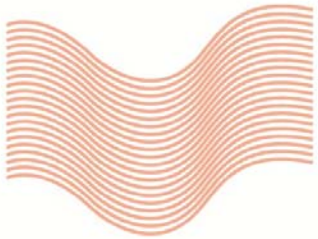

NATIONAL TRANSFER ACCOUNTS

Barcelona 2013

Ninth Meeting of the Working Group
on Macroeconomic Aspects
of Intergenerational Transfers.
3rd · 8th June 2013

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June 2013

NATIONAL TRANSFER ACCOUNTS

Barcelona 2013

Faculty of Economics and Business, UB

www.ntaaccounts.org

LINK BETWEEN SOCIAL PROTECTION AND DEVELOPMENT IN AFRICA : THE NATIONAL TRANSFERS ACCOUNTS APPROACH

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MOTIVATION

Social protection is understood as mechanism by which people manage to satisfying their needs basically for food, housing, energy, transports, education, health, etc.

A measure of how well people are dealing with social protection are the expenditures / consumption made to satisfy their needs for food, education, health, housing, etc.

Social demand for food, housing, energy, transports, education (at all level), health is increasing quickly and Government is not challenging those needs

NTA estimates offer a framework for studying the needs at each age and how people do satisfy those needs

CONTEXT

A LOT OF POLICIES BUT …(1/5)

- A lot of policies have been implemented with mitigated results:

  - Poverty Incidence remains high (52.2% in 2005 and 46.7% in 2011 ESPS 1 & 2) despite of PRSP 1 and 2 and actually National Strategy for Economic and Social Development
  - School enrolment has improved but a lot of children are excluded from education system (problem of incentives: return to education)
  - Migration from rural area to main cities is leading to a decline in productivity overall as migrant leave agriculture for trade sector (Badiane; 2011)
  - Unemployment is high and especially among the young people (Mbodj et al., 1992)
  - Social demand for food, housing, energy, transports, education (at all level), health is increasing quickly and Government is not challenging those needs

POPULATION DOES MATTER (2/5)

(Mbodj et al., 1992) for Senegal pointed that population matters for

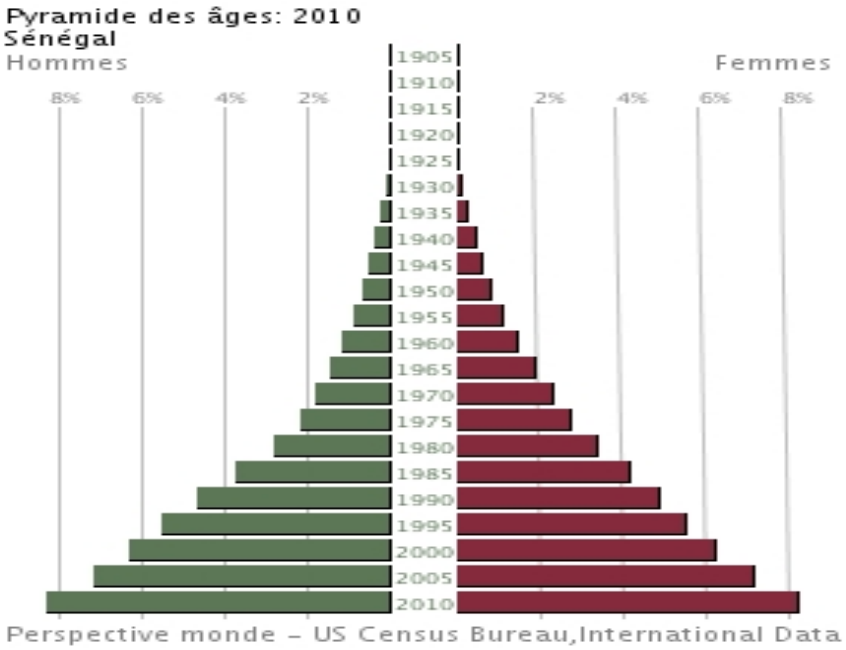
- Growth: GDP per capita decreased between 1970-1989 when GDP went up between 1970-1989 at a rate of 2.6%
- Creating job opportunities to provide enough employment
- Education quality which is lowered by insufficient infrastructures, the same for health,
- Pressure is put on environment as the more people are, the more they use natural resources
- Arable superficies didn't follow population growth (in link with poor incentives)

