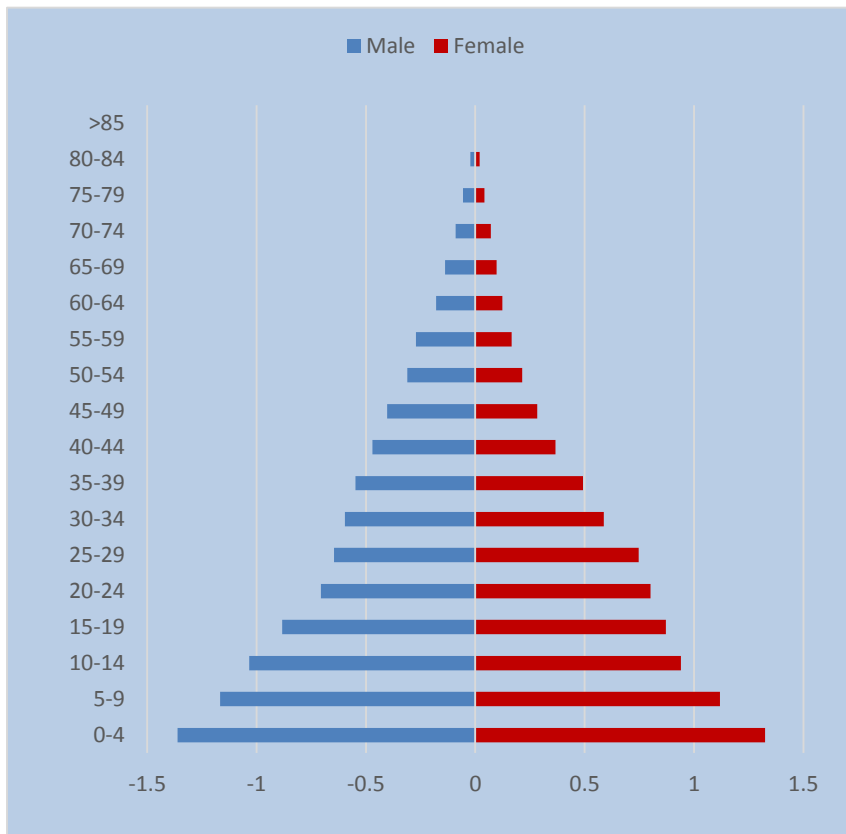




Population Pyramids of Kaduna State (1950-2100)



2050



2100





Methodology



- NTA Approach
- Lifecycle deficit as addition of asset-based reallocation, net public transfer and net private transfers.
- Data:
 - The State GDP and actual budget expenditure for 2017
 - Kaduna Population figure by age distribution.
 - National household survey data
- Data Source
 - obtained from the Kaduna State Bureau of Statistics.
 - National Bureau of Statistics.



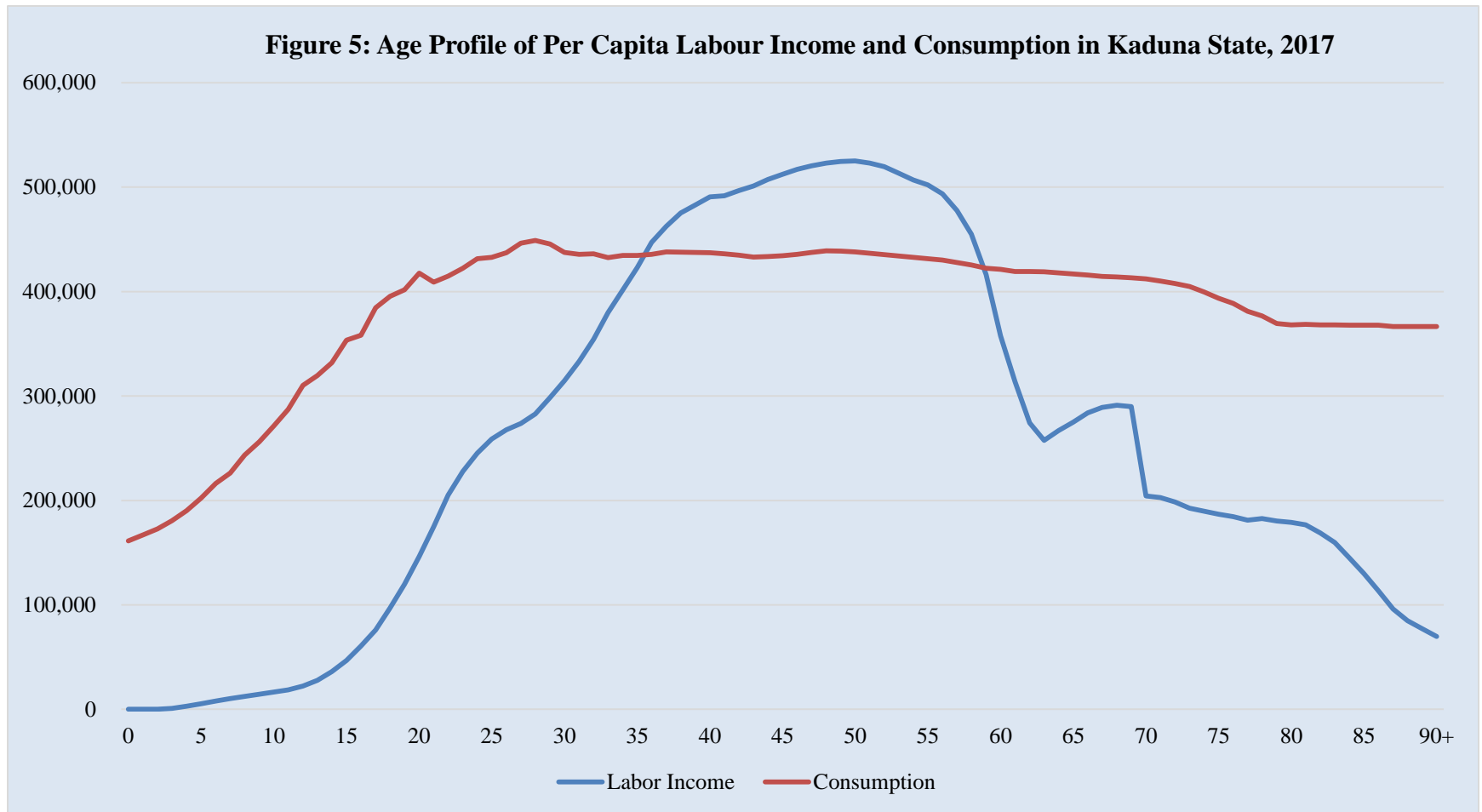
Results: Economic Lifecycle Deficit in Kaduna State



