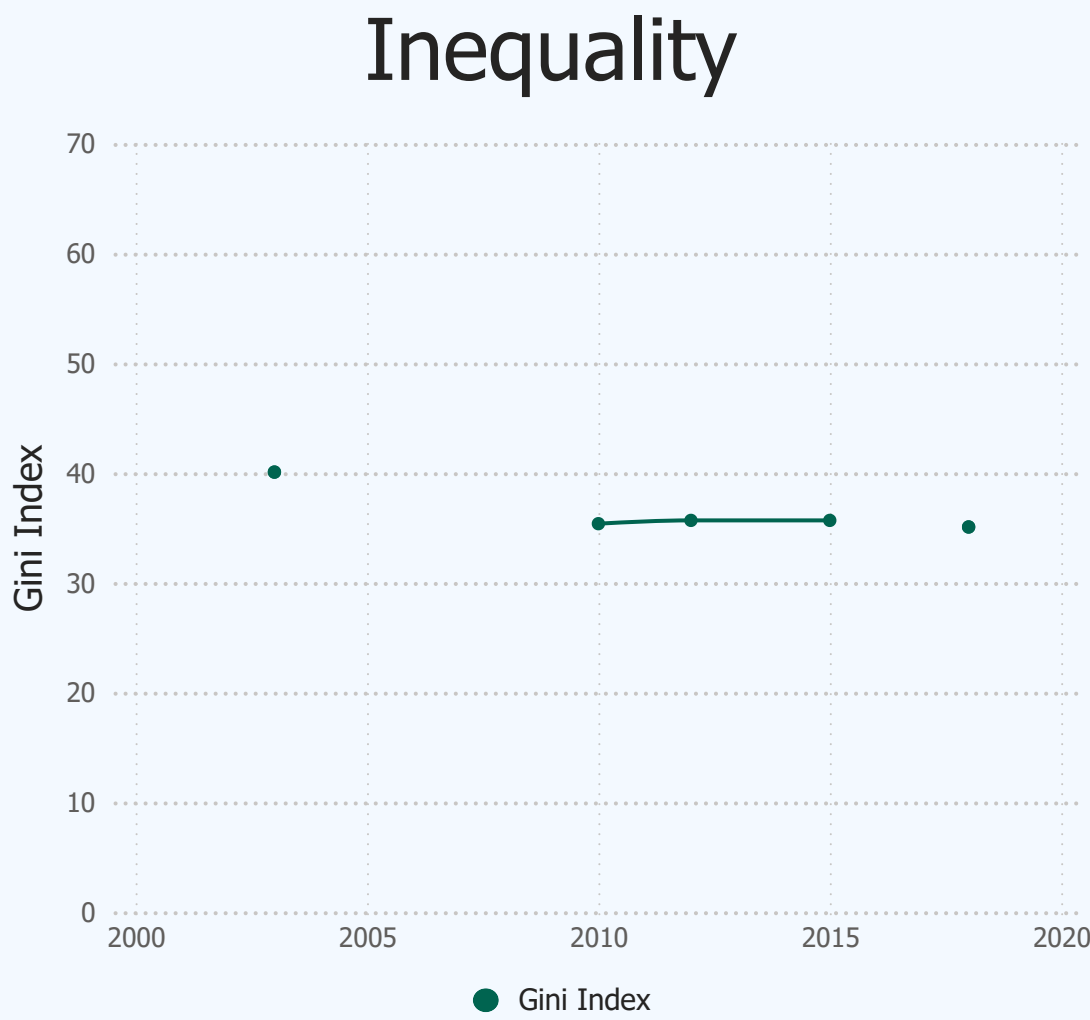