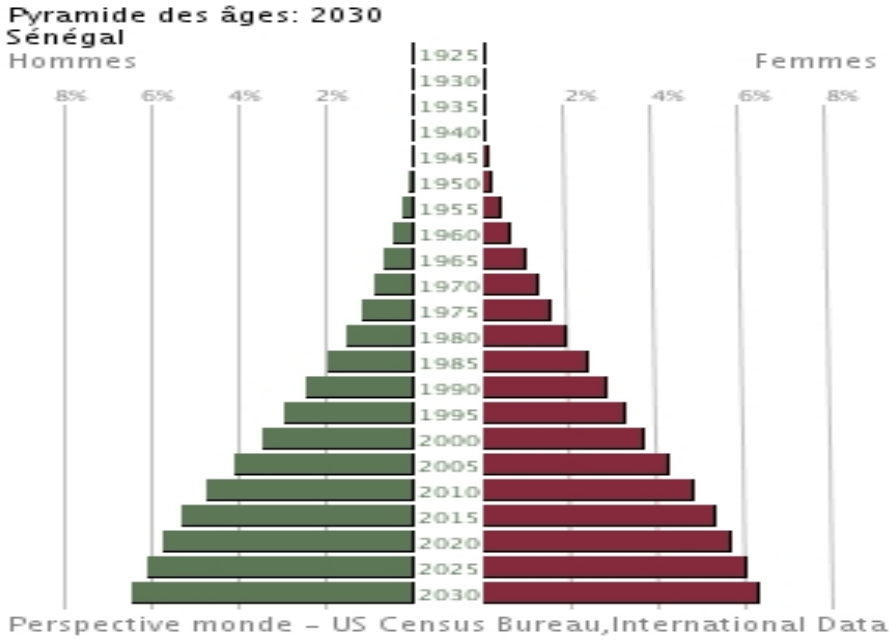
DEMOGRAPHIC TRANSITION (3/5)

- Demographic transition is taking place in Senegal:

  - life expectancy is raising with mortality decrease (due to better education, health), actually almost 60 y
  - People under 20 y accounts for about 60%
  - Synthetic Fecondity Index has drop from about 7 in 1970 to 5 in the 2000 and continues to decrease
  - The demographic growth rate went to 2.4% between 1998-2005 after 2.7% between 1976-1988 and age at first wedding went up from 16 to 18 (UNFPA)
  - The % of people 15-34 y slightly increase and improve the support ratio opening an opportunity window (UNFPA)

CONTEXT(4/5)





- Even in 2030 the structure of the population of Senegal still has a very large

METHODOLOGY

METHODOLOGY: COMPARATIVE PERSPECTIVES

- The proxy of development is the GDP per capita
- We compare accros NTA countries in Africa:
- GDP per capita with LCD and Consumption (Education, Health, Others) as percentage of GDP
- We want to link gdp per capita with NTA disagregated data (target policy implications) via a regression model

DATA

- GDP and PoP taken from WDI (WB DATABASE)
- NTA DATA (NTACCOUNT.ORG)

