

IMPLEMENTING NTA FOR SENEGAL : OVERVIEW OF THE PROGRESS

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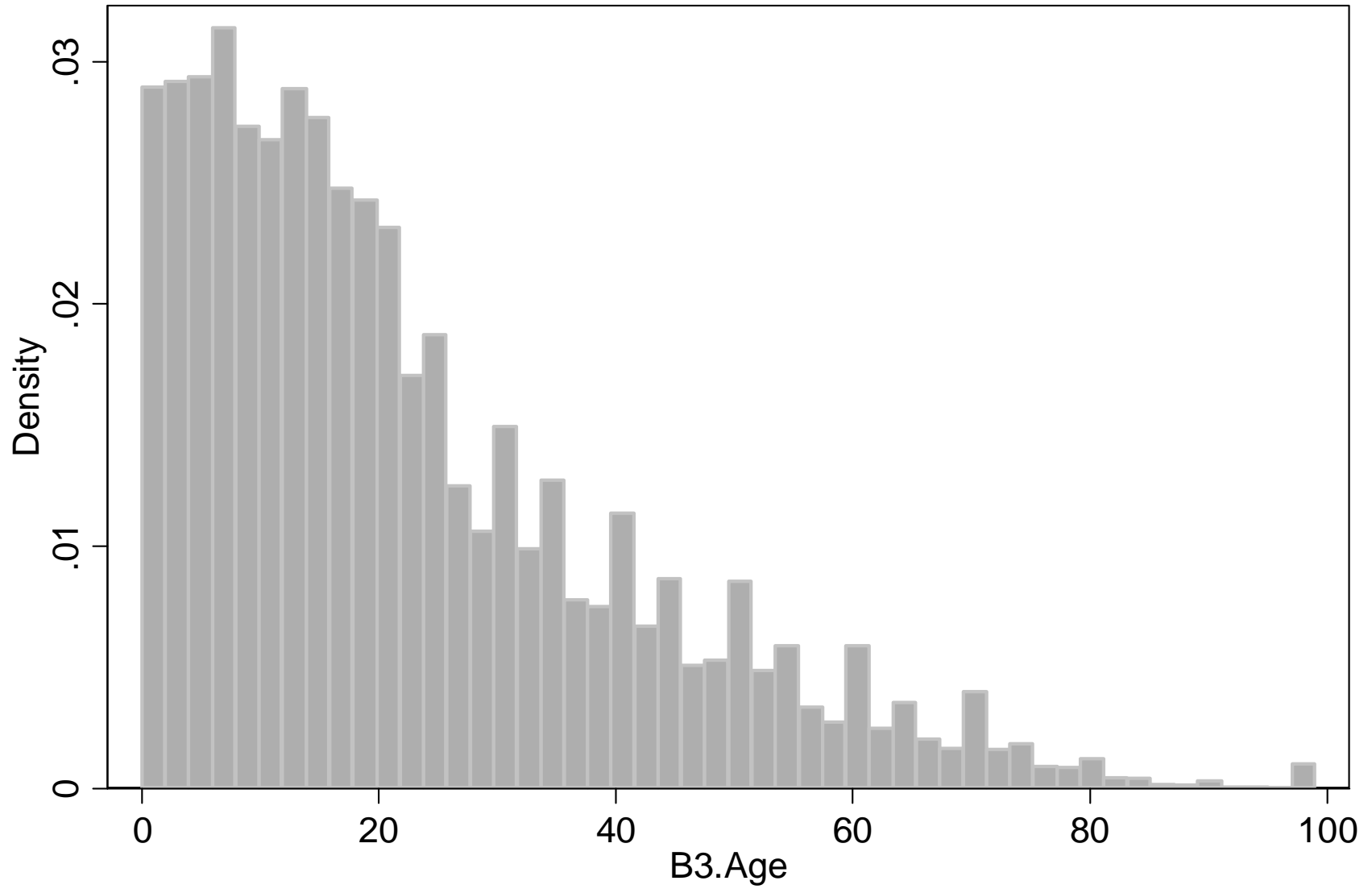
BRIEF INTRODUCTION OF SENEGAL

- LOCATION: WEST OF AFRICA FACING THE US
- SIZE: 197,000 km sq
- POPULATION: 12,000,000
- CURRENCY: Franc CFA (1US\$=500FCFA)

SOME FIGURES (ESPS-2005)

- 55% of the population is less than 20
- The elderly (+65) are less than 4%
- Support ratio is about $\frac{1}{4}$
- The global health situation has improved (access to health services, costs, etc.) since 1960

STRUCTURE OF POPULATION (SENEGAL -2005)



COMMENTS ON POPULATION STRUCTURE FOR SENEGAL

- Population is very young (55% under 20)
- A drop around 28 (cohort : 1980): progressive decrease of natality
- Life expectation: still short but improving with medical progress and access to health infrastructure
- Features of demographic transition?

