



# DETERMINANTS, DYNAMICS OF POVERTY AND HOUSEHOLDS COPING MECHANISMS IN RURAL SOUTH-EAST OF NIGERIA.

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## Abstract.

Determinants of rural poverty in developing countries including Nigeria are complex and multidimensional. An understanding of this complexity is important in articulating policy responses. Similarly, the rural poor are quite diverse both in the problems they face and the possible solutions to those problems. Broad economic stability, competitive markets, and public investments in physical and social infrastructure are widely recognized as important requirements for achieving sustained economic growth and a reduction in rural poverty. A telling indicator is the fact that the last living standard survey puts rural poverty incidence in Nigeria at above 75 percent in 2016 as against just a little above 20 percent in 1980. Previous studies examined mostly the relationship between growth and income in urban areas, and also investigated the extent economic growth and inequality create poverty in urban and rural areas. Nigerian poverty profile for 2004 and 2016 despite having information on rural and urban failed to disaggregate the determinants by sector (urban and rural) as well as evaluate the dynamics using the two waves of survey data. The report further failed to disaggregate determinants by geopolitical zones. This may

be one of the reasons for failed poverty reduction policies in the country over many decades. Understanding determinants, dynamics, coping mechanisms by sector (urban and rural) and by geopolitical zones are critical for poverty reduction so that policies and interventions will no longer be generalize but region and sector specific. The aim of the study was to evaluates the determinants, dynamics of poverty and households coping mechanisms in rural south east of Nigeria. The specific objectives of the study were to: (i) identify the major determinants of rural poverty in South-East, Nigeria, (ii) ascertain the direction of poverty dynamics among rural households in South-East, Nigeria and (iii) identify major poverty coping mechanisms adopted by rural households in South-East, Nigeria.

**Keywords: rural poverty, dynamics of poverty, determinants of poverty, poverty coping mechanism.**

## **1. Introduction**

Broad economic stability, competitive markets, and public investment in physical and social infrastructure are widely recognized as important requirements for achieving sustained economic growth and a reduction in rural poverty. In addition, because the rural poor's links to the economy vary considerably, public policy focus must be on issues that reduces poverty. The poverty situation in rural Nigeria presents a paradox considering the vast human and physical resources that the country is endowed with. It is even more disturbing that despite the huge human and material resources that have been devoted to poverty reduction by successive governments and administrations, no noticeable success has been achieved in this direction.

A telling indicator is the fact that rural poverty increased from 28.3 per cent in 1980 to 63.8 per cent in 2004 while urban poverty increased from 17.2 per cent to 43.1 per cent in the same period. This implies a significant increase of 128 per cent in rural poverty within the period. In 2004 poverty incidence study by the National Bureau of Statistics (NBS) using the Nigerian Living Standard Survey (NLSS) across all geopolitical zone of the country, the South East recorded the least urban poverty incidence of 34.2 percent but the highest rural poverty incidence of 65.8 per cent. Summarily, in 2004, Nigeria's relative poverty measurement stood at 54.4 per cent, but increased to 69 per cent (or 112,518,507 Nigerians) in 2016. The North-West and North-East geopolitical zones recorded the highest poverty rates in the country with 77.7 per cent and 76.3 per cent respectively in 2010, while the South-West geo-political zone recorded the lowest at 59.1 per

cent. In 2016, urban poverty nationwide reduced to 26.7 per cent from 43.1 per cent in 2004 while rural poverty remained as high as 48.3 per cent. Although the 2016 report failed to report poverty by rural or urban for the geopolitical zones, the report shows that inequality in South East region stood at 0.376 for urban as compared to 0.442 for rural sector. The South East rural Gini-coefficient was only less than that of North East which stood at 0.4468 in the same period.

Therefore, although predicted poverty reduction scenarios vary greatly depending upon the rate and nature of poverty related policies, actual evidence suggested that the depth and severity of poverty is still at its worst in rural Nigeria and the rural South East that has been outstanding has now become worse in terms of the growth rate (NBS, 2014). However, the National Bureau of Statistics (NBS) press briefing on poverty profile 2012 report indicated that the gap between the rural and urban poor at the national level is insignificant, rural 0.447 percent while urban 0.433 percent. But at the geopolitical zones of the country, it indicated a different case, for example in South-South zone the percentage is 12.8 percent, South-East 18.1 percent, South-West 0.2 percent, North-Central 5.4 percent, North-East 8.6 percent and North-West 0.7 percent. From the above results, it is obvious that the South-East region holds the highest level of rural poverty, which indicated that there is a wide gap between the rural dwellers and urban dwellers.

Another issue that has bothered several analysts in this area is the fact that every Poverty Profile Report of National Bureau of Statistics (NBS) including: 1980; 1985; 1992; 1996; 2004; and 2016 contain determinants of poverty at the national level but none ever bothered to have these determinants disaggregated into regions (geopolitical zones) or by location (urban and rural). The determinants and dynamic nature of poverty is known to add an important aspect to the analysis of poverty as some households' experience poverty for long period of time, while others only experience it on a temporary basis due to negative shocks that result into a sudden loss of welfare. This situation has led to rural urban migration resulting to rural-urban dependency, implying that this ugly situation would remain as long as the solution to the problem is not sought. Thus, this study is seeking to identify possible determinant and dynamic nature of poverty in rural South-East Nigeria in order to know how to refocus policy for a meaningful reduction and eradication.

Determinants of rural poverty in developing countries including Nigeria are complex and multidimensional and must be known for proper policy focus. Likewise, the rural poor are quite diverse both in the problems they face and the possible solutions to these problems. Broad economic stability, competitive markets, and public investment in physical and social

infrastructure are widely recognized as important requirements for achieving sustained economic growth and a reduction in rural poverty. In addition, because the rural poor's links to the economy vary considerably, public policy should always understand such issues to avoid failure of intervention through well-designed public works programs and other transfer mechanisms. This study therefore, examines what determines rural and urban poverty? What is the direction of poverty dynamics? How have the rural and the urban households in the South-East Nigeria been coping with poverty over the years? Knowledge of the above questions will provide useful insights to specific measures that can be taken to eliminate or reduce rural poverty in the zone.

## **2. Literature Review**

### **2.1 Conceptual Framework**

Rural poverty refers to as situation in which rural inhabitants, groups, communities and societies at a given point in time experience a level of income below that which is needed to provide a desirable minimum living standard (Rahji, 1999). Rural poverty in its most valid generalizations about the poor are that they are disproportionately located in rural areas, that they are primarily engaged in agricultural and associated activities, that they are more likely to be women and children than adults' males, and that they are often concentrated among minority ethnic groups and indigenous peoples (Todaro and Smith, 2003).

The debate on the relationship between small farmers and poverty in Sub-Saharan Africa (SSA) has gone through a complete circle (Spencer, 2002; Poulton et al, 2005; Lipton 2005). Evidence from literature and past studies have identified this region's as one of the world's poorest, and the economics are heavily depended on agriculture as the primary source of income and food. Past studies have also identified that most of the poorest households in SSA are found working in agriculture (Ikpi, 1989; Ayoola et al, 2000; Okunmadewa, 2002; Spencer, 2002). However, these farmers play an important role for food security with an average farm size ranges between 0.7 to 2.2 hectares. Facts have also shown that while proportion of the population living in poverty in smallholder farming is on the decrease in Asia, the proportion has increased in SSA (Johannesburg summit, 2002). Both the quantitative and qualitative measurement attests to the growing incidence and depth of poverty in the country. This situation however, presents a paradox considering the vast human and physical resources that a country like Nigeria is endowed with. It is even more disturbing that despite the huge human and material resources that have been devoted to poverty

reduction by successive government, no noticeable success has been achieved in this direction. Although, predicted poverty reduction scenarios vary greatly depending upon the rate and nature of poverty related policies, actual evidence suggested that the depth and severity of poverty is still at its worst in Nigeria, Sub-Saharan African and South Asia. (Hanmer and Nasehold, 2000, Barbier 2000) within these regions, poverty is largely a rural phenomenon with an average of between 62 and 75% of the population living on less than a dollar a day.