WORK IN PROGRESS

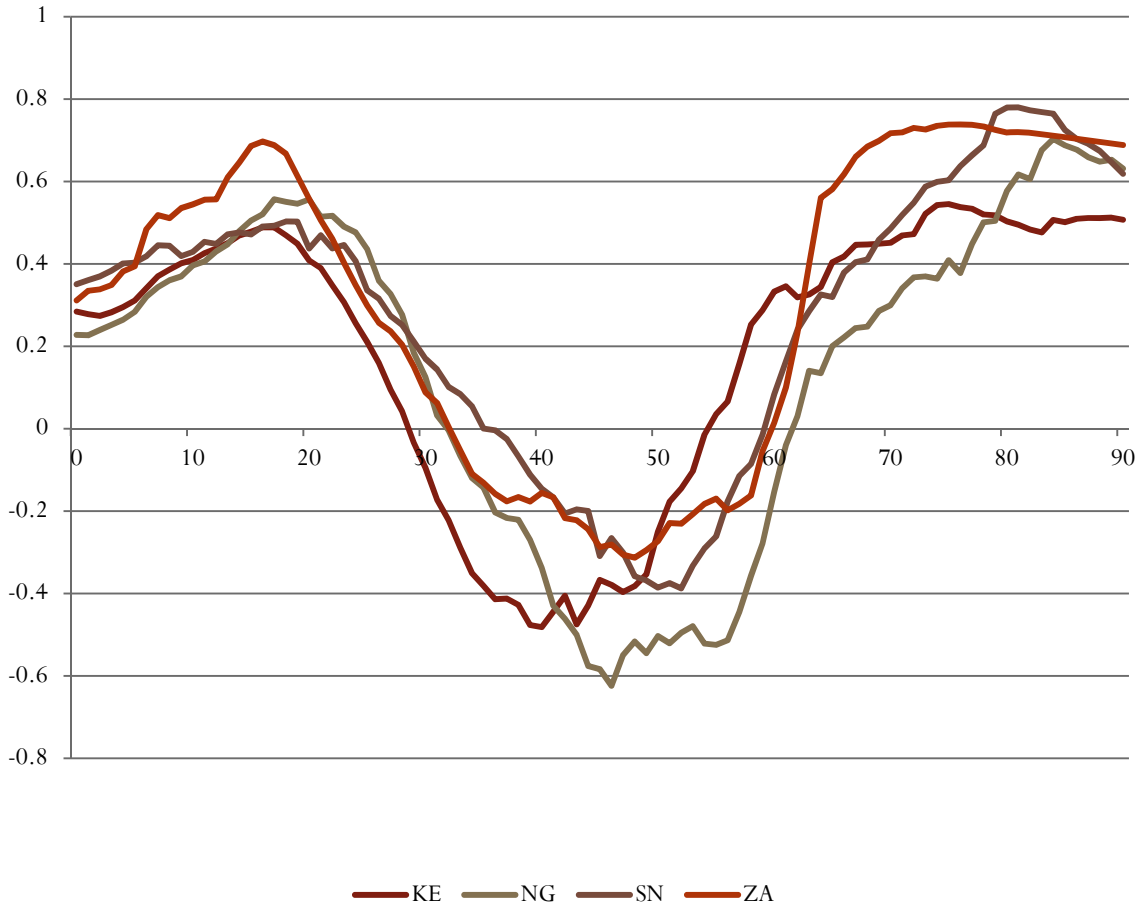
- The life cycle deficit represent 47% of GDP in Senegal, 30% in Kenya and 110% in Nigeria
- Consumption accounts for 74% of GDP in Kenya and almost 200% in Nigeria
- We need to check the data, the metadata (units, macro controls)
- We need to extent the calculations to the 5 NTA African countries that already constructed LCD