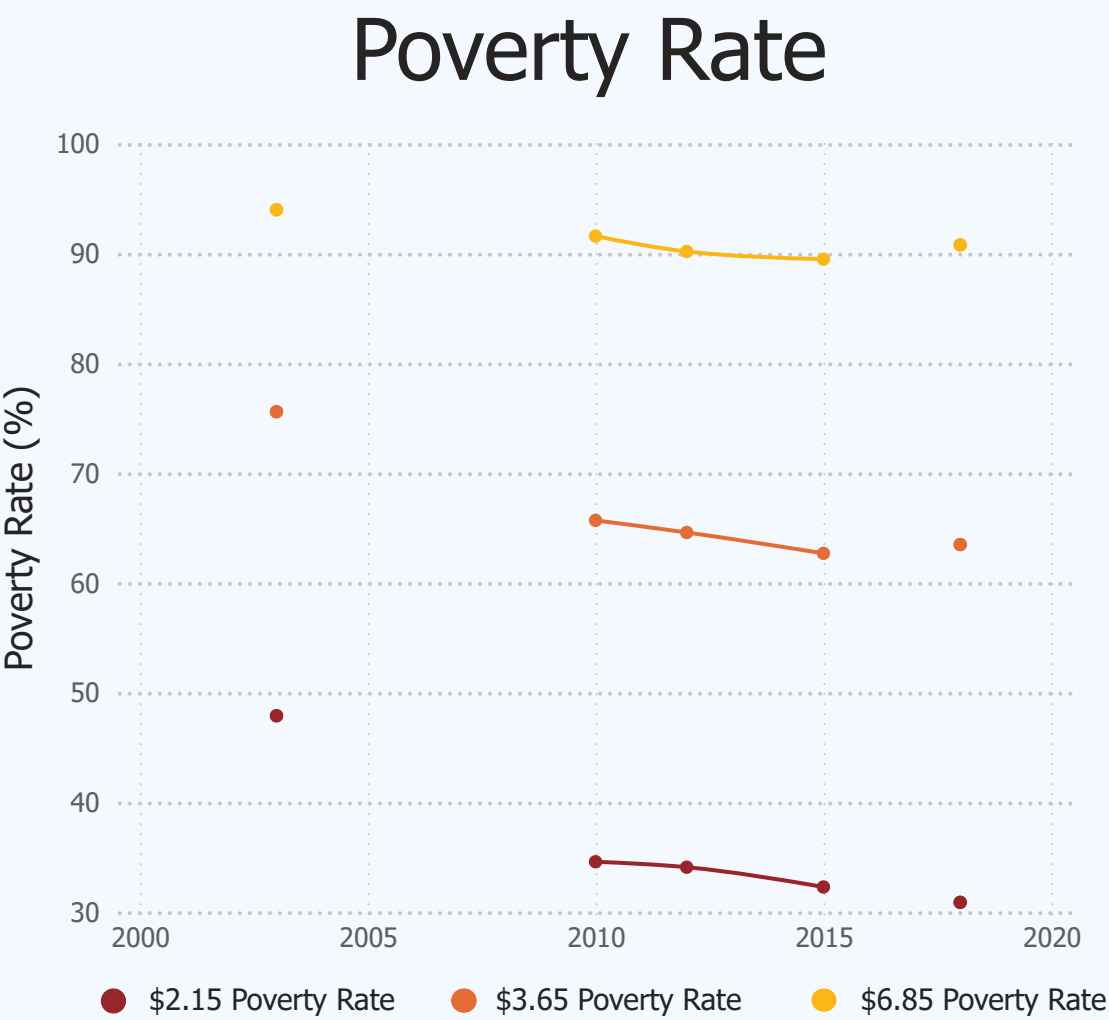# Poverty & Equity Brief

