In the last 10 years,studies examining the effect of conflict in Nigeria have increased.

For example Nwokolo (2015) used the Nigerian demographic data and ACLED data

to examine the effect of Boko Haram Insurgency(BHI) on child health. The study

finds increase in terror fatalities reduces birth weight and increases low birth weight

probability for cohorts exposed within six months of pregnancy. His results suggest

that male and female child in utero have a higher probability of having a low birth

weight due to exposure to terror fatalities.

Another more recent study on Nigeria is Ekhator and Asfaw (2019). They consider a similar question also using the Nigerian demographic data but combined it

with data from the Global Terrorism Database. In particular the study examines

the effect of Boko Haram insurgency on measures of children health such as stunting,

wasting, height-for-age z-scores and weight-for-age z-scores and weight-for-height zscores. Their results suggest negative effects of the insurgency on weight-for-age and

weight-for-height z-scores and an increase in the probability of wasting.

The paper most similar to ours in terms of the microdata used is Bertoni et.

al.(2017). They used the three rounds of the GHS-Panel dataset but examined the

impact of civil conflict (specifically Boko Haram) on school attendance and attainment. A difference between our paper and this paper is the fact that while we focus

on Nigeria, they focus solely on the north eastern part of Nigeria. In addition we

consider economic welfare effects of conflict whereas they focus on human capital

effects. Bertoni et al.(2017) make use of a panel regression estimation approach and

complement the panel regression with the standard cohort difference in difference

analysis. They find a one standard deviation increase in the number of fatalities

in the 20 km radius of each household decreases the number of completed years

of education for the cohort exposed to conflict during primary school by 0.6 years,

compared to the non-exposed cohort.

Our paper complement all the aforementioned papers in that we also consider at

the effects of conflict in Nigeria. However, we do not focus on a region of Nigeria or

a particular type of violent conflict such as recent Boko Haram terrorism. Rather we

focus on any type of violent conflict in the whole country. Our rationale for doing this

is the recognition that different regions in Nigeria have been plagued with significant

violent conflict at different times since Nigeria’s independence in 1960. Hence, we

attempt to identify the average recent and long term effect of exposure to any violent

conflict on an individual’s welfare over the period of 2010-2016. Our paper also differs

from the other three papers given our outcome variables of interest. In particular we

focus on economic welfare related outcomes while the other papers focused on health

and school related outcomes. Both health and education outcomes are important

and our paper complements these papers by focusing on another important outcomehousehold economic welfare.

In this paper we focus on the impact of conflict on welfare outcomes such as

poverty incidence and severity. Most research suggests the existence of a positive

correlation between poverty and the likelihood of civil strife (Collier, 1999; White,

2005; Kondylis, 2007). Some authors have focused on linking poverty or food shocks

to conflict. For example Pinstrup-Andersen and Shimokawa (2008) explain how

poverty, hunger and food insecurity together with inequality of income, land and

other material goods generate anger, hopelessness, a sense of unfairness and lack of

social justice all of which provide a fertile ground for grievance and conflict. Abidoye

and Cali (2014) examined the relationship between income shocks and conflict across

states in Nigeria. They find increases in the price of consumed items induce conflict

as well as oil price increases. While these papers suggest that poverty or income or

price shocks can lead to conflict, our paper considers the effect of conflict on welfare

related outcomes overtime, controlling for other kinds of shocks including price or

income shocks.