- consumption expenditures are greater than labour income at:
 - ages 0 – 35 years old (youth dependency),
 - ages above 58 years old (old age dependents).
- Surplus only between ages 36 to 58 years,
- Lifecycle surplus length period of 23 years.
- Lifecycle deficit:
- Youth: 1.41 trillion Naira
- Elderly: 42.85 billion Naira
- Surplus generated: Around 72.21 billion.
- Total State Lifecycle deficit: #1.38 trillion Naira.



Age Profile of Per Capita Labour Income and Consumption in Kaduna State, 2017

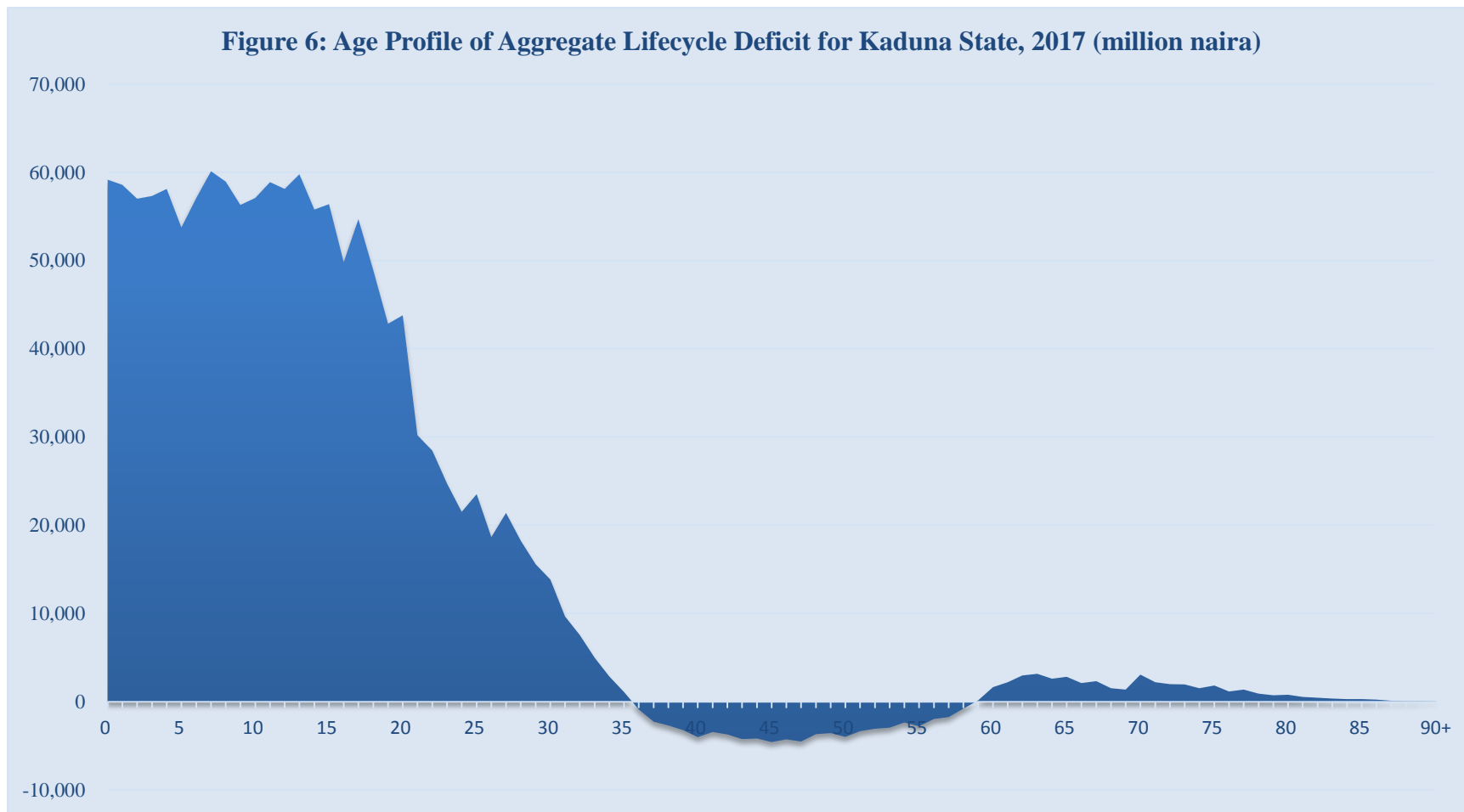




Age Profile of Aggregate Lifecycle Deficit for Kaduna State, 2017 (Million Naira)