### **2.1.1 Rural and Poverty: Conceptual Clarifications**

**Rural:** The word “rural” means different thing to different people. The American Bureau of Census (ABC) classifies a group of people living in a community having a population of not more than 2,500 people as rural, whereas in Nigeria, the National Bureau of Statistics (NBS) define it as community with less than 20,000 people (Nwankwo, 2009). According to Afolayan (1995) rural areas are easily identified by other various criteria, apart from population such criteria include:

- i. Level of infrastructural development i.e., road networks, educational institutions, water supply, electricity, health facilities, communication etc. The rural area lacks most, if not all of these infrastructures and where they are available, the quality as well as quantity is usually below desirable standard.
- ii. Occupational Differentiation: Most rural dwellers earn their living by engaging in subsistence agriculture production.
- iii. Housing: House in rural areas is generally below the standard that average person will be proud of.
- iv. Extent of community planning: Community development activities in the rural areas are often carried out with the little or no planning at all, such that future development activities cannot be undertaken without interfering with the existing structure.
- v. Arising from the combination of the above factors is a characteristic abject poverty when related to the economic buoyancy of urban centers.

**Poverty:** Poverty is a concept with multi-dimensional meaning (Ekot, 2000), many scholars view poverty from different perspective based on their state of existence, such as political, economic, social, cultural, technological, religions, gender and educational perspectives. On that note Aboyade (1985) opined that it is relatively difficult to demarcate poverty by given it a specific definition. This is due to the imprecision of the concept and difficulty of its measurements as a

socio-economic phenomenon. However, Tamuno and Alapiki (1995) hold that despite the complex nature of poverty, social scientists have been able to identify, describe, and analyse poverty as well proffer solutions to alleviate poverty.

According to Fields (1994) poverty is the inability of an individual or family to command sufficient resources to satisfy their basic needs. Ekong (1991) stated that poverty is one's general inability to attain or enjoy given social, cultural or economic benefits. The significant issues in the views of Fields and Ekong are inability, basic needs and individuals or groups, which state clearly, the incapability state of the poor. No wonder, Ekpe (2000) opined that the central theme of poverty is the state of inadequacy of essential needs of life.

According to Sen. (1987) poverty is the lack of certain capabilities such as being able to participate with dignity in society' he also see poverty as a state of individual not being able to cater adequately for his/her basic needs of food, clothing and shelter, meeting social and economic objectives, lacks gainful employment, skills, assets and self-esteem, education, health, portable water and sanitation, which reduces the opportunity of advancing his/her well-being to the limit of his/her capability. The above explanations connote that poverty is not only the inability of individual to afford the above basic needs of life, but reduces that strength and prestige of such individual to participate in any given activity in the society.

In Nigeria, poverty has deprived a good number of her citizens the prestige of citizenship, for example, the less privileged, unemployed, and landless peasant are not given access to bank facilities as a result of the collateral barrier, which has been placed above their affordable capability. Basic education, good water, good environment and health care have been made for a class, as those who are within the enclave of poverty scope and create more inability to the Nigerian poor. In a strict economic term, Ekpe (2000) stated that poverty is a situation whereby income and consumption are low. Obadan (1997) explained that the poor are those who standard of living are measured in terms of income or consumption and is below the poverty line, which separates the poor from the rich. In a broader term, Chambers (1995) see poverty as the lack of physical necessities, assets and income. It is a general condition of deprivation, which comprises poverty itself, social inferiority, isolation, physical weakness, vulnerability, powerlessness and humiliation. The poor earn below the international measurement of one US Dollar per day (World Bank, 1999) which affects their purchasing power to acquire their basic needs. It is on that note that Achor (2001) stated that the poor lack cash income that is sufficient to cover their minimum

standard of living. On the other hand, the literature explained that poverty is not only a situation of poor standard of living, but also a state of severe deprivation in the society.

According to Amuguo (2003) poverty is the deprivation of elements necessary for human survival. These elements include clean water, food, shelter, health and self-dignity. Deprivation of self-dignity is simply the denial of individual liberty, natural rights, political liberty, civil liberty and property. Poor people lack skills and gainful employment, have few, if any, economic assets and sometimes lack self-esteem. The Nigerian poor are deprived access to basic needs, participation in social, economic and political activities in Nigeria. The Nigeria poor are placed in such a situation that they remain dependent and there is no visible measure of pulling them out from the situation. They are victims of poverty.

### ***The Rural Poor: Who Are They?***

The rural poor depend largely on agriculture, fishing, forestry, and related small-scale industries and services. To understand how poverty affects these individuals and households, and to delineate the policy options for poverty reduction, we first need to know who the rural poor are. The rural poor are not a homogeneous group. One important way to classify the rural poor is according to their access to agricultural land: *cultivators* have access to land as small landowners and tenants, and *non-cultivators* are landless, unskilled workers. There is, however, much functional overlap between these groups, reflecting the poverty-mitigating strategies of the poor in response to changes in the economy and society.

***Types of Poverty in Nigeria:*** Different types of poverty exist at different times and stages in different parts of Nigeria, based on the socio-cultural, economic and political environment. The dividing line between types of poverty is however thin because of overlapping factors. Sometimes it is the prefixing adjective that make the different, but the need to classify poverty for whatever value is still founded. The common types of poverty measurement used in Nigeria include:

- i. **Absolute Poverty:** This is a kind of poverty in which the poor are severally deprived of basic needs of life. Poverty is also seen as the situation where the poor live below the poverty line. It is a state of not having enough resources for basic needs of life. Such as good health, cloths, shelter, good water and food etc. This is one of the most prominent

types of poverty in Nigeria. The poor are unable to afford the required resources to acquire the elements necessary to sustain life and health. The World Bank Report (1999) stated that greater percent of Nigerians are living below the universal poverty line of US\$1 per day, which makes life meaningless to the poor. Majority of Nigerians are unable to afford the required resources to acquire necessary to sustain life. They find it difficult to afford at least one balanced meal out of the required three per day. Today, many Nigerians struggle for shelters that are not even worthy of accommodating domestic animals. They have turned under the bridges and watersides better alternative shelter in absence of any. Good health care is now strange issue to majority of Nigerians, due to their inability to afford the resource for it. The high unemployment rate has worsened the matter, even those who are working, due to inflationary trend, suffer a lot of inadequacies. Indeed, this type of poverty has eroded the dignity of Nigerians and increased dependency.

- ii. **Relative Poverty:** Poverty in this case is measured based on conventional standard of living in the society. Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diets, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged and approved in the society to which they belong. Their resources are below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities, it is a kind of poverty experienced by different people at different stages. The standard of living of individual differs, and they experience the poverty whenever there is a fall below the standard. In Nigeria, the socio-economic inequality has induced relative poverty, resulting to creation of different classes of people in the country. The standard of living of various classes varies, as what may be seen as convenient and accommodating by one might not be by the other class.
- iii. **Subjective Poverty:** This type of poverty is experienced due to some circumstance; people graduate into it based on the available circumstance and perception of the individual. It arises due to shift or reduction in income and status from a particular level to the other. For example, a retired civil servant that lives on pensions sees himself or herself as a poor individual due to retirement. He/she earns income, but in reduced capacity. Compared to what he/she was earning before. At that point, the perception and status of the individual change. The individual is subjected to poverty due to the circumstance.



