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TITLE: THE CENTER CANNOT HOLD: PATTERNS OF POLARIZATION IN NIGERIA

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ABSTRACT: T

Recent analysis on consumption patterns in Nigeria seems to suggest an increase in inequality that could have offset the poverty-reducing benefits from sustained growth. Inequality increase is however just one aspect of the whole problem. Our hypothesis is that Nigeria is also going through a process of economic polarization. Broadly speaking, the notion of polarization is concerned with the disappearance or—as in the case of Nigeria—non-consolidation of the middle class, which occurs when there is a tendency to concentrate in the tails, rather than the middle, of the income/consumption distribution. The aim of this paper is to document the increasing polarization, paying a special attention to certain areas of the country, notably those where in the last decade economic growth had been stagnant or particularly non-inclusive with vast negative repercussions on social stability. An analysis of this type is rather new for Nigeria. The limited availability of comparable data has hindered an investigation that requires data series not too close in time: the process of polarization is generally slow and significant changes can be detected over long periods. To explore polarization, our study uses instead the relative distribution methodology (Handcock and Morris, 1998, 1999). This simple and straightforward method provides a non-parametric framework for comparing the income (or other) distributions of two populations—either cross-sectional or over time—in a way that permits consideration. The paper enjoyed financial contribution from the World Bank. The authors would like to thank Federica Alfani (FAO - Food and Agriculture Organization of the United Nations), Rose Mungai (World Bank – Poverty Reduction and Economic Management Unit), and Ayago E. Wambile (World Bank - Poverty Reduction and Economic Management Unit) for excellent assistance with data preparation. Completion of this work would have not been possible without them. Of course, we are the sole responsible for all possible errors the paper may contain.

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