

Poverty & Equity Brief

Africa Western & Central

Nigeria

April 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 growth was slow and was not inclusive. Based on the most recent official survey data from the Nigerian 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. Yet 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 when shocks occur. Given continued oil dependence, a high population growth rate, and limited job creation, Nigeria has struggled to invigorate the broad-based growth needed to tackle poverty.

Pre-crisis poverty in Nigeria disproportionately affected rural dwellers and households living in 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 North Central, North East, or North West zones.

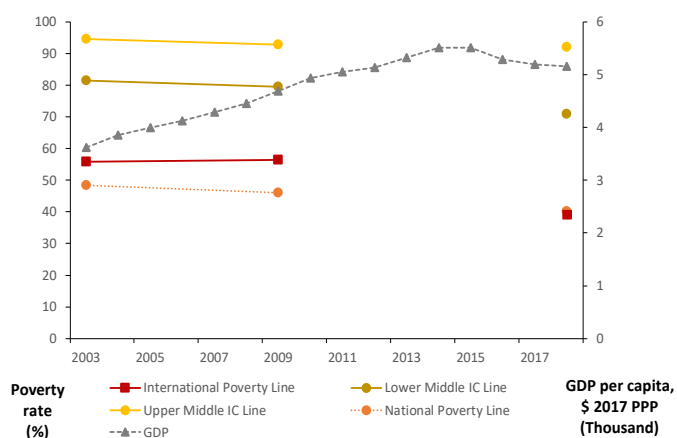
Simulation results suggest that the dual COVID-19 and oil price crisis alone could push around 10 million additional Nigerians into poverty by 2022, over and above the slower rise in the number of poor people predicted before the pandemic struck. The monthly COVID-19 National Longitudinal Phone Survey (NLPS) also shows that, between mid-March and May 2020, the share of respondents who were working almost halved as Nigeria implemented strict lockdown measures, with service-sector workers being hit the hardest. By August 2020, most Nigerians had returned to work, but household incomes remain precarious. Coupled with high inflation for key food items, this has led to increasing food insecurity, especially for poor households: for example, the share of households in which an adult skipped a meal almost tripled between January/February 2019 and April/May 2020, rising from 27.1 percent to 74.4 percent. Given this rise in food insecurity, alongside school closures and displaced health services, the crisis may have negative long-term effects on human capital formation.

Social protection may offer temporary relief from the COVID-19 crisis, but it needs to be expanded. In 2018/19, just 1.6 percent of Nigerians lived in a household enrolled in the National Social Safety Net Program, and coverage of most other social protection programs was even lower. This underlines the importance of current efforts to reach new households, including through the COVID-19 Rapid Response Register.

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, POVICALNET as of February 2021, and Global Monitoring Database for the rest.

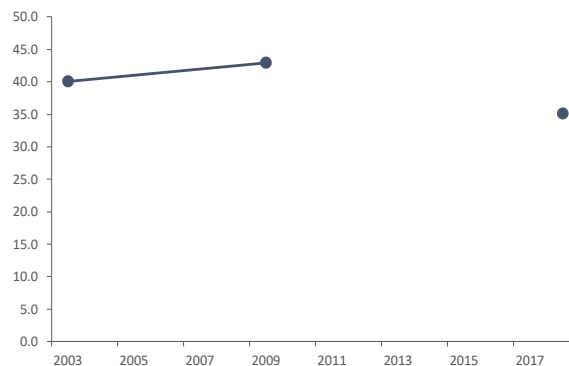
POVERTY HEADCOUNT RATE, 2003-2018



Source: World Bank using LSS/SSAPOV/GMD

INEQUALITY TRENDS, 2003-2018

Gini Index



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.