WHAT ARE WE LOOKING FOR

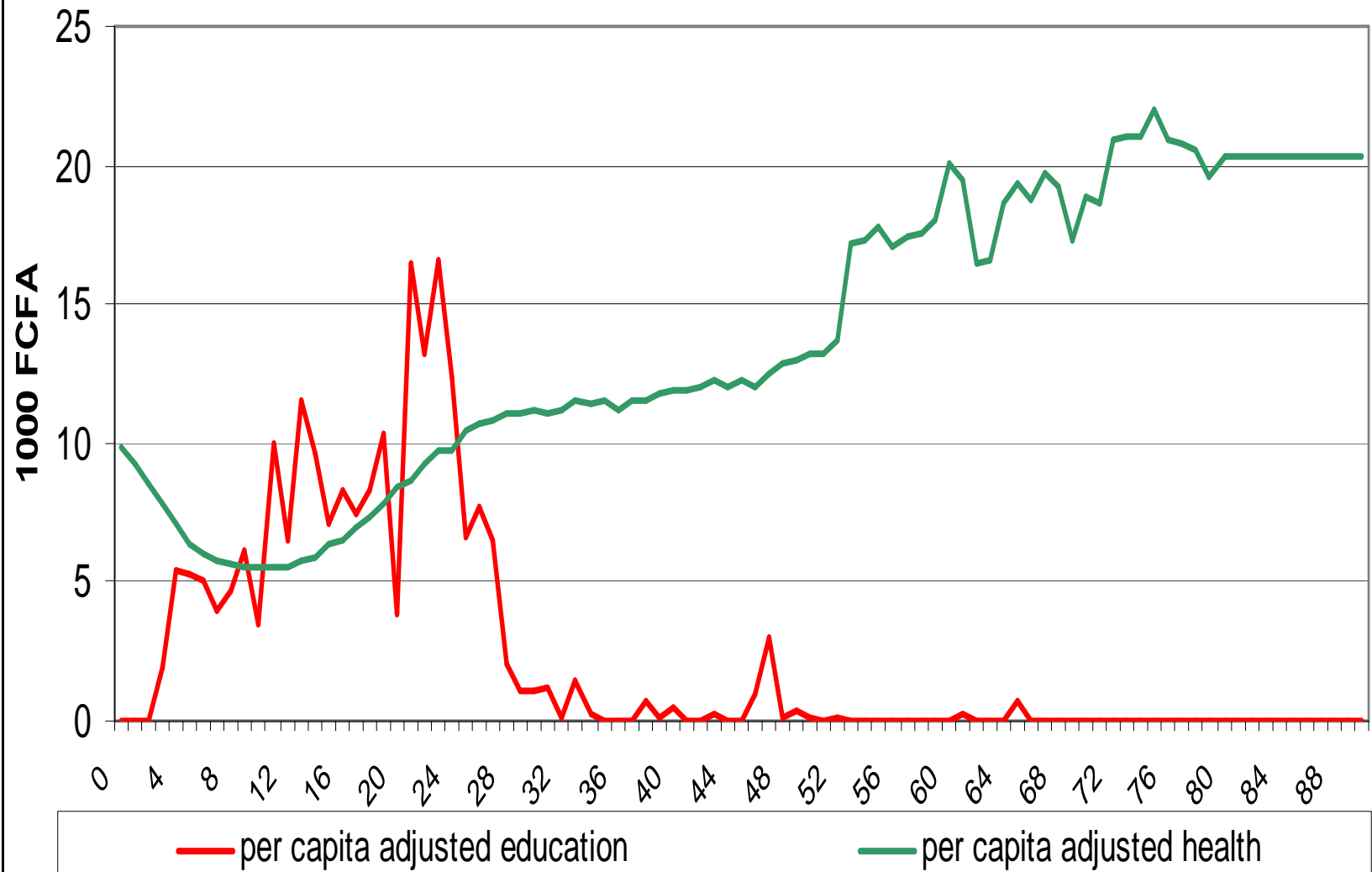
- i) Show the impact of age structure on growth for Senegal (dividend)
- ii) Understand how the deficit is financed for Senegal