- iv. **Dire or Severe Poverty:** This poverty is common among Nigerians and seriously increasing. It involves inability to afford good portable water for drinking, inadequate food and shelter due to the activities of the rich who have taken over the control of the state resources. In the Niger Delta Region of the country, access to portable water has been difficult as virtually all the natural sources of portable water have been polluted by the activities of multinationals and oil exploration. Companies, who are reluctant to provide alternative water sources. In the North, the source of water supply is very low, due to their desert environment. Some part of the South-West and virtually all the South-East suffer same. The government has not taken adequate measure to correct the problem. Accommodation is a basic problem in many cities and rural villages of the country. Basic amenities generally are scarce in our communities and town, thereby causing high rate of rural migration to the few cities where they are found. At the end, it results to overpopulation of the few urban towns and severe hardship on the citizenry.
- v. **Subsistence Poverty:** This poverty is common among the villagers, sometimes they could have access to safe water, adequate food, good shelter, based on their level; but poor because they lack resources to maintain other sectors such as good health access to good education, social amenities etc. The consequence is constant rural-urban migration in search of resources to maintain other sectors.
- vi. **Socio - Cultural Poverty:** Poverty at this level is influenced by the activities of the culture of the people. In the traditional Hausa/Fulani communities, women are not given equal opportunities like their male counterparts when it comes to formal education. They are deprived due to the ethics of their culture. This results to a good number of the women being poor at the end of the day. Before now, first sons in Ibibio and Ikwere tribes of Awka Ibom and Rivers States respectively were not given equal opportunities like other children in terms of formal education they are rather preferred to be farmers to enable them be good custodian of their father's farm lands. These men are deprived of formal education on account of cultural practices. Culturally driven discrimination of various dimensions against women observable all over Nigeria also leads to this variant of poverty.
- vii. **Urban Poverty:** The poverty at this level is common and associated with the urban areas. Poverty exists due to the absence or inadequate presence of the required basic needs of life in the urban area. In this case, there could be shelter, portable water, food etc. but these are

inadequate due to the level of demands. The high demand after the few supply results to high cost of living in the area, thereby making the low-income earners to suffer miserably in the urban areas. These results in forcing people to seek for accommodation in urban slums, ghettos and under flyovers, eating unbalance diet etc. urban poverty is usually caused by high rural – urban migration.

- viii. **Endemic Poverty:** This is a type of poverty caused by low productivity and low income, and poor nutrition and health. Many Nigerians today suffer from endemic poverty. The production and income of many individuals are low since their income is low; they lack sufficient resources to afford adequate food, good health and shelter.

### 2.1.2 General Causes of Poverty in Nigeria

Some of the causes of poverty in Nigeria according to Onah (2006) are as follows:

- i. **Colonialism:** Nigerian gained independence on 1<sup>st</sup> October 1960. The years of colonialism brought some set back in Nigeria. The colonial masters built and structure Nigeria economy to facilitate the expropriation of her resources for British economic growth and development, thereby leaving Nigeria with poverty and dependency. Nigeria economy was structured for importation of foreign goods for living and no manufacturing for export. Today, despite the numerous refineries and oil well in Nigeria, Nigeria is still importing petrol products for survival. Due to the colonial orientation, Nigerians are more comfortable with foreign made goods, thereby killing the local industries. This high dependency and importation result in adverse balance of payment and poverty in Nigeria. The resources that would have been used to develop the local industries and empower the citizenry through employment opportunities are now wasted overseas.
- ii. **Civil Ethnic and Religious Wars and Crises:** Nigeria witnessed civil war for almost three years within her first ten years of independency. During the civil war period, innumerable lives and property were lost, which would have been used to develop the economy. Industries and institutions were destroyed during the war. The civil war brought poverty to Nigeria. Indeed, the Igbo are yet to recover their losses even after 35 years after the war. The reconstruction plan of the post-civil war era amounts to waste of resources, as the funds which would have been used to develop additional sectors are rather used to rehabilitate and reconstruct the destroyed sectors. As if the negative signal of the civil war

was not enough lessons for Nigerians, they still facilitate ethnic and religious wars in different parts of the country. These conflicts have rendered millions of Nigerians homeless, frustrated, and poor. The Urhobo – Itsekiri crises, Igbakiri, Okika-Elleme, Kalagbari etc, crises in the Niger Delta are good examples up still today, majorities of the citizens of such areas are yet to return to their homes. They remain refugees in different camps in their own country.

- iii. **Structural Adjustment Programme (SAP) of 1986:** The structural adjustment programme adopted by President Ibrahim Babangida in 1986 caused poverty in Nigeria. The IMF and World Bank prescribe structural adjustment policies meant that states that are lent money undergo stiff condition. They are required to cut down social expenditure (such as health and education) in order to repay the loan. Nigerian's application of SAP automatically brought reduction in expenditure on social and public goods in the name of servicing other sectors. Nigeria was tied to opening her economy and being primary commodity exporters in such a way that Nigeria finally found herself unable to compete favorably with other nations. The SAP brought devaluation of Naira, inflation, reduction in workers wage, redundancy and unemployment, which climaxed to low standard of living and poverty. SAP made Nigeria to be only exporters of raw materials at cheap rate to multinationals and other states and importer of finished goods. This has increased poverty and dependency in Nigeria.
- iv. **Corruption:** According to Lipset and Lenz (2000) corruption is effort to secure wealth or power through illegal means, private gain at public expenses; or a misuse of public power for private and misery of a large segment of the population. Corruption is a detrimental force that hinders democracy and represses individuals. It is upon the above premises that Obadan (1997) stated that the Crude assault of corruption on Nigerians can be quantified by the harsh poverty and deprivation as exemplified on Nigerians horrifying poverty in Nigeria are structured into three namely, Electoral corruption, Bureaucratic corruption and political corruption. Corruption exacerbates poverty and disproportionately affects those of lower income because it pulls resources from the national treasuries, placing the money into the accounts of few individuals, who are politically powerful. This has devastating effect on developing economy that needs the money for poverty alleviation and development.

- v. **Military Rules:** The coming of militating rule into Nigerian politics soon after the independence under the disguise of correction the abnormalities of the civilian rule saw the introduction of undemocratic governance and heightening of poverty in Nigeria. The military used several instruments to increase poverty in Nigeria. Among which are looting of public treasury at the expenses of the masses, centralization of power, violation of rule of law and neglect of poverty alleviation programmes. Today, it has been major headlines in various newspapers, stating the different amounts looted by retired Nigerian Army officers and their investments overseas. These looted funds overseas by these individuals would have been used to invest in Nigeria economy to create employment, strengthen poverty alleviation programmes and reduce poverty. Most importantly, military rule did not only encourage poverty through corruption, but also entrenched the culture of corruption in most individuals and creating wider road for continuous poverty in Nigeria.
- vi. **Poor Leadership:** To some extent, the issue of poor leadership is not accountable to only the military; but also, to their civilian counterparts. Most civilian government had at one time or the other been accused of misplacing priority due to political interest, expropriation of public funds for personnel interest, etc. Achebe (1983) points out that the trouble with Nigeria is the issue of the failure of leadership due to their inability to rise to their challenges and responsibilities of discharging their functions accordingly and running the government of leadership by example. The civilian government has been characterized by politics of ethnicity, nepotism, favoritism, brotherhood and godfatherism in Nigeria. These activities discourage efficiency and hard work, but encourage laziness, idleness and several criminal activities, which in turn induce poverty. Indeed, poor leadership of the various civilian governments in Nigeria contributed to poverty in Nigeria.
- vii. **Class Structure:** In every society, the issue of class structure is inevitable. In Nigeria, there are two major socio-economic classes namely; the rich and the poor. The wide gap between these classes on its own cause's poverty in Nigeria. The rich view poverty as a normal economic phenomenon that must exist and should be maintained, if the society must grow. They look at the poor as a normal economic class that must exist and need not be allowed to leave their class for the interest of the rich maintaining their status. Certain jobs are structurally designed for the poor. By so doing, they continue to deprive the poor from having access to basic needs of life and continue to enhance their poverty. The rich

would never allow the poor to be rich to avoid competition. They prefer the poor continue being poor and beggars on daily basis making laws that would not be beneficial to the poor, privatizing public goods, discouraging poverty alleviation programme etc.

