

# The Impact of COVID-19 in Kano, Lagos, Rivers, and FCT Abuja: Results from the Second Quarter 2020 Labor Force Survey

World Bank Poverty Team – August 2020

## Summary

The second quarter (Q2) 2020 Labor Force Survey (LFS) – collected by the Nigerian National Bureau of Statistics (NBS) between the 17<sup>th</sup> June and 8<sup>th</sup> July 2020 – provides crucial information on households' response to COVID-19 in the key states of Kano, Lagos, Rivers, and FCT Abuja, which can be benchmarked against pre-crisis data from the 2018/19 Nigerian Living Standards Survey (NLSS). Several key insights emerge from this analysis:

- The share of people engaged in economic activities in the four states was lower in June/July 2020 than before the COVID-19 crisis, especially in FCT Abuja where the share of people working was down by around 14 percentage points.
- Even if some people have resumed work, incomes may still be precarious, with larger shares of workers in Kano and Rivers engaged in agriculture and a smaller share of workers in Lagos engaged in industry than before the COVID-19 crisis.
- Food insecurity appears to be prevalent across all four states, but especially in Rivers and FCT Abuja where 79 percent of households and 72 percent of households respectively reported having to skip meals since the start of the pandemic.
- Households in all four states are drawing down their savings and borrowing money to cover their living expenses, which may leave them more economically vulnerable and reduce their investments in human capital in the future.
- More than 1 in 5 households in Kano and FCT Abuja and more than 1 in 10 households in Lagos and Rivers reported violating containment measures in order to maintain a living, emphasizing the trade-offs households face between earning incomes and protecting their health.
- The coverage of social assistance, in the form of free food, varied dramatically between the four states with 43 percent of households in Rivers having received food assistance since the start of the pandemic compared with just 5 percent of households in Kano (the state with the highest poverty headcount rate of the four); social assistance in cash or in kind was far rarer.
- Despite some variation between the four states, the majority of households knew about the importance of washing hands with soap and water (at least three-quarters of households in each state) and using face masks (at least 80 percent of households in each state) to protect against COVID-19.

To provide further state-level information on the impact of COVID-19 on Nigerian households, the Q2 2020 LFS can be complemented with subsequent rounds of the LFS as well as expanded rounds of the ongoing COVID-19 National Longitudinal Phone Survey (NLPS).

## Background

**This brief presents the findings of the second quarter (Q2) 2020 Nigeria Labor Force Survey (LFS) on the impact of the COVID-19 crisis on Kano, Lagos, Rivers, and FCT Abuja.** The Q2 2020 LFS was conducted by the Nigerian National Bureau of Statistics (NBS) between 17<sup>th</sup> June and 8<sup>th</sup> July 2020, collecting information

on labor market outcomes as well as on households' response to COVID-19 via telephone calls. Since households responding to the Q2 2020 LFS were drawn from the same sample frame as the 2018/19 Nigerian Living Standards Survey (NLSS), several key indicators – including employment and the sectoral composition of the workforce – can be approximately benchmarked against their pre-crisis levels. Moreover, both the Q2 2020 LFS and the 2018/19 NLSS are representative at the state level, so information specific to Kano, Lagos, Rivers, and FCT Abuja – identified as priority states by the Presidential Task Force on COVID-19 for Nigeria – can be provided for these states. The pre-crisis poverty headcount rates for these four states differed dramatically, motivating nuanced, state-specific policy responses; the share of the population living below the national poverty line in 2018/19 was 55 percent in Kano, 5 percent in Lagos, 24 percent in Rivers, and 39 percent in FCT Abuja.

**The Q2 2020 LFS was undertaken as Nigeria's lockdown was eased, so the deepest short-term effects of the COVID-19 crisis will not be captured.** By the time the Q2 2020 LFS began in June 2020, several of the most severe restrictions in place to curb the outbreak of COVID-19 had been lifted: for example, stay at requirements were relaxed and interstate travel was permitted. Moreover, data collected through the COVID-19 National Longitudinal Panel Survey (NLPS) suggest that many labor market outcomes, including the share of people working, at least partially recovered between April/May (the height of lockdown) and June.<sup>1</sup> Nevertheless, the Q2 2020 LFS crucially captures some of the more persistent effects of the COVID-19 crisis on Nigerian households.