Figure 6: Age Profile of Aggregate Lifecycle Deficit for Kaduna State, 2017 (million naira)

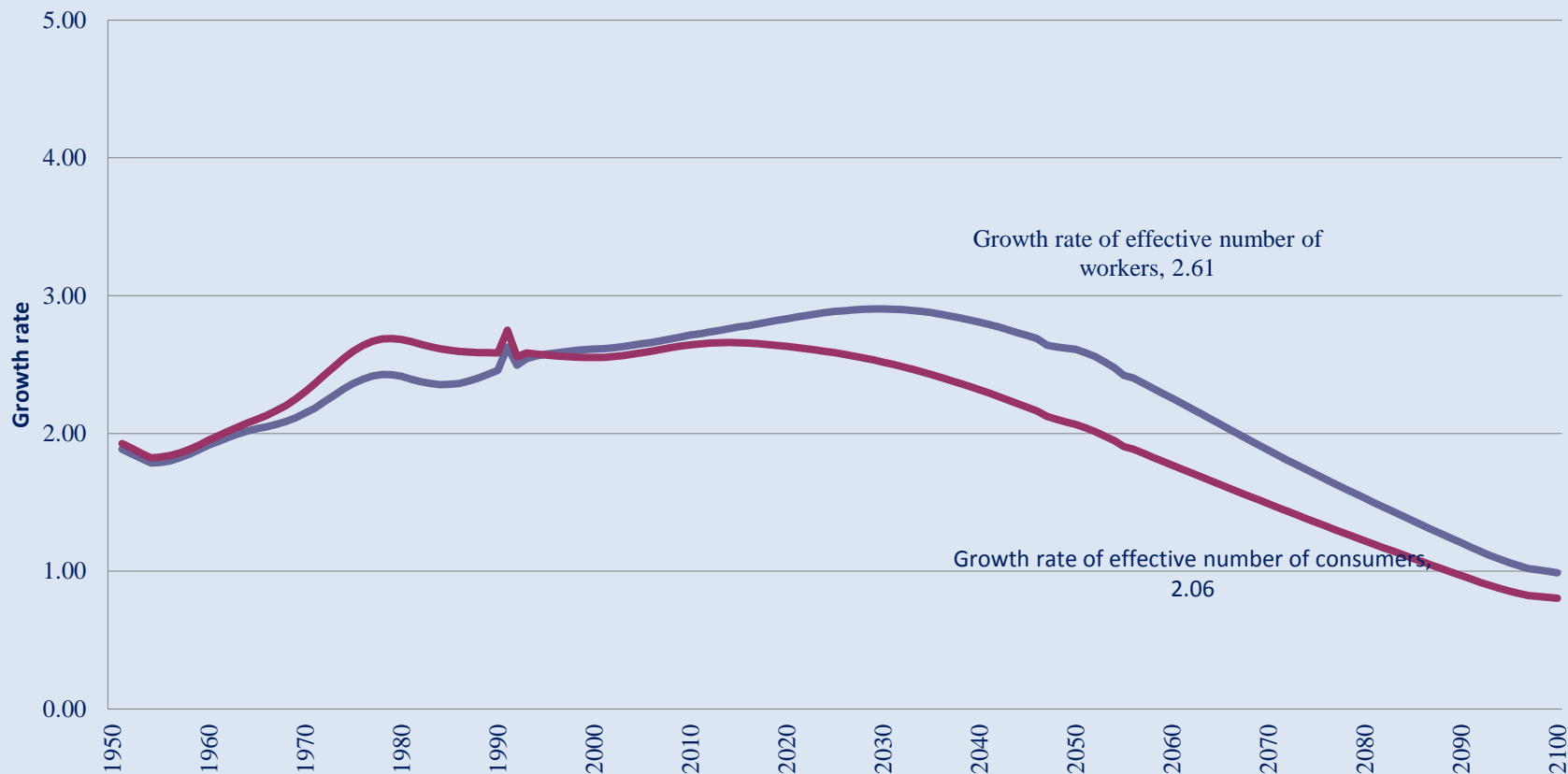




Results: Growth Rates of Effective Producers and Effective Consumers in Kaduna State, 1950-2100



Figure 7: Growth Rates of Effective Producers and Effective Consumers in Kaduna State, 1950-2100

