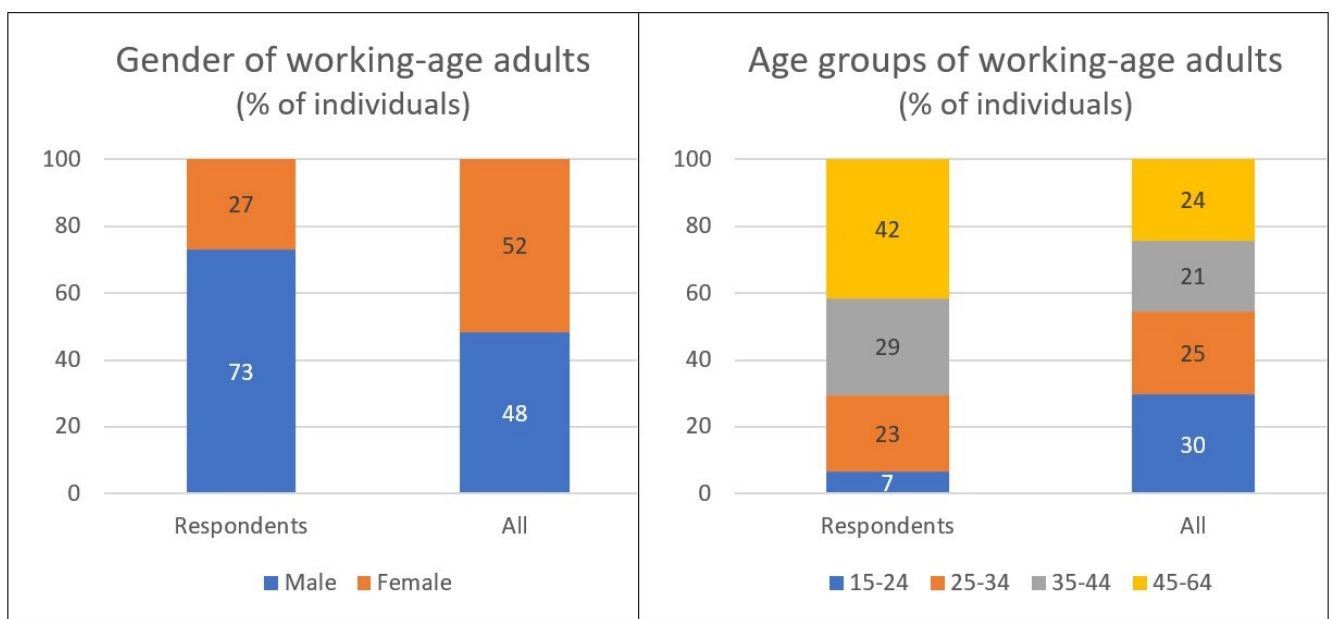


Note: In the figure it is assumed that all those who were working at baseline were also working before mid-March. Thus, the shares of respondents working shown for the before-mid-March period represent upper bounds. Temporary absences were not incorporated.

OVERALL WORKING SITUATION OF ALL WORKING AGE ADULTS

In Round 5 of the NLPS, an additional effort was made to collect working status information for all working-age adults (those aged 15 to 64 years) rather than just a single respondent in each household. Collecting information for all working-age adults provides a more holistic and representative snapshot of overall employ-

ment in Nigeria. The main survey respondents tend to differ in important ways from the overall population of working-age adults (survey respondents are predominantly male and generally older), and thus may not fully reflect the employment situation for the working-age population as a whole.





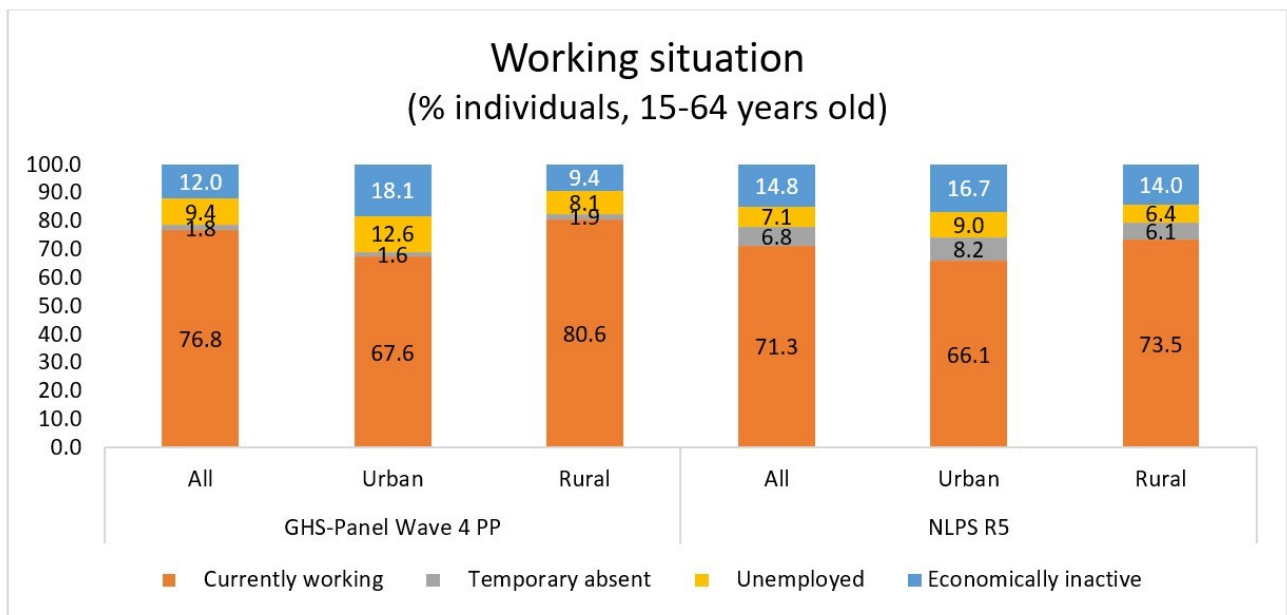
The overall share of Nigerians who are working remains slightly lower than before the COVID-19 crisis. Around 71% of the working-age population were working in September 2020 compared with 77% of the working-age population prior to the crisis, in July/August 2018 when the post-planting round of the 2018/19 General Household Survey-Panel (GHS-Panel) was fielded. This differs from the findings that emerge

when, as in previous rounds of the NLPS, the analysis focused only on the main respondent in each household (see above). This, in turn, underlines the importance of making additional efforts to capture information on multiple individuals in a household who may not be fully represented in a survey consisting only of one household respondent, particularly women and young adults.

Box I. Defining people’s working situation in the NLPS

In order to capture people’s working situation, this brief focuses on the share of people who were working – either for pay or profit or in own-use production (such as subsistence farmers) – consistent with previous NLPS data and policy briefs. An alternative measure of people’s working situation is the ‘employment-to-population ratio’, which captures the share of the working-age population (those aged 15-64 years) who are working for pay or profit but does

not count those engaged in own-use production activities. Unlike the share of people working, the employment-to-population ratio increased slightly between July/August 2018 and September 2020, rising from 61% to 66%. This arose because, among those who were working, the share who were engaged in own-use production (who would not be counted in the employment rate) fell by two-thirds, dropping from 21% to 7%.



The reduction in the share of people who are working largely appears to have arisen in rural areas. In urban areas, the share of people working moved from 68% before the crisis to 66% in September 2020. However, in rural areas, the share of people working dropped from 81% to 74% over the same period.

The overall share of the working-age population temporarily absent from work is higher than before the crisis, but the share that are unemployed is slightly lower. Prior to the crisis, just 2% of the working-age population were temporarily absent from work – meaning

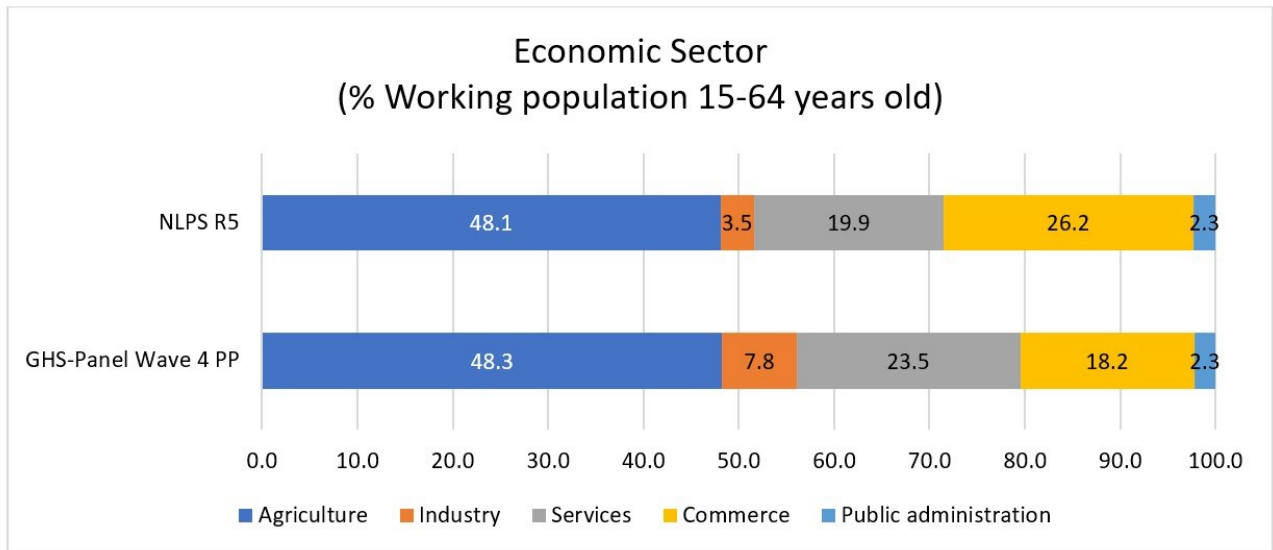
that the individual did not work in the last 7 days but had a job to which they would return – but by September 2020, this share had risen to 7%. This may reflect the fact that some jobs have been interrupted, but only temporarily so, by economic disruptions related to the COVID-19 crisis. However, the share of the working-age population who were unemployed, which covers those not working but actively looking for work, was 9% before the crisis and 7% in September 2020. In turn, this means that the unemployment rate – the share of the economically active (excluding own-use production



workers) who were unemployed – was 13% before the crisis and 9% in September 2020. Individuals may not be able to ‘afford’ to be openly unemployed for long periods during the COVID-19 crisis, because household incomes are reduced, consumption is low, and taking the time to search for a job is untenable.

The overall share of working Nigerians engaged in commerce increased between July/August 2018 and

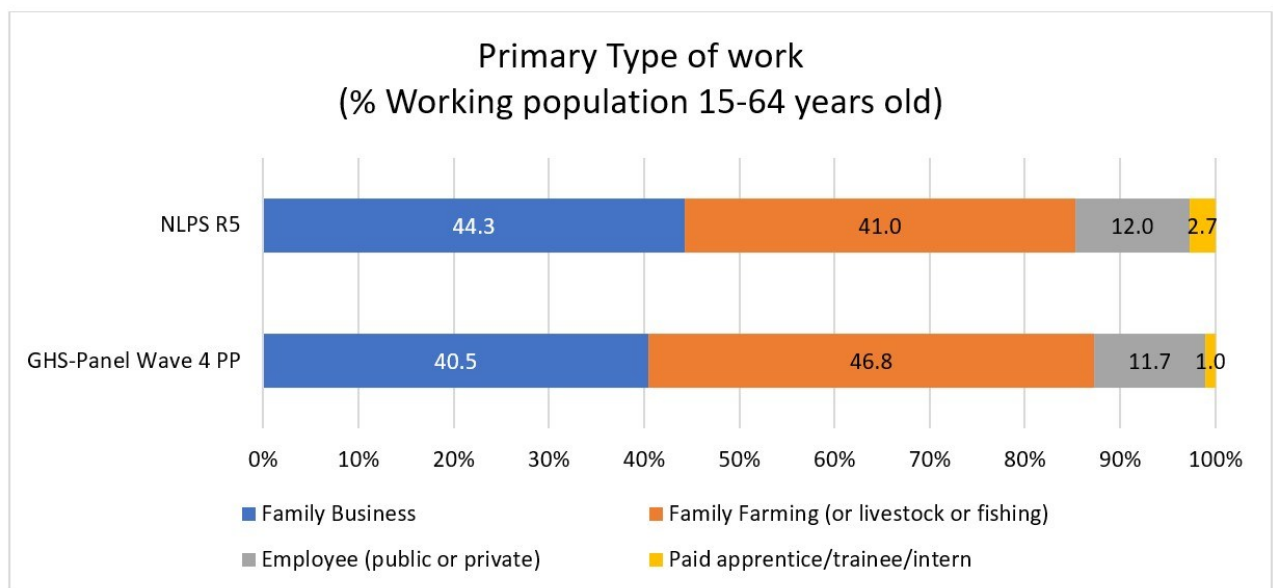
September 2020 while the share working in other service activities and industry decreased; the share working in agriculture remained fairly constant. Before the crisis, around 18% of workers were engaged in commerce, but this share rose to 26% by September 2020. Meanwhile, the share of working individuals engaged in industry and services fell from 8% to 4% and from 23% to 20% respectively. The share of workers engaged in agriculture remained fairly constant at around 48%.



Note: Industry comprises ‘Mining & Manufacturing’, ‘Utilities’, and ‘Construction’. Services comprises ‘Services’, ‘Transport’, and ‘Professional Activities’.

Working Nigerians are now somewhat more likely to engage in family business activities compared with the pre-crisis period. In July/August 2018, around 40% of working individuals were engaged in family businesses compared with 44% in September 2020. The shift to

family business is accompanied by a reduction in the share of individuals engaged in family farming (or livestock rearing or fishing) activities, providing evidence that there has not been a significant swing towards engaging in agriculture as the crisis has advanced.

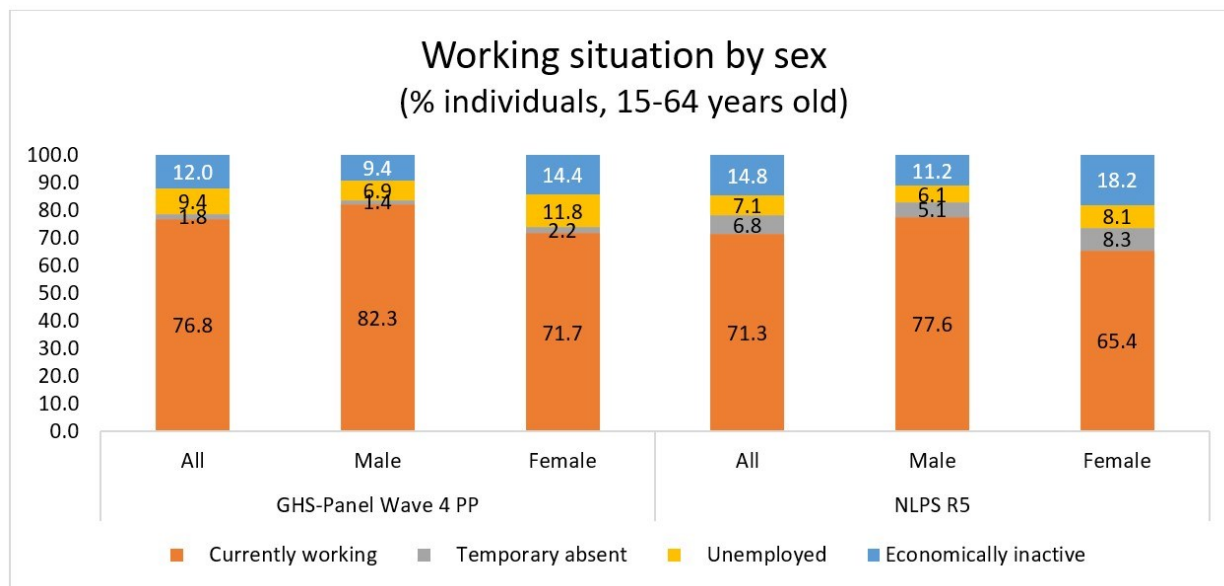




GENDER AND EMPLOYMENT STATUS

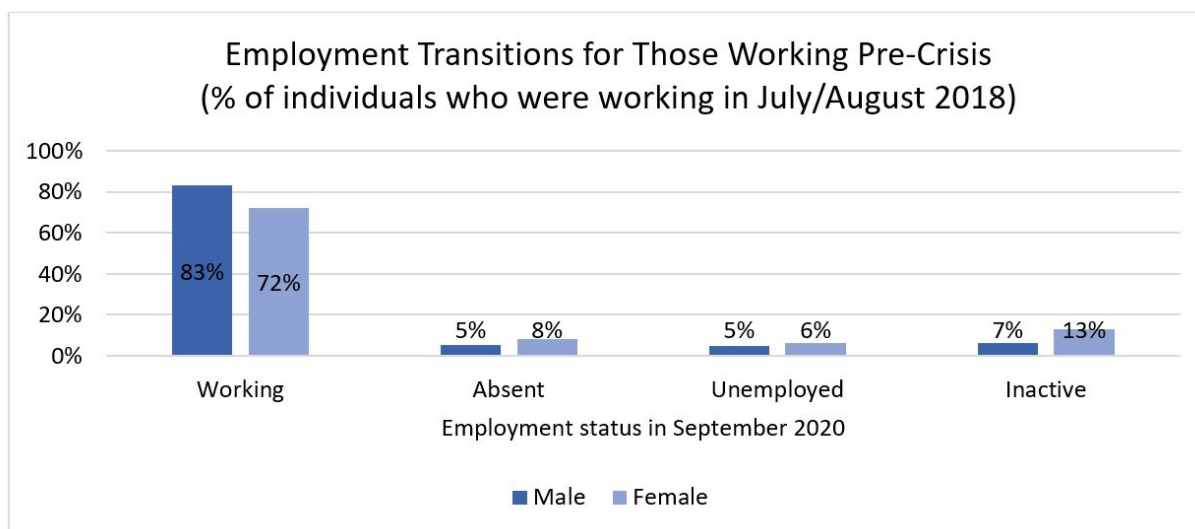
The share of women who were working dropped more than the share of men who were working between the pre-crisis period and September 2020, suggesting that the COVID-19 crisis may be entrenching gender inequality in the labor market. In July/August 2018, 82% of working-age men and 72% of working-age women were

working, but these shares dropped to 78% and 65% respectively by September 2020. With women spending disproportionately more time out of work, the COVID-19 crisis may 'scar' their future labor market prospects, implying longer term impacts on their welfare.



Considering employment transitions further suggests that the crisis may be widening gender inequality in the labor market, which may have long term impacts on women's working situation. Looking at a panel of individuals who were interviewed during both the post-planting round of the 2018/19 GHS-Panel and Round 5 of the NLPS, it is possible to examine how women and men switched between different labor market statuses. Focusing on the sample of individuals who were work-

ing before the crisis, it emerges that women were relatively less likely to remain working in September 2020, and more likely to transition to various non-working states than men, particularly to the inactive status. Indeed, among those who were working before the crisis, almost double the share of women compared to the share of men (13% versus 7%) were economically inactive by September 2020.

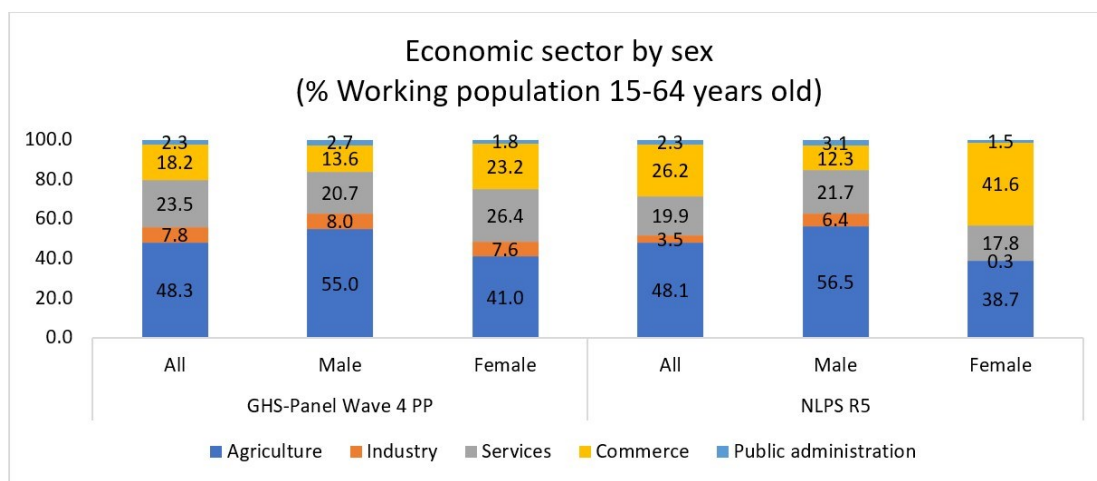


Note: The sample was constructed from a panel of individuals who were working during the post-planting round of the 2018/19 GHS-Panel.



Breaking down the sectors of work by gender, it appears that much of the shift towards commerce has been driven by working women, and especially those with low levels of education. In July/August 2018, around 23% of all working women were engaged in commerce, but that proportion had risen to 42% by September 2020. While these changes mainly appear to come from a decline in the share of working women in services and industry, there was also a slight decline in the share of working women participating in agricul-

ture. The share of working women engaged in commerce rose across all educational groups, although the increase was especially pronounced among those with low levels of education: amongst working women with no education, primary education, secondary education, and tertiary education the shares engaged in commerce increased by 22 percentage points, 13 percentage points, 14 percentage points, and 6 percentage points respectively.

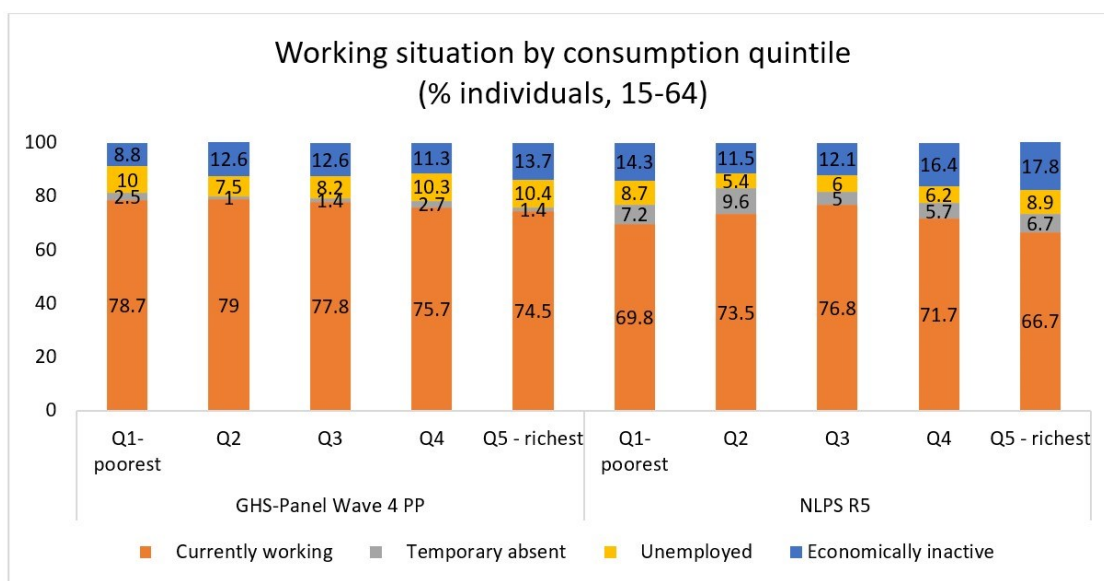


Note: Industry comprises 'Mining & Manufacturing', 'Utilities', and 'Construction'. Services comprises 'Services', 'Transport', and 'Professional Activities'.

DISTRIBUTIONAL IMPACTS OF THE CRISIS

Individuals from across the consumption distribution have been affected by the crisis but the reduction in the share of people working was largest for the poorest consumption quintile. Among working-age individuals in households in the lowest consumption quintile, the share working dropped from 79% prior to the COVID-

19 crisis to 70% in September 2020. This relatively large drop has potentially serious implications for the depth of poverty in Nigeria, as households that were already poor before COVID-19 may be pushed further below the poverty line.





The shift of workers into commerce has been most pronounced for those in the lower quintiles of the consumption distribution. Taking the bottom-40 percent of the consumption distribution together, the share of workers engaged in commerce rose from 16% to 28%. This resonates with the finding that women with low levels of education have been the main drivers of the increased share of workers in commerce, as education and monetary consumption are highly correlated. Among the bottom-40, the share working in other types of services fell from 21% to 15%, while the meagre share engaged in industry fell further from 4% to 2%.

Even though the overall share of working Nigerians engaged in agriculture has remained fairly constant, it appears that richer Nigerians – and those with higher levels of education – have switched into agriculture during the COVID-19 crisis. In the top quintile, the share of working individuals who were engaged in agriculture increased from 32% to 40% from July/August 2018 to September 2020; among those with tertiary education, the share engaged in agriculture rose from 19% to 44%. The crisis may therefore be leading to a misallocation of workers, which does not make the best use of previous investments in human capital.

CONTINUING ECONOMIC PRECARIOUSNESS

The labor market conditions observed in Round 5 of the NLPS emphasize that the economic precariousness observed in previous rounds of the survey is continuing. In August 2020, 67% of households reported that their incomes were lower than a year before, while in July 2020 around 69% of those households that experienced shocks since the outbreak of COVID-19 reported reducing their food consumption (alongside other

negative coping strategies). Since Round 5 suggests that the share of people who are working is lower than before the crisis – especially for women and for the lowest quintile – and that workers have been switching between different sectors, it appears that Nigerian households’ incomes and consumption remain precarious.

Data Notes: The Nigeria COVID-19 National Longitudinal Phone Survey (COVID-19 NLPS) 2020 Fifth Round was implemented by the National Bureau of Statistics (NBS) in September 2020. This survey is part of a World Bank global effort to support countries in their data collection efforts to monitor the impacts of COVID-19. World Bank teams from the Development Data Group and the Poverty and Equity Global Practice provided technical support. This survey is the fifth of a planned 12 rounds of the COVID-19 NLPS of households in Nigeria. 1,856 households from the baseline were contacted and 1,773 households, fully interviewed. These same households will be contacted in subsequent rounds of the COVID-19 NLPS. The data are representative at the national level and survey weights were calculated to adjust for non-response and under coverage.

For further details on the data, visit <http://www.worldbank.org/lsms-covid19> & <https://www.worldbank.org/en/country/nigeria/brief/monitoring-covid-19-impact-on-nigerian-households>

For further details on COVID-19 in Nigeria, visit <https://nigeria-coronavirus-response-data-hub-nbs-nigeria.hub.arcgis.com/>

For details on the survey, contact **Biya Fafunmi** (biyifafunmi@nigerianstat.gov.ng) and **Tunde Adebisi** (tundeadebisi@nigerianstat.gov.ng)