## Negative consequences on employment persist

**The share of Nigerians who were working appears to be lower than before the outbreak of COVID-19, especially in FCT Abuja.** Comparing the 2018/19 NLSS and the Q2 2020 LFS, the share of working-age Nigerians engaged in some form of economic activity continued to be significantly lower in FCT Abuja in June/July 2020 compared to 2018/19 (by 14 percentage points), despite the easing of lockdown measures (see Figure 1).<sup>2,3</sup> In the other three states, there was still some decline in share of people working but it was not so severe: the share dropped by 1 percentage point in Kano, 7 percentage points in Lagos, and 5 percentage points in Rivers. The Q2 2020 LFS also contains a set of household-level COVID-19-specific employment questions, which reinforce the finding that the share of people working may have dropped since the start of the pandemic. Across all four states, of those households in which someone was working in mid-March 2020, at least 5 percent reported that a household member had lost a job or changed activities. The results of the Q2 2020 LFS echo the national-level results from the NLPS, which demonstrate that, while the share of respondents working had almost halved between the outbreak and the period of strict lockdown in April/May, by June the share of respondents working had recovered substantially.

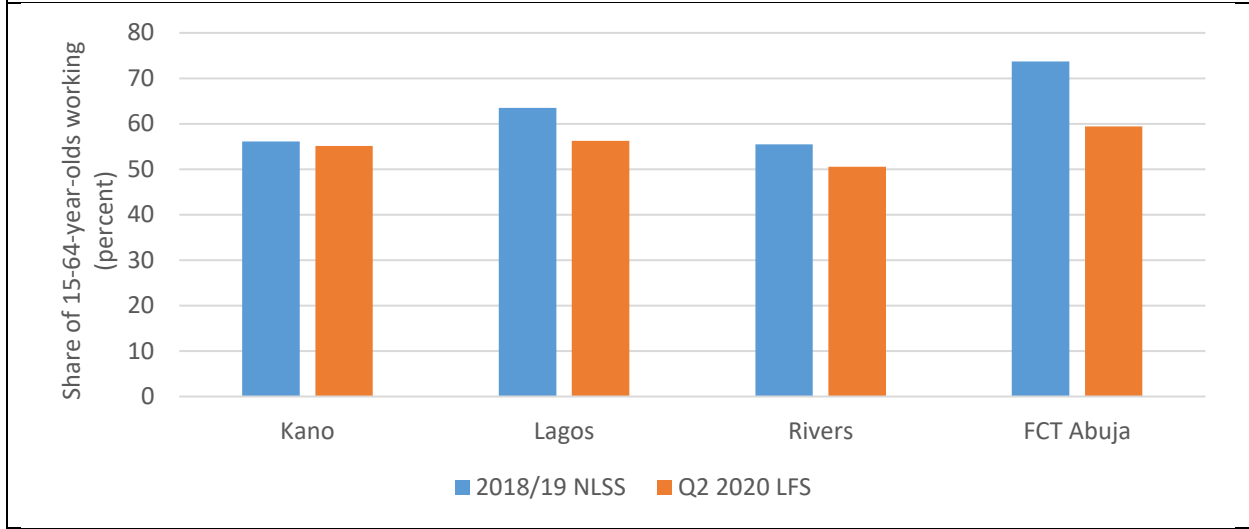
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<sup>1</sup> For more information on the NLPS see <https://www.worldbank.org/en/country/nigeria/brief/monitoring-covid-19-impact-on-nigerian-households>.

<sup>2</sup> The challenges associated with comparing the 2018/19 NLSS and the Q2 2020 LFS are discussed below.

<sup>3</sup> 'Working-age' corresponds to those aged 15-64 years.