METHODOLOGY

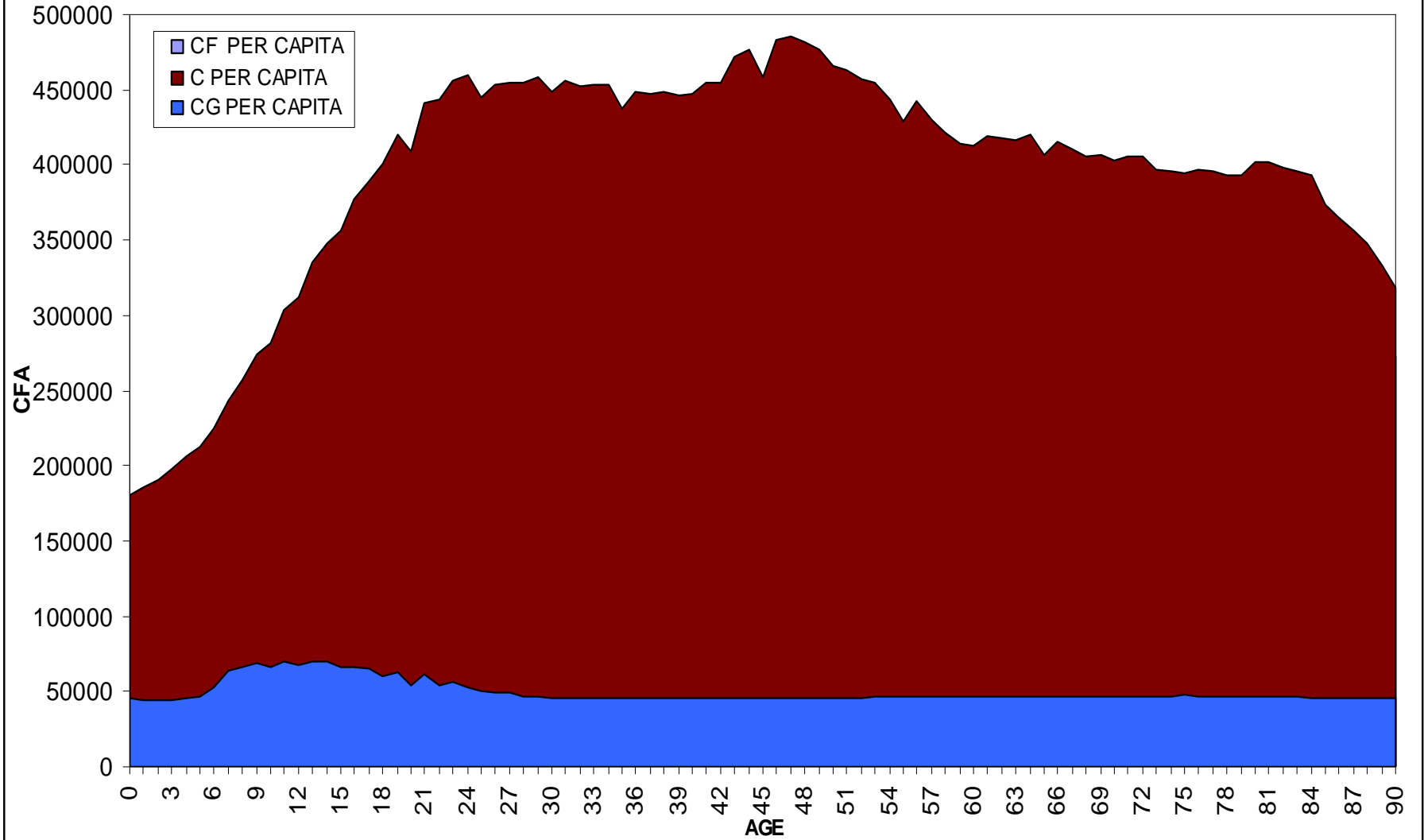
- 1) Construct the NTA profiles for Senegal
- 2) Construct the LCD for Senegal (flow identity)
- 3) Calculate the demographic dividends which show the impact of age structure on growth for Senegal
- 4) Construct the second part of the flow identity that will allow understanding how the deficit is financed

I - NTA PROFILES

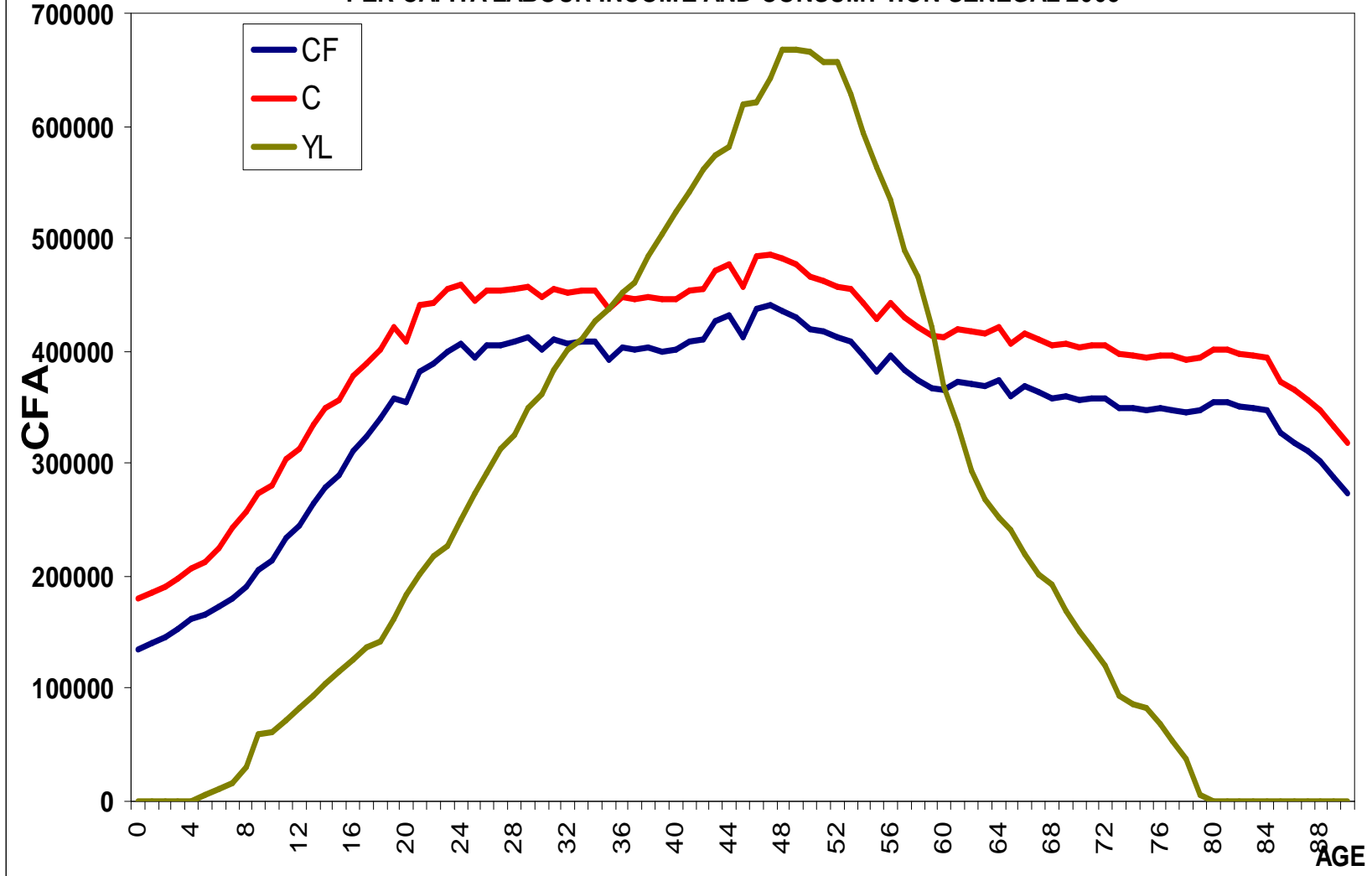
Private consumption for health and education (SENEGAL -2005)