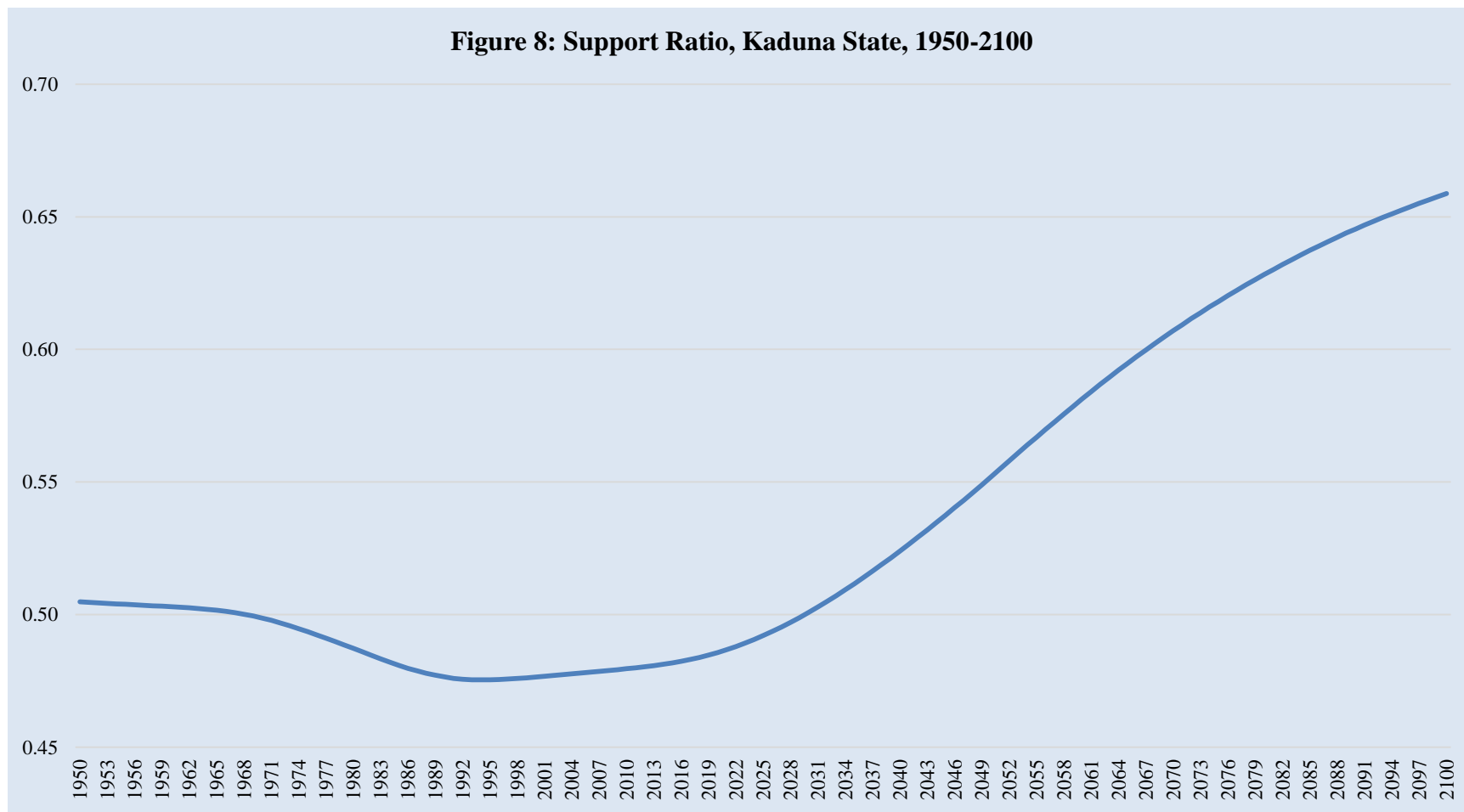




Results: Support Ratio in Kaduna State, 1950 – 2100



Figure 8: Support Ratio, Kaduna State, 1950-2100





First Demographic Dividend in Kaduna State, 1950 – 2100

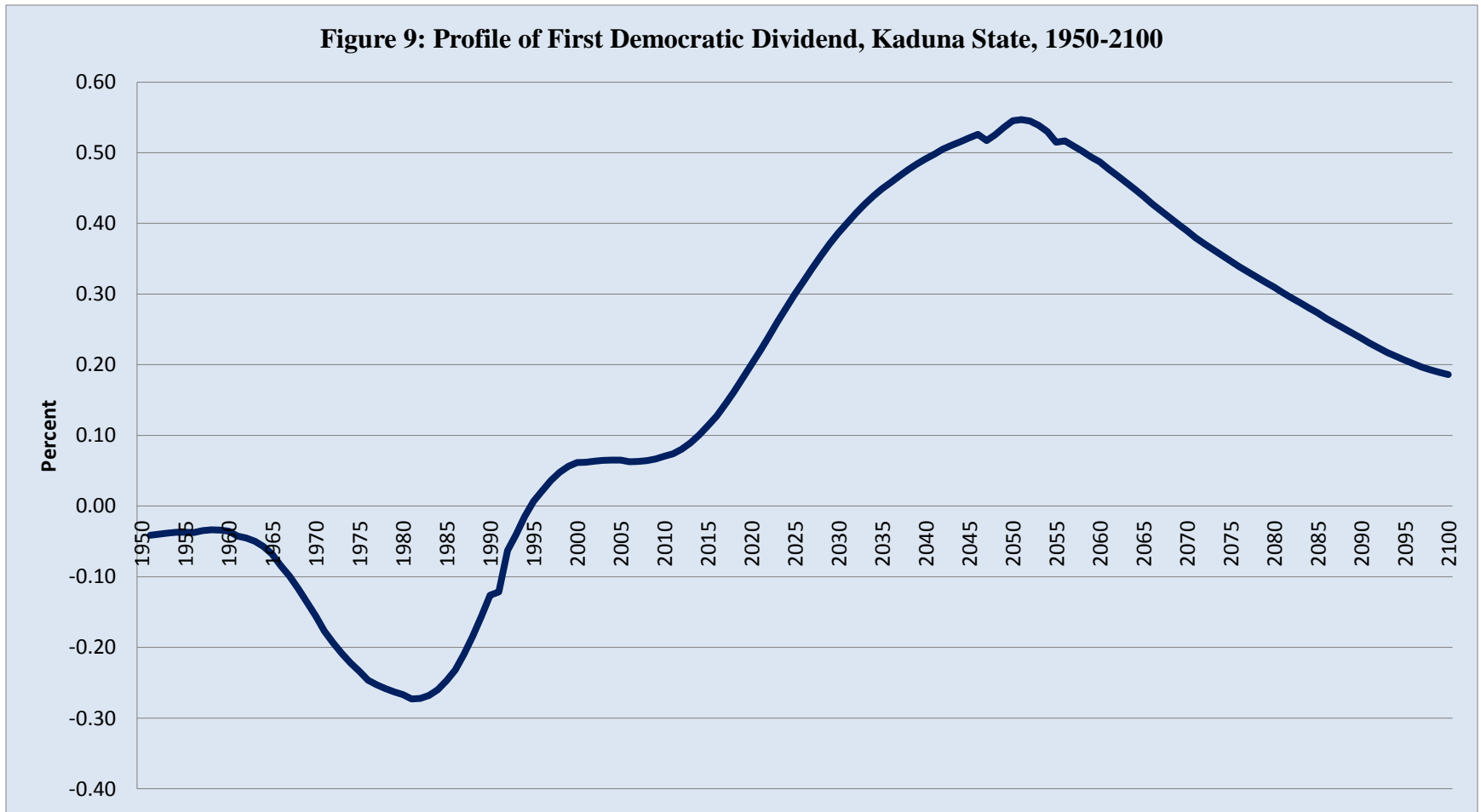


- Growth rate of the support ratio turned positive in 1995
- Signaling the opening year of the window of economic growth opportunity in Kaduna State.
- The increasing positive trend to remain till peak year 2051



Profile of First Democratic Dividend, Kaduna State, 1950-2100

Figure 9: Profile of First Democratic Dividend, Kaduna State, 1950-2100





First Demographic Dividend in Kaduna State, 1950 – 2100



- Translating the opportunity into economic growth reality requires vigorous implementation of investments in health, education, economy and good governance
- The productivity of young adults depends on:
 - schooling decisions,
 - employment practices,
 - the timing and level of childbearing, and
 - policies that make it easier for young parents to work.
- Sufficient job opportunities should be created to enlarge the population of effective producers.