NIGERIA

Based on the most recent official household survey data from Nigeria's National Bureau of Statistics, 30.9 percent of Nigerians lived below the international extreme poverty line of $2.15 per person per day (2017 PPP) in 2018/19 before the COVID-19 pandemic. Nigeria remains spatially unequal. The poverty rate in northern geopolitical zones was 46.5 percent in 2018/19, compared with 13.5 percent for southern ones.

Before COVID-19, extreme poverty reduction had almost stagnated, dropping by only half a percentage point annually since 2010. Living standards of the urban poor are hardly improving, and jobs that would allow households to escape poverty are lacking. The limited availability of jobs is symptomatic of an economy beset by structural transformation constraints and the continued dependence on oil. Policy reforms are necessary to enable private sector driven growth that creates more and better jobs. In rural areas, livelihoods heavily rely on agricultural activities often for subsistence with limited productivity gains and ill-adapted to mitigate mounting climatic challenges.

Multiple shocks in a context of high economic insecurity have deepened and broadened poverty. Since 2018/19, an additional 45 million people fell into poverty so that almost half of all Nigerians (47 percent) are estimated to live in poverty in 2024, based on World Bank projections. Several shocks have contributed to this staggering increase: the COVID-19 recession, natural disasters, growing insecurity, the failed demonetization attempt, and high inflation rates. Previous domestic policy missteps compounded the effects of the shocks, which led to an increase in macroeconomic instability and the incidence of poverty. Many of these shocks, in particular rising inflation, have eroded purchasing power especially of urban households. Labor incomes have not kept up with inflation pushing many Nigerians into poverty.

Reforms to protect the poorest against inflation and to boost livelihoods of all Nigerians through more productive work are key to reverse the increasing poverty trend. To alleviate the inflationary effects of recent reforms on the poor, the government has launched temporary cash transfers with the goal of reaching 15 million households. However, coverage and benefits remain inadequate. The further expansion and strengthening of the social protection system will be key to help mitigate the impact of future shocks, allowing households to make necessary investments into human capital to avoid inter-generational transmission of poverty. This short-term intervention needs to be complemented by economic diversification that grows the non-oil sector and creates private sector jobs together with investments into public services, especially in health, education, and infrastructure. Improving the effectiveness and efficiency of public investments is especially important in the context of limited fiscal space.

$2.15 Poverty Rate 2018	$6.85 Poverty Rate 2018	Gini Index 2018	Prosperity Gap 2018
30.9%	90.8%	35.1	10.2

Poverty Rate

Inequality

Poverty at Different Lines

Poverty Line	Number of Poor (Thousands)	Rate (%)	Year
National Poverty Line	82,912.4	40.1	2018
International Poverty Line ($2.15/day)	61,229.0	30.9	2018
Lower Middle Income Class Poverty Line ($3.65/day)	125,922.3	63.5	2018
Upper Middle Income Class Poverty Line ($6.85/day)	180,231.0	90.8	2018
Multidimensional Poverty Measure		39.7	2018

Group and Multidimensional Poverty

Poverty by Group	Poverty Rate (%)
Urban population	41.3
Rural population	75.5
Males	63.1
Females	63.9
0 to 14 years old	72.5
15 to 64 years old	57.5
65 and older	49.5
Without education (16+)	79.5
Primary education (16+)	61.9
Secondary education (16+)	50.0
Tertiary/post-secondary education (16+)	25.4

Multidimensional Poverty Components	(% of Pop.)
Daily income less than US$2.15 per person	30.9
At least one school-aged child is not enrolled in school	N/A
No adult has completed primary education	N/A
No access to limited-standard drinking water	N/A
No access to limited-standard sanitation	N/A
No access to electricity	N/A

Note:
Data for the "Poverty by Group" table is derived from a 2018 survey and data for the "Multidimensional Poverty Components" table is derived from a 2018 survey.
The rates in the "Poverty by Group" table above are shown at the $3.65 lower-middle income line.
"N/A" denotes a missing/removed value, while "N/A*" refers to a value which was removed due to having fewer than 30 observations.

Poverty Data & Methodology

In May 2020, Nigeria's 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 data on consumption, education, health, employment, housing, and many other non-monetary indicators of welfare. Following a two-stage sampling approach, the data are representative at the national, urban-rural, and state levels.

Since the 2018/19 NLSS and the 2009/10 HNLSS cannot technically be compared, poverty and inequality trends for Nigeria for the 2010s are constructed using survey-to-survey imputations. A model linking monetary consumption and a set of non-monetary indicators was created using the 2018/19 NLSS. This model was then used to impute into the General Household Survey (GHS) in 2010/11, 2012/13, and 2015/16 using a common set of consistently measured non-monetary variables.

NBS completed data collection for the new 2022/23 NLSS in December 2023. Although data cleaning has been completed, the microdata is not yet available. Analysis of the data will make it possible to assess directly how the welfare of Nigerian households has fared during the COVID-19 crisis and subsequent shocks that have affected the country.

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.