SURPLUS START AND END IN AFRICA COUNTRIES

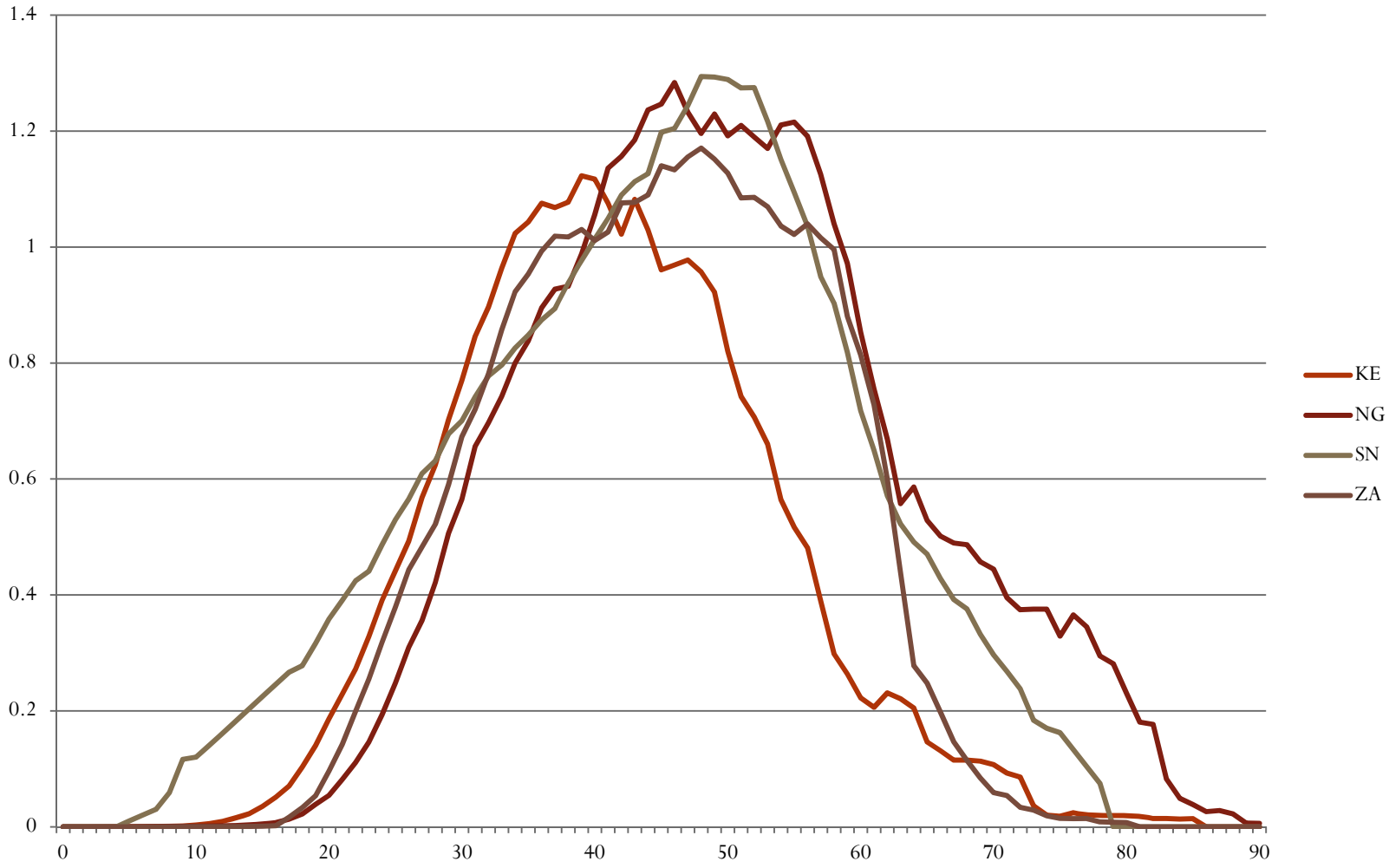
Country	Age when surplus begins	Age when surplus ends	Total Surplus
Kenya	29	55	**26**
Nigeria	32	62	**30**
Senegal	35	60	**25**
South Africa	33	60	**27**