- viii. **Natural Disasters:** In Nigeria, the destruction caused by natural disasters such as hurricane, draught and flood often have devastating effect on the communities. The farmers who use their crops and animals as their main source of livelihood are affected. In the Northern part, the farmers suffer draught from time to time, while their counterparts in the south experience flooding and erosion. These problems lead to massive death, loss of crops and animals, properties, and render many homeless. At the end, the farmers are left with nothing than joining the ever-growing list of unemployed and poor in Nigeria.

### 2.1.3 Development Implications of Poverty in Nigeria

**Political Implication:** Electoral Fraud in Nigerian democracy is one of the negative impacts of poverty. The Nigeria poor are deprived and unable to afford their basic needs of life. They depend heavily on the Nigeria rich for survival. In line with the popular political slogan-he who controls the purse, controls the politics, and since majority of the electorates are poor, the minority rich Nigerians use the state and economic power to buy their votes. As a result of poor income, the electorates see the election period as opportunity to earn income for survival, so they sell their votes to earn income and improve their well-being (Egbe, 2000). The electoral officers are bribed to affect election results. The end results are that those who win election as representatives are not true representatives of the people. And that is why, the representative is always far from the constituency, ineffective in execution of their expected democratic responsibilities and this tends to weaken democracy in Nigeria.

Political instability and National Insecurity are other negative effect of poverty. Poverty as a state of deprivation makes the deprived to be vulnerable and violent in nature. Eguavoen (2003) is of the opinion that the major cause of the Urhobo-Itsekiri crisis and in some other Niger Delta communities is poverty, as the poor are always agitating for better standard of living, provision of basic needs and resources control as an opportunity to alleviate their condition. The crisis in the

Niger Delta where impoverished villagers are demanding for a greater share of national wealth is a dangerous reaction nurtured by poverty. Generally, in the Niger Delta Region, the issues of deprivation and neglect have been prominent issues in their crisis. Beyond Niger Delta, the middle Belt and Northern Region also experience crisis due to poverty. The deprived have always been an instrument of both religious and political violence and aggression as a means to express their anger on their state and deprivation. In totality, the Nigerian poor are associated with violence and crisis and have severally caused political instability in Nigeria. The Jos crisis in May, 2004 was a recent manifestation, which prompted President Olusegun Obasanjo to declare a State of Emergency in Plateau State from May 18 – Nov 18, 2004.

Poverty results in food insecurity in Nigeria. Food production in Nigeria seems unstable, particularly on her basic foods such as cassava, yam, rice, maize, beans etc. This is a result of poor storage facility, losses in harvested food crops, poor processing, poor market system and environmental degradation. It is estimated that post-harvest food losses amount to be between 20 to 25 percent of Nigeria total food production. This created food insecurity for over 40 percent of Nigerians (United Nations, 2001).

Poverty increases illiteracy and poor performance of political leaders. Poverty deprives the poor, who are majority of the electorates from having basic education. Since they are not educated, it becomes difficult to impact such democratic values as freedom of choice of candidates, freedom of speech, value and respect for the right of people, peaceful co-existence etc. on them. Illiteracy deprives the electorates the opportunity to participate effectively in democratic activities (Onah, 2006). Even the elected representatives' default in their responsibility, as a result of their ignorance – poverty of the mind arising from illiteracy. This contributes to their poor performance in office. Also, poor health and nutrition, which is evidence of poverty is detrimental to Nigeria's development, most of the elected representatives, who are by circumstance, victims of poverty find it difficult to effectively formulate and implement good public policies for the masses they represent.

***Social Development Implications:*** Poverty induces social vices. The poor are exposed to a lot of difficulties, which make them to be easily irritated, dissatisfied and criminally minded. The unemployed and underemployed always indulge in criminal activities, sometime to enable them afford their basic needs. And the existence of such class in the society is a problem to democracy

and developed in Nigeria, (Onah 2006), poverty also affects health seeking behaviours in Nigeria. The poor and unaffordable health services in Nigeria accounts for the high level of morbidity and mortality. Thereby resulting to increase in annual loss of human resource of recent, a good number of Nigerian young girls are repatriated from Europe on account of prostitution outside the shores of Nigeria. Several studies have also shown that the involvement of young girls in prostitution is as a result of poverty. The implication of Nigeria girls being in such dimension of prostitution not only impacts negatively on Nigeria's health record, but also give bad signal to foreign communities on the state of poverty and health in Nigeria (Onah, 2006).

***Economic Development Implication:*** Agriculture had been the main foreign earning in Nigeria before the advent of oil and accounted for major contribution to her GDP. Agriculture is a major source of employment for about 80% of Nigerians before oil dominated the economy. The over dependence on the oil sector, resulted in decline in the agricultural sector. The decline resulted to the fall in contribution of agriculture to Nigeria GDP and fall in food production, the fall in food production resulted to increase in food insecurity and importation. This has it negative implication for the development of any nation, particularly Nigeria. Today, Nigeria is one of the top nations that depend on foreign goods for survival. Her dependency on importation of food results to imbalance in her foreign trade and payment. This is very detrimental to Nigeria. The decline in agriculture due to neglect, high cost of implements, environmental hazard, poor technology etc. result in low agricultural output and income among Nigerians. This has resulted in high rate of rural-urban drift as the rural farmers and young people search for white collar job as alternative for survival. The decline in agriculture had rendered the majority of Nigerians unemployed and poor because ordinarily they would have been usefully engaged in active production activities in the agricultural sector.

Table 1: List of Federal Government of Nigeria Projects & Programming for Poverty Reduction and Eradication

S/N	Name of programme/ Project	Coverage Period	Nature of Activity	Sector of intervention	Remarks
1	Agricultural Development Projects (ADP)	1975	Provision of decentralized opportunities and resources in agriculture to small holder farmers	Agricultural sector	Still existing as Projects Coordination Unit (PCU)
2	Universal Primary Education	1975	To provide free primary education	Education sector	No longer exist
3	River Basin Development Authorities	1976	To undertake comprehensive development of both surface and underground water resources for various purposes (e.g. provision of irrigation, infrastructure, and control of floods soil erosion and watershed management	Agricultural sector	Still in place
4	Operation Feed the Nation	1976	To provide sufficient food for all Nigerians	Agricultural sector	The programme dovetailed into the Green Revolution programme
5	Agricultural Credit Guarantee scheme fund (ACGSF)	1978	To facilitate agricultural credit from commercial banks to farmers	Agricultural sector	Still in place
6	Green revolution	1979	To encourage the production of sufficient food and improved nutrition for all Nigerians	Agricultural sector	No longer exist



S/N	Name of programme/ Project	Coverage Period	Nature of Activity	Sector of intervention	Remarks
7	Directorate For Food, Roads and Rural Infrastructure (DFFRI)	1986	To coordinate and streamline all rural development activities in the country and to accelerate the pace of integrated rural development	Multi-sectoral	Functions have been transferred to the Federal Department of Rural Development
8	National Directorate for Employment (NDE)	1986	To provide skill development to secondary school leavers and graduates from tertiary institutions	Multi-sectoral	Still in place
9	Nigerian agricultural Insurance Cooperation	1987	Provision of insurance cover for business engaged in agricultural production	Agricultural sector	Still in place
10	Better Life programme For Rural women	1987	Improvement of living condition of rural women	Multi-sectoral	Functions were absorbed by the family support programme but no longer in existence currently
11	Raw Materials Research & Development Council	1987	To enhance sources of local raw materials	Multi-sectoral	Still in place