Consumption, Public and Private Per Capita, Senegal 2005



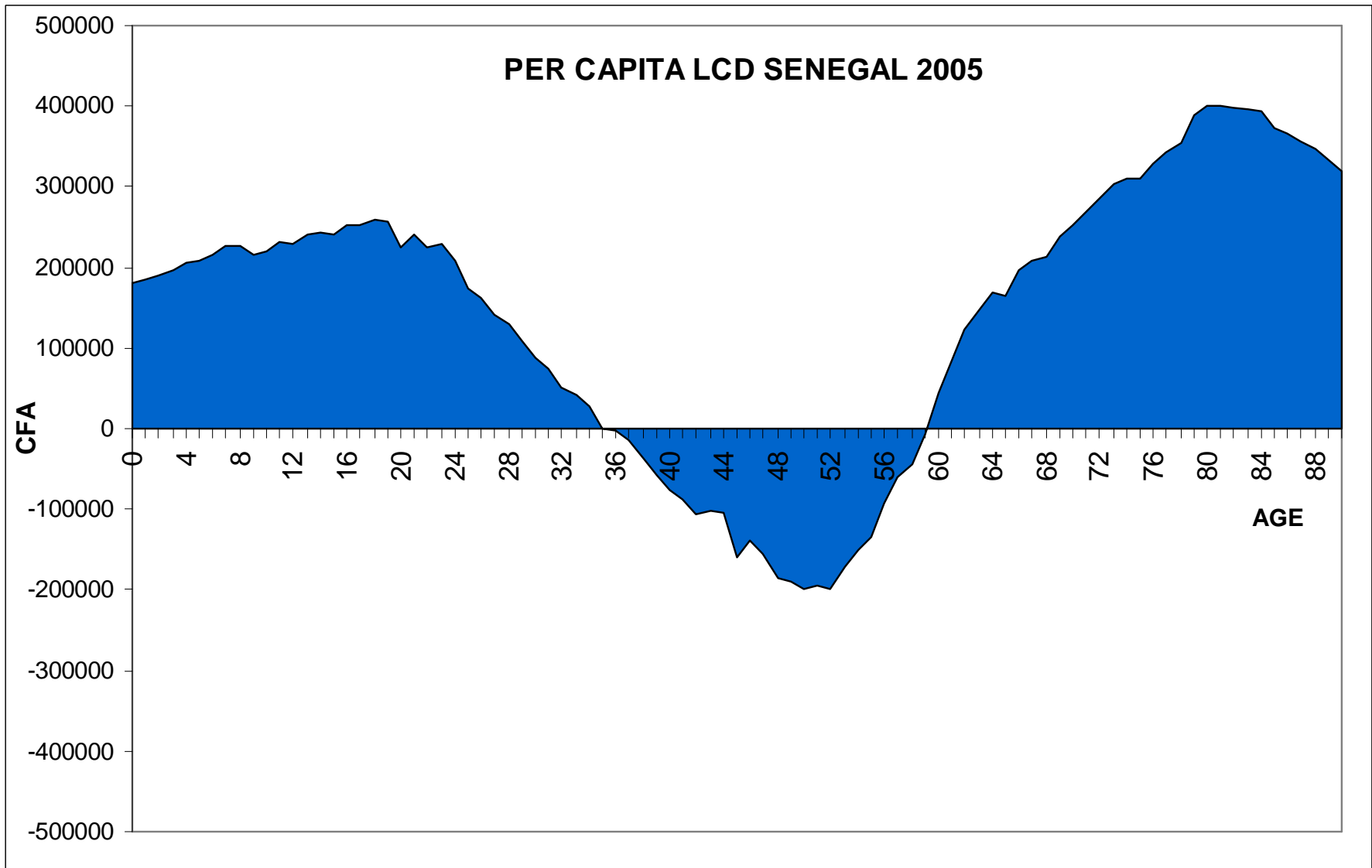
PER CAPITA LABOUR INCOME AND CONSUMPTION SENEGAL 2005