Economic Lifecycles in Africa

Variations in the cutting ages of lifecycle deficits among African NTA Countries



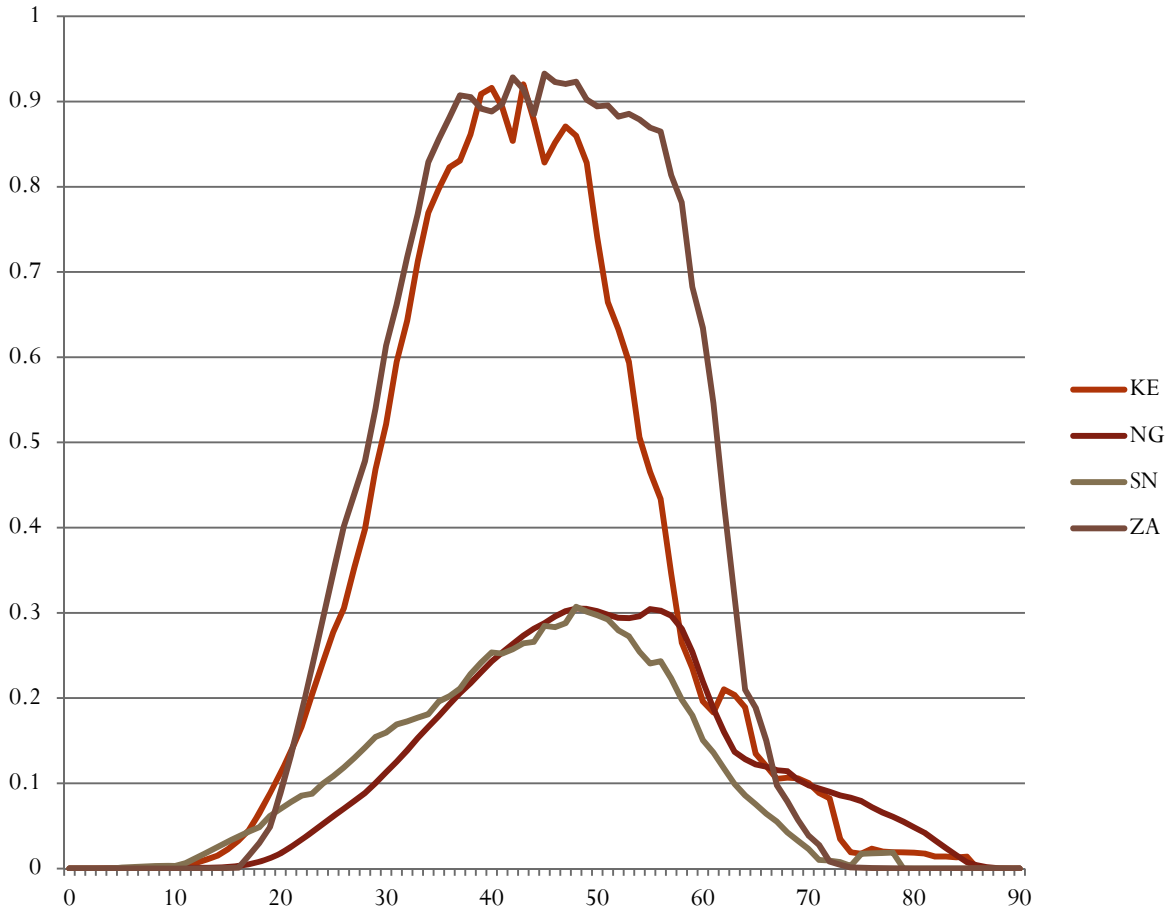
Labor Income



Earnings

High earnings for South Africa and Kenya

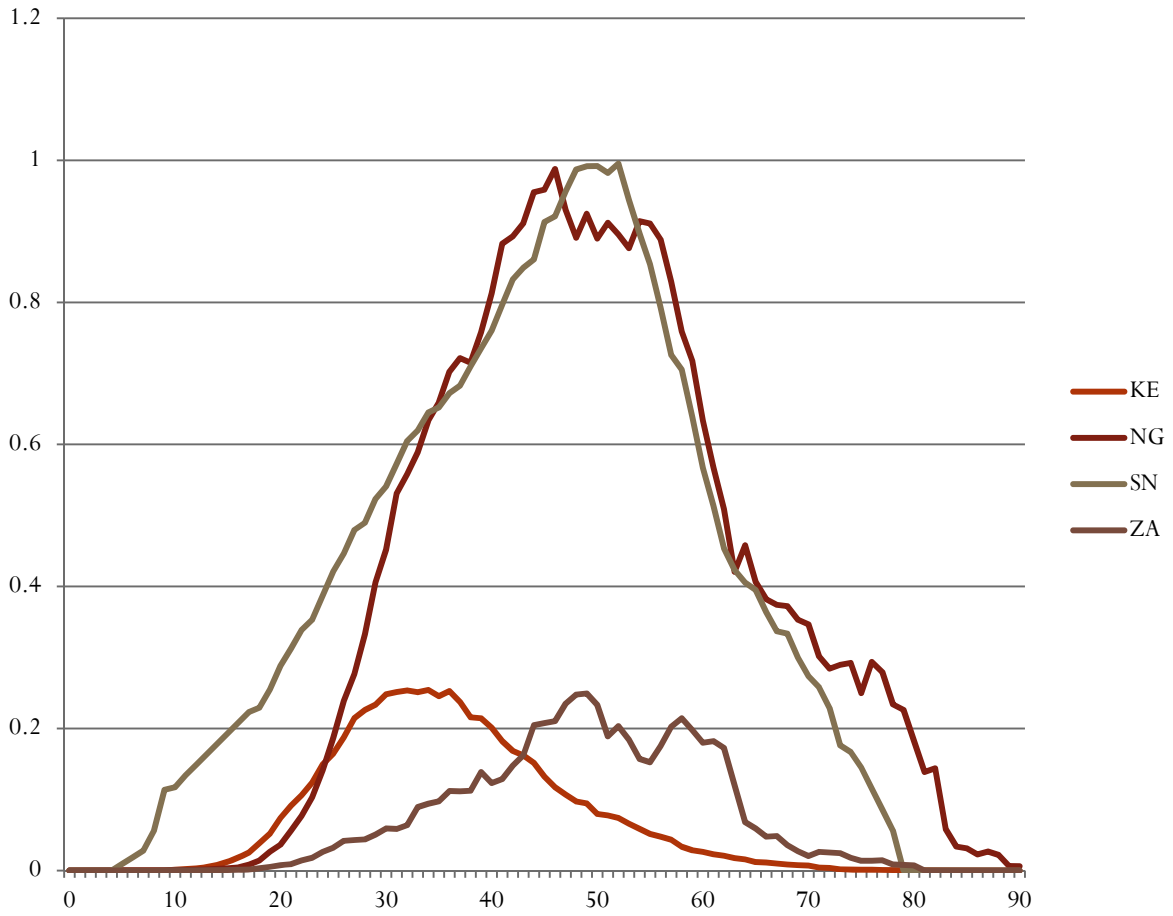
Not much formal employment in Nigeria and Senegal (?)