S/N	Name of programme/ Project	Coverage Period	Nature of Activity	Sector of intervention	Remarks
12	Strategic Grains Reserve (SGR)	1988	To mop up excess grains producing & make such available locally in terms of scarcity	Agricultural sector	Still in place
13	Guinea worm eradication programme	1988	To eradicate the prevalence of guinea worm infections	Health sector	Still in place
14	National commission for Nomadic Education (NCNE)	1989	Provide basic education for nomadic herdsmen and fishermen	Education sector	Still in place
15	Peoples Bank of Nigeria (PBN)	1989	To provide credit at low interest to encourage micro enterprises	Multi-sectoral	Absorbed by the Nigerian Agricultural Cooperative Development Bank (NACRDB)
16	National Primary Health Care Agency (NPHCA)	1990	To provide health delivery at the local level	Health sector	Still in place
17	Population Activities Fund Agency (PAFA)	1990	To encourage sound population growth management	Multi-sectoral	Still in place
18	National Board for community Banks (NBCB)	1991	To promote concessional micro-credit	Multi-sectoral	Still in place but now called

S/N	Name of programme/ Project	Coverage Period	Nature of Activity	Sector of intervention	Remarks
					Micro-Finance Banks (MFBs)
19	National Agricultural Land Development Authority (NALDA)	1992	To provide strategic public support for land development, promote and support optimum utilization of rural resources, and support economic-size farm holdings	Agricultural sector	Functions have been transferred to Federal Department of rural Development
20	Family Economic Advancement Programme (FEAP)	1992	Provision of access to credit for micro entrepreneurs at the grassroots level; local raw material utilization, and development of indigenous technology	Multi-sectoral	Functions have been transferred to NACRDB
21	Family Support Programme	1994	To promote the welfare of women and children	Multi-sectoral	Functions were absorbed by the defunct FEAP
22	National Commission for Mass Literacy	1997	To promote adult literacy	Education sector	Functions have been transferred to the UBE programme
23	National Poverty Eradication Programme (NAPEP)	2000	To coordinate the implementation of all FGN poverty eradication programmes	Multi-sectoral	Still in place

S/N	Name of programme/ Project	Coverage Period	Nature of Activity	Sector of intervention	Remarks
24	Nigerian Agricultural Cooperation and Rural Development Bank	2000	Provision of credit for the production, processing and marketing of agricultural products	Agricultural sector	This is essentially a merger of NACB, FEAP, and PBN
25	Universal Basic Education (UBE) Programme	2000	Provide compulsory basic education for all up to the level of junior secondary school year three JSS 3.	Education sector	Ongoing
26	Roll Back Malaria	2001	Eradicate harmful effects of malaria parasites	Health sector	Ongoing
27	HIV/AIDS	2001	Advocacy programme to phase out the spread of HIV/AIDS	Health sector	Ongoing
28	Conditional Grant Scheme for Millennium Development Goals (MDGs)	2005	Activities targeted at improving specific MDG sectors for poverty reduction and meeting the MDGs goals come 2015.	Health, Education, Water Resources, Power, Works, Agriculture, Housing and Urban Development, Environment, Women Affairs and	Transferred to Sustainable Development Goals (SDGs).

S/N	Name of programme/ Project	Coverage Period	Nature of Activity	Sector of intervention	Remarks
				Youth Development	
29	The Subsidy Reinvestment and Empowerment Program known as 'SURE-P	2012	A scheme established to re-invest the Federal Government savings from fuel subsidy removal on critical infrastructure	Critical infrastructure	Stopped in 2016
30	You-Win	2012	A Private and Public initiative with the aim of financing outstanding business plan for aspiring entrepreneur Nigerian Youth	Youth Entrepreneur s	Ongoing but no longer that active
31	The Youth Entrepreneurship Support (YES) programme	2013	An ambitious programme by the Bank of Industry (BOI) aimed at addressing youth unemployment in Nigeria which is currently over 50 per cent.	Youth Entrepreneur s within the age bracket of 18 – 35 years	Ongoing
32	N500bn social welfare programmes	2017	One million extremely poor Nigerians would be direct beneficiaries of the N5,000 monthly cash transfer	Extremely poor Nigerians	Expected to kick start by 2017 once the fiscal year budget is approved.

*Source: Information Provided by various ministries and agencies of the FGN as documented by Strategy To Eradicate Poverty in Nigeria prepared by the FG Inter-Agency Guidance on the PRSP, Different Documents of the National Planning Commission and Federal Ministry of Finance, Abuja, Nigeria.*

## **Theoretical Framework**

The poor record of conventional development theories in reducing poverty in developing countries have resulted from the neglect of certain preconditions that are necessary before the people of a developing country are receptive to conventional economic stimuli. The basic needs approach, in its various forms, focuses on some of these requirements through its emphasis on human development and the recognition that economic development does not take place in a social vacuum.

This study will be anchored on the Basic Needs Approach (BNA). The basic needs approach has a relatively long history and has become widely discussed and practiced in late 1970s. The basic needs development strategy grew out of the work of the ILO World Employment Program (WEP) of the 1970s. It brought employment – and people and human needs – back to the center of development strategy. By the middle of the 1970s, when the ILO was in the midst of preparing for the World Employment Conference – with the assistance from other UN Organizations and the World Bank – the idea of a basic needs development strategy was born. The idea of basic needs originated in the psychology literature of the 1940s and more specifically in an article by Abraham Maslow in the Psychological Review of March 1942 in which he distinguished a hierarchy of five needs starting with physiological and ending with self-actualization needs. Later in India during the 1950s, the concept of “minimum needs” was developed by Pitambar Pant of the Indian Planning Commission. But basic needs had not become a mainstream approach in development, even if the attractiveness of the concept was clear. The basic needs approach to development begins with the objectives of providing opportunities for the full physical, mental and social development of the human personality, and then derives the ways for achieving this good. Streeten (1979) argued that this concept of poverty has superseded former approaches by providing a more positive concept than the double negatives of eliminating or reducing unemployment, alleviating poverty, or reducing inequality without a base on food provisions and other basic requirements for human survival. With the BNA poverty is seen as

*... the sustained inability of a household to meet its basic needs for survival (food and nutrition, water and sanitation, health and clothing), security (income, shelter, peace and security), and empowerment (basic education and functional literacy, psychosocial and family care, and participation in political process).*

Therefore, this theory has significantly encouraged more proactive anti-poverty policies. The philosophy behind the basic needs approach is that everyone should be able to pursue well-being. The central notion of the basic needs approach is essentially materialistic. It works by identifying a bundle of basic requirements in terms of food and other materials for human survival. This is in line with the argument that poverty package should contain commodities that are universally needed, such as shelter, sanitation, clean water, food etc. However, there has been no universal agreement on what the bundle should precisely contain; still, proponents argue that such package would essentially guarantee a person's subsistence. If any individual has inadequate access to these commodities, then he/she may be considered as poor, and vice versa. This approach has inspired wave of policies that aimed to make public services more reachable for the poor. By increasing the poor's accessibility to basic consumptions, they may thus be able to achieve subsistence and live decent lives especially the rural poor.

In applying the Basic Need Approach (BNA) to this study it means that development of human capital and reduction of poverty has to involve the provision of basic needs and services such as health services, education, housing, sanitation, water supply, adequate nutrition, etc. The rationale of this theory is that the direct provision of such goods and services is likely to relieve absolute poverty faster. To support this strategy, the argument is that the productivity and incomes of the poor especially the rural poor depends on direct provision of health, education, water supply, housing, sanitation facilities, etc. Hence the basic need approach emphasizes within a given place as the most potent way of developing the rural areas or reducing poverty. In line the above argument, the two waves of data collected consumption data for the identified basic needs.

### **3. Methodology**

#### **3.1 Research Design and Data Sources**

The research design refers to the overall strategy that one chooses to integrate the different components of the study in a coherent and logical way, thereby, ensuring that one will effectively

address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data. This study adopted descriptive and causal research design as it has to do with involvement of large population but narrowed down to the South East geopolitical zone. However, the bulk of data for the analysis were drawn from secondary sources mainly the Nigeria Living Standard Survey (NLSS) 2004 and the Harmonized Nigeria Living Standard Survey (HNLSS) of 2016. Therefore, the current study did not collect its own data but made use of the two waves (bundle of data) already available in the Living Standard Surveys (LSSs) conducted by the National Bureau of Statistics (NBS). It is also equally interesting to note that the second survey included every household that was involved in the first survey and additional households. This helped to look at poverty dynamics of rural households.