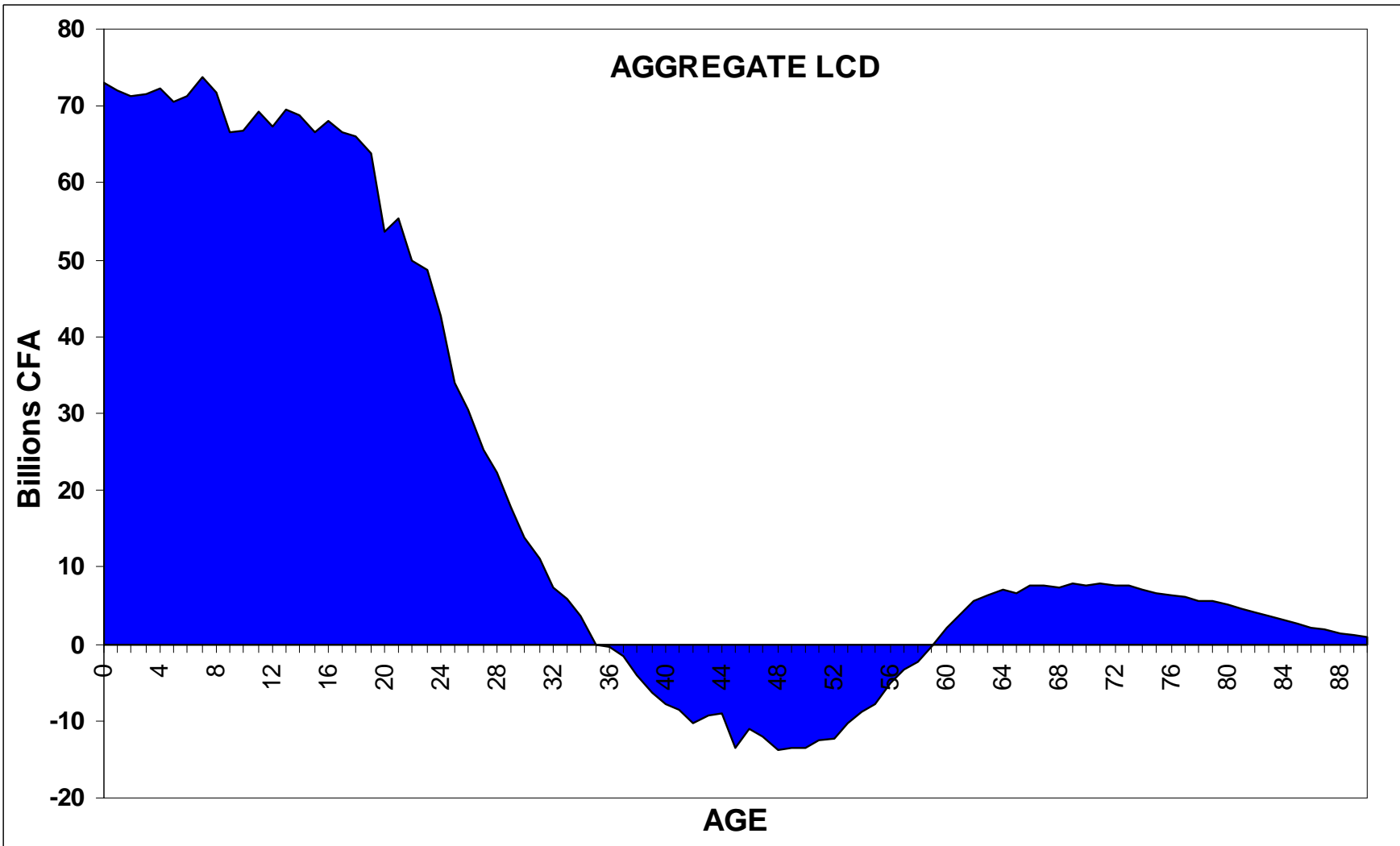


COMMENTS ON THE PER CAPITA PROFILE

- Private consumption are much more larger than public one
- Individuals between 35 and 60 get surplus (data, weakness of wages in comparison of the cost of life)
- Presence of child labor