Self-employed

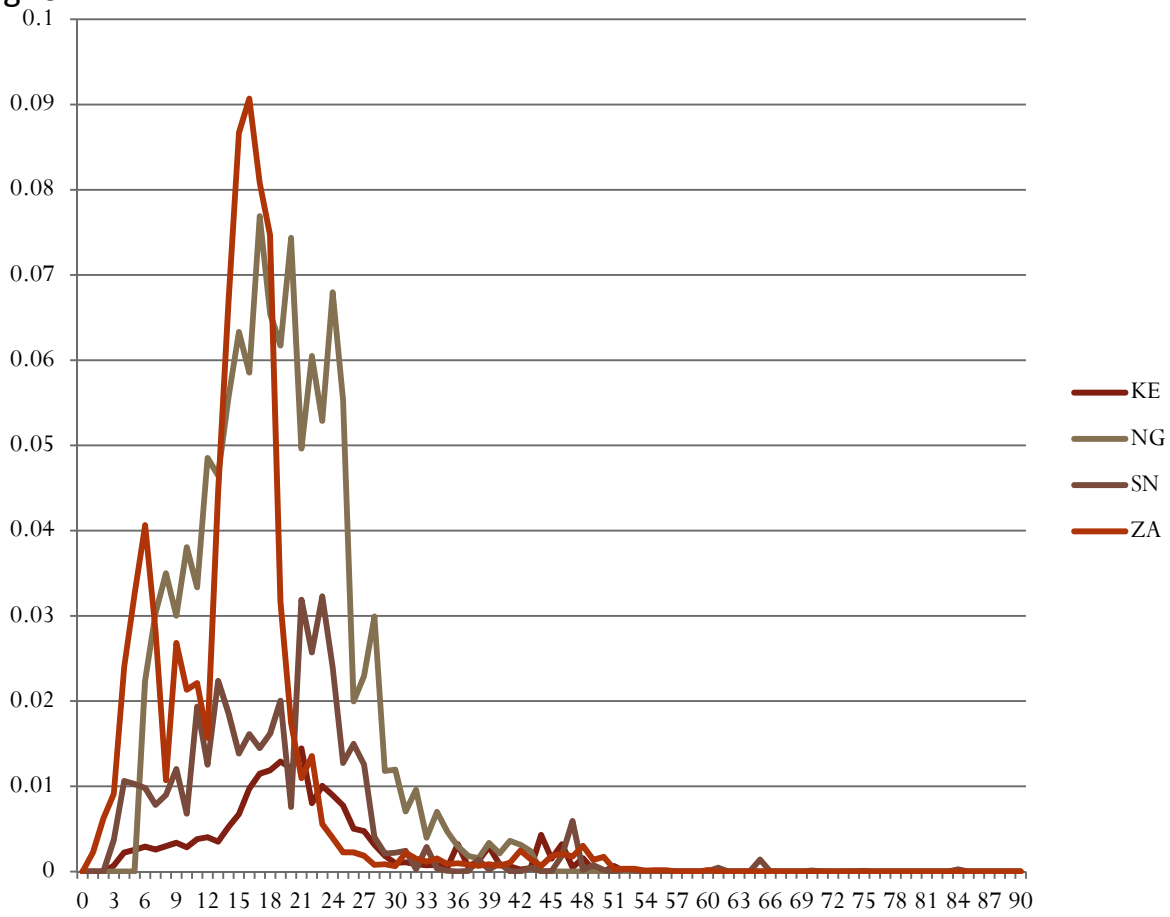
High income from informal sector for Senegal and Nigeria

