

Poverty & Equity Brief

Sub-Saharan Africa

Nigeria

April 2018

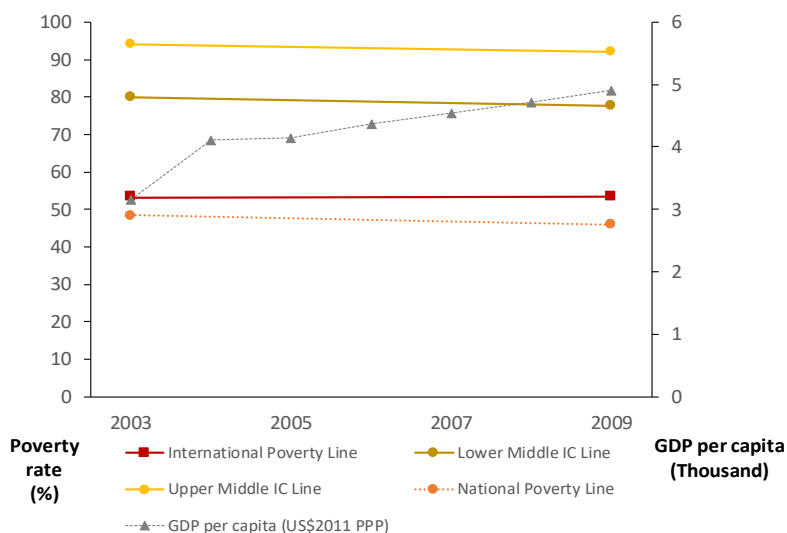
Nigeria remains a country with high levels of poverty. The last official estimate, from 2009–10, was 53.5 percent, based on the international poverty line of \$1.90 per person per day (2011 PPP). By 2016, the poverty rate is projected to have fallen to 48.4 percent, or 90 million persons. However, due to slow growth, the poverty rate will most likely have increased moderately in 2017.

The poverty trend closely follows macroeconomic developments. The high growth rates enjoyed by Nigeria prior to the current low oil price crisis were driven by the coastal area and the capital but with limited benefits in the rest of the country—indicating limited inclusiveness. In recent years, low oil prices had a detrimental impact on the economy and growth decelerated significantly. Moreover, households suffer from a high degree of vulnerability to falling into poverty. Four out of 10 persons experience movement into and out of poverty. Thus, economic shocks easily translate into the reduction of welfare across the population, especially among the less resilient groups in the bottom of the income distribution. There is significant variation in poverty across Nigeria. In the northern part of the country, projected poverty rates have been increasing, while in the southern part, the poverty incidence appears to have fallen significantly. The divergence in welfare trends indicates large regional disparities in living standards due to many factors, ranging from the availability of jobs to returns on human capital. However, insecurity and displacement in north eastern Nigeria has had especially large consequences. It has led to low agricultural production, substantial disruption of basic services, damage to infrastructure, and depleted household food stocks, with several million facing a food security crisis.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	71.0	46.0	2009
International Poverty Line 133.5 in Nigerian naira (2009) or US\$1.9 (2011 PPP) per day per capita	82.6	53.5	2009
Lower Middle Income Class (IC) Poverty Line 224.9 in Nigerian naira (2009) or US\$3.2 (2011 PPP) per day per capita	119.8	77.6	2009
Upper Middle Income Class (IC) Poverty Line 386.5 in Nigerian naira (2009) or US\$5.5 (2011 PPP) per day per capita	142.2	92.1	2009
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		0.12	2003-2009
INEQUALITY			
Gini Index		43.0	2009
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-1.00	2003-2009
GROWTH			
Annualized GDP per capita growth		7.6	2003-2009
Annualized Consumption Growth per capita from Household Survey		1.12	2003-2009

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of April 20th 2018, and Global Monitoring Database for the rest.

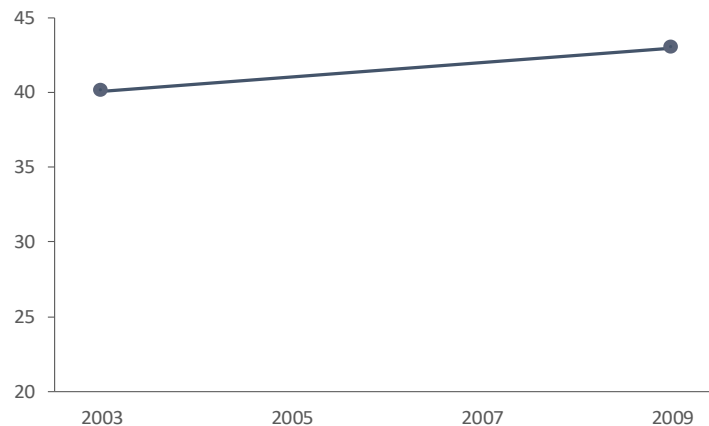
POVERTY HEADCOUNT RATE, 2003-2009



Source: World Bank using LSS/SSAPOV/GMD

INEQUALITY TRENDS, 2003-2009

Gini Index



Source: World Bank using LSS/SSAPOV/GMD

KEY INDICATORS (distribution among groups)

	International Poverty Line (%)		Relative Group (%)		Year
	Poor	Non-Poor	Bottom 40	Top 60	
Urban population	38	62	25	75	2009
Rural population	62	38	49	51	2009
Males	54	46	40	60	2009
Females	53	47	40	60	2009
0 to 14 years old	62	38	47	53	2009
15 to 64 years old	49	51	36	64	2009
65 and older	37	63	25	75	2009
Without education (age 16 and older)	62	38	48	52	2009
Primary education (age 16 and older)	48	52	35	65	2009
Secondary education (age 16 and older)	47	53	33	67	2009
Tertiary/post-secondary education (age 16 and older)	31	69	19	81	2009

Source: World Bank using Global Monitoring Database

POVERTY DATA AND METHODOLOGY

The 2003–2004 Nigeria Living Standard Survey (NLSS) replaced previous surveys with a greater scope that incorporated modules on demography, health, fertility behavior, education, skills/training, employment, housing, social capital, agriculture, and household income and expenditure. The scope of the data was further expanded by the 2009–2010 Harmonized NLSS, which was carried out as a follow-up to the 2003–2004 NLSS to update poverty estimates in Nigeria. Nigeria's 2010 poverty rate and subsequent projections are estimated based on the 2009–2010 HNLSS. The survey covered 36 States of the Federation and the Federal Capital Territory. Approximately 77,400 households were sampled from 774 Local Government Areas (LGA), with an average of 100 households in each LGA, and the sample is representative at the State level.

The next round of HNLSS will most likely be fielded from June 2018 through May 2019. The National Bureau of Statistics factored in the lessons learned from the 2009–2010 NLSS to draw the sample, improve the questionnaire, and implement the survey. The team drew a sample of 22,200 households with a two-stage sampling approach to be representative at the State level, covering 36 States and the Federal Capital Territory. Data from the upcoming HNLSS will be used to compute the poverty rates at the national, zonal, and State levels.

HARMONIZATION

The numbers in this report are based on the SSAPOV database. SSAPOV is a database of socio-economic statistics managed by SSATSD. It captures the relevant information for 43 out of 48 countries in the SSA region, and it is based on 145 regional surveys. The 5 countries not covered in the SSAPOV database are Eritrea, Equatorial Guinea, Gambia, Somalia and Zimbabwe. The Africa database is organized in 4 modules following the Global Monitoring Database (GMD) Harmonization guidelines, including the construction of the welfare aggregate which is used for the Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.