THE NIGERIA POVERTY PROFILE 2010 REPORT

PRESS BRIEFING BY THE STATISTICIAN-GENERAL OF THE FEDERATION/CHIEF EXECUTIVE OFFICER, NATIONAL BUREAU OF STATISTICS, DR. YEMI KALE HELD AT THE CONFERENCE ROOM, 5TH FLOOR, NBS HEADQUARTERS, CENTRAL BUSINESS DISTRICT, ABUJA ON MONDAY, 13TH FEBRUARY, 2012.

1. **PROTOCOL**

PREAMBLE

2. It is with great pleasure that I present to you today, highlights of the "***Nigeria Poverty Profile Report 2010***", a report which emerged from the recently concluded Harmonised Nigeria Living Standard Survey (HNLSS) conducted by the National Bureau of Statistics (NBS) with support from the World Bank, DFID (UK) and UNICEF.

3. As part of its functions to produce statistics for evidence-based policy-making and as the authoritative source and custodian of all official statistics, NBS periodically conducts the Harmonized Nigeria Living Standard Survey which is used, amongst other things, to determine poverty and inequality trends in Nigeria. The data collected by NBS through our regular surveys and via our system of administrative statistics around the country present a vital source of evidence, as they provide us with clear, objective, numerical data on all aspects of our lives and the state of our country. NBS has presence in every state of the federation with staff who collect data on various socio economic indicators on a regular basis to fulfill our mandate. This way we are able to monitor various trends across the country at a disaggregated level. To demonstrate that NBS remains committed to improving statistical development in Nigeria, the institutional capacity to deliver on its mandate is being strengthened regularly with increased levels of collaboration between NBS and our partners in the public and private sectors, including the press.

4. In recognition of the fact that it is impossible, given limited financial resources, to collect data on every area of life, we are ensuring that the data collected by NBS is demand-driven and user-specific. Concomitantly, we are expanding our scope to include more aspects of socio-economic life, deepening our analytical competence and

enhancing the professionalism of staff. A recent innovation is to announce, in advance, the expected dates of publication of survey results and data releases, which can be found on the official website. For example, a visit to our website at www.nigerianstat.gov.ng would reveal that we plan to publish inflation data for January 2012, the first since the partial removal of fuel subsidy, next Monday. The planned dates of release for other types of data can be found on the website.

5. As you may have observed our data releases have been mixed: some positive and others negative. We would therefore continue to publish accurate and timely data regardless of whether it is positive or negative because the information we provide is useful as a guide for government policy, business investors, as well as a veritable tool for the public to evaluate the performance of government and the progress of our society in the interest of growth and development in Nigeria.

PART I:

OVERVIEW OF THE HNLSS 2009/2010 SURVEY

6. Nigeria's efforts at monitoring and evaluation of national programmes and policies started with the analysis of a series of National Consumer Expenditure Surveys which led to the assessment of poverty in Nigeria over a period of sixteen years from 1980 – 1996, and the publication of the report on poverty trend in Nigeria in 1999.

7. The Harmonized Nigeria Living Standard Survey (HNLSS) 2009/2010 is an enlarged scope of previous National Consumer Surveys and also a follow-up to the Nigeria Living Standard Survey (NLSS) 2003/2004. The scope of the HNLSS 2009/2010 was enlarged to include: Demography; Health; and Fertility behaviour, Education and Skills/Training; Employment and Time-use; Housing and Housing Condition; Social Capital, Agriculture; Household Income & consumption, and Expenditure. Two statistical reports (Nigeria Living Standard Survey Report 2010 and the Poverty profile of 2010 will be produced to assist various levels of government to evaluate and monitor their social and economic programmes.

OBJECTIVES, JUSTIFICATION, SCOPE AND COVERAGE OF THE SURVEY

8. In a broad sense, the concern of the study was to generate detailed, multi-sector and policy relevant data using welfare and expenditure approaches. More specifically,

the HNLSS was aimed at providing information on the conditions and trends of poverty, households' income & consumption expenditure, and unemployment at a greater level of disaggregation. It was also to provide valid and reliable data for the development of effective intervention and provision of important tools for designing, implementing and monitoring of economic growth and poverty reduction.

9. It is widely acknowledged that data needed to drive government anti-poverty programmes is often not available or inadequate at such disaggregated levels as to inform policymakers and business decisions takers. Therefore, the HNLSS is a worthwhile effort because the information gathered would generally aid decision makers in the formulation of economic and social policies, by identifying target groups for government intervention.

METHODOLOGY AND SAMPLE DESIGN

10. The HNLSS used four different approaches in the computation of poverty indicators:

i) **Relative Poverty Measurement**: Relative poverty is defined by reference to the living standards of majority in a given society and separates the poor from the non-poor. Households with expenditure greater than two-thirds of the Total Household Per Capita expenditure are NON-POOR whereas those below it are POOR. Further desegregation showed that households with less than one-third of total Household Per Capita expenditure are CORE-POOR (EXTREME POOR) while those Households greater than one-third of total expenditure but less than two-thirds of the total expenditure are MODERATE POOR. Accordingly, the poor category is sub-divided into those in extreme poverty and those in moderate poverty, where extreme poverty is more severe than moderate poverty. Those in moderate poverty constitute a greater portion of the growing middle class in Nigeria who are at the point of crossing over to the non-poor category. Similarly, the non-poor is divided into the fairly rich and the very rich.

iii.) **Absolute poverty measurement approach**: Here, Poverty is defined in terms of the minimal requirements necessary to afford minimal standards of food, clothing, healthcare and shelter. This method considers both food expenditure and non- food expenditure using the per capita expenditure approach. This method is otherwise known as Food Energy Intake measure of poverty. First you obtain the food basket of the poorest 40 percent of

the population. Then compute the food expenditure that can give 3000 calorie per day based on the national food basket for the poorest 40 percent.

iii. **Dollar per day measurement approach:** refers to the World Bank's Purchasing Power Parity (PPP) index, which defines poverty as the proportion of those living on less than US$1 per day poverty line.

iv.) **Subjective Poverty Measurement approach**: is based on self-assessment and "sentiments" from respondents interviewed. Unlike the other three statistical measurements of poverty, it considers the respondents' opinion on whether or not they consider themselves to be poor.

11. In addition, NBS computes **the Gini Coefficient** as a measure of inequality and income distribution in a country. The Gini-coefficient is a number between 0 and 1, where 0 corresponds with perfect equality (in which case everyone earns the same income); and 1 corresponds with perfect inequality (where only one person earns all the income and all others have zero income).

12. Different countries use any one or more of these measures to calculate poverty. NBS however adopts the relative poverty method as Nigeria's official measure of poverty.

PART II:

HNLSS 2010 SURVEY RESULTS

13. The 26-page report provides details of the conditions of poverty and income distribution across the country, as well as technical notes regarding the various definitions and methodologies employed for the survey. The full report can be found on our website later this afternoon. The attached tables, however, provide detailed breakdown of the survey results. The major findings from the survey are as follows:

i. **Relative poverty** is defined by reference to the living standards of majority in a given society. In 2004, Nigeria's relative poverty measurement stood at **54.4%**, but increased to **69% (**or **112,518,507** Nigerians) in 2010. The **North-West** and **North-East** geo-political zones recorded the highest poverty rates in the country with **77.7%** and **76.3%** respectively in 2010, while the **South-West** geo-political zone recorded the lowest at **59.1%.** Among States, **Sokoto** had the highest poverty rate at **86.4%** while **Niger** had the lowest at **43.6%** in the year under review**.**

ii. **Absolute Poverty** is defined in terms of the minimal requirements necessary to afford minimal standards of food, clothing, healthcare and shelter. Using this measure, **54.7%** of Nigerians were living in poverty in 2004 but this increased to **60.9%** (or **99,284,512 Nigerians)** in 2010. Among the geo-political zones, the **North-West** and **North-East** recorded the highest rates at **70%** and **69%** respectively, while the **South-West** had the least at **49.8%**. At the State level, **Sokoto** had the highest at **81.2%** while **Niger** had the least at **33.8%** during the review period.

iii. **The-Dollar-per-day measure** refers to the proportion of those living on less than US$1 per day poverty line. Applying this approach, **51.6%** of Nigerians were living below US$1 per day in **2004**, but this increased to **61.2%** in **2010**. Although the World Bank standard is now US$1.25, the old reference of US$1 was the standard used in Nigeria at the time that the survey was conducted. The **North-West** geo-political zone recorded the highest percentage at **70.4%**, while the **South-West** geo-political zone had the least at **50.1%. Sokoto** had the highest rate among States at **81.9%**, while **Niger** had the least at **33.9%.**

iv. **Subjective Poverty** is based on self-assessment and "sentiments" from respondents. In this regard, **75.5%** of Nigerians considered themselves to be poor in **2004**, and in **2010** the number went up to **93.9%**. **FCT** recorded the most number of people who considered themselves to be poor at **97.9%. Kaduna** recorded the least number of people who considered themselves poor at **90.5%**.

v. **2011 Poverty level estimates**: For completeness and to guide policy, NBS has also forecast the poverty rate for 2011 using various economic models. It is important to stress at this point that these estimates are constrained by the assumption that the status quo in 2010 was maintained in 2011. Accordingly, it ignores the potential positive impact various poverty alleviation strategies implemented since 2011 may have had on reversing the poverty trend. This will become clearer once the 2011 Annual Socio-Economic Survey is completed later in the year. Thus, using the relative, absolute and dollar-per-day poverty measures, **NBS estimates that poverty may have further risen slightly to about 71.5%, 61.9% and 62.8% respectively in 2011**.

vi. **Income inequality**: The survey suggests rising income inequality in the country as measured by the **Gini-coefficient**. By this measure, income inequality rose from 0.429 in 2004 to 0.447 in 2010, indicating greater income inequality during the period.

vii. **Consumption Expenditure Distribution**: Lastly, analysis of consumption expenditure distribution indicates that the **top 10% income earners was responsible for about 43%** of total consumption expenditure, the top 20% was responsible for about 59% of total consumption expenditure while the top 40% was responsible for about 80% of total consumption expenditure in the year under review.

FURTHER ANALYSIS OF RELATIVE POVERTY

14. As earlier stated, NBS adopts the relative poverty measurement for monitoring poverty trends in the country. It remains a paradox however, that despite the fact that the Nigerian economy is growing, the proportion of Nigerians living in poverty is increasing every year, although it declined between 1985 and 1992, and between 1996 and 2004. Accordingly it is important to take a closer look at poverty trends using this approach.

Distributing the population into extremely poor, moderately poor and non-poor, the proportion of the extremely poor increased from 6.2 percent in 1980 to 29.3 percent in 1996 and then came down to 22.0 percent in 2004 before reaching 38.7% in 2010. For the moderately poor, the picture was quite different as the proportion rose between 1980 and 1985 from 21.0 percent to 34.2 percent. It went down between 1996 and 2004, from 36.3 percent to 32.4 percent, and even further in 2010 to 30.3 percent. On the other hand, the proportion of non-poor was much higher in the country in 1980 (72.8 percent) compared to 1992 (57.3 percent). It dropped significantly in 1996 to 34.4percent, falling further in 2010 to 31 percent.

Table 1: Relative poverty: Non-poor, Moderate poor and the Extremely poor (%), 1980-2010

Year	Non-poor	Moderately poor	Extremely poor
1980	72.8	21.0	6.2
1985	53.7	34.2	12.1
1992	57.3	28.9	13.9
1996	34.4	36.3	29.3
2004	43.3	32.4	22.0
2010	31.0	30.3	38.7
Source: NBS, Harmonized Nigeria Living Standard Survey, 2010			

CONCLUSION

15. The results of the HNLSS 2010 as contained in the Nigeria Poverty Profile 2010 Report indicate that poverty and income inequality in Nigeria have increased since 2003/2004. In addition, NBS estimates that this trend may have increased further in 2011 if the potential positive impacts of several anti-poverty and employment generation intervention programmes are not taken into account, but this can only be ascertained at the conclusion of the 2011 survey later this year.

16. Ladies and gentlemen, it is my expectation that the Nigeria Poverty Profile 2010 Report will serve as a useful tool for candid and constructive public discourse to enable all stakeholders in the Nigerian economy make informed decisions for the good of our dear country. I thank you for your attention.

APPENDIX

Table 1 Relative Poverty Headcount from 1980-2010

Year	Poverty Incidence (%)	Estimated Population (Million)	Population in poverty (Million)
1980	27.2	65	17.1
1985	46.3	75	34.7
1992	42.7	91.5	39.2
1996	65.6	102.3	67.1
2004	54.4	126.3	68.7
2010	69.0	163	112.47
Source: National Bureau of Statistics. HNLSS 2010			

Table 3: Incidence of Poverty by Zones using different poverty measures (%)

Zone	Food Poor	Absolute Poor	Relative Poor	Dollar Per Day
North Central	38.6	59.5	67.5	59.7
North East	51.5	69.0	76.3	69.1
North West	51.8	70.0	77.7	70.4
South East	41.0	58.7	67.0	59.2
South-South	35.5	55.9	63.8	56.1
South west	25.4	49.8	59.1	50.1

Table 4: 2010 Poverty rates for Absolute, Relative, Dollar/day and Food Poverty measures (%)

		Food Poverty		**Absolute Poverty**		Moderately poor based on 2/3 of the weighted mean household per capita expenditure regionally deflated **(Relative poverty)**		**Dollar per day based on an adjusted PPP**	
		Food Poor	Non Poor	Poor	Non Poor	Poor	Non Poor	Poor	Non Poor
sector	Urban	26.7	73.3	52.0	48.0	61.8	38.2	52.4	47.6
	Rural	48.3	51.7	66.1	33.9	73.2	26.8	66.3	33.7
	National	41.0	59.0	60.9	39.1	69.0	31.0	61.2	38.8
zone	North Central	38.6	61.4	59.5	40.5	67.5	32.5	59.7	40.3
	North East	51.5	48.5	69.0	31.0	76.3	23.7	69.1	30.9
	North West	51.8	48.2	70.0	30.0	77.7	22.3	70.4	29.6
	South East	41.0	59.0	58.7	41.3	67.0	33.0	59.2	40.8
	South South	35.5	64.5	55.9	44.1	63.8	36.2	56.1	43.9
	South West	25.4	74.6	49.8	50.2	59.1	40.9	50.1	49.9
state	Abia	30.5	69.5	57.4	42.6	63.4	36.6	57.8	42.2
	Adamawa	55.4	44.6	74.2	25.8	80.7	19.3	74.3	25.7
	Akwa ibom	35.6	64.4	53.7	46.3	62.8	37.2	53.8	46.2
	Anambra	34.2	65.8	56.8	43.2	68.0	32.0	57.4	42.6
	Bauchi	54.1	45.9	73.0	27.0	83.7	16.3	73.1	26.9
	Bayelsa	23.3	76.7	47.0	53.0	57.9	42.1	47.0	53.0
	Benue	48.5	51.5	67.1	32.9	74.1	25.9	67.2	32.8
	Borno	33.2	66.8	55.1	44.9	61.1	38.9	55.1	44.9
	Cross-Rivers	46.4	53.6	52.9	47.1	59.7	40.3	52.9	47.1
	Delta	42.8	57.2	63.3	36.7	70.1	29.9	63.6	36.4
	Ebonyi	63.5	36.5	73.6	26.4	80.4	19.6	73.6	26.4
	Edo	39.4	60.6	65.6	34.4	72.5	27.5	66.0	34.0
	Ekiti	35.8	64.2	52.4	47.6	59.1	40.9	52.6	47.4
	Enugu	52.7	47.3	62.5	37.5	72.1	27.9	63.4	36.6

Gombe	71.5	28.5	74.2	25.8	79.8	20.2	74.2	25.8
Imo	33.3	66.7	50.5	49.5	57.3	42.7	50.7	49.3
Jigawa	71.1	28.9	74.1	25.9	79.0	21.0	74.2	25.8
Kaduna	41.7	58.3	61.5	38.5	73.0	27.0	61.8	38.2
Kano	48.3	51.7	65.6	34.4	72.3	27.7	66.0	34.0
Katsina	56.2	43.8	74.5	25.5	82.0	18.0	74.8	25.2
Kebbi	47.0	53.0	72.0	28.0	80.5	19.5	72.5	27.5
Kogi	50.1	49.9	67.1	32.9	73.5	26.5	67.3	32.7
Kwara	38.1	61.9	61.8	38.2	74.3	25.7	62.0	38.0
Lagos	14.6	85.4	48.6	51.4	59.2	40.8	49.3	50.7
Nassarawa	26.8	73.2	60.4	39.6	71.7	28.3	60.4	39.6
Niger	20.4	79.6	33.8	66.2	43.6	56.4	33.9	66.1
Ogun	41.8	58.2	62.3	37.7	69.0	31.0	62.5	37.5
Ondo	36.1	63.9	45.7	54.3	57.0	43.0	46.1	53.9
Osun	19.5	80.5	37.9	62.1	47.5	52.5	38.1	61.9
Oyo	24.6	75.4	51.8	48.2	60.7	39.3	51.8	48.2
Plateau	44.0	56.0	74.1	25.9	79.7	20.3	74.7	25.3
Rivers	26.3	73.7	50.4	49.6	58.6	41.4	50.6	49.4
Sokoto	56.6	43.4	81.2	18.8	86.4	13.6	81.9	18.1
Taraba	45.2	54.8	68.9	31.1	76.3	23.7	68.9	31.1
Yobe	58.5	41.5	73.8	26.2	79.6	20.4	74.1	25.9
Zamfara	44.4	55.6	70.8	29.2	80.2	19.8	71.3	28.7
FCT	32.5	67.5	55.6	44.4	59.9	40.1	55.6	44.4

Table 5: 2011 Poverty forecast (%)

	2004 (%)	2010 (%)	2011 (%)
Estimated Population (million)	126.3	163	168
Relative Poverty	54.4	69	71.5
Absolute Poverty	54.7	60.9	61.9
Dollar Per Day	62.8	61.2	62.8

Table 6: Income Inequalities at National and State Level for 2004 and 2010

	Location	2004	2010	% change in inequality
National		**0.4296**	**0.447**	**4.1**
Location	***Rural***	***0.4239***	***0.4334***	***2.2***
	Urban	***0.4154***		***4.2***
State				
	Abia	***0.4329***	0.3968	12.6
	Adamawa	0.4414	0.4339	-1.7
	Akwa ibom	0.3645	0.4381	20.2
	Anambra	0.3534	0.3803	7.6
	Bauchi	0.4705	0.3348	-28.9
	Bayelsa	0.3333	0.337	1.1
	Benue	0.3888	0.4069	4.6
	Borno	0.3601	0.3841	6.7
	Cross-rivers	0.3977	0.4369	9.8
	Delta	0.3582	0.4698	31.1
	Ebonyi	0.3598	0.425	18.1
	Edo	0.3742	0.4177	11.6
	Ekiti	0.3695	0.4831	30.7
	Enugu	0.3976	0.4273	7.5
	Gombe	0.3652	0.4217	15.5
	Imo	0.3844	0.425	10.6
	Jigawa	0.3368	0.3976	18.1
	Kaduna	0.3668	0.4005	9.2
	Kano	0.375	0.4692	25.1
	Katsina	0.4174	0.374	-10.4
	Kebbi	0.3046	0.3259	7
	Kogi	0.4914	0.4145	-15.7
	Kwara	0.4848	0.3594	-25.9
	Lagos	0.504	0.3719	-26.2
	Nassarawa	0.3494	0.34	-2.7
	Niger	0.3665	0.3675	0.3
	Ogun	0.3984	0.4076	2.3
	Ondo	0.3274	0.3869	18.2
	Osun	0.3482	0.3856	10.7
	Oyo	0.3295	0.3923	19.1
	Plateau	0.4242	0.3995	-5.8

	Rivers	0.4052	0.4614	13.9
	Sokoto	0.3574	0.355	-0.7
	Taraba	0.3664	0.5241	43
	Yobe	0.3283	0.523	59.3
	Zamfara	0.3506	0.3397	-3.1
	FCT	0.4062	0.5116	26

Geo-political zones				
	1 South South	0.3849	0.434	12.8
	2 South East	0.376	0.4442	18.1
	3 South West	0.4088	0.4097	0.2
	4 North Central	0.4459	0.422	-5.4
	5 North East	0.4114	0.4468	8.6
	6 North West	0.4028	0.4056	0.7