

# Policyweekly

## Nigeria's Rising Cost of Living and Need to Avert Widespread Uprising



### Policy Recommendations

- 1 The Nigerian government should engage labour unions and civil society organisations, including student union associations, and communicate steps being put in place to arrest the rising costs of living and to ameliorate the impact on the masses.
- 2 The Nigerian government should deepen the capacity of local vigilantes and strengthen collaboration between them and state security agencies to deal with insecurity affecting farmers in rural areas.
- 3 The Nigerian government should begin implementing agreements reached with labour unions such as NLC, TUC, and Academic Staff Union of Universities (ASUU).
- 4 There is a need for deliberate efforts to reduce the prices of staple foods like beans, yams, bread, rice and other grains. The government should consider importing these staple grains as a short-term measure to make up for the current shortage in the country.
- 5 There is a need to incentivise agricultural activities through increased support for agricultural extension services, access to credit, and investment in technology to improve productivity.
- 6 There is a need to revisit wage structures in order to ensure that they are in line with inflation rates.
- 7 With the possibility of protests being rife, there should be transparency in government spending and accountability for policies that impact the cost of living.

### Introduction

Pockets of isolated [protests](#) have erupted in some parts of Nigeria as the rise in the cost of living bites harder on ordinary Nigerian citizens who appear to have exhausted all coping mechanisms. The [Nigerian Labour Congress \(NLC\) and Trade Union Congress](#) have given the government an ultimatum to implement previous agreements to enable Nigerian workers to cope with the rising cost of living. A [recent analysis](#) estimated that a moderate-income family of four in Nigeria, consuming staple foods like egg, milk, bread, rice, beans, garri, beef, catfish, plantains and vegetable oil, spent about ₦64,000 (US\$80) on food in May 2022 and about ₦80,000 (\$100) by May 2023. This situation worsened by January 2024, when the headline inflation rate increased to 29.90% compared to an inflation rate of 22.41% in May 2023. Based on selected indicators documented by the National Bureau of Statistics (NBS), it is estimated that a moderate-income family of four in Nigeria consuming staple foods would require at least ₦94,320 for feeding alone in January 2024.

The government’s response to the rising cost of living has focused on episodic measures such as the directive for the release of grains from Strategic Reserves, clamping down on business agents, including those alleged to be hoarding foods, and [adopting arbitrary prices on goods](#) as well as [BDC operators](#). In the face of the apparent inability of these measures to reverse or arrest the rising cost of living, there are fears that the hungry masses may resort to protests, if not violent, uprisings, to express their frustration. This edition of Nextier SPD Policy Weekly reflects on the possibilities of widespread protests in Nigeria from the lenses of critical political economy analysis and suggests strategies for averting/containing such protests.

### Unpacking the Rising Cost of Living in Nigeria

The rising cost of living in Nigeria is reflected in the astronomical rise in prices captured by indicators such as inflation. Nigeria’s [headline inflation rate](#) increased from 21.82% in January 2023 to 29.90% in January 2024. The picture is more disturbing when we consider the [food inflation](#) rate, which rose from 24.32% in January 2023 to 35.41% in January 2024 on a year-on-year basis. What this means is that Nigerians are paying more for groceries, particularly food items. The situation is worsened by the fact that the wages of many Nigerians have remained static within the period despite the rise in prices. This also means that with their static income, the average Nigerian can only afford fewer basic needs, including food items.

In 2016, the World Economic Forum (WEF) [reported](#) that Nigeria spends over half of household income on food

– the worst in the world as of then. The report estimated that the average Nigerian spends \$1,132 per year (roughly ₦290,000 based on the average exchange rate in 2016) on feeding alone. Almost eight years later, the situation has worsened, with the food inflation rate in January 2024 put at 35.41%. As of December 2023, the National Bureau of Statistics (NBS) estimated that the national average [Cost of a Healthy Diet \(CoHD\)](#) was ₦786 per adult per day. This means that a family of four in Nigeria is estimated to spend at least ₦94,320 per month or ₦1,131,840 per year on feeding alone.