II - LCD PROFILES



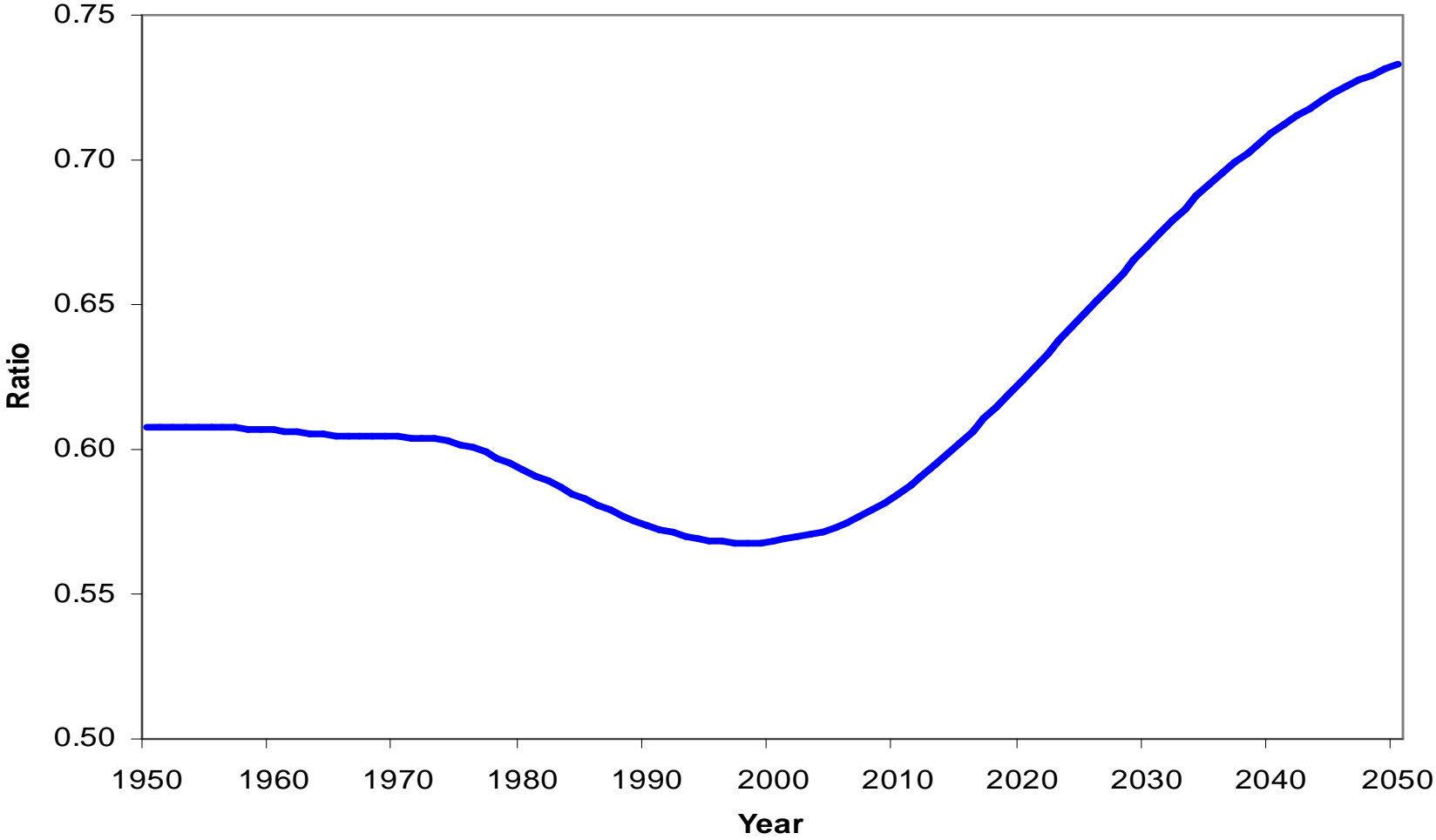


COMMENTS ON THE LCD PROFILE

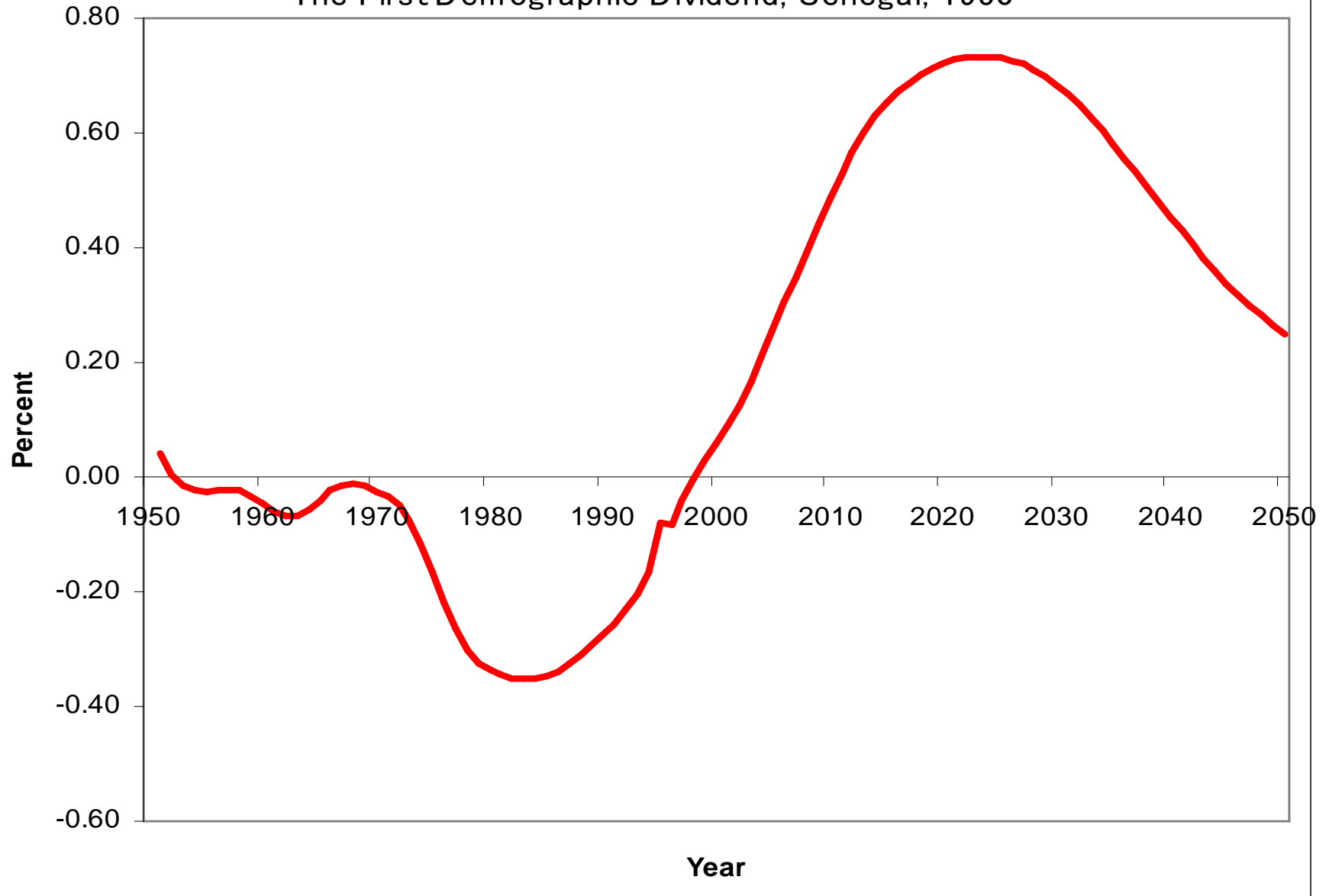
- The impact of age structure is strong: the young consume much more than the elderly and the surplus is small! What are the effects on growth?
- The aggregate surplus is small and the aggregate deficit is really big! How the deficit is financed? (private or public)

