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A new framework for measuring inequality sheds light on poverty eradication in Nigeria

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What is the Multidimensional Inequality Framework and how does it provide robust measurements to inform effective responses to inequality? Inequalities expert and 2019-20 Atlantic Fellow for Social and Economic Equity Foluke Adetola Ojelabi uses the framework to examine socio-economic inequality and poverty in Nigeria, writing on the ways it overcomes the limitations of efforts to measure inequality to date.

This post is the first in a three-part series on Nigeria and the Multidimensional Inequality Framework.

It is the year 2100. Nigeria has become the world's second most populous country, second only to India and now far larger than China. And as the demographers and population analysts of 2100 permutate and granulate numbers, they look back four score years and agree that the models used by

the Global Burden of Disease Study's population scenario in 2020 were indeed correct. Was the work of those analysts pure clairvoyance? In fact, their predictions differed only slightly from other scenarios proposed at the time. These include a UNDP forecast that suggested that by 2050 Nigeria's population would overtake that of the United States as it became the world's seventh most populous country; and a collaboration between Wittgenstein Centre researchers and the International Institute for Applied Systems Analysis (IIASA), which provided very important first estimates of the impact of COVID-19 on life expectancy, mortality rates and the global aging demographics for 2020 (which found that COVID-19 would not substantially affect life expectancy in Nigeria and sub-Saharan Africa).

From our standpoint today, as Nigeria sits seventh in the world's population league table at 206 million people, this 2100 scenario is an ominous one, most especially because inequality in Nigeria – in its many different dimensions – has long needed to be effectively examined and addressed. As we muster hope and faith in our ability to weather a population explosion on the scale predicted, it is essential that we explore the options our country can adopt to prepare for a much more populous future. Moreover, during a time of pandemic and unprecedented global economic uncertainty, it is more important than ever that Nigeria recalibrates its plans for reducing poverty and inequality, lays a path to sustainable development and commits to building a truly regenerative and secure habitat.

Short-changed: why monetary poverty measurements fall short

On 1 May 2020, Nigeria's National Bureau of Statistics (NBS) released a report entitled *Poverty and Inequality in Nigeria 2019*, based on a living standards survey conducted in 2018-19. The report's executive summary, which promised further details in the yet-to-be released full report, highlights that 40% of the population, or almost 83 million Nigerians, live below the country's poverty line of 137,430 naira ($381.75) per year. As in previous years, this report's strong focus on monetary poverty means it neglects the core metrics for multidimensional inequality that are needed to reveal the

most relevant inequalities across the many regions of a country of Nigeria's large size.

The variation in poverty levels that the report reveals are the same as with many other such surveys, which all amplify the country's North-South divide, its urban-rural inequality gulf and, at 35.1, an income inequality measure (the Gini coefficient) that entirely overlooks 50% of the Nigerian population below 18 years old – in other words, the children of today who will become the parents and grandparents of the Nigerians of 2100. Although the title of the National Bureau of Statistics report promised a focus on both poverty and inequality, when measuring the latter, it failed to adopt the kind of holistic, multidimensional framework that can capture the country's welfare, well-being and quality of life. Without a holistic approach, the report's numbers alone are not enough to provide full insight – or lead to effective action.

It is commendable that the World Bank provided technical support to the NBS to ensure that Nigeria had at least some quantitative metrics to assess the depth of the country's poverty, and to attempt to calibrate inequality. However, leading experts ranging from academics, policy-makers and INGO practitioners to activists, trade union organisers and people with lived experience of poverty have rightly criticised the over-reliance on monetary poverty lines as defined by the World Bank. Among those critics are the most recent UN Special Rapporteur on Extreme Poverty and Human Rights, Philip Alston. In his 2020 report *The Parlous State of Poverty Reduction*, Alston argued that:

> 'by single-mindedly focusing on the World Bank's flawed international poverty line, the international community mistakenly gauges progress in eliminating poverty by reference to a standard of miserable subsistence rather than an even minimally adequate standard of living. This in turn facilitates greatly exaggerated claims about the impending eradication of extreme poverty and downplays the parlous state of impoverishment in which billions of people still subsist.'