The causes of this rise in the cost of living are connected to a multiplicity of factors. Aside from the implementation of neoliberal policies, such as the removal of subsidies on petroleum products, the growing insecurity in the country has contributed to the rising costs of living, especially in terms of food prices. One dimension of contemporary insecurity is the incessant kidnapping and attacks on farmers, particularly in rural areas. Such attacks have contributed to a rise in food prices by reducing the productivity of farmers. Although there is no accurate data on the number of farmers killed or abducted, data from Nextier Violent Data Base shows that rural banditry and farmer-herder conflicts between January 01, 2023, and January 31, 2024, had at least 451 violent incidents (attacks and abductions/forced disappearances). The number of victims (killed and abducted) who are associated with agricultural production across Nigeria is 3,674. North West Nigeria bore the brunt of rural banditry and farmer-herder conflicts, recording 250 incidents, followed by the North Central region, which recorded 153 incidents.

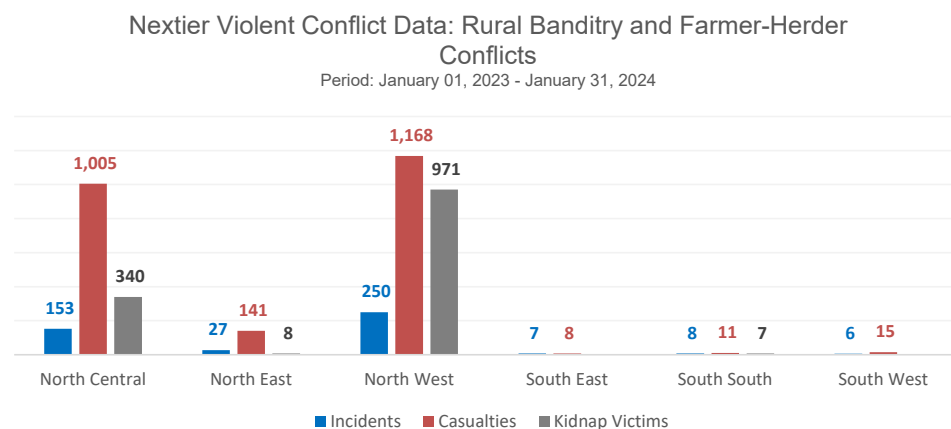


Figure 1: Nextier Violent Conflict Data: Rural Banditry and Farmer-Herder Conflicts (Source: Nextier Violent Conflict Database)

### Possibilities of Widespread Protests: A Critical Political Economy Analysis

Experiences across the world, including Nigeria, show that a rise in the cost of living, particularly prices of food items and other essential items, is usually a recipe for widespread protests. The [2012 Occupy Nigeria](#) movement remains remarkable as one of the widespread protests triggered by the rise in the price of fuel following the removal of subsidies. Understanding protests from the lenses of critical political economy requires analysis of the key actors involved in the protests and their incentives. Drawing from Nigeria’s experience with previous widespread protests, particularly the 2012 Occupy Nigeria protest, even though

the poor masses remain the most visible participants of protest, the most influential actors who plan and mobilise for such protests are celebrities and social media influencers, political elites (usually those in opposition) and labour union leaders. Celebrities and social media influencers are able to mobilise the masses easily because of their reach and capacity to influence the thoughts of the masses, mainly through social media. The incentive of the celebrities is to increase their popularity by presenting themselves as freedom fighters of their followers. During the 2012 Occupy Nigeria movement, Nigerian [celebrities](#) were able to use their social media handles to support, mobilise and lead the protests. Their music was used to energise and entertain protesters in various protest locations. The

political elites, usually the opposition, are able to use their resources to mobilise their supporters, including party members, to participate in protests. The incentive of opposition political elites is mainly to delegitimise the incumbent's policies and mobilise support for their parties. [Houeland \(2020\)](#) demonstrated how opposition politicians used the 2012 Occupy Nigeria protest to build popular and long-term support for themselves. The labour union leaders' influence over their members enables them to mobilise for successful protests. While the labour union leaders present themselves as freedom fighters for the entire masses, their incentive is usually to negotiate increased wages or some form of concessions for their members, who constitute an insignificant number of the poor masses impacted by the rise in the cost of living. [Akor \(2017\)](#) documented how, during the 2012 Occupy Nigeria protest, the leadership of NLC sidelined other protesters including the youths who started the protests, and reached a compromise with the government to end the protest after negotiation in which the youths were not adequately represented.

