

Poverty & Equity Brief

Sub-Saharan Africa

Nigeria

October 2019

Poverty remains a development challenge for Nigeria. 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.

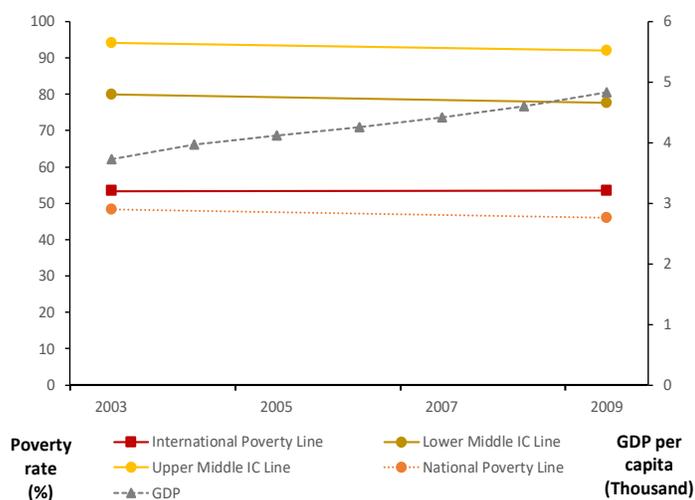
The projected poverty trend loosely follows macroeconomic developments. The importance of oil export revenues, high population growth rate and regional economic imbalances dilute the welfare impact of growth. Since the sharp decline in oil prices in late 2014 and the subsequent slowdown of the economy, Nigeria has struggled to reinvigorate broadbased growth. 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 across Nigeria. The country is characterized by a wide north-south divide. 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.

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		N/A	N/A
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		4.4	2003-2009
Annualized Consumption Growth per capita from Household Survey		1.14	2003-2009
MEDIAN INCOME			
Growth of the annual median income		-0.06	2003-2009

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

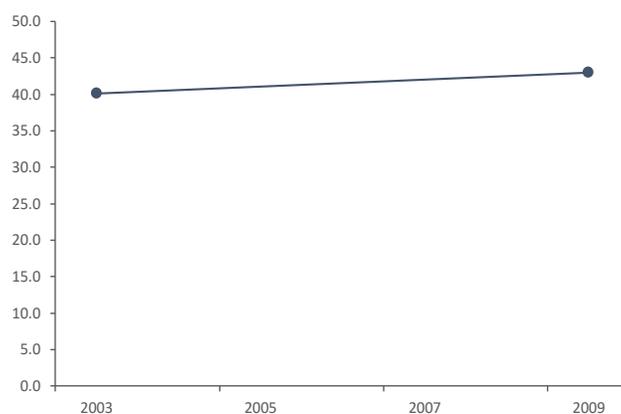
POVERTY HEADCOUNT RATE, 2003-2009



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