III – IMPACT OF AGE STRUCTURE

Economic Support Ratio, Senegal 1950-2050



The First Demographic Dividend, Senegal, 1950–



COMMENTS ON SUPPORT RATIO

- The support ratio (L/N) decrease from 1975 to 2000: N is growing faster (improvements of life conditions)
- The growth of L/N indicates the gain on economic growth due to age structure:
 - The first dividend is enjoyed since 2000
 - the pic is in 2025, almost 0.8% of economic growth will be due to age structure
 - In 2010, almost 0.5% is due to age (the prediction of growth for 2010 varies between 1.5% and 2.3%)

III – HOW THE DEFICIT IS FINANCED

TRANSFERS PROFILES

PUBLIC TRANSFERS

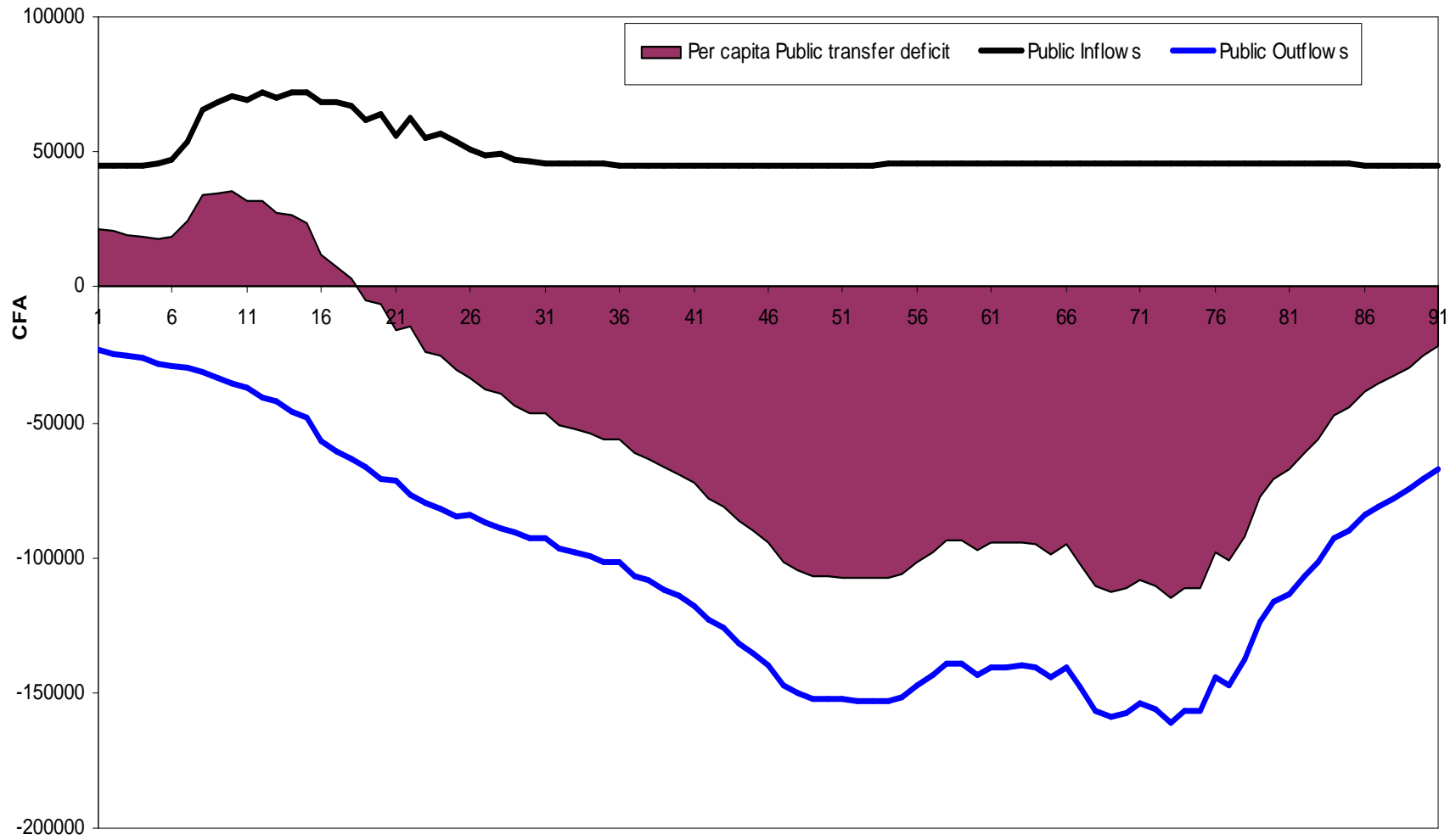
PRIVATE TRANSFERS:

- INTER HOUSEHOLD TRANSFERS
- INTRA HOUSEHOLD TRANSFERS

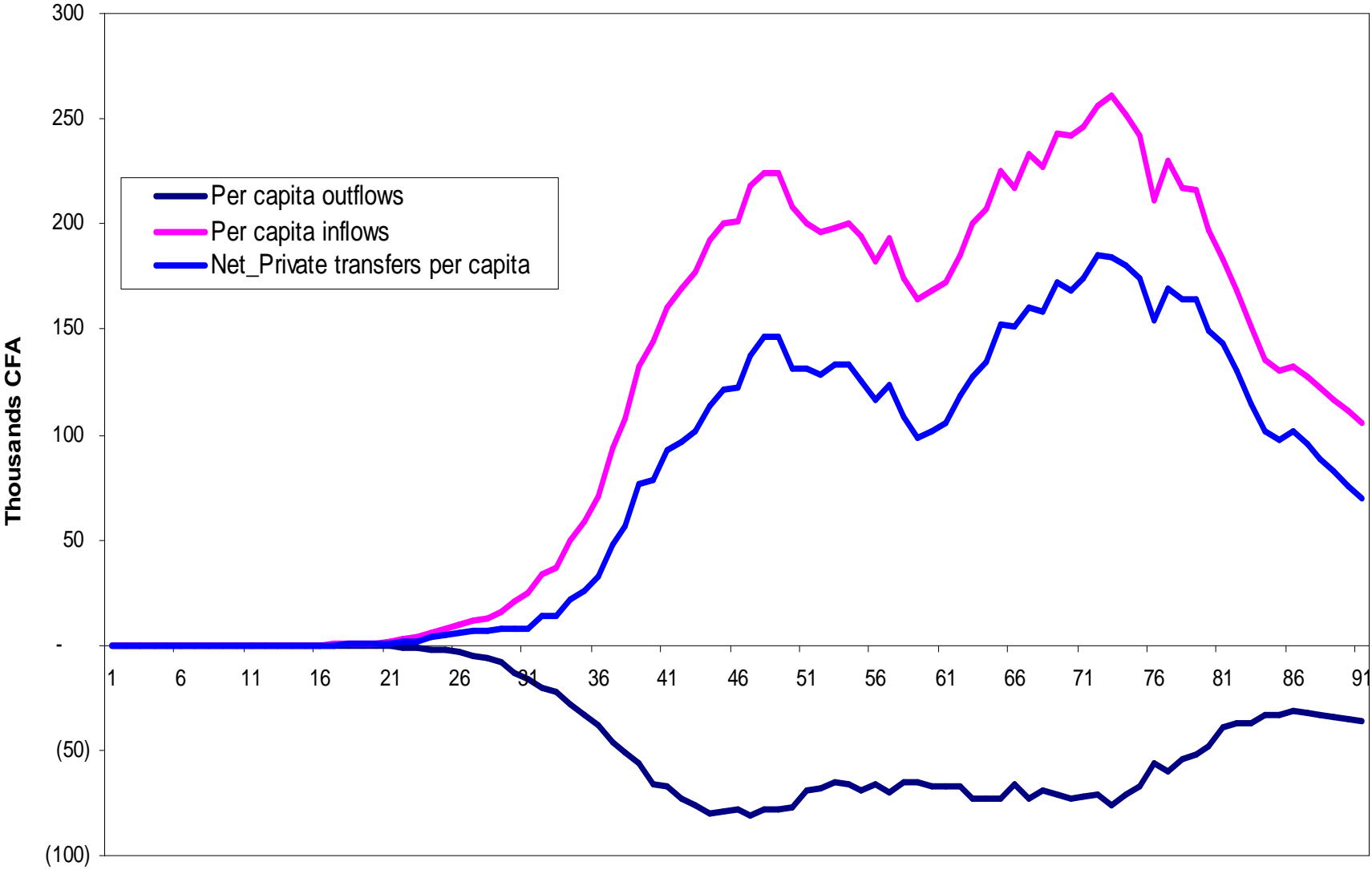
MACRO CONTROLS FOR PUBLIC TRANSFERS

	2005	
PUBLIC TRANSFERS OUTFLOWS	639.2	
Taxes Directs	237.4	Corporate taxes
Impot sur les sociétés	102.2	
Impôt sur la propriété	23.2	Property Taxes
Impôts sur le revenu des ménages	112	Workers taxes
Indirects taxes	613.3	SALES TAXES
TVA	286.3	VAT
Commerce extérieur	327.0	IMPORT TAXES SUBSIDIES
PUBLIC TRANSFERS DEFICIT OR SURPLUS	-211.5	
PUBLIC TRANSFER INFLOWS	639.2	
INKIND TRANSFERS	605	CG
Education	113.1	CGE
Sante	22.6	CGH
Autres	469.3	CGX
CASH TRANSFERS	34.2	
Sécurité Social	9.2	cash transfer
Bourse et autres	25	GRANTS

PUBLIC TRANSFERS PER CAPITA



INTERHOUSEHOLDS TRANSFERS



BRIEF REMARKS ON TRANSFERS PROFILES

- Net public transfers show a deficit (18+): people are not relying so much on public systeme
- Net private inter household transfers is important: remittances from foreign workers

WHERE TO GO?

- Construct Intra Households transfers accounts
- Complete the second part of NTA Flow

THE END