

# Poverty & Equity Brief

Sub-Saharan Africa

## Nigeria

April 2020

Poverty remains high in Nigeria. Based on the most recent official survey from the National Bureau of Statistics (NBS), the extreme poverty headcount rate in 2009 was estimated at 53.5 percent using the international poverty line of \$1.90 per person per day (2011 PPP). In 2019, the extreme poverty headcount rate was projected to be 50.1 percent, indicating little improvement in the incomes of the poorest half of the population over the past decade.

The projected poverty trend has loosely followed macroeconomic developments in recent years. The importance of oil export revenues, a high population growth rate, and regional economic imbalances have diluted the welfare impact of growth. Since the sharp decline in oil prices in late 2014 and the subsequent slowdown of the economy, Nigeria has struggled to reinvigorate broad-based growth. Though growth weakly rebounded in 2017, the benefits were insufficient to reduce poverty, in part because unemployment remains high by regional standards: just over 10 percent of the Nigerian labor force is unemployed according to the International Labour Organization definition. Moreover, high inflation – which may have been exacerbated by the closure of Nigeria's land border for traded goods in late 2019 – continues, especially for food items. This disproportionately affects the poor since food comprises about three-quarters of their consumption basket. Violent conflict has also constrained poverty reduction by reducing agricultural production, displacing people, and disrupting basic service provision, especially in the North East and Middle Belt.

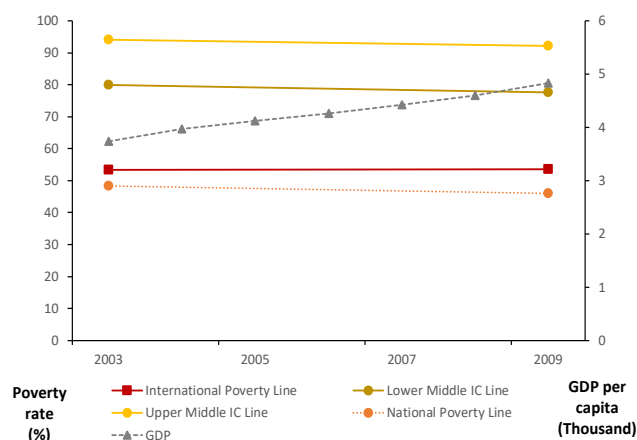
There is significant variation in poverty and social indicators across Nigeria. In contrast to the north, the south has more developed markets, greater demand for labor, and a more educated labor force. The economy in the north is less developed and a larger share of the population lives in rural areas dependent on subsistence agriculture.

The economic disruption and health risks associated with the COVID-19 crisis and the corresponding shock to oil prices may disproportionately affect the poor. Many poor households rely on agriculture, which will suffer if markets are interrupted, while those working in non-farm enterprises in the informal sector will be unable to generate income when restrictions on movement are in place. Additionally, the poor have less access to health facilities, compounding the fact that they may not be able to afford the healthcare costs associated with contracting the virus.

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\$1.90 (2011 PPP) per day per capita	82.5	53.5	2009
Lower Middle Income Class Poverty Line 224.9 in Nigerian naira (2009) or US\$3.20 (2011 PPP) per day per capita	119.8	77.6	2009
Upper Middle Income Class Poverty Line 386.5 in Nigerian naira (2009) or US\$5.50 (2011 PPP) per day per capita	142.2	92.1	2009
Multidimensional Poverty Measure		82.5	2009
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		0.13	2003-2009
INEQUALITY			
Gini Index		43.0	2009
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-1.01	2003-2009
GROWTH			
Annualized GDP per capita growth		4.42	2003-2009
Annualized Consumption Growth per capita from Household Survey		1.14	2003-2009
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		-0.06	2003-2009

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2020, and Global Monitoring Database for the rest.

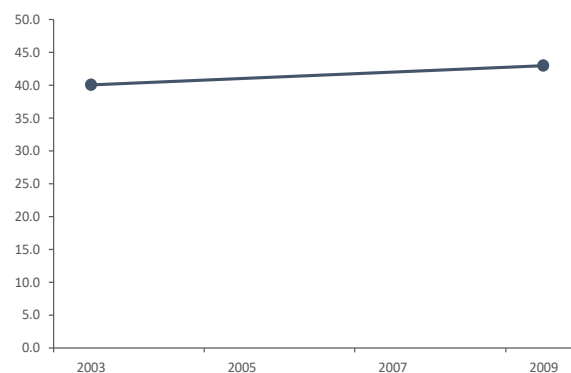
## POVERTY HEADCOUNT RATE, 2003-2009



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: 2009	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures (% of people):	2009
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population	62	38	25	75	<b>Monetary poverty (Consumption)</b>	
Rural population	38	62	49	51	Daily consumption less than US\$1.90 per person	53.5
Males	47	53	40	60	<b>Education</b>	
Females	46	54	40	60	At least one school-aged child is not enrolled in school	33.9
0 to 14 years old	38	62	47	53	No adult has completed primary education	29.9
15 to 64 years old	51	49	36	64	<b>Access to basic infrastructure</b>	
65 and older	63	37	25	75	No access to limited-standard drinking water	N/A
Without education (16+)	38	62	48	52	No access to limited-standard sanitation	N/A
Primary education (16+)	52	48	35	65	No access to electricity	71.6
Secondary education (16+)	53	47	33	67		
Tertiary/post-secondary education (16+)	69	31	19	81		

Source: World Bank using LSS/SSAPOV/GMD

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Notes: N/A missing value, N/A\* value removed due to less than 30 observations

## POVERTY DATA AND METHODOLOGY

The National Bureau of Statistics (NBS) has conducted two household surveys on which it relies to measure welfare and to produce its official poverty statistics: the 2003/04 Nigeria Living Standard Survey (NLSS) and the 2009/10 Harmonised NLSS. The former survey replaced previous surveys with a greater scope, incorporating modules on demography, health, fertility behavior, education, skills/training, employment, housing, social capital, agriculture, and household income and expenditure. The 2009/10 HNLSS added additional modules. Both surveys are representative at the national and state levels.

The fieldwork for the next round of the NLSS began in September 2018 and was finished in September 2019. These data are currently being analyzed to recompute poverty rates and other key statistics at the national, geopolitical zonal, and state levels. For the collection of the 2018/19 NLSS, the NBS factored in the lessons learned from the 2009/10 HNLSS 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.

## HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.