What is clear is that while the popular masses are usually more impacted by the rise in prices, their lack of organisation and mobilisation capacity make them pawns used by influential actors (celebrities, political elites, labour union leaders) to prosecute widespread protests. In the end, the masses gain little or nothing, while the influential actors may use the opportunity presented by the protests to negotiate and wring beneficial compromise from the incumbent. The current rise in the cost of living presents yet another opportunity that celebrities, labour leaders, and political elites may exploit to mobilise the impoverished masses for protests. While there have been isolated protests in various states, the protests have not spread across the entire country because of the absence of a centralised structure led by any of the influential stakeholders. Besides, the bitter experiences of some celebrities during the #EndSARS Movement in 2021, where the government used brutal force to clamp down on protesters, serve as a disincentive for celebrities to mobilise widespread protests in Nigeria.

### Recommendations: Averting Widespread Uprising in Nigeria

To avert widespread uprisings which may eventually turn violent, the following recommendations are put forward for the government and other critical stakeholders.

#### 1. For the Government:

- i. In the short term, the government should engage labour unions and civil society organisations, including student union associations and communicate steps being put in place to arrest the rising costs of living and to ameliorate the impact on the masses.
- ii. As part of short-term measures, the government should deepen the capacity of local vigilantes and strengthen collaboration between them and state security agencies to deal with insecurity affecting farmers in rural areas.

- iii. The government should begin implementing agreements reached with labour unions such as NLC, TUC, and Academic Staff Union of Universities (ASUU). Where it is impossible to implement these agreements, the government must demonstrate integrity by seeking renegotiations.
- iv. In the medium to long term, the government should adjust civil servants' wages to include the cost of living allowance, investment in low-cost housing and basic amenities such as water supply in order to reduce the share of disposable income spent on basic needs. State governments that have yet to commence payment of minimum wage should review their wages in line with current economic realities.
- v. As part of medium to long-term measures, the government should build the capacity of pastoralists and crop farmers in the area of climate change mitigation and adaptation.

#### 2. For Labour Unions, Civil Society Organisations and Nigerian Celebrities and Artists:

- i. Labour unions and CSOs should engage the government constructively to design and ensure the implementation of welfare and social safety programmes aimed at ameliorating the impact of the rising inflation on the masses.
- ii. Nigerian celebrities and popular artists should use their social media influence constructively and avoid being used by political elites to promote populism.

3. The government's directive on releasing grains from the strategic reserve seems not to have been obeyed by those in charge. There should be deliberate efforts to bring down the prices of staple foods like rice, beans, yams, bread, and other types of grains. The government should consider importing these staple grains as a short-term measure to make up for the shortage that currently exists in the country.

4. Given the impact of insecurity on food production, efforts should be made to enhance security measures for farmers and incentivise agricultural activities. This could involve increased support for agricultural extension services, access to credit, and investment in technology to improve productivity.

5. There is a need to revisit wage structures to ensure that they align with inflation rates. Collective bargaining agreements and government interference may be required to enhance wages, particularly for low-income earners who bear the brunt of price hikes.

6. With the possibility of protests being rife, there should be transparency in government spending and accountability for policies that impact the cost of living.

## Conclusion:

Nigeria is now on edge, characterised by increased cost of living, particularly food price increase and general rise inflation rates. The burden is worsened by weak wages, which, in the end, make it impossible for ordinary Nigerians to buy essentials like food. It has, therefore, become clear that this crisis does not merely endanger the lives of millions but also highlights the issues with Nigeria's political economy. From this perspective, the factors contributing to the inflationary lag in Nigeria are manifold, including the scrapping of petrol subsidies, prevailing insecurity, and farm disruptions owing to farmers' attacks. Such challenges create an untenable scenario where the poor and vulnerable bear the burden imposed by economic struggles.

History shows that allowing inflation and living costs to increase unchecked can trigger issues down the road. Such earlier protests as the 2012 Occupy Nigeria show how quickly mass unrest can result from economic discontent. Nevertheless, the nature of protest mobilisation shows the existence of a

complicated matrix of actors; celebrities, politicians, and labour unions, that are usually involved in the processes. Henceforth, the integration of measures to tackle the root of the economic issues in Nigeria should be prioritised. This involves active governmental operations for price stabilisation, agricultural resilience promotion, and poverty alleviation through wage adjustments and social protection mechanisms. Similarly, facilitating dialogue and collaboration between actors of different backgrounds can also contribute to carving out more inclusive and sustainable ways to meet Nigeria's economic challenges.

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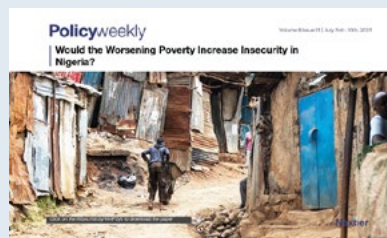
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