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policy and practice

Rethinking poverty reduction: growth from below, beyond social protection in Nigeria

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Nigeria's poverty experience over the past decade reveals a persistent paradox: despite periods of economic growth and expanded social protection, many households remain vulnerable. The article draws on qualitative life-history research conducted in 2023 under the Better Assistance in Crises (BASIC) programme across multiple Nigerian states representing diverse rural, urban, agrarian and conflict-affected settings to examine the limits of poverty reduction strategies centred on macroeconomic growth and short-term social protection. It argues that 'growth from below' – through smallholder agriculture, informal investments and more asset-secure women's livelihoods – has been central to household resilience and upward mobility. The findings show that poverty trajectories are often characterised less by linear 'graduation' from poverty than by oscillation between recovery and setback within a polycrisis environment. Households frequently rely on informal investment, agricultural activity and social networks to manage risk and rebuild livelihoods, yet policy frameworks often treat informality primarily as a source of taxation or regulation rather than support. The evidence also highlights how women's livelihood strategies are constrained by unequal asset ownership, insecure work and unpaid care responsibilities. While social protection programmes can help smooth consumption during crises, they often do not adequately support asset protection, livelihood diversification or longer-term resilience, particularly in contexts of chronic risk. The article therefore calls for anti-poverty policy to move beyond short-term relief towards asset protection, support to informal livelihoods and asset-secure pathways for women. Recognising growth from below does not replace social protection; rather, it strengthens it by aligning policy with lived economic realities.

Keywords poverty dynamics • growth from below • informal livelihoods • social protection • gender • assets

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Introduction

Economic headlines may occasionally signal growth, yet millions of households could still remain trapped in persistent hardship (World Bank, 2025a). Intersecting crises, economic, health, climatic and insecurity-driven, have amplified livelihood vulnerabilities especially in low-income countries, with the poorest segments and other vulnerable people experiencing not only short-term distress but long-term setbacks in asset accumulation and economic agency. While social protection programmes have expanded in coverage in recent years, in many resource-constrained contexts, these programmes remain uneven, and many extremely poor households receive only minimal support inadequate to stimulate income-earning capacity or resilience against recurrent shocks (NESG, 2023). Many vulnerable nonpoor households are not included.

This reflects a wider gap in policy debate: while transfers contribute to consumption smoothing, they do not fully explain how poor households rebuild, diversify and grow their livelihoods beyond subsistence (World Bank, 2024). Accordingly, this article calls for a coordinated policy response through 'growth from below' as a complementary lens to social protection. Growth from below refers to bottom-up economic development driven by 'small investments by households in micro-enterprises, smallholder agriculture, the rural non-farm economy, and through the urban informal sector' rather than large-scale formal investments for example in labour-intensive manufacturing (Shepherd et al, 2019). In practice, the balance of activities that make up 'growth from below' varies across countries. In parts of East Africa it is closely associated with mobile-money-enabled microenterprise and remittance-financed asset purchases, while in West African contexts such as Nigeria, as the following evidence shows, it is anchored in smallholder agriculture and informal trade. The relative weight given to these activities therefore depends on agro-ecology, the degree of urbanisation, and the strength of local markets and social networks (Shepherd et al, 2019).

The rationale for prioritising growth from below follows from a wider body of poverty dynamics research showing that sustained escapes from poverty are rarely the product of a single large transfer or formal job, but instead accumulate through repeated, small-scale investment decisions that households make over time (Ojermark, 2007; Diwakar and Shepherd, 2022). Many people escape poverty through 'growth from below', yet governments continue to prioritise support to 'growth from above'. A balance is needed, as argued in Shepherd et al (2019). We build on this argument to make a case for coordinated support to 'growth from below' as a means of supporting recovery from crises in Nigeria.

