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

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Introduction

• Nigeria, with a population of over 200 million, is the black most populous country in the world, and 7\textsuperscript{th} 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)
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.
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

Figure 5: 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

Growth rate of effective number of workers, 2.61
Growth rate of effective number of consumers, 2.06
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

<table>
<thead>
<tr>
<th></th>
<th>Kaduna State</th>
<th>Nigeria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age lifecycle surplus Started</td>
<td>36</td>
<td>29</td>
</tr>
<tr>
<td>Age lifecycle surplus Ended</td>
<td>58</td>
<td>62</td>
</tr>
<tr>
<td>Length of year for lifecycle surplus</td>
<td>23</td>
<td>33</td>
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</tbody>
</table>
## Population and Aggregate Lifecycle Deficits by Age Groups in Kaduna State and Nigeria

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

Age profile of Per capita Lifecycle Deficit in Nigeria and Kaduna State

- Nigeria LCD
- Kaduna LCD
Comparison of Kaduna and Nigeria

Age profile of Per capita Consumption in Nigeria and Kaduna State

Nigeria YL
Kaduna YL
Comparison of Kaduna and Nigeria

Age profile of Per capita Consumption in Nigeria and Kaduna State
Comparison of Kaduna and Nigeria

Age profile of Per capita Consumption and labour income in Nigeria and Kaduna State

- Nigeria Csptn
- Kaduna Csptn
- Nigeria YL
- Kaduna YL
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