Comparison of Lifecycle Surplus in Kaduna State and Nigeria



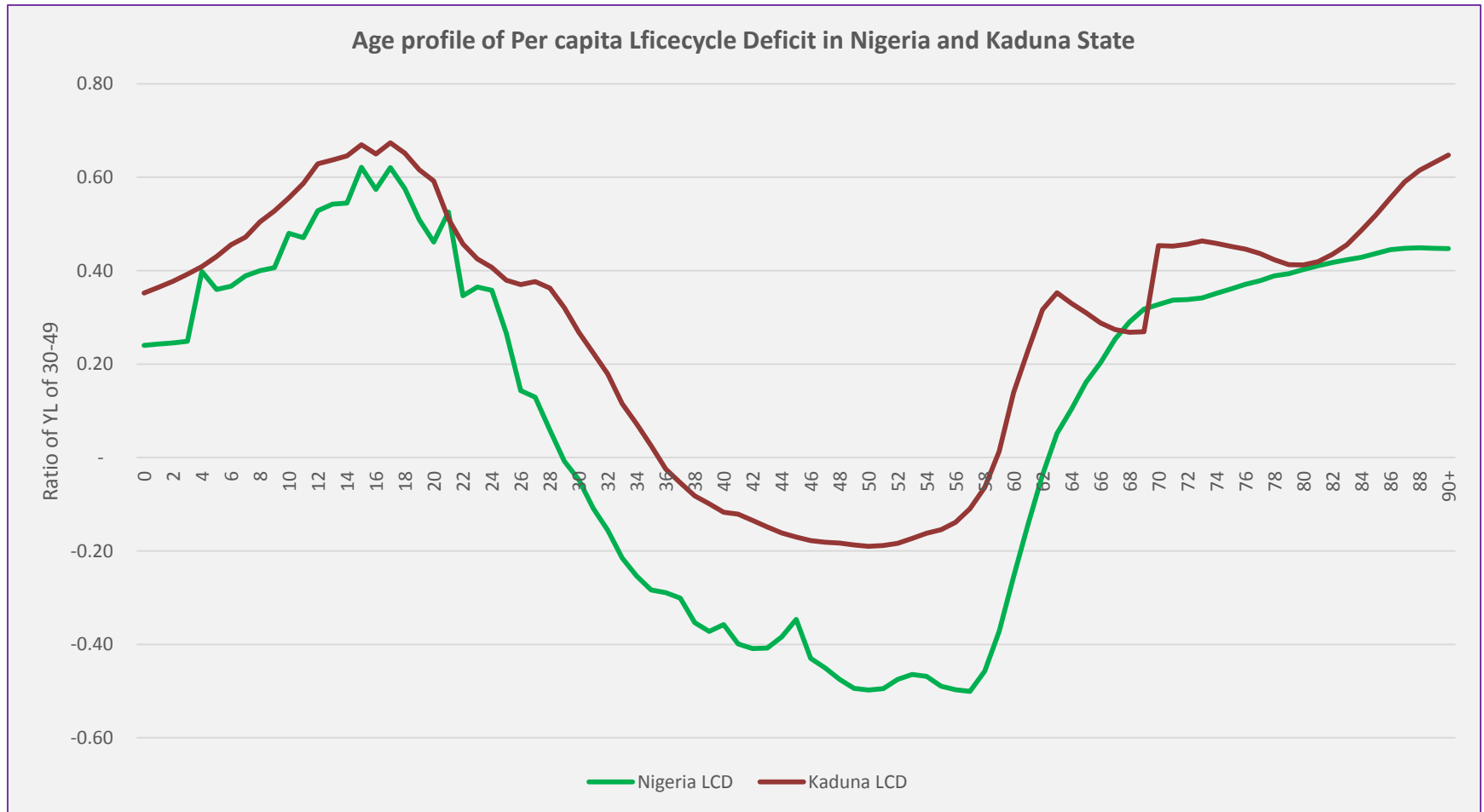
	Kaduna State	Nigeria
Age lifecycle surplus Started	36	29
Age lifecycle surplus Ended	58	62
Length of year for lifecycle surplus	23	33



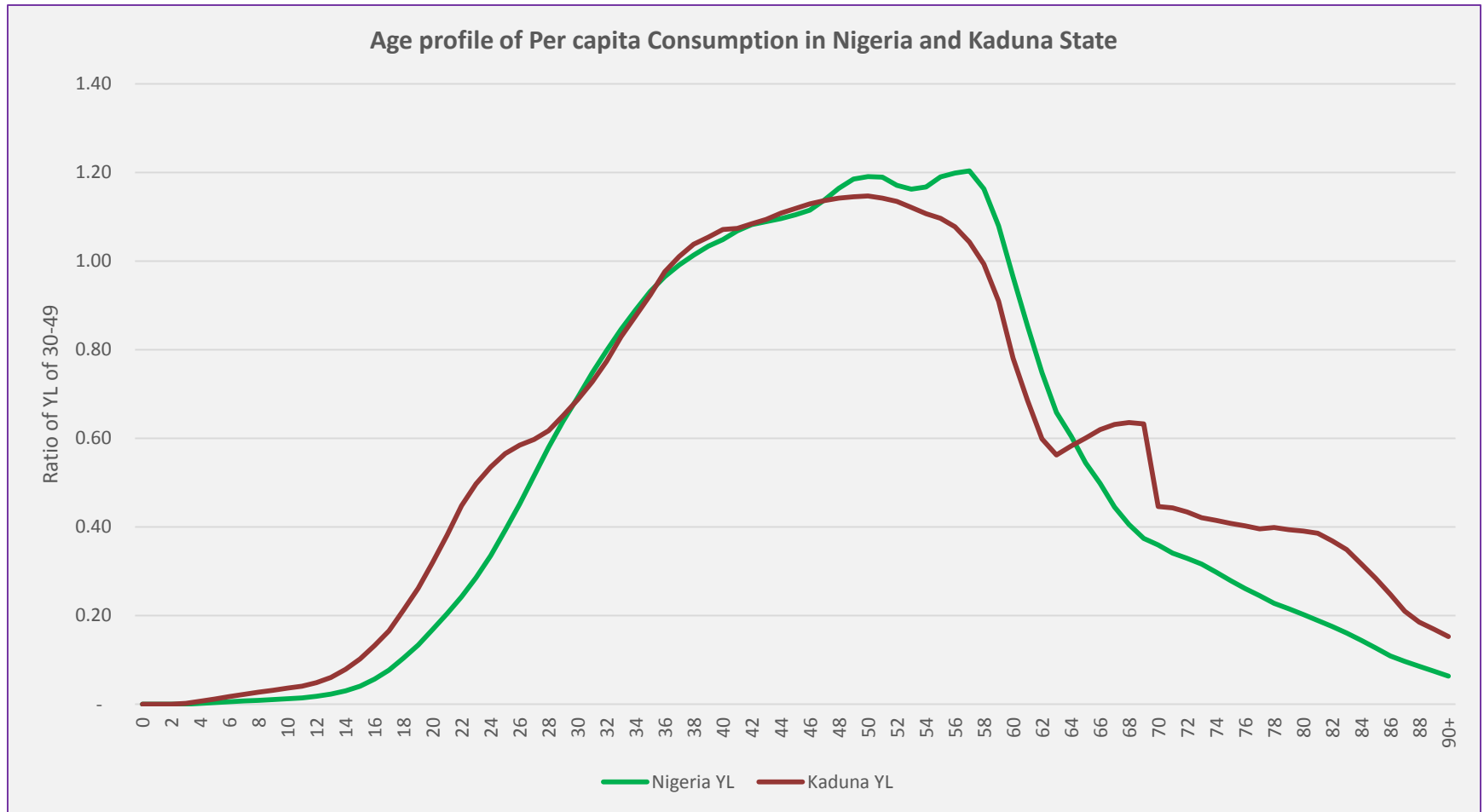
Population and Aggregate Lifecycle Deficits by Age Groups in Kaduna State and Nigeria