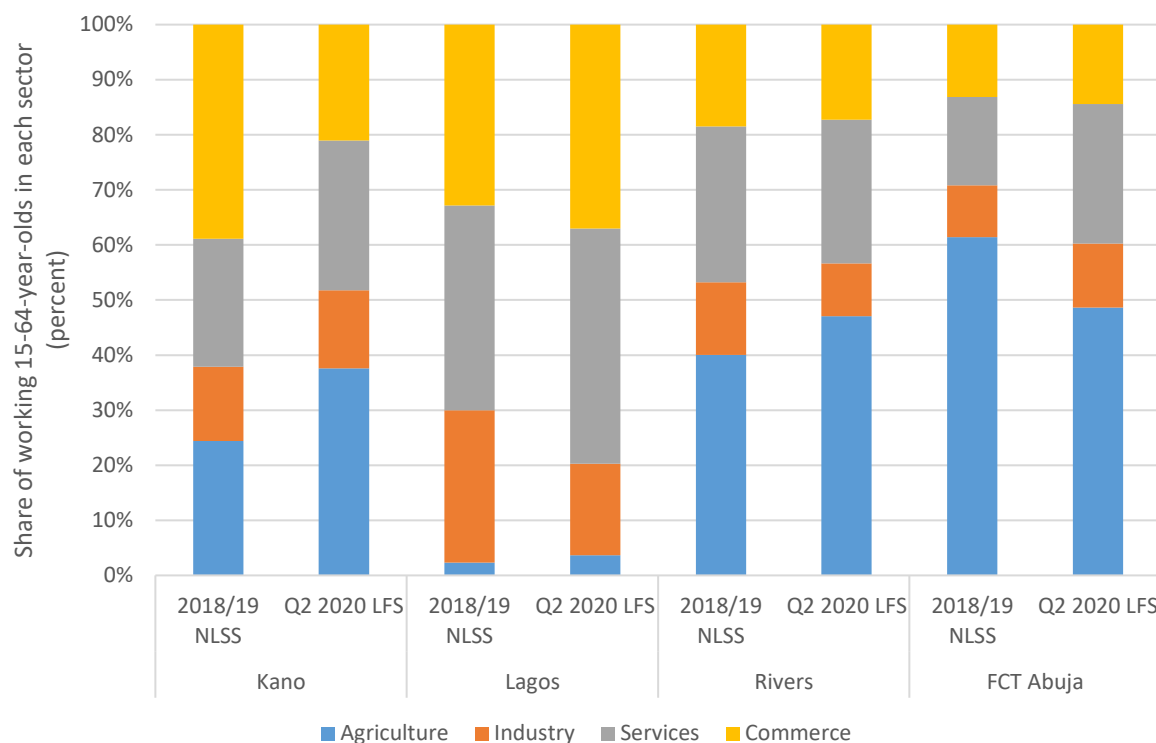
**Figure 1. Share of working-age Nigerians who worked in the last seven days in the 2018/19 NLSS and the Q2 2020 LFS**



Note: Working age comprises those aged 15-64 years. The specific questions for each type of job (wage-employment, farming, non-farm enterprises, and unpaid family work) differed between the 2018/19 NLSS and the Q2 2020 LFS. Apprentices and trainees were not counted as working, given the differing structure of the two questionnaires. Both surveys refer to activities in the last seven days. Source: 2018/19 NLSS, Q2 2020 LFS, and World Bank calculations.

**Even if people have resumed work, evidence suggests that their incomes may be lower and more precarious.** Ideally, direct information on the level and frequency of earnings would be used to assess whether households' incomes are secure, but such information is not fully available in the Q2 2020 LFS and the 2018/19 NLSS. However, detailed information on the sectors in which workers engage provides suggestive evidence that incomes may remain precarious, as workers appear to have shifted towards agriculture and away from industry. In Kano, the share of working individuals who were primarily engaged in agriculture was 38 percent in the Q2 2020 LFS compared with 24 percent in the 2018/19 NLSS (see Figure 2). In Rivers, the share of working individuals who were primarily engaged in agriculture was 47 percent in the Q2 2020 LFS compared with 40 percent in the 2018/19 NLSS. This apparent shift towards the agricultural sector resonates with the NLPS data, which demonstrate that many of those returning to work engaged in agriculture. In Lagos, where agriculture is virtually absent, there still appears to be a shift from industry towards services and commerce (retail and trade activities). As such, the sectoral shares for these three states all underline that, even if individuals are working, their incomes may still be vulnerable. In FCT Abuja, however, the trends seem to run in the opposite direction, with the share of workers in agriculture being lower in the Q2 2020 LFS than in the 2018/19 NLSS: this necessitates special attention for Nigeria's capital.

