

# Poverty & Equity Brief

Africa Western & Central

## Nigeria

October 2020

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 struggled to invigorate the broad-based growth needed to tackle poverty. Moreover, high inflation – potentially exacerbated by the closure of Nigeria's land border for traded goods in 2019 – continues, especially for the food items that poor Nigerians need.

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.

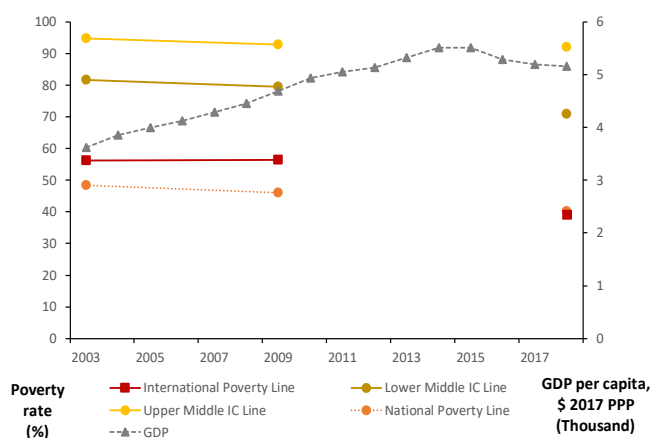
Simulation results suggest that the dual COVID-19 and oil price crisis could push around 10 million more Nigerians into poverty by 2022. Results from the monthly COVID-19 National Longitudinal Phone Survey (NLPS) also show that, between mid-March and May 2020, the share of respondents who were working almost halved as Nigeria implemented strict lockdown measures, with service-sector workers being hit the hardest. Most Nigerians have subsequently returned to work, but their incomes remain precarious. Many households cannot meet their basic needs: in July 2020, 61.7 percent of households who needed yams were unable to purchase them and 36.6 percent of those who needed rice were unable to purchase it. School closures and displaced health services may also have long-term negative effects on human capital formation: in July 2020, 1 in 5 households with children aged 0-5 years old who needed immunizations were not able to get their children vaccinated.

Social protection may offer relief from the COVID-19 crisis, but it will need 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.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	82.9	40.1	2018
International Poverty Line 353.1 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 594.7 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 1022.2 in Nigerian naira (2018) or US\$5.50 (2011 PPP) per day per capita	N/A	92.0	2018
Multidimensional Poverty Measure		47.3	2018
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 2020, and Global Monitoring Database for the rest.

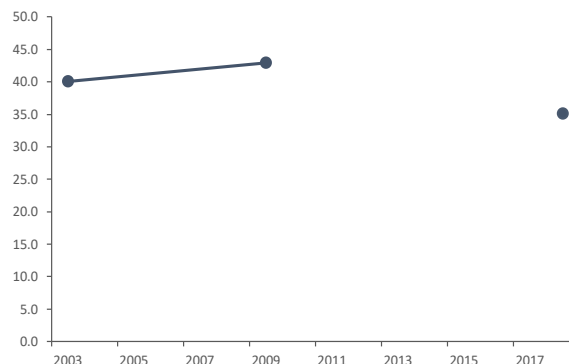
## POVERTY HEADCOUNT RATE, 2003-2018



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: 2018 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	83	17	18	82	<b>Monetary poverty (Consumption)</b> Daily consumption less than US\$1.90 per person 39.1
Rural population	49	51	52	48	
Males	61	39	40	60	<b>Education</b> At least one school-aged child is not enrolled in school 20.3 No adult has completed primary education 17.6
Females	61	39	40	60	
0 to 14 years old	53	47	48	52	<b>Access to basic infrastructure</b> No access to limited-standard drinking water 27.5 No access to limited-standard sanitation 44.9 No access to electricity 39.4
15 to 64 years old	66	34	35	65	
65 and older	74	26	27	73	
Without education (16+)	43	57	58	42	
Primary education (16+)	64	36	37	63	
Secondary education (16+)	76	24	25	75	
Tertiary/post-secondary education (16+)	90	10	10	90	

Source: World Bank using LSS/SSAPOV/GMD

Source: World Bank using HBS/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 Harmonised 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, food consumption was captured with different methodologies and different recall periods and 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 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.