Age Group		0-17	18-35	36-55	56-60	60+	Total
Population ('000)	Kaduna	4,558	2,145	1,110	143	253	8,209
	Nigeria	85,614	54,476	27,099	3,961	8,057	179,207
Kaduna Population as %age of Nigeria's		5.3%	3.9%	4.1%	3.6%	3.1%	4.6%
LCD	Kaduna	1,029.15	379.84	-64.71	-2.36	33.79	1,375.71
	Nigeria,	31,982.89	9,715.23	-9,852.95	-1,336.68	1,351.58	31,860.07
Kaduna LCD as %age of Nigeria's		3.2%	3.9%	0.7%	0.2%	2.5%	4.3%

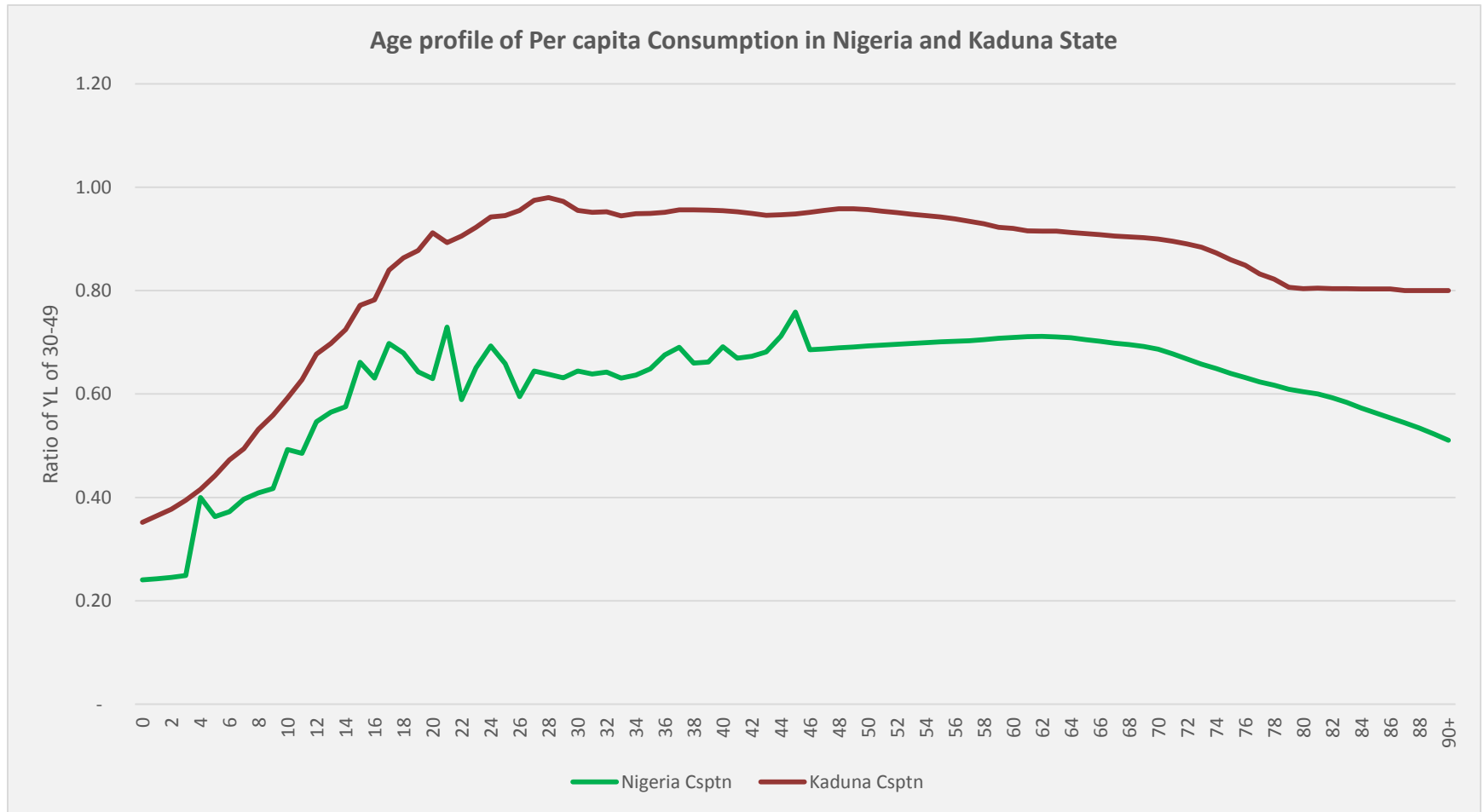
Comparison of Kaduna and Nigeria



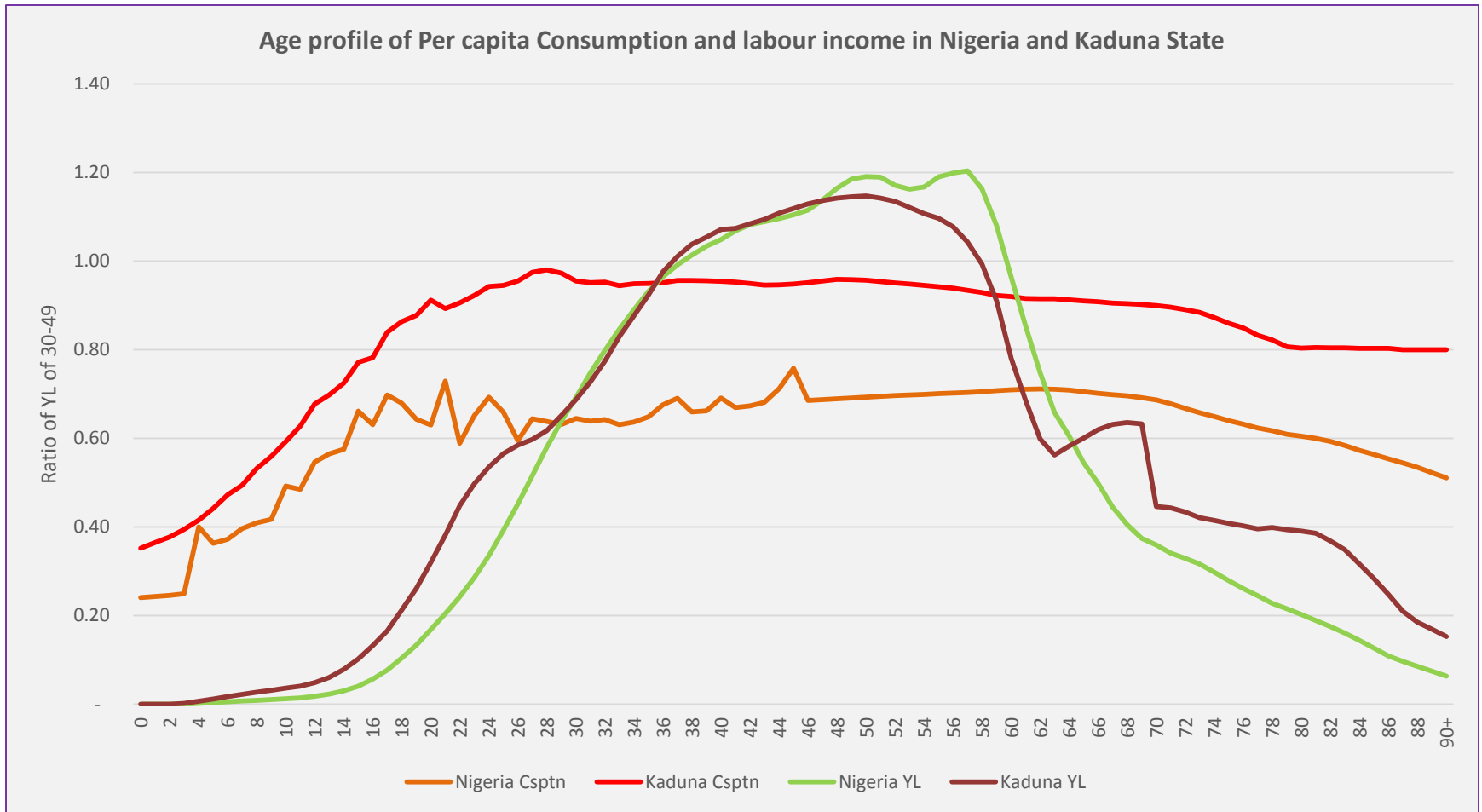
Comparison of Kaduna and Nigeria



Comparison of Kaduna and Nigeria



Comparison of Kaduna and Nigeria



Conclusion

- DD Estimate for Kaduna State is the first sub-national estimate in Nigeria
- More than 81 per cent of the population under the age of 35 years
- TFR of 5.9 percent however declining
- The Lifecycle Deficit for the State is about 1.38 Trillion Naira (4.3% of National LCD)
- The window of opportunity has opened in the last two and half decades
- The first DD will reach its peak by 2050
- The lifecycle surplus for the State is only sufficient to offset less than less than 47 per cent of the combined lifecycle deficits from children and elderly.

Policy implications

- Greater effort is required to drastically bring down the total fertility rate
 - Ensure increased uptake of modern contraceptive methods
 - Discourage early marriage, by keeping children in school
 - Promote girl-child education
- To reap the DD, human capital development should be given priority place
 - Greater investment in health
 - Addressing the out-of-school incidence in the State
- Job creation should be enhanced through ensuring existence of enabling economic environment.
- Stem-down banditry incidence through engagement of youth in productive activities

- THANKS FOR YOUR ATTENTION