The case for this coordinated response is evidenced using qualitative life-history research conducted under the Better Assistance in Crises (BASIC) programme in Nigeria. Nigeria represents an archetype of the challenges described earlier, with intersecting conflict, floods and droughts, and economic instability driving acute and persistent poverty (World Bank, 2021; 2024; 2025b; Amare et al, 2023; Abdulrasaq et al, 2025; Richards, 2025). Gender-balanced life-history interviews were carried out in 2023 across multiple Nigerian states capturing the six geopolitical zones of the country, including agrarian and conflict-affected contexts such as Benue, Jigawa, Borno, Ekiti, Anambra and Akwa Ibom, covering both rural and urban settings. The 115 interviews drew attention to how individuals and households experience poverty over time, how they respond to shocks, and how livelihood strategies evolve across different stages of the life course. Life histories are powerful for policy analysis because they reveal pathways rather than outcomes alone (Ojermark, 2007). In doing so, they provide grounded insights into how poverty reduction unfolds in practice and why supporting growth from below is essential to complement social protection and other human development efforts.

The findings suggest that poverty policy in Nigeria falls short not because households lack initiative, but because policy design underestimates how livelihoods are built and protected under chronic risk. Short-term palliatives smooth consumption but fail to protect assets; extractive attempts to tax and regulate the informal economy discourage diversification; and gender-neutral programmes overlook the asset insecurity and care responsibilities that shape women's economic choices. In this context, the article makes a case for prioritising 'growth from below' to address these challenges through integrated agricultural support, strengthening support for informal economic activity and women's livelihoods, and enhancing the shock-responsive focus of multisectoral programme responses.

Agriculture as an anchor: the case for moving from piecemeal relief to durable asset accumulation and protection

Agricultural policy should prioritise stability and asset protection alongside productivity enhancement (Daidone et al, 2019). This is because agriculture commonly functions as an anchor for households managing risk. Life-history evidence from the BASIC research shows that, for many poor and near-poor households, agriculture functions less as a pathway to rapid income growth and more as an anchor that makes incremental livelihood rebuilding possible in a context of repeated shocks. As one rural respondent in Ekiti reflected, during the lockdown restriction period, his familiy relied solely on his farm produce for food and on selling some of the produce at the market (INT97, Male, Rural).

This pattern complicates policy narratives that implicitly prioritise exit from low-productivity farming via diversification away from agriculture, by showing how continued engagement in agriculture often underwrites diversification itself (Jimoh et al, 2024). Households use farming first to stabilise food consumption and reduce exposure to food price volatility; only then do they attempt small-scale trading, processing or services: 'We eat a lot of mango fruit and then as children we had the opportunity to market the mango fruit and save the money for ourselves … if you see reason to market it you are free' (INT51, Male, Urban).

A similar pattern was reported by a respondent in Ekiti, who recalled that after his father's cocoa farm was destroyed, he replanted it with maize and reaped a bumper harvest that he sold to buy household assets and support his family, moving his household out of poverty (INT82, Male, Rural). These examples illustrate how agricultural production supports small-scale saving and market engagement, especially for younger household members. Accordingly, to centre stability and protection within agricultural programmes, predictability matters: rebuilding soil health to enhance nutrients and moisture, timely access to inputs targeted at smallholders, information about weather and other issues, storage infrastructure, and local markets all support the small but reliable surpluses that households use to save and diversify; irrigation investments also help smooth the growing vagaries of depending on rainfall.

Respondents also distinguished between the needs of different categories of farmers. An irrigation farmer in Jigawa argued that credit and social assistance should be differentiated by farm size: 'The small-scale farmer does not need a loan but needs social assistance since his farm is one or less hectare. Those that need loans are the medium- and large-scale farmers because their farms are from five or more hectares' (INT105, Male, Urban). This points to the importance of tiering agricultural support instruments to farms based on scale rather than applying a single credit or transfer model across smallholders and larger commercial farmers alike.

