Demographic dynamics, gender dividends and the achievement of Sustainable Development Goals: Evidence from Nigeria

By

Olanrewaju Olaniyan[1], Noah Olasehinde[1], Osaretin Adonri[2] and Dashe Dasogot[2]

[1] Health Policy Training and Research Programme, Department of Economics, University of Ibadan, Nigeria

[2] United Nations Population Fund (UNFPA), Abuja, Nigeria

EXTENDED ABSTRACT

Introduction and Background

Nigeria is the most populated country in Africa with a population of 201 million in 2019 and the seventh most populated country in the world. The population is expected to double by year 2050 to 411 million during which the country would have become the third most populated country in the world. This growth is accounted for by a slow fertility transition in the country as fertility rates still hover around 5.8 in 2016. Female accounts for about 49 percent of the population and the development of the country is expected to include gender in economic activities and contribution. This is one of the cardinal objectives of the Sustainable Development Goals (SDGs) which is to leave no one behind in the development process. Incidentally, the labour force participation rate of women is significantly lower than those of the male. There is an increasing participation of women in the labour force in Nigeria. This is also been reflected in higher proportion of female headed households and where the female are the main bread winners within the household. Despite this, the country is not making appreciable progress in the process towards achieving the SDGs.

The future development of Nigeria will be dependent on how the country is able to harness the demographic dividends from its large youthful population. Demographic dividend is the accelerated economic growth that may result from a decline in a country's birth and death rates and the subsequent change in the age structure of the population, whereby the ratio of working-age people to the number of dependents (children and the elderly) increases. Nigeria is presently committed to achieving the dividend by the government as a Demographic Dividend Road map was launched by the government in 2017 followed by a national Demographic Dividend Report in 2018. This is with the aim of making the enormous youthful population of the country work for the development of the country. Incidentally, the gender perspectives of the dividend has not been comprehensively explored for Nigeria. Although the broad demographic dividend is approached by considering the shifting age structures toward more productive ages, a more beneficial step would be through taking the female participation in the labour market into consideration. Gender dividends is therefore seen from taking steps that increase the volume of market (paid) work and the level of productivity of the female population. Gender dividend refers to the contribution women make to the economy's growth and poverty reduction; insofar they are growingly participating in the economy. Nigeria has recently entered the demographic dividend period, but the implications of gender in harnessing the dividends has not been well articulated. This paper therefore documents the demographic dynamics of the country and analyses the structure of gender equity in labour market participation. We further simulated the implications of structured closure of gender gaps in labour market participation over the next 50 years and how it affects the harnessing of gender dividend and demographic dividends. Specifically, this study aims at contributing conceptually, methodologically in analysing the nature and trends of population dynamics and its implications for demographic dividend and specifically for the gender dividend.

Methodology and Data

Gender dividend is viewed as a component of a broader demographic dividend and the approach utilised for analysis is the National Transfer Accounts (NTA) approach. The NTA approach to demographic dividend utilises the support ratio - ratio of producers to consumers in the economy—over time and is calculated as the current age profiles of labour income and consumption in the country weighted by the projected population for the next 50 years. This is then evaluated by utilising differential empowerment of the women including women participation in economic activities; changes in age structure of the population, changes in marriage patterns and family composition over the period of analysis. The assumption is that when there are more working-age individuals (producers) than those who depend on them (consumers), an opportunity for increased saving and faster economic growth arises. More women in paid formal work is expected to increase the support ratio and subsequently the quantity and quality of demographic dividend. Within the NTA project, great importance has been given to the concept of gender dividend, taking into account the growing participation of women in economic activity and its potential contribution to the growth of the economy and their households.

Results and Discussion

The paper provides obvious outcome of the gender disaggregation is that the magnitude of per capita lifecycle deficit and surplus differs between males and females. The aggregate economic lifecycle for both males and females is roughly the same at about $60.77billion, while the elderly economic lifecycle deficits for male and female are $2.24billion and $2.52billion, respectively. However, males contribute more to the economic lifecycle surplus for the country.

The age dynamics of labour income is however different along the gender divide. Reflecting the prominence of female in the informal sector of the Nigerian economy, the earnings from self-employment for females consistently dominate across the entire age spectrum. This pattern only applies to the group 0-17years in the case of male. The males from young adulthood to elderly age, consistently earn more from wage employment. Typically, human capital content of an individual influences the chance of securing wage employment in Nigeria. The skew-ness of female to self-employment is a further reflection of the limited access to education of girl child in Nigeria. Despite the approximate 50-50% male-female composition of Nigerian population, the female contributes significantly less to labour income earnings in the country. This is a major limiting factor to possibility of fully harnessing the demographic dividend window already open for the country. Targeted policy at promoting human capital development (education) specifically accorded top policy priority. The paper therefore suggests that investments in the human capital of women and girls will have multiple beneficial effects. They contribute to lower fertility and population age structures shifting toward more productive ages, and may then have an additional effect of increasing women’s time for market work and raise their market productivity as well.