DEMOGRAPHIC CHANGES AND ECONOMIC PERFORMANCE IN NIGERIA: AN EMPIRICAL INVESTIGATION

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Abstract

Demographic changes in Nigeria are associated with divers outcomes. This ranges from unemployment with figures ranging from 14 percent per annum for the entire population to 30 percent for the youth, coupled with stagnating economic performance. Ordinarily the growth of population could be to the advantage of a country in terms of the sheer size of its domestic market, better division of labour, and increased productivity through improvement in the ratio of labour force to population etc but the story may not always be the same for every economy. This study therefore investigated the extent to which demographic changes in Nigeria impact on economic performance in the country, as well as the direction of interaction between population changes and economic performance in Nigeria from 1970-2016. To achieve this, the study adopted Ordinary Least Squares (OLS) and Autoregressive Model (VAR) and found that fertility levels remain moderately high while the death rate drops especially infant mortality, leading to a larger population in Nigeria. Following the research findings, this study recommends that government should enact strict laws prohibiting early sex and marriage among youths. This early engagement on sex and marriage, the paper argued, will increase the mortality rate in Nigeria as a result of sexual infection, unwanted pregnancy as well as reduction in economic performance of the country. Also serious public enlightenment campaigns should be mounted by government agencies, the mass media, radio, television, chiefs, churches, schools, mosques, home videos, etc. to

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send across the message that emphasizes the need and importance of family planning, healthy and improved living conditions for the people through population control.

Contribution of the study:

This study is among the novel studies that investigated the extent to which demographic changes impact on economic performance in Nigeria. This is our contribution to literature.

Keywords: demographic changes, population growth, economic performance.
JEL Classification: J10, J11.

1. INTRODUCTION

In recent times, there have been widely noted demographic changes in Nigeria population, thereby asserting more and more pressure on government spending and general output in the country. It is commonly believed that economic growth leads population to live better, have longer lives and good health. Malthus argued that societies may experience considerable technological and social progress, but maintained that population growth overwhelms the means of sustenance, (Isuigo-Abanihe, 2009 and Akokuwebe, & Okunola, 2015, Adenola and Saibu, 2017).

Demographic changes have constituted a powerful source of economic performance dynamics. Evidences have shown that one third of the rapid growth in the "Asian Tigers" in the 1970s and 1980s can be ascribed to demographic changes, partly explained by the direct effect of a larger share of workers in the population, and partly by the indirect effect of increased saving and investment, [(Bloom & Humair, 2010) and (Bloom, Canning & Malaney 2000)]. Nigeria population grows faster than these Asian Tigers, yet one of the economic challenges facing Nigeria is the low GDP growth rates. Does this have anything to do with demographic changes?

For instance, population indicators in Nigeria show that Nigeria's population has more than doubled since 1960. Presently, based on the last census results 2006, Nigeria's population is over 140million, showing annual estimated growth rate of over 3 percent. It is then a fact that the rate of population increase in Nigeria is clearly unsustainable and; could directly or indirectly affects macroeconomic performance, (Nwakeze & Omoju, 2011). As such, the average per capita GDP growth rate for Nigeria in the time period 1976–2010 was only half of the world average, and far below that of the Asian Tiger countries, even with the changing population.

Assessing Nigeria economic performance further, Nathan and Okon (2013) observed that the GDP per capita figures for Nigeria from 2000 to 2010 show that the economic status of the country is significantly worrisome. The contributions of oil rents to GDP for Nigeria indicates that Nigeria is over dependent on oil at the expense of other sectors of the economy and corruption assessment scores suggest that Nigeria is more corrupt, implying weak institutions. Decomposing the economy into oil and the non-oil GDP contributions, non-oil GDP share was 89.28% of overall GDP growth while oil sector contracted by 10% in 2010. And in 2011 non- oil GDP grew by 8.85%, compared with 8.51% in 2010, while oil GDP grew by -0.57% in 2011 compared to 5.25% in 2010. Thus, the non-oil sectors were the major growth