

Poverty & Equity Brief

Sub-Saharan Africa

Nigeria

April 2019

Nigeria remains a country with high levels of poverty. Based on the most recent preferred survey of the National Statistics Bureau (NBS), extreme poverty in 2009 is estimated at 53.5 percent using the international poverty line of \$1.90 per person per day (2011 PPP). In 2018, poverty was projected at 50 percent indicating little improvement in incomes of the bottom half of the population over the past decade.

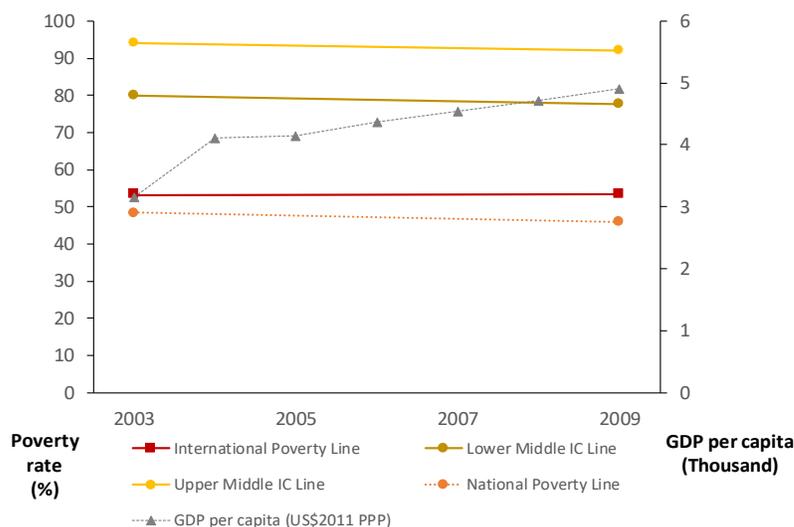
The poverty trend only loosely follows macroeconomic developments due to high oil dependence, regional differences and a high population growth rate. In 2010-14, average economic growth rates were moderately high, driven by high oil prices. However, growth was concentrated in the coastal areas and the capital, thereby yielding limited benefits to the rest of the country. In late 2014, oil prices began to plummet, and Nigeria subsequently fell into a recession in 2016. Though growth weakly rebounded in 2017, the benefits were insufficient to reduce **poverty—not** least, because unemployment and underemployment remain high, each affecting over one-fifth of the labor force. Moreover, high inflation continues, especially food inflation, which disproportionately affects the poor since food comprises about three-quarters of their consumption basket. An additional setback to poverty reduction is from increased violent conflict. This has led to low agricultural production, population displacement, and disruption in basic services provision, especially in the North East and Middle Belt.

There is significant variation in poverty and social indicators in general 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 and access to services to returns on human capital and the size of the private sector. Estimates of welfare indicate that inequality is increasing and the poor's share of aggregate consumption is falling. This reflects the lack of gainful employment opportunities, especially for low skilled workers.

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	82.6	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
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		7.6	2003-2009
Annualized Consumption Growth per capita from Household Survey		1.14	2003-2009

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of March 2019, and Global Monitoring Database for the rest.

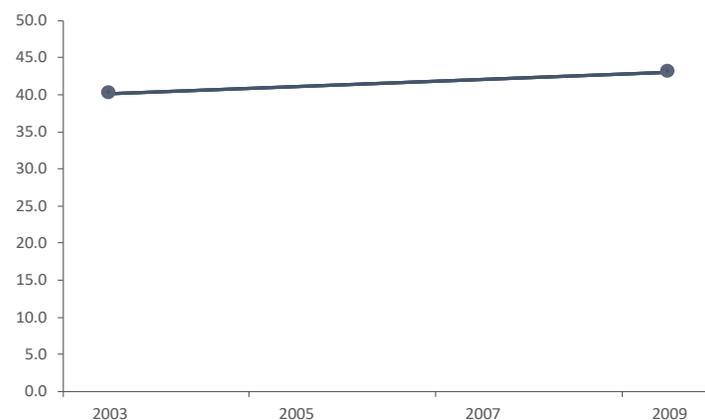
POVERTY HEADCOUNT RATE, 2003-2009



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

Source: World Bank using Global Monitoring Database

POVERTY DATA AND METHODOLOGY

The National Bureau of Statistics (NBS) has conducted two household surveys that it relies on to measure welfare and to produce its official poverty statistics: the 2003/04 Nigeria Living Standard Survey (NLSS) and the 2009/10 Harmonized NLSS. The former survey 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 2009/10 added additional modules. Both surveys are representative at the national and state levels.

The next round of HNLSS began in September 2018 and will continue for 12 months. The NBS 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, geopolitical zonal, and state levels

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 44 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, Somalia and Zimbabwe. Terms of use of the data adhere to agreements with the original data producers.