Agriculture also plays a role in maintaining asset continuity across the life course, which suggests that programmes must be shock-responsive to provide a degree of asset insurance. Where crises undermine production, rigid repayment rules or withdrawal of support can force distress asset sales; flexible responses such as repayment rescheduling or input replacement help protect the asset base households are building. Programmes moreover need to anticipate and factor in shocks and resultant losses. Indeed, several life histories show households achieving modest upward movement while farming by acquiring land, improving housing or investing in children's education, only to fall back sharply when illness, flooding, conflict or death disrupt production (INT102, Female, Rural; INT76, Male, Urban). A respondent in Anambra, who used a profit of N150,000 from a rented rice plot to expand cultivation onto four additional plots the following season, lost almost the entire crop to flooding, leaving him with only N8,000 (INT34, Male, Rural). Another older woman in Anambra explained that when her husband got sick, she resorted to farming to take care of her husband and earn a living, as the husband could not provide as usual. Since then, she has been surviving with little proceeds from her farm (INT22, Female, Rural). In this context, agricultural extension services should be integrated with insurance and/or cash transfers to help households maintain farming capacity (Daidone et al, 2018), rather than finance being used only to help households avoid negative coping responses.

Informal investment and managing risk: from taxing to supporting informality

Alongside agriculture, 'growth from below' is driven by broader types of informal economic activity. Poverty policy must accordingly recognise that informal investment is not a marginal activity but the primary engine of diversification for poor households. Programmes that focus narrowly on formal enterprise development or rapid 'graduation' risk bypassing the incremental pathways households actually use. For example, our qualitative evidence pointed to households moving cautiously between activities, reinvesting small surpluses while constantly managing the risk of reversal. Informal investment emerges as the dominant mechanism through which households diversify livelihoods. One woman in Ekiti described a common strategy: when farming yields some surplus, she uses part of it as small capital for trading, but whenever trading becomes too risky or unprofitable, she suspends it and relies again on farming (INT88, Female, Urban). In this context, financial and livelihood interventions should be designed to support sequencing, not disrupt it; through flexible loan repayment terms, small and repeatable loan sizes, and mechanisms that allow temporary withdrawal from repayment without penalty after shocks.

Moreover, risk management must be treated as a core design principle. Households already plan for disruption; policies that ignore this reality by imposing rigid timelines, uniform conditions or one-off support can accelerate downward mobility rather than prevent it. Reflecting this risk management, in Jigawa and Benue, respondents noted that they deliberately limited farm size or trading scale because of the fear of crop failure, flooding or insecurity. As one farmer in Benue explained, taking on large loans for expansion feels too dangerous, so it is safer to keep operations small and manageable (INT57, Male, Urban). Illness, displacement or policy disruptions trigger shifts away from trading or processing back towards subsistence farming and daily labour, allowing households to preserve land, housing or key equipment. One interviewee and her family moved to Urum due to her husband's poisoning, leading to the sale of their assets, including cars, motorcycles and land. She stopped her business and turned to farming for sustenance (INT8, Female, Rural). These shifts reflect deliberate short-term risk management rather than long-term security.

While informal farming, trade and processing dominate growth, state engagement with these activities remains primarily extractive. Respondents across states consistently described informal levies, market fees and 'tickets' imposed on survival-level activities, reinforcing perceptions that visibility brings costs rather than support. This discourages households from expanding informal enterprises and incentivises staying small, mobile and invisible. Thus, policy must move away from treating informality as a revenue problem and towards recognising it as the primary livelihood system for the poor. For instance, local governments could introduce simplified, low-cost registration for micro-enterprises linked to tangible benefits such as access to storage facilities, designated market spaces, basic insurance or crisis support combined with grace periods on loan repayment, before any taxation applies. Presumptive taxation should be progressive and counter-cyclical, with automatic relief during crises. Supporting informality does not require immediate formalisation; it requires reducing the risks associated with incremental growth.

Oscillation, not graduation: poverty trajectories in a polycrisis environment

The life-history examples provided reflect poverty trajectories not as linear pathways of 'graduation' but as oscillation around shifting wellbeing thresholds. Across the life-history sample, 42 households experienced some upward movement, largely concentrated in transitions from very poor to poor or near-poor categories. However, downward movement was more common, affecting 49 households, including 23 households that fell from poor to very poor or poorest categories. Only three households moved from not-poor into higher-income categories, and none transitioned into the highest wellbeing group.