The Living Surveys and the Generalized Household Survey were national in coverage which includes the 36 States of the federation and the Federal Capital Territory (FCT). The Living surveys were designed to investigate both urban and rural areas of all the 774 Local Government Areas (LGAs) of the country and have different codes for urban and rural areas in Nigeria. The welfare approach component was conducted in 77,400 households which is an average of one hundred (100) households per Local Government Area (LGA) while the consumption approach covered fifty (50) households in each LGA. Both the welfare approach and the consumption approach were linked together to produce the Nigeria Poverty Profile.

These set of data were collected using a two-stage sample design with selection of Enumeration Areas (EAs) constituted the first stage/Primary Sampling Units (PSUs), while selection of Households (HHs) formed the second stage/Secondary or Ultimate Sampling Units (USUs). A sample size of 10 EAs was selected per LGA while 5 households were systematically selected in each EA where the LSSs Household Consumption, Expenditure and Income Questionnaires were



administered. This produced 50 households per LGA and 38,700 households nationally. Note that the same household selected in LSS part A (welfare component) was repeated in Part B (Consumption/Expenditure component) of the LSS. Therefore, the 38,700 households selected for part B, were the subset of the 77,400 households selected for Part A of the LSSs.

The overall concern of both waves of the survey was to generate detailed, multi-sector and policy relevant data through welfare and expenditure approach. In specific terms, the survey investigated different areas of interest including: Agriculture Assets: Land and Equipment; Agriculture Crop: Area Cultivated, Harvest of Crops, and Disposal of Crops, Seasonality of sales and purchases: Crops, Livestock and Fishing; Agriculture: Processing and consumption from own produce; Household Expenditure: Food Expense, Non-food Expense, Frequently purchased items and less frequently purchased items; Non-farm Enterprises: Basic Characteristics of Non-Farm Enterprises, Assets of Non-Farm Enterprises, Expenditures on Non-Farm Enterprises, Revenue from Non-Farm Enterprises, and Net income and Inventory of non-Farm Enterprises; Credit and Savings; Income Transfers: Transfer payment made (out transfers), Transfer payment made (in-transfers), Miscellaneous income and Expenditures; Coping Mechanisms of Poverty, etc.

The researcher has access to both data sets as they covered the basic demographic and socio-economic characteristics that can help understand poverty determinants, dynamics as well as coping mechanisms.

### **3.2 Area And Population of The Study**

The study area will comprise the five Southern-Eastern Nigeria States of Abia, Anambra, Ebonyi, Enugu and Imo. These States exhibit homogenous socio-economic and linguistic characteristics, fall within the same agro climatic and other geographic conditions. Each of the States has several LGAs with predominantly rural settlements/areas. The South-East geopolitical zone (region) of Nigeria is made up of eighty-five (85) Local Government Areas (LGAs) and a population of over sixteen (16) million people dwelling in over twenty (20) commercial cities and large towns. The

zone is mainly known for its commerce and trading activities with a preponderance of indigenous industries that are into manufacturing, fabrication and agro-allied produce. The agricultural sector thrives very well in the rural areas because the zone is endowed with fertile land. Some states within the zone are blessed with solid minerals and others natural resources such as coal, tin, columbite, etc. In addition, two (2) of the South-East States in the zone (Abia and Imo) are currently classified as oil producing states with Anambra on the queue to be recognised as one of the oil states too. The combined estimated population of the zone is estimated at 21,854,361 (over twenty-one million residents) in 2016 (NPC, 2016).

### 3.5 Models Specifications

Rural economies are mostly dominated by smallholder subsistence households and where institutions for smoothing consumption expenditure are not well developed, indicators such as per capita expenditure may be less reliable. In Nigeria, the two waves of the Living Standard Survey (LSS) have provided more reliable information. Acknowledging the complexity of poverty in subsistence economies of rural Nigeria, some studies employed personal wealth ranking and community wealth ranking and concluded that none of the indicators applied identified the poor in a convincing way thereby making per capita expenditure the most reliable. The most popular methods of poverty measurement have used the nutritional norm and defined poverty line in terms of minimum calorie requirements (Dandekar and Rath, 1971; Osmani, 1982; Greer and Thobcke, 1986; Ahmed *et al.*, 1991; Ercelawn, 1991; Ravallion and Bidani, 1994). The major problems of such an approach include determining the minimum food consumption basket that represents the food habit of the poor, the use of value judgments and choice of an appropriate price index to deflate their current food expenditure.

Interestingly, this current study does not have to go through all these measurements because the secondary data to be used have already identified who is poor and who is not using the poverty line as an acceptable definition. Therefore, taking into account the problems associated with poverty indicators, we follow the same common practice used by the National Bureau of Statistics (NBS) in taking poverty to mean a lack of command to meet a person's typical food caloric intake just sufficient to meet a predetermined food energy requirement. Setting this

predetermined food energy requirement is also not immune for problems although there are good reasons to use it. Estimates of daily per capita requirements vary widely, for instance, 2,100 kcal for Indonesia (Ravallion and Bidani, 1994), 2,250 kcal for Kenya (Greer and Thorbecke, 1986), 2,300 kcal for Ethiopia (Dercon and Krishmann, 1998); a value of 2,350 kcal is recommended by the World Bank for the study of poverty (Schubert, 1994) as well as a value of 2,700 kcal for adult male and 2,100 kcal for adult female for Nigeria as used by the NBS in 2004 and 2010.

However, for Nigeria, Poverty Line which is a measure that divides the poor from non-poor has been identified by the NBS in the two waves of Living Standard Surveys. NBS used the one-third of mean per capita household expenditure which gives (separate) the extreme or core poor from the rest of the population while two-third of the mean per capita expenditure separated the moderate poor from the rest of the population. The 'cummulation' of the core poor and moderate poor gives the poor population while the non-poor are the population greater than two-third of the population.

In the course of computing the poverty profile for Nigeria using the Harmonized Nigeria Living Standard Survey 2010, all the above approaches were adopted. In the use of country-adult equivalent and household size seems as the current method in the computation of Absolute (Objective) Poverty measure, the NBS adopted per capita expenditure (Total Expenditure/Household Size) just for consistency since the 2004 Absolute Poverty Measure used the per capita expenditure approach. However, the measurement of poverty is about individuals in poverty, hence the choice of per capita expenditure which will estimate the population as against adult-equivalent which will under-estimate the population.

The poverty lines for each of the measures are as follows:

- i. Food Poverty line is N39, 759.49. This Food Poverty is an aspect of Absolute Poverty Measure which considers only food expenditure for the affected Households;
- ii. Absolute Poverty line is N54,401.16. This is the second step in Absolute (Objective) Poverty measure. Here, this method considers both food expenditure and non- food expenditure using the per capita expenditure approach;
- iii. The Relative Poverty line is N66,802.20. This line separates the poor from the non-poor. All persons whose per capita expenditure is less than the above are considered to be poor while those above the stated amount are considered to be non-poor; and

- iv. The Dollar Per Day Poverty line is N54,750. These measures, consider all individuals whose expenditure per day is less than a dollar per day using the exchange rate of Naira to Dollar in 2010.