Different in the peak age for self-employed in Kenya (younger) and South Africa (older)



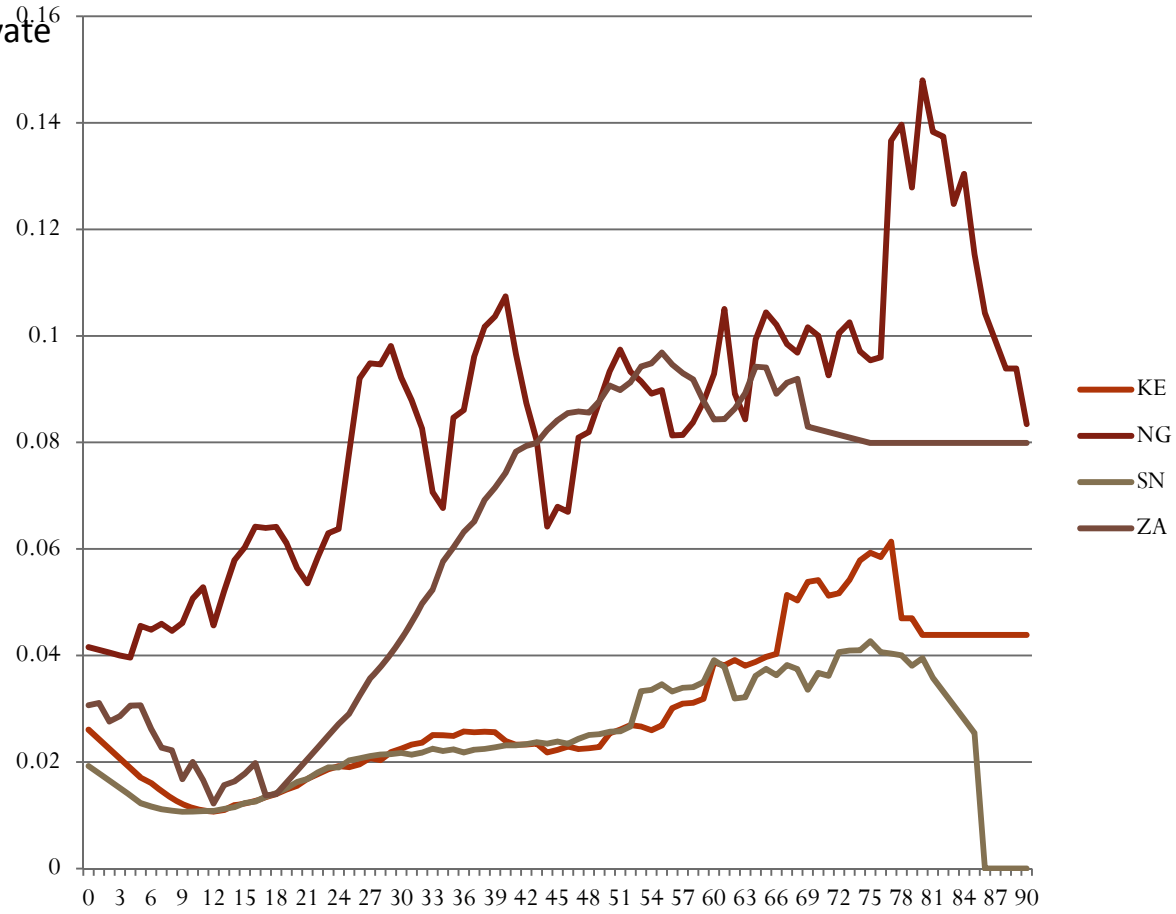
Private Education Consumption

High private consumption spending for South Africa and Nigeria

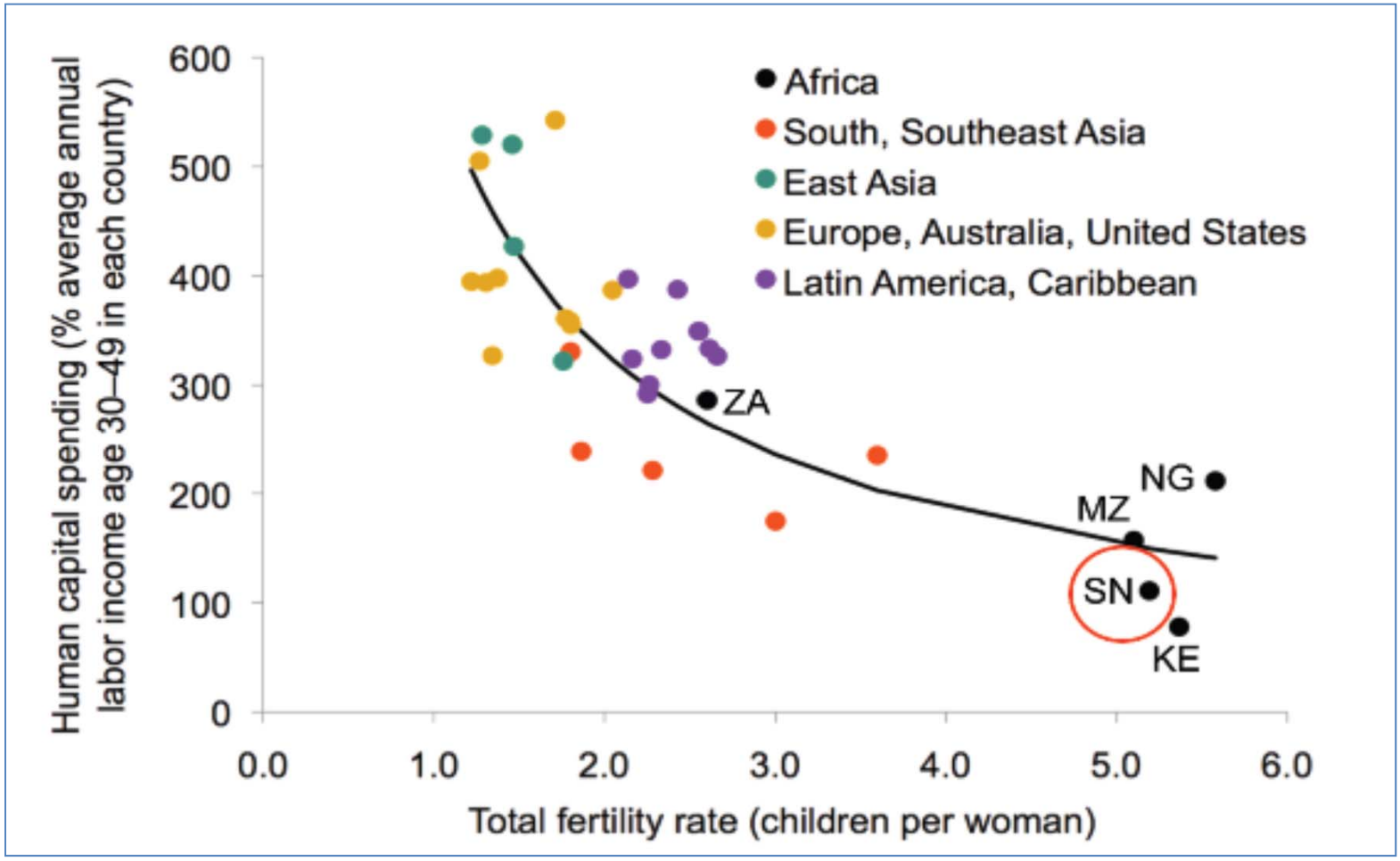


Private Health Consumption

Similar to private consumption, South Africa and Nigeria shows high private health spending



PROXY OF SOCIAL PROTECTION IN AFRICA



Source: Lee and Mason (2010)

IN PERSPECTIVES

- Continue working on NTA data to documents comparisons

- Implement a cross-country regression model linking per capita gdp growth and social protection expenditures in education and health disagregated by age group split in 3 or 4 groups

THE END