Yet programme responses remain heavily oriented towards short-term palliatives of one-off cash distributions, food aid or politically visible relief measures. While these interventions temporarily stabilise consumption, life histories show that they rarely protect or rebuild the productive assets on which recovery depends. Once assistance ends, households often return to the same vulnerability, or worse, after having sold livestock, tools or stock to meet basic needs. Life histories from Anambra and Ekiti show how years of incremental asset building can be undone by a single health emergency or by selling productive assets to meet immediate needs. These dynamics help explain why households that appear to 'graduate' out of poverty on paper often return to vulnerability within a short period.

In this context, flexible institutional responses at critical moments can prevent temporary shocks from becoming permanent setbacks. In Benue State, for example, a male participant described receiving agricultural inputs from the Bank of Agriculture, only for flooding to destroy his farm shortly after planting. Rather than enforcing repayment, officials assessed the damage and waived the obligation: 'Thank God they did not ask me to pay back again' (INT52, Male, Urban). This flexibility allowed the household to avoid distress asset sales and re-enter farming in subsequent seasons. Such cases illustrate that when institutional actors recognise shock-related losses and adjust rules accordingly, they can play a decisive role in protecting growth from below.

Shifting the objective of assistance accordingly from consumption smoothing to asset protection requires embedding asset protection into programme design anticipating that health shocks, climate events, insecurity and policy disruptions will occur. For example, cash transfer programmes could include automatic top-ups or temporary extensions following covariate shocks (flooding, displacement, market shutdowns), explicitly earmarked to protect productive assets such as seed stock, tools or trading capital. Similarly, agricultural credit schemes should normalise repayment rescheduling after verified shocks, rather than treating default as individual failure. Protecting small gains is often more important than promoting rapid expansion. At the same time, these changes of approach would involve programmes being insured or more expensive, so identifying additional financial resources to support such a switch is important.

Gendered pathways: towards supporting women's livelihoods

Women are central to household resilience, yet policy design consistently treats them as beneficiaries rather than as asset-building economic actors. Gender-neutral programmes overlook women's structural disadvantages: insecure land rights, lack of collateral and disproportionate care responsibilities that convert enterprise income into emergency expenditure. As a result, women's economic activity absorbs shocks but rarely accumulates into durable progress. One woman described her struggle after her mother's illness, how she 'started manual jobs to get money to buy things like soap, detergents and the likes' and later managed farm produce to pay for her mother's hospital bills (INT46, Female, Rural). Women's labour substitutes for absent insurance and public services, but at the cost of eroding their own economic base. Oscillation, therefore, is not gender-neutral; it is shaped by unequal exposure to risk and unequal capacity to protect assets.

A shift towards asset-secure women's livelihoods is essential. For instance, publicly supported livelihood and agricultural programmes could mandate joint or sole titling of land, housing or equipment provided through the programme – as part of a phased approach to avoid delaying programme implementation – and align finance products with women's tenure realities (small, repeatable loans; flexible repayment; insurance against health and climate shocks). Livelihood support should also be paired with predictable coverage of health and education costs, so women's trading or farming income is not continually diverted away from reinvestment.

Even with these changes, care responsibilities could still undermine accumulation. This pattern recurs across the qualitative data. In Ekiti and Borno, hospital costs consumed trading capital and forced the sale of stock or livestock; in Benue, school fees triggered withdrawals from petty trade just as businesses began to stabilise. A woman in Akwa Ibom put it plainly: 'We used it for business, like me I used it for banana business … but the money ran out due to my illness and that of my son and I went back to poverty' (INT5, Female, Urban). Weak access to affordable health care and education converts women's earnings into emergency expenditure, preventing reinvestment and consolidation.

