

Poverty & Equity Brief

Africa Western & Central

Nigeria

October 2021

Even before the COVID-19 crisis, around 4 in 10 Nigerians were living in poverty and millions more were vulnerable to falling below the poverty line, as economic growth was slow and was not inclusive. Based on the most recent official household survey data from Nigeria's National Bureau of Statistics, 39.1 percent of Nigerians lived below the international poverty line of \$1.90 per person per day (2011 PPP) in 2018/19. A further 31.9 percent of Nigerians had consumption levels between \$1.90 and \$3.20 per person per day, making them vulnerable to falling into extreme poverty. Given continued oil dependence, rapid population growth, and limited job creation, Nigeria has struggled to invigorate the broad-based growth needed to tackle poverty.

Pre-crisis poverty disproportionately affected rural, northern Nigeria. Among those living below the \$1.90 poverty line in 2018/19, 84.6 percent lived in rural areas and 76.3 percent lived in the country's northern zones.

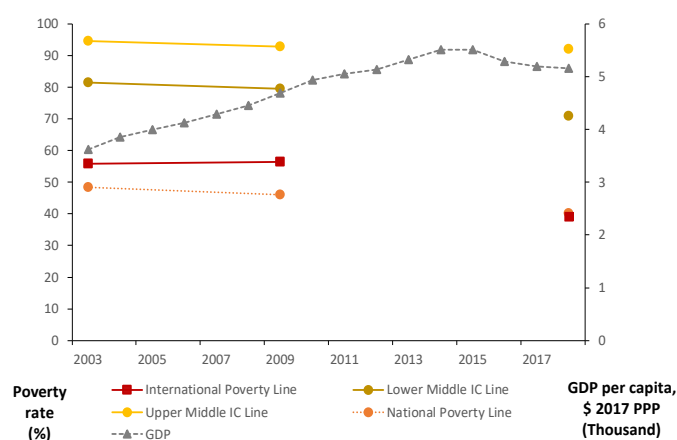
Simulation results suggest that the dual COVID-19 and oil price crisis alone could push around 10 million additional Nigerians into poverty by 2022, over and above the slower rise in the number of poor people predicted before the pandemic struck. The monthly COVID-19 National Longitudinal Phone Survey (NLPS) also shows that the pandemic is creating knock-on crises for human capital, livelihoods, and welfare. Health services – including children's vaccinations against other diseases – have been disrupted, while school shutdowns have widened existing inequality in education, as poorer students had less access to remote learning. While the share of Nigerians working now exceeds pre-pandemic levels – having recovered from a dramatic drop at the start of the crisis – this is largely because workers have turned to small-scale non-farm enterprise activities in retail and trade, the revenues of which continue to suffer. With incomes precarious and food prices rising, food insecurity is higher than before the crisis: in about 18.3 percent of households, at least one adult member went a whole day in the past 30 days without eating in November 2020, up from 6.4 percent in January/February 2019 (as per the NLPS and Nigeria's General Household Survey). The current crisis could therefore have long-term consequences on future generations in Nigeria.

Immediate policy priorities to help Nigeria tackle the COVID-19 crisis and mitigate the impact on poverty include: (1) accelerating vaccination to control the virus' spread; (2) recouping learning losses; and (3) expanding social protection. The crisis could also provide the impetus to boost livelihoods over the medium term and beyond, by effecting the macroeconomic reforms needed for job creation and structural transformation, and by supporting farm and non-farm enterprises through new technology, improved infrastructure, and easing credit constraints.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	82.9	40.1	2018
International Poverty Line 371.1 in Nigerian naira (2018) or US\$1.90 (2011 PPP) per day per capita	N/A	39.1	2018
Lower Middle Income Class Poverty Line 625 in Nigerian naira (2018) or US\$3.20 (2011 PPP) per day per capita	N/A	71.0	2018
Upper Middle Income Class Poverty Line 1074.3 in Nigerian naira (2018) or US\$5.50 (2011 PPP) per day per capita	N/A	92.0	2018
Multidimensional Poverty Measure		N/A	N/A
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		0.13	2003-2009
INEQUALITY			
Gini Index		35.1	2018
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

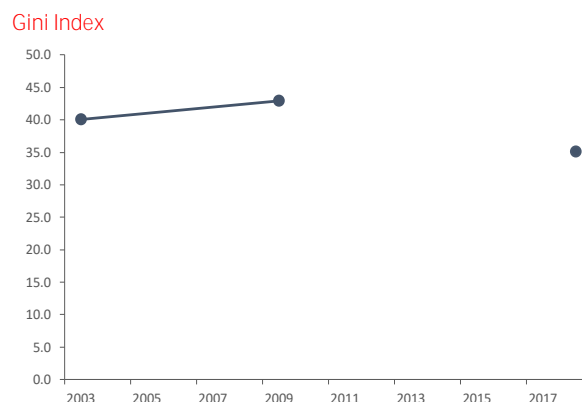
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2021, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2003-2018



Source: World Bank using LSS/SSAPOV/GMD

INEQUALITY TRENDS, 2003-2018



Source: World Bank using LSS/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2018	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	83	17	18	82	Monetary poverty
Rural population	49	51	52	48	Daily income/consumption less than US\$1.90 per person
Males	61	39	40	60	
Females	61	39	40	60	Education
0 to 14 years old	53	47	48	52	At least one school-aged child is not enrolled in school
15 to 64 years old	66	34	35	65	No adult has completed primary education
65 and older	74	26	27	73	
Without education (16+)	43	57	58	42	Access to basic infrastructure
Primary education (16+)	64	36	37	63	No access to limited-standard drinking water
Secondary education (16+)	76	24	25	75	No access to limited-standard sanitation
Tertiary/post-secondary education (16+)	90	10	10	90	No access to electricity

Source: World Bank using LSS/SSAPOV/GMD

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

POVERTY DATA AND METHODOLOGY

In May 2020, the Nigerian National Bureau of Statistics (NBS) released the 2018/19 Nigerian Living Standards Survey (NLSS) providing the first official estimates of poverty and welfare in Nigeria in almost a decade. The 2018/19 NLSS collected detailed data on consumption, education, health, employment, housing conditions, and many other key non-monetary indicators of welfare. For the data collection phase of the 2018/19 NLSS, the NBS factored in the lessons learned from the 2009/10 Harmonized Nigerian Living Standards Survey (HNLSS) to draw the sample, improve the questionnaire, and implement the survey. Following a two-stage sampling approach, the data are representative at the national, urban-rural, and state levels.

Two key caveats must be borne in mind when interpreting the 2018/19 NLSS data. First, official welfare estimates (including those presented above) do not include Borno state, which accounts for around 2.5 percent of the population. Due to violent conflict, some parts of Borno were not accessible at the time of the survey. Second, the poverty and welfare estimates from the 2018/19 NLSS are not comparable with those from the 2009/10 HNLSS. In particular, the questionnaires used for the two surveys differed substantially: for example, the module used to measure food consumption was changed from a daily diary – handed to enumerators during four visits over the course of one month – to a seven-day recall, while meals consumed outside the home were not captured by the same module.

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 three 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.