Comparative Analysis Of Economic Lifecycle Deficits In Kenya And Nigeria: Some Estimation Results In Health And Education

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Abstract

This paper used the National Transfer Accounts (NTA) approach to estimate and compare the sources and size of economic lifecycle deficits of Nigeria and Kenya. The approach offers a framework for analyzing and interpreting the relationship between age structure and wealth flows, and for understanding how societies utilize different mechanisms to allocate resources across age groups. Consumption and labor income in Kenya and Nigeria have similar features. Public consumption expenditures on health and education are higher in Kenya and lower in Nigeria relative to the mean income of the reference age. Both countries have economic lifecycle deficits that cannot be offset by labor income. Therefore, individuals must rely on asset income and intergenerational transfers to finance the deficits.