New routes: taking multidimensional paths to measuring inequality

These traditional approaches – whose failings, as Alston eloquently observes, are adding to the toll of human misery – are not the only choices we have. There are tools that can ensure we avoid the methodological shortcomings that derail development plans and undermine social protection frameworks. One of the most promising is the Multidimensional Inequality Framework (MIF), launched in 2019 at the London School of Economics and Political Science. Could the MIF offer a way out of the methodological dead ends of current inequality measurements?

By 2050, the year Nigeria's population is set to overtake that of the US, it will be of critical global importance to have a precise and robust framework to measure inequality in its multiple dimensions. It will be cause for great concern if critical human development stakeholders have failed to reach a consensus long before 2050 on how to measure inequality, especially for the five countries likely to be the world's most populous 30 years from today: India (which is predicted to have a population of 1.09 billion), Nigeria (791 million), China (expected to drop to 732 million), the USA (336 million) and Pakistan at 248 million.

It thus makes sense that Nigeria should urgently review its human development landscape, and particularly across the many dimensions and categories that have long been obstacles to its surviving and thriving as it develops as the giant of Africa – and especially if it is indeed to become the world's second most populous country by the dawn of the next century. But as so many scholars and practitioners have agreed, measuring inequality, while very important, is not straightforward, which is why the Multidimensional Inequality Framework looks so promising in a Nigerian context.

A new framework focused on designing and implementing relevant, solid and effective initiatives for the reduction of inequalities at national and local levels, the MIF is theoretically grounded in the capability approach of economist, philosopher and Nobel laureate Amartya Sen. It provides a 'systematic approach to conceptualize and measure inequalities across many dimensions that affects the quality of people's lives', and to consider

what aspects of life are essential to ensuring that people are capable of living a life they have reason to value and would choose for themselves.

What matters: our health, well-being, relationships, knowledge, security and agency

Developed through multi-partner research supported by the Atlantic Fellows for Social and Economic Equity programme at LSE, the MIF is designed to measure inequality in individual well-being, while reflecting a range of important dimensions: our health and relationships, our ability to have influence, our knowledge, financial capability, security and agency, and many of the dimensions linked to the United Nations Sustainable Development Goals. In assessing inequality in the quality of individual lives, the MIF rejects 'an exclusive focus on income or subjective well-being', and thus addresses the flaws in existing measures of poverty and inequality.

Because the MIF relies on a combination of surveys that are regularly carried out in Nigeria, as well as the UN Sustainable Development Goals data that the country also reports on, it would be possible to collate and analyse existing data without needing a high amount of resources to close data gaps. Using the MIF would allow Nigeria to mobilise data, develop policy recommendations and map out advocacy priorities that could become defining moments in the reduction of poverty and socio-economic inequalities. Moreover, the MIF is just one of several new methods for measuring inequality that can offer useful insights, including the widely accepted Oxford Poverty and Human Development Initiative's framework on Multidimensional Inequality and Human Development.

Today, tomorrow and beyond: planning for our children's future

We are only eight decades away from a new century. As we look toward 2100, and as Nigeria's exponential population growth continues, neither the nation nor the world can allow socio-economic inequality to continue to grow just as exponentially. Socially, economically, politically and morally, we have a duty to measure, analyse and act.

During this critical moment as COVID-19 forces us to pause, and hopefully to reflect, Nigeria must acknowledge that it is time to accurately measure inequality if we are to adopt measures that can close the many gulfs that have widened so significantly in recent years. It is time, too, to estimate what resources we can commit to regenerating a more equal society and economy, and then to recalibrate what Nigeria can achieve in years to come: in 2030, when the Sustainable Development Goals aim to have achieved urgently needed change for both people and planet; in three decades, when our population will overtake that of the US; and finally, by 2100, in the world that our children's children will inhabit.

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