These gendered realities expose policy design failures. First, livelihood and social protection programmes often treat women as temporary beneficiaries rather than as long-term economic actors, offering short-duration cash or grants without securing the assets needed to sustain gains. When support ends, women are pushed back into survival activities. Second, programmes rarely address asset rights, land tenure, joint titling or ownership of publicly supported equipment/assets, as noted earlier. Third, interventions assume that care is an exogenous household matter; in essence, the absence of affordable good quality health and education services systematically diverts women's enterprise income away from accumulation.

These findings point to three corrective shifts. First, design women-focused economic support around asset security: mandate joint or sole titling for programme-supported land and equipment; recognise informal assets; and align finance with tenure realities. Second, integrate care-sensitive design: pair livelihood support with predictable health and education cost coverage or insurance so that shocks do not liquidate women's capital. Third, replace one-off assistance with sequenced, shock-responsive support that allows women's enterprises to expand, pause and recover without penalty. This might involve shifting between humanitarian and development investments, and changing implementing organisations or ministries along the way.

Limits of the evidence and directions for future research

This article draws on qualitative interviews to examine how households experience poverty, risk and recovery over time. This evidence is well suited to identifying pathways, sequencing and mechanisms through which livelihoods are built, disrupted and rebuilt in reality but it cannot support claims about prevalence, average effects or the causal impact of specific policies. Moreover, life histories rely on retrospective narratives, which may be affected by recall bias and shaped by respondents' interpretations of past events. Finally, the research covers a diverse but limited set of states and communities, meaning that institutional variation across Nigeria is not fully captured. These limitations are inherent to an approach designed to illuminate lived experience rather than to produce nationally representative results.

Future research should combine this type of qualitative evidence with longitudinal quantitative data to better capture poverty dynamics in polycrisis settings, as the introductory article in this themed section sets out (Diwakar, 2026). Panel surveys and administrative data can track changes in income, assets and wellbeing at scale, while qualitative methods can explain why apparent 'exits' are reversed and how households manage risk between survey rounds. Mixed-methods designs can help examine informal investment, asset loss and recovery, gendered care responsibilities, and the shock-responsiveness of policy instruments dimensions that remain poorly measured and weakly supported by prevailing policy frameworks, but central to sustaining growth from below.

These results do not imply abandoning social protection or formal economic transformation. Rather, it calls for policies and programmes that recognise households as active economic agents operating under chronic risk and that prioritise asset protection, informal-sector support and asset-secure livelihoods for women. In Nigeria's polycrisis environment, success should not be measured by rapid graduation from poverty, but by the ability to recover without catastrophic loss. Policies that protect small gains, secure assets and support informal livelihoods are more likely to sustain progress than those focused solely on short-term exits from poverty.

Developing this stronger institutional focus on growth from below is challenging. The ideas presented in this brief would would require coordination across economic planning, agricultural development and social protection structures, and need to be discussed in context-specific policy fora. In Nigeria, this includes the National Economic Council, which advises the president on sustainable economic growth, and the Northern Nigeria Economic Development Council which was established by the Northern Elders Forum in late 2025 to develop a regional economic masterplan and attract investments. Key institutional actors which could promote this policy focus include the Nigerian Economic Summit Group, a prominent, private sector-led think-tank that collaborates with the government to advocate for policies and research that foster sustainable economic development, and the government's own National Institute for Policy and Strategic Studies. Strengthening engagement across these institutions could help shift poverty policy away from narrow short-term relief towards more durable approaches centred on resilience and inclusive livelihood recovery in contexts of chronic risk.

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KA and AS conceptualised the study, wrote the first and subsequent drafts of the manuscript, and conducted data analysis and interpretation.

Data availability statement

Data will be made available from the corresponding author on reasonable request, subject to data-sharing agreements.

Research ethics statement

Ethical clearance for this study was obtained from Bayero University, a national university based in Kano state with a standing Ethics Review Board.

Conflict of interest

The authors declare that there is no conflict of interest.

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