**Figure 2. Share of working Nigerians primarily engaged in each sector in the 2018/19 NLSS and the Q2 2020 LFS**



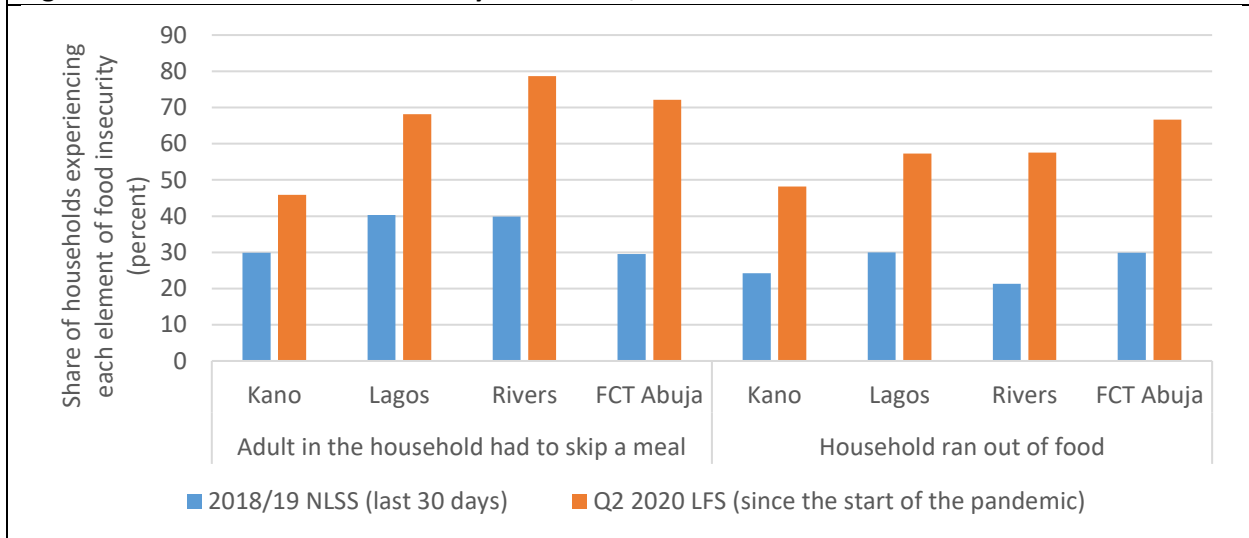
Note: Sample restricted to those who were working in the last seven days and who were aged 15-64 years. Sectors defined according to the primary occupation, that is, the one in which the individual spent the most hours working in the previous week. The specific questions on sectors differed between the 2018/19 NLSS and the Q2 2020 LFS. ‘Commerce’ refers to buying and selling activities. Apprentices and trainees were not counted as working, given the differing structure of the two questionnaires. Source: 2018/19 NLSS, Q2 2020 LFS, and World Bank calculations.

## Households may be struggling to cope

**Resonating with the notion that incomes remain vulnerable, food insecurity appears to be prevalent across the four states, especially in Rivers and FCT Abuja.** According to the 2020 Q2 LFS, the share of households reporting that an adult in the household had to skip a meal since the start of the pandemic was 79 percent in Rivers and 72 percent in FCT Abuja, while the share of households that ‘ran out of food because of lack of money or other resources’ was 58 percent in Rivers and 67 percent in FCT Abuja (see Figure 3). Although food security statistics are not strictly comparable between the 2018/19 NLSS and the Q2 2020 LFS,<sup>4</sup> it *appears* that food insecurity has become more severe in all four states through the COVID-19 crisis.

<sup>4</sup> The food security questions in the 2018/19 NLSS questionnaire referred only to the last 30 days, while in the Q2 2020 LFS the analogous questions referred to ‘since the beginning of the pandemic’, which covers a period of more than three months.

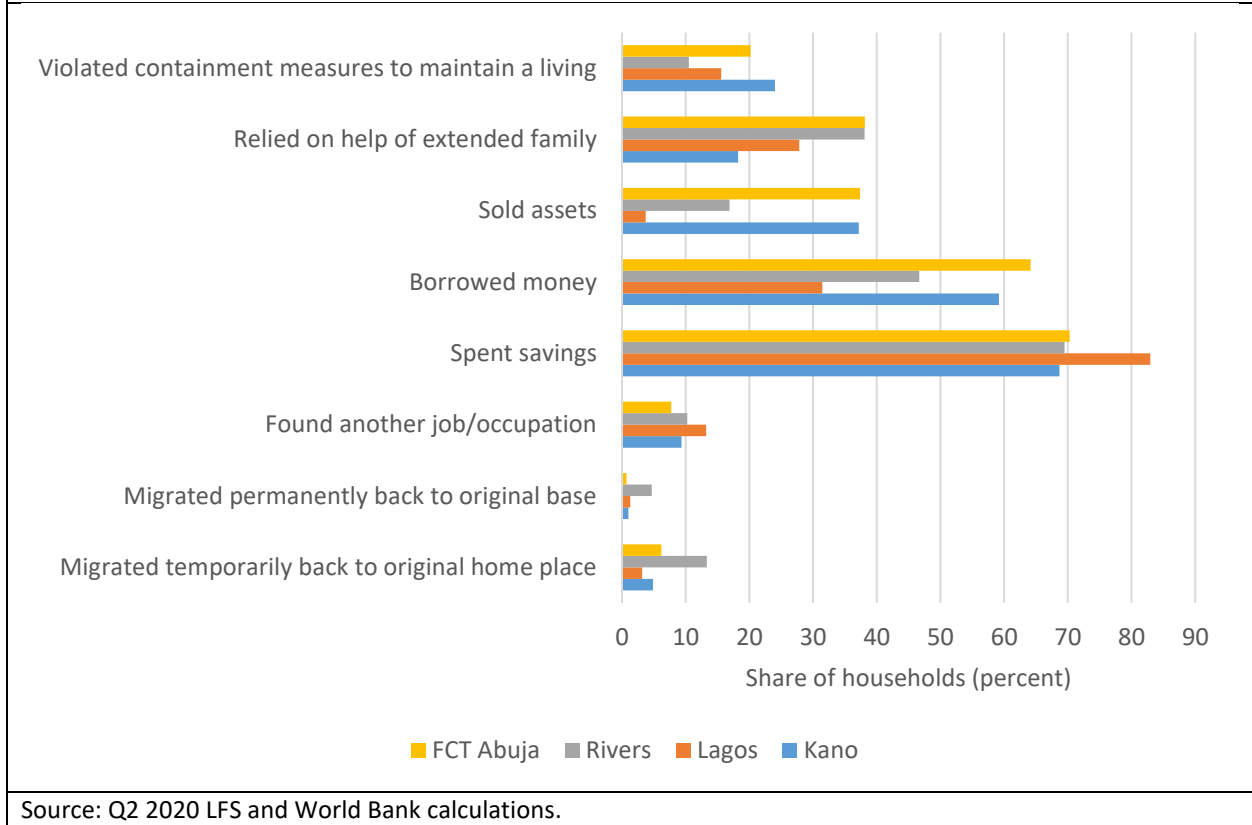
**Figure 3. Prevalence of food insecurity in the 2018/19 NLSS and the Q2 2020 LFS**



Note: Food insecurity questions refer to the last 30 days for the 2018/19 NLSS but ‘since the beginning of the pandemic’ (more than three months) for the Q2 2020 LFS. Source: 2018/19 NLSS, Q2 2020 LFS, and World Bank calculations.

**Households are struggling to cope with the impact of COVID-19 and are deploying strategies that may have negative long-term consequences on their welfare.** In all four states, at least two-thirds of households had spent their savings to cover their living expenses, while more than half of households in Kano and FCT Abuja had borrowed money to cover their living expenses (see Figure 4). Additionally, more than one-third of households in Kano and FCT Abuja had sold assets to cover their living expenses, although selling assets was much rarer in Lagos, potentially because so few households are engaged in agriculture and hence do not have livestock or agricultural assets to sell. Drawing down savings, borrowing, and selling assets may make households more economically vulnerable and preclude future investments in human capital. More than 1 in 5 households in Kano and FCT Abuja and more than 1 in 10 households in Lagos and Rivers, reported violating containment measures in order to maintain a living. This not only underlines the trade-offs that households may face in trying to balance their economic welfare and their health, but also demonstrates that lockdown measures were not universally followed.

**Figure 4. Actions taken by households to combat the effects of COVID-19 in the 60 days prior to the interview in the Q2 2020 LFS**

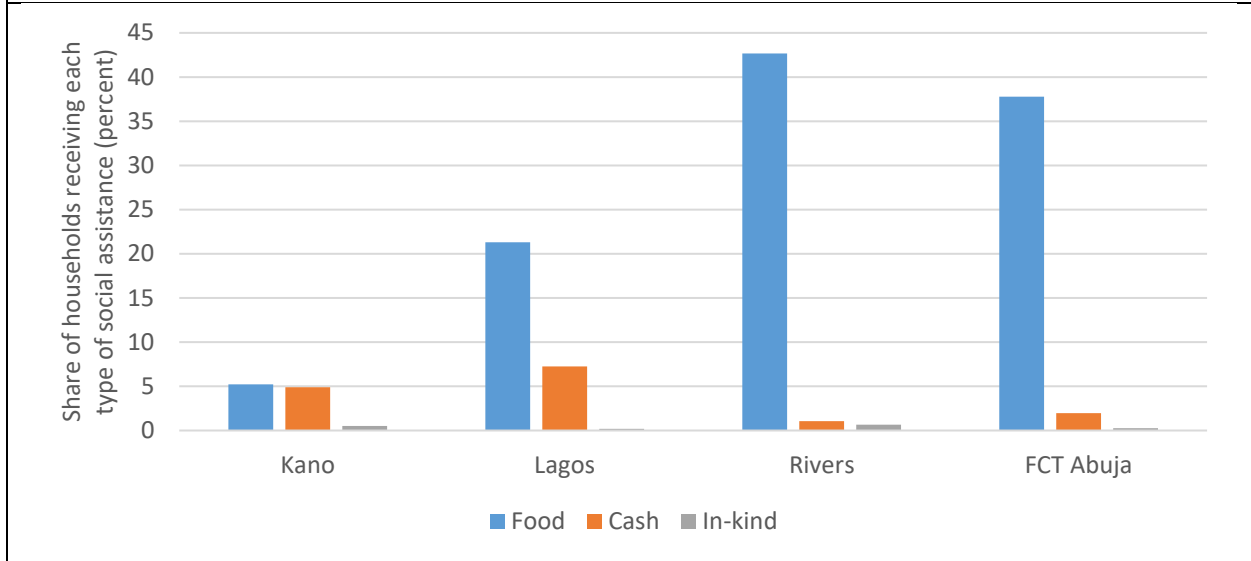


Source: Q2 2020 LFS and World Bank calculations.

## Social assistance is unevenly distributed

**Free food was the most common form of social assistance, but its prevalence varied dramatically between the four states.** In Rivers, as many as 43 percent of households reported receiving assistance in the form of free food since the start of the pandemic in mid-March 2020, compared with just 5 percent of households in Kano (see Figure 5). This is despite Kano having the highest pre-crisis poverty headcount rate of the four states, with 55 percent of the population living below the national poverty line in 2018/19. Receipts of social assistance in the form of cash were rarer in all four states, although the prevalence was highest in Lagos, where 7 percent of households received cash assistance. Overall, cross-state differences in the distribution of social assistance do not directly correspond with cross-state differences in the extent of food insecurity.

**Figure 5. Share of households that had received different types of social assistance since the start of the COVID-19 pandemic in the Q2 2020 LFS**

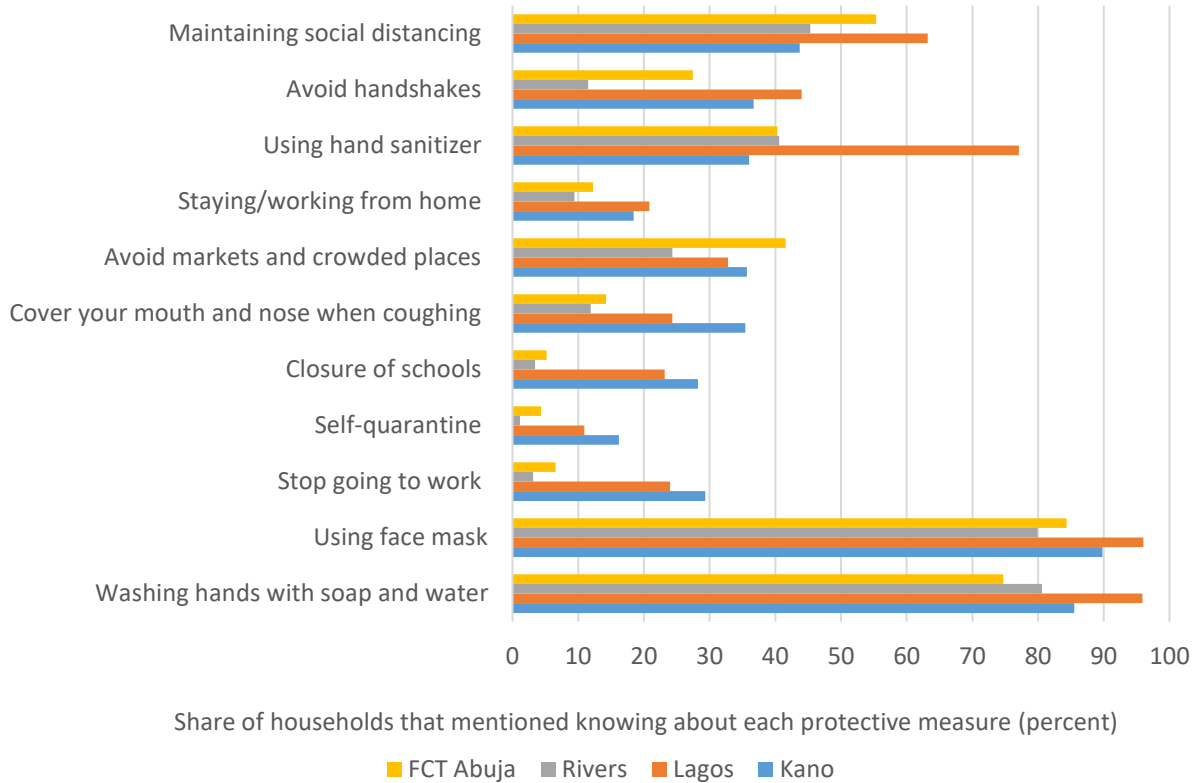


Note: The start of the pandemic was anchored at mid-March 2020 for these questions. Source: Q2 2020 LFS and World Bank calculations.

## Households know about some key preventative health measures

**The vast majority of households report knowing about – and practicing – handwashing and mask wearing to protect themselves from COVID-19.** When asked to list the measures that they know can protect against COVID-19, at least three-quarters of households in each of the four states mentioned handwashing and at least 80 percent mentioned using a face mask (see Figure 6). The shares of households that mentioned actually practicing handwashing or mask wearing exceed two-thirds in all four states (see Figure 7). The prevalence of these measures is especially high in Lagos, where 95 percent of households report washing their hands with soap and water and 92 percent of households report using face masks. Nevertheless, far fewer households mentioned knowing about the potential importance of school closures, self-quarantine, and stopping going to work, especially in Rivers and FCT Abuja. Indeed, across all the protective measures, there is sizeable variation in knowledge and practice between the four states.

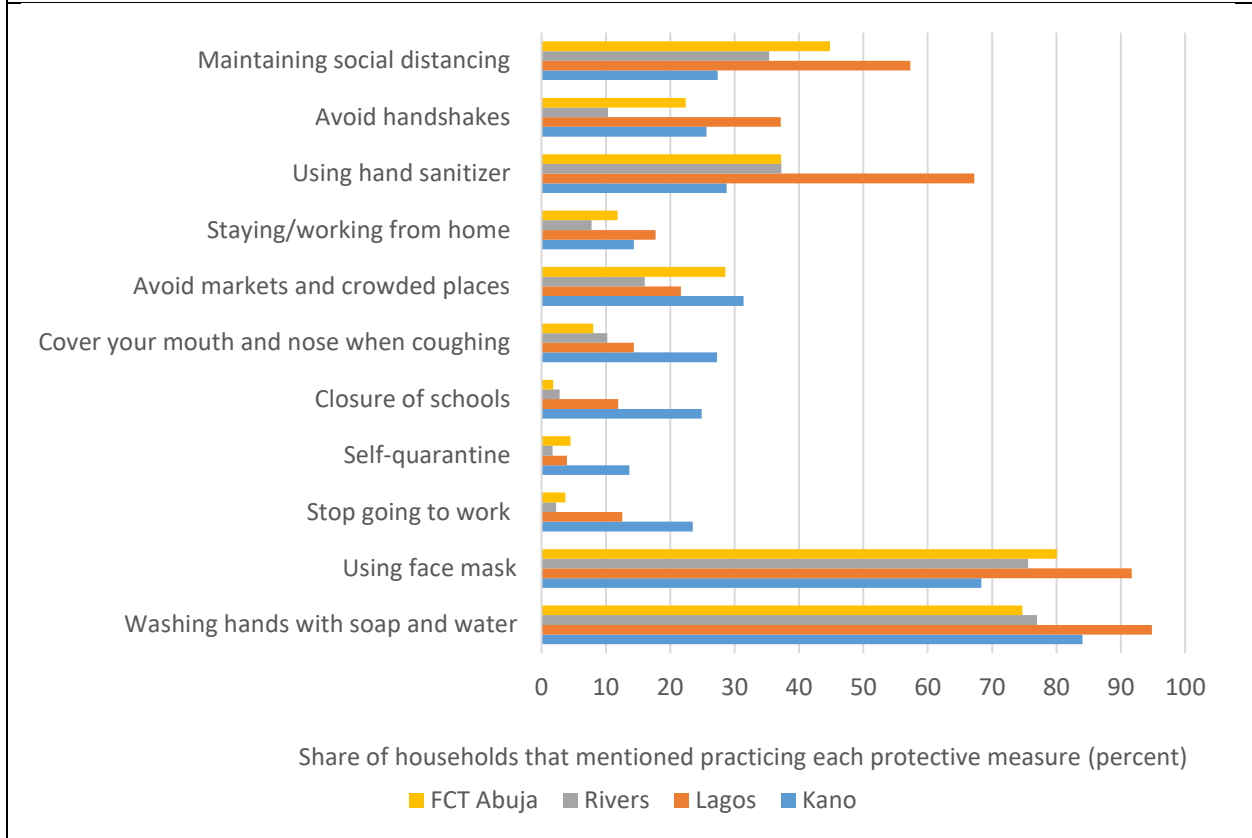
**Figure 6. Share of households that mentioned knowing about different protective measures in the Q2 2020 LFS**



Note: Households were asked to 'Mention all protective measures from coronavirus' and options were not read aloud by the enumerator. Source: Q2 2020 LFS and World Bank calculations.



**Figure 7. Share of households that mentioned practicing different protective measures in the Q2 2020 LFS**



Note: Households were asked to ‘Mention all protective measures ... [they] practice to prevent coronavirus infection’ and options were not read aloud by the enumerator. Source: Q2 2020 LFS and World Bank calculations.

### Building stronger evidence

**While the Q2 2020 LFS provides valuable insights, it will be essential to complement this with additional data to understand the effects of COVID-19 over time: the NLPS and future LFS rounds offer potential solutions.** While this brief has attempted to ascertain the labor market impacts of the COVID-19 crisis by benchmarking the Q2 2020 LFS against the 2018/19 NLSS, such comparisons should be made with caution. In particular, the wording of the questions used to capture individuals’ employment status and the main sector in which they engage differed between the two surveys, notwithstanding the fact that the NLSS was conducted face-to-face while the LFS was conducted through telephone calls. Moreover, the impacts of COVID-19 on employment and on household welfare more broadly will continue to evolve, so ongoing monitoring is needed. While the NLPS was initially designed to provide national (but not state) representativeness, efforts are currently being made to generate ‘booster samples’ for Kano, Lagos, Rivers, and FCT Abuja to provide more detailed state-level information in key COVID-19 hotspots. Additionally, it will be important to build on the Q2 2020 LFS in subsequent LFS rounds, to provide consistent information on employment outcomes at the state level. While the core questionnaire for the LFS should remain consistent, questions can be added on specific COVID-19-specific topics as the need arises.