



NATIONAL POVERTY RATES FOR NIGERIA: 2003-04 (REVISED) AND 2009-10

(Abridged Report)



NATIONAL BUREAU OF STATISTICS

REVIEW OF 2009/10 ABSOLUTE POVERTY RATES ACROSS NIGERIA

Poverty is multi-dimensional and no single indicator can capture all the aspects of poverty. We define poverty based on the availability of certain basic needs such as food, clothing, shelter, sanitation facilities, pipe-borne water, education, good healthcare and access to information. Statistically however, we determine poverty based on income and/or consumption, which assigns numbers to living standards and makes it easier to calculate poverty. The National Bureau of Statistics (NBS) captures poverty rates across Nigeria with three different approaches – (1) *Absolute Poverty Approach*; (2) *Relative Poverty Approach*; and (3) *Dollar per day*.

In presenting **Absolute Poverty measurement**, the cost of basic needs approach to measuring poverty is used with three key steps: (a) Food basic minimum needs required to satisfy daily needs. This caloric threshold is set at 3,000 calories per person per day. (b) Non-food needs and (c) Aggregation of food and non-food to derive the absolute poverty line. Absolute poverty is preferred internationally because it is easier to compare poverty rates across countries. **Relative Poverty measurement** on the other hand is based on household expenditures. Per capita expenditures that are less than two-thirds of the poverty line are considered to be poor, while those above are non-poor. Relative measure has been the NBS' official poverty measure, but this will change to absolute measure, so we can compare Nigeria's poverty rates with other countries'. Finally, **Dollar per day** sets poverty at US\$2 a day or less and extreme poverty at US\$1.25. This abstract report of a more comprehensive report, which will be released shortly, is focused on the revision of Absolute Poverty only.

Absolute Poverty Measurement can be calculated using two approaches: (i) per capita approach and; (ii) adult equivalent approach. Per capita approach assigns 3000 calories to every Nigerian as the minimum daily calorie requirement. Adult equivalent approach takes several factors such as, sex, age or pregnancy into consideration when calculating for an individual's daily calorie requirements. Adult equivalent poverty numbers therefore will always be much lower than per capita poverty numbers. The NBS currently reports poverty using the per capita approach.

Statistics are constantly changing with the introduction of new and improved methodologies; better technology for analysing and changing environments. For this reason, officially released statistical data will always be revised to ensure that the final numbers are indeed a reflection of reality. The Absolute Poverty Measurement for 2009/10 has now been revised, with the

introduction of new considerations in the methodology such as improved editing techniques; increased number of rent models; more robust food basket; better prices; increased number of food items affecting the food poverty line; and the application of a different price deflator methodology. All these factors and more have contributed to the revision of the Absolute Poverty Measurement for 2009/10 and because a trend must be created, the new methodologies have also been applied to 2003/04.

In calculating poverty line for 2003-04, the threshold which was considered poor was ₦28,836.70 per person per year, while 2009-10 poverty line was defined at ₦55,235.20 per person per year. The 2009-10 poverty line was adjusted for inflation using 2003-04 poverty line as the reference.

The results show that overall, absolute poverty incidence using per capita approach was calculated as 62.6% in **2009-10**. This shows a slight improvement over the **2003-04** poverty rate, when the fraction of the population below the poverty line for per capita approach was estimated at 64.2%. Rural poverty (73.4 and 69.0 per cent for 2003-04 and 2009-10 respectively) declined faster than urban (52.2 and 51.2 per cent for 2003-04 and 2009-10 respectively), in addition to the headcount poverty, other measures of poverty have also declined, which means that poverty is still predominant in the rural area.

Table 1 National poverty headcount estimates and number of poor Nigerians 2003-04 and 2009-10

	2003-04							
	Head count P α =0	Poverty gap P α =1	Severity of poverty P α =2	% of population	Contribution to poverty			Number of absolute poor (millions)
	P α =0	P α =1	P α =2		P α =0	P α =1	P α =2	
Per capita								
National	64.2	27.4	15.0	100.0	100.0	100.0	100.0	80.0
Rural	73.4	32.7	18.2	56.3	64.4	67.2	68.5	51.5
Urban	52.2	20.5	10.8	43.7	35.6	32.8	31.5	28.5

2009-10								
	Head count	Poverty gap	Severity of poverty		Contribution to poverty			Number of absolute poor (millions)
	P α =0	P α =1	P α =2	% of population	P α =0	P α =1	P α =2	
Per capita								
National	62.6	26.2	14.2	100.0	100.0	100.0	100.0	102.2
Rural	69.0	30.3	16.8	63.8	70.3	73.7	75.4	71.9
Urban	51.2	19.1	9.6	36.2	29.7	26.3	24.6	30.3

The poverty headcount differs considerably in different states of the Nigerian Federation (Tables 2 and 3 below). In 2003-2004, Oyo was estimated to have the lowest poverty rate (38%) while Jigawa had the highest (95.3%). In 2009-2010, Osun State had the lowest poverty rate (37.5%) and Jigawa remained the highest (88.5%). The greatest progress in poverty reduction between the two surveys was in Lagos State, which reduced from a 69.4% rate in 2003-2004 to 40.3% in 2009-2010.

Table 2 State-level head count per capita poverty measure (%)

	2003-04	2009-10		2003-04	2009-10
Abia	40.9	50.2	Katsina	72.9	77.6
Adamawa	76.6	77.8	Kebbi	90.8	72.5
Akwa Ibom	56.8	51.0	Kogi	91.8	67.4
Anambra	41.4	53.7	Kwara	87.8	72.1
Bauchi	87.8	84.0	Lagos	69.4	40.3
Bayelsa	40.0	44.0	Nassarawa	66.1	78.4
Benue	64.7	73.6	Niger	64.4	51.0
Borno	59.8	60.6	Ogun	49.9	57.6
Cross-river	67.0	60.4	Ondo	62.8	57.7
Delta	70.6	53.8	Osun	44.6	37.5
Ebonyi	63.2	82.9	Oyo	38.0	50.8
Edo	53.6	64.1	Plateau	68.5	72.4
Ekiti	60.4	55.9	Rivers	56.7	47.2
Enugu	50.2	60.6	Sokoto	75.2	86.1
Gombe	73.1	81.6	Taraba	60.5	68.3
Imo	46.7	39.4	Yobe	88.0	81.7
Jigawa	95.3	88.5	Zamfara	84.0	67.5
Kaduna	54.2	64.0	FCT Abuja	53.3	45.5
Kano	59.4	70.4			