### 3.5.1 Objective 1: Determinants of Poverty (Absolute) in Rural and Urban South East, Nigeria

In modeling for poverty determinants, the study used poverty status (poor or non-poor) using the absolute poverty line as the dependent variable with a host of other factors with available data as found in the literature as independent variables. Given the dependent variable of main interest that a household may be classified as poor or non-poor, a binary logit model was used for the analysis of the data. Consider that a household is poor ( $Y=1$ ) if per capita household expenditure is less than N54,401.16 or non-poor ( $Y=0$ ) if the per capita household expenditure is greater than N54,401.16. A set of other factors, gathered as a vector  $X$ , could explain the response so that:

$$Y_i^* = X_i\beta + \mu_i \dots\dots\dots(3.1)$$

where  $Y_i^*$  is the underlying latent variable that indexes the measure of poverty,  $\mu_i$  is the stochastic error term, and  $\beta$  is a column vector of parameters to be estimated. Following Green (1993) and assuming that the cumulative distribution of  $\mu_i$  is logistic, a logit model is employed.

In this case, the probability of being poor can be given by:

$$P(Y_i = 1) = \frac{\exp(X_i'\beta)}{1 + \exp(X_i'\beta)} \dots\dots\dots(3.2)$$

For the current study,  $X_i$  include the following variables (factors):

- AGE - Age of Household Head
- HHS – Household Size
- DEPR – Dependency Ratio
- GEND – Gender of Household Head
- EDU – Educational Level of the Household Head
- FARM – If the Household Head is a farmer
- PCI – Per capita Income

VAS – Value of Total Assets (in Naira)

CRED – Access to Credit

DIST – Distance to the nearest Health facility

REMNI – If the Household receives remittances from within Nigeria

REMI – If the Household receives international remittances

MEM – If the Household Head belongs to any thrift society

WAT – Access to drinkable water

HOUS – Type of housing (materials the house is made of)

SAN – Access to good sanitation

### 3.5.2 Objective 2: Poverty Dynamics in Rural South East, Nigeria

Note that the study used the two waves of the Living Standard Survey (LSS). In order to measure poverty dynamics, one issue that arose is sample attrition. Attrition is likely to be selective in terms of characteristics and key economic and social variables, such as schooling, income or assets. In the case of high attrition, the averages for number of outcome variables can differ significantly between those who were lost in the second survey (survey wave of 2010 i.e., those households not re-interviewed) and those who were traced and re-interviewed. Thus, high attrition rate is likely to produce biased statistical and econometrical estimates based on longitudinal data. Attrition is known to be particularly severe in rural areas of developing countries including Nigeria, where mobility is considered very high due to migration between rural and urban areas. Fortunately for the current study using the two waves of the Living Standard Surveys (LSSs), attrition rate was less than 5 percent hence considered not enough to produce bias. The data contained information on households' total expenditure and households' expenditure on education and healthcare. Data from the surveys were disaggregated into gender (male and female) and location (rural and urban) for both waves. Brief descriptive statistics of key variables for the two waves and the attrition rate are presented in table 2 below.

Table 2: Descriptive Statistics

Variable	No. Observed	Mean(N)	Std. Dev.
2004			

Variable	No. Observed	Mean(N)	Std. Dev.
HH size	19,158	4.83	2.908539
Pcexp ( <del>N</del> )	19,158	31,894.75	40538.26
Urban	4,646		
Rural	14,512		
<b>2016</b>			
HH size	73,329	6.02	1.061198
Pcexp ( <del>N</del> )	73,329	53,533.12	22460.69
Urban	20,035		
Rural	53,294		
<b>Rural attrition from</b>	<b>Percentage of rural</b>		
<b>1<sup>st</sup> wave (No of</b>	<b>attrition</b>		
<b>households)</b>			
1.7 percent	2.23 percent		

Source: Calculated from the two waves of the LSS (2004 and 2016)

This study utilized the ‘poverty spell approach’ to measure the dynamics of poverty with a single-step analysis by examining, change in poverty status for 2004 and 2016. The four categories of change in the poverty status between any two periods to be used will include: *never poor, chronic poor (poor in two periods), moved out of poverty, and moved into poverty*. In the second step, all the two waves of the panel dataset were used to explore poverty dynamics and the four categories were recorded as follows: *poor in all two periods (chronic), poor in one period and never poor*. Poverty dynamics were realized using the equation below thus:

$$PD_{04-16i} = \alpha_i + \alpha_1 Li + \alpha_2 Hdi + \mu_{2i} \dots\dots\dots (3.3)$$

where PD stands for poverty dynamics;

04-10 stands for 2004 to 2016;

$\alpha$  stands for the coefficients with  $\alpha_1$  and  $\alpha_2$  presenting the different dynamics for 2004 and 2016;

$\mu_{2i}$  stands for the combined error term form the two periods 2004 and 2016.

The above equation will be run using a logistic regression.

### 3.5.3 Objective 3: Coping mechanisms for Poverty in Rural and Urban South East, Nigeria

Rural an urban environment in Nigeria is complex and even though agriculture remains the mainstay of the rural economy, it is being seriously challenged by factors such as socio-economic stresses like poverty and climatic factors. Poverty and environmental stresses due to climate change such as floods have increased the vulnerability of rural households. Understanding these shocks and their consequences are essential for developing effective poverty alleviation strategies that strengthen existing coping measures. This study was hence motivated by the desire to understand how rural households live and how they respond to these challenges. Therefore, this study documented the level of household access to resources and the household livelihood strategies they utilize as well as the shocks or risks they face and how they cope with these challenges. Such questions were contained in the questionnaire of the LSS for both waves.

Information on the coping strategies and the demographic variables such as sex, age of the highest earner of the household, then number of children under the age of 15 were collected from all respondents.

### 3.6 Method of Data Analysis and Evaluation of Estimates

Both descriptive statistics and econometric tools were employed for data analysis. Simple descriptive analysis such as mean, median, standard deviation and percentage distribution were used in our analysis. Tables and graphs were equally used to provide basic information about variables of interest. With regard to econometric analysis, the study employed logistic regression analysis. Our goal was to estimate the regression coefficients in a model, given a sample of (X, Y) pairs. In the case of logistic regression, the X's can be numerical or categorical, but Y's are generally coded as 0 (for those who do not have the event) or 1 (for those who have the event) and in the current case the event was either poor or non-poor. The simple logistic model is based on a linear relationship between the natural logarithm (ln) of the odds of an event and a numerical independent variable. The form of this relationship is as follows:

$$L = \ln\left(\frac{p}{1-p}\right) = \beta_0 + \beta_1 X + \varepsilon \dots\dots\dots (3.4)$$

where

Y is binary and represent the event of interest (response), coded as 0/1 for failure/success,

p is the proportion of successes,

o is the odds of the event,

L is the ln (odds of event),

X is the independent variable,

$\beta_0$  and  $\beta_1$  are the Y-intercept and the slope, respectively, and

$\epsilon$  is the random error.

P is the probability of the event, the odds of the event are

$$Odds = 0 = \frac{p}{1-p} \dots\dots\dots(3.5)$$

If we defined  $L = \ln$  (odds of event Y), sometimes called the “log odds” or logit of Y. We can write L in terms of p, Probability ( $Y=1$ ), as follows:

$$L = \ln(0) = \ln\left(\frac{p}{1-p}\right) \dots\dots\dots(3.6)$$

We can then use the laws of exponents and logs and some algebra to express p (the proportion of successes or risk of the event) in terms of L:

$$\ln(0) = \ln\left(\frac{p}{1-p}\right), \text{ then } e^L = 0 = \frac{p}{1-p}, \text{ so } p = e^L - pe^L \dots\dots\dots(3.7)$$

$$\text{hence } p = \frac{e^L}{1+e^L} \dots\dots\dots(3.8)$$

This is called the logistic regression function

## 4. Results and Discussions

### Summary of Descriptive Statistics

#### *Distribution of respondents by household head (HHH)*

Listed in Table 3 is the distribution of respondents by household; it is found that in Abia state that household headed by males were 69.76%, while household headed by female were 30.24%. In Anambra state, 71.01% were household headed by male, while 28.99% were headed by female.

Table 3: Distribution of Respondents by Household Head

States	HHH	Total	HHH (%)	Total
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		Male	Female		Male	Female	
	ABIA	1,142	495	1,637	69.76	30.24	100
	ANAMBRA	1,413	577	1,990	71.01	28.99	100
	EBONYI	967	294	1,261	76.69	23.31	100
	ENUGU	1,112	525	1,637	67.93	32.07	100
	IMO	1,826	779	2,605	70.10	29.90	100
	<b>Total</b>	<b>6,460</b>	<b>2,670</b>	<b>9,130</b>	<b>70.76</b>	<b>29.24</b>	<b>100</b>

*Source: Author's*

However, in Ebonyi State, 76.69% were the number of households headed by male while 23.31% were headed by female. Enugu has 67.93% as number of households headed by male and 32.07% headed by female. In Imo state, there were 70.10% households headed by male and 29.90% headed by female.

*Distribution of respondents by location (rural or urban)*

Also listed in table 4. is distribution of respondents by location in Rural area or Urban area. In Urban Abia State, the percentage of respondents were 23.34% while in the rural area of Abia the percentage of respondents were 76.66 (382 and 1,255 making it a total of 1,637,). In Anambra state 51.51% were percentage of respondents from the urban areas, while 48.49% were in the rural area, the total for both urban and rural in Anambra were 1,990, ie (1,025 and 965 respectively)

Table 4: Distribution of Respondents by Location (Rural and Urban)

States	Location		Total	Location (%)		Total
	URBAN	RURAL		URBAN	RURAL	

ABIA	382	1,255	1,637	23.34	76.66	100
ANAMBRA	1,025	965	1,990	51.51	48.49	100
EBONYI	40	1,221	1,261	3.17	96.83	100
ENUGU	290	1,347	1,637	17.72	82.28	100
IMO	216	2,389	2,605	8.29	91.71	100
<b>Total</b>	<b>1,953</b>	<b>7,177</b>	<b>9,130</b>	<b>21.39</b>	<b>78.61</b>	<b>100</b>

*Source: Author's*

However, there is a wide gap between the percentages of respondents in rural and urban in Ebonyi State, in the urban center, the percentage of respondents were 3.17% while in the rural area the percentage of respondents 96.83%. In Enugu State, the urban center has 17.72% percent of respondents while the rural area has 82.83%. There is also a wide gap between the percentage of respondents in rural and urban in Imo State, 8.29% were percentage of respondents in urban, while 91,71% were in the rural area of Imo State.

#### *Average Household Size by States and Location (Rural and Urban)*

Average household size across location and states are presented in Table 5 thus:

Table 5: Average Household Size by States and Location (Rural or urban)

States		Average Household Size
ABIA	URBAN	5.1

States		Average Household Size
	RURAL	5.3
	Average	5.2
ANAMBRA	URBAN	5.2
	RURAL	5.6
	Average	5.4
EBONYI	URBAN	5.1
	RURAL	6.5
	Average	5.8
ENUGU	URBAN	5.3
	RURAL	5.9
	Average	5.6
IMO	URBAN	5.3
	RURAL	5.9
	Average	5.6
SE Average	URBAN	5.2
	RURAL	5.84
	Average	5.52

**Source: Author's**

Listed in table 5 is the average household size by states and location, rural or urban. Abia State average household size in urban area were 5.1% while rural were 5.3% the average for both urban and rural in Abia were 5.2%. In Anambra State the average size of household was 5.2% for urban center and 5.6% for rural areas, making the average 5.4%. Also, in Ebonyi state the household size for urban center were 5.1%, while for rural areas were 6.5% average for both were 5.8%. In Enugu, the household size for urban center were 5.3%, while rural were 5.9%, making the average for both 5.6%. Average household size of Imo State both urban and rural were 5.3% and 5.9% respectively, also the average was 5.6%. In totality, the South-East average were 5.2% for urban and 5.8% for rural, making the total 5.52%

*Distribution of Respondents by Religion*

Survey findings suggest there are three major religious groups in the South-East region of Nigeria, which are Christian, Muslims, and Traditional. In Abia State there were 99.21% of Christians, 0.24% Muslims, 0.12 Traditional, and 0.43% for other categories not specified. In Anambra State, there were 96.23% of Christians, No Muslims, 3.52% Traditionalist and 0.25% other do not see themselves as belonging to any these 3. Ebonyi State has 95.08% of Christians, 0.32% Muslims, and 4.60% Traditional. In Enugu State, there were 90.59% of Christians, 0.55% Muslims, 7.94% Traditional, and 0.92% for other categories not specified. Imo State has the highest number of Christians, 98.77%, 0.88% Muslims, 0.50% Traditional, and 0.65% for other categories not specified. See Table 6 for details.

Table 6: Distribution of Respondents by Religion

States	Religion				Total	Religion (%)				Total
	Christia n	Musli m	Traditio nal	Oth er		Christi an	Musli m	Tradition al	Other	
ABIA	1,624	4	2	7	1,637	99.21	0.24	0.12	0.43	100
ANAMB RA	1,915	-	70	5	1,990	96.23	-	3.52	0.25	100
EBONYI	1,199	4	58	-	1,261	95.08	0.32	4.60	-	100
ENUGU	1,483	9	130	15	1,637	90.59	0.55	7.94	0.92	100
IMO	2,573	2	13	17	2,605	98.77	0.08	0.50	0.65	100

<b>Total</b>	<b>8,794</b>	<b>19</b>	<b>273</b>	<b>44</b>	<b>9,130</b>	<b>96.32</b>	<b>0.21</b>	<b>2.99</b>	<b>0.48</b>	<b>100</b>
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*Source: Author's*

### 4.3 Determinants of Rural and Urban Poverty

The first objective is to identify the major determinants of rural and urban poverty in South East, Nigeria. The study adopted the National Bureau of Statistics (NBS) poverty line for Absolute poverty index using the HNLSS which is ₦54,401.16. This is the second step in Absolute (Objective) Poverty measure and incorporates both food expenditure and non-food expenditure using the per capita expenditure approach. This poverty line was used to create the Dependent variable which is binary in nature with any household which has its total food and non-food expenditure below ₦54,401.16 classified as poor while households with its total food and non-food expenditure higher than ₦54,401.16 was classified as non-poor. Applying the above the study came up with rural and urban poverty determinants in the South-East as presented in Table 7 thus:

Table 7: Determinants of Poverty in Rural and Urban areas of South-East Region

Variables	Rural		Urban	
	Marginal Effects	Odds Ratio	Marginal Effects	Odds Ratio
AGE (Age of Household Head)	0.6746 (2.980)**	0.8646	0.1246 (2.107)*	1.0357 (2.880)**
HHS (Household Size)	-0.3581 (3.123)***	2.6130	-0.2621 (1.909)*	1.4581 (2.979)***
DEPR (Dependency Ratio)	-0.4128 (3.779)***	3.029	-0.235 (1.993)*	2.7634 (3.679)***

Variables	Rural		Urban	
	Marginal Effects	Odds Ratio	Marginal Effects	Odds Ratio
GEND (Gender of Household Head)	0.3621 (1.965)*	1.0621	0.4442 (2.915)***	2.2724 (2.005)*
EDU (Educational Level of the HHH)	0.5380 (3.995)***	0.942	0.7972 (4.485)***	0.9321
FARM (If the Household Head is a farmer)	0.1021 (1.748)	0.6193	0.0064 (2.017)*	0.9213
PCI (Per capita Income)	0.2590 (16.98)***	0.8934	0.7382 (12.08)***	0.7564
VAS [Value of Total Assets (in Naira)]	0.7068 (6.988)***	0.7801	0.3001 (2.088)*	0.8071
CRED (Access to Credit)	0.4039 (4288)***	0.6709	0.3801 (3.085)***	0.8610
DIST (Distance to the nearest Health facility)	1.061 (-13.19)***	0.6041	1.069 (17.068)*	0.5883
REMNI (If the HH receives remittances from Nigeria)	0.3332	0.8998	0.3223	0.6101

Variables	Rural		Urban	
	Marginal Effects	Odