

# NESG 2021 Multidimensional Poverty Alert November 2022

## About 63 percent of Nigerians are Multidimensionally Poor as of 2021

According to the National Bureau of Statistics (NBS), about 133 million Nigerians suffer from multidimensional poverty, corresponding to a 63 percent poverty headcount as of 2021. This implies that approximately 6 out of 10 Nigerians are multidimensionally poor. Moreover, the national multidimensional poverty index (MPI) was estimated at 0.257 in 2021. This suggests that poor Nigerians experience about 26 percent of all possible deprivations, including lack of access to basic social services – health and education, poor living standards, unfavourable labour market outcomes and security shocks (see **Figure 1**).



Figure 1: Contribution of Indicators across the Four Dimensions to National MPI (percent)

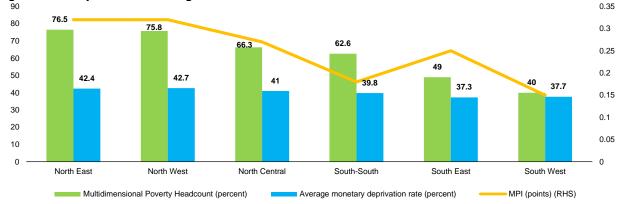
#### Data: NBS; Chart: NESG Research

In terms of monetary deprivation, the national poverty headcount was estimated at 40.9 percent in 2021, slightly higher than the 2019 estimate of 40.1 percent. A further breakdown of the poverty statistics showed that the incidence of multidimensional poverty is significantly higher in rural settlements (72 percent) than in urban centres (42 percent), with corresponding MPI estimated at 0.302 and 0.155, respectively, as of 2021. Similarly, about 41.9 percent and 36.9 percent of Nigerians residing in the rural and urban settlements, respectively, fell below the national monetary poverty line as of 2021.

## Northern Region remains Nigeria's Poverty Capital

There is wide variation in the incidence of multidimensional poverty across the six geo-political zones in Nigeria. Meanwhile, the Northern region has a significant headcount of multidimensionally poor Nigerians (65 percent) relative to the Southern region, with a poverty incidence of 35 percent as of 2021. At 76.5 percent, North East had the highest incidence of multidimensional poverty, followed by North West (75.8 percent) as of 2021 (see **Figure 2**). On the other hand, South West had the lowest multidimensional poverty incidence at 40 percent, followed by South East (49 percent) as of 2021. In addition, the Northern zones outpaced their Southern counterparts in terms of other poverty indices – multidimensional poverty index and average monetary deprivation rate as of 2021.

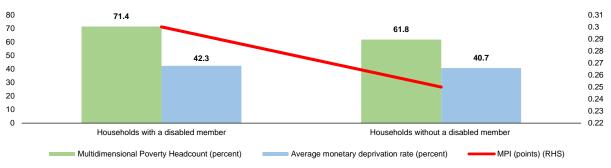
Figure 2: Poverty Indices across Nigerian zones as of 2021



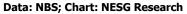
Data: NBS; Chart: NESG Research

#### People living with disabilities are more prone to multidimensional poverty

At 71.4 percent, Nigerian households with at least one person living with disabilities suffer more multidimensional poverty than those without a disabled member (61.8 percent) as of 2021 (see **Figure 3**). Similarly, households with at least one disabled member experience more poverty than others without a disabled member on other poverty indices – multidimensional poverty index and monetary deprivation.

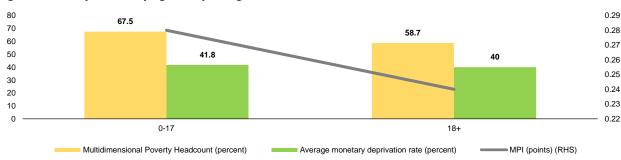






### Under-eighteen children have the greatest exposure to multidimensional poverty

At 67.5 percent, Nigerians below the age 18 experience higher multidimensional poverty headcount relative to other age groups as of 2021 (see **Figure 4**). Similarly, this age bracket suffers greatly from other poverty indices relative to the other age groups. Within this age bracket, under-five children experienced a much higher multidimensional poverty headcount of 70.1 percent as of 2021. This reflects the high level of dependence of this age group on the working age bracket (under-five) which is a commonplace globally.



#### Figure 4: Poverty Indices by Age Group in Nigeria as of 2021

#### Data: NBS; Chart: NESG Research

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Consequently, there is a growing momentum of child labour in Nigeria which has brought about renewed concerns in tracking the incidence of monetary and multidimensional poverty among Nigerian children (under-18 ages). The latest NBS poverty survey showed that national multidimensional and average monetary deprivation rate among Nigerian children stood at 83.5 percent and 38.5 percent, respectively as of 2021 (see **Table 1**). Also, children inhabiting rural settlements suffer greater socio-economic deprivation than their urbanbased counterparts. In terms of the geo-political zone, North East had the highest poverty indices, including MPI, multidimensional poverty headcount, and average monetary deprivation rate. Conversely, South West recorded the lowest burden across the three poverty indices.

	MPI (points)	Multidimensional Poverty Headcount (percent)	Monetary Poverty Headcount (percent)
National	0.32	83.5	38.5
Nature of Settlement			
Rural	0.36	89.1	39.8
Urban	0.23	67.1	33.5
Geo-political zone			
North East	0.36	91.2	39.2
North West	0.37	90.7	40.8
North Central	0.32	84.3	38.2
South-South	0.3	81.2	37.1
South East	0.25	74	34.4
South West	0.23	65.1	34.6

#### Table 1: Child Poverty Indices in Nigeria as of 2021

Data: NBS; Chart: NESG Research

## Conclusion

Since poverty in Nigeria goes beyond monetary deprivation to accommodate non-monetary measures of socioeconomic deprivation, tackling poverty effectively in Nigeria will require the following action points:

- The issue of insecurity and communal clashes across the country has taken a front burner on social discourse, with insecurity being more prevalent in the Northern region than in the Southern region. The displacement effect associated with terrorism in the Northern parts of the country (North East and North West) has imposed a substantial economic burden on the victims and has impoverished many households. To this end, there is a need to devise a practical and inclusive national security strategy to guarantee the safety of Nigerians' lives, livelihoods and properties irrespective of location.
- Very crucial is an investment in skills development for Nigerian youths classified as not in education, employment or training (NEET) to reduce social exclusion in terms of higher poverty and inequality. Anecdotal evidence shows that education and training help to build a productive workforce and paves the way for Nigerian youths to secure decent jobs and high-pay employment opportunities. This suggests the positive impact of human capital development on the lives and livelihoods of Nigerians.
- The rural-urban divide needs to be bridged to check the migration of able-bodied youths from rural settlements to urban centres. This, in turn, creates unnecessary pressure on the infrastructural facilities, causing all sorts of social vices in the cities. Since poverty monetary and multidimensional deprivation is highly prevalent in rural areas, there is an urgent need for improved access to healthcare delivery and improved school enrolment rate through increased public spending and private sector investment. This would reduce the incidence of child labour and socio-economic deprivation.
- Removing constraints to the production and supply of agricultural products to the market, amongst which are: inadequate storage facilities, insecurity, dependence on food importation, land fragmentation, and lack of access to quality inputs. Addressing these structural constraints would not only boost agricultural productivity but also ensure food security and reduce the dependence on imported food items in Nigeria.

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## About NESG

The NESG is an independent, non-partisan, non-sectarian organization, committed to fostering open and continuous dialogue on Nigeria's economic development. The NESG strives to forge a mutual understanding between leaders of thought to explore, discover and support initiatives directed at improving Nigeria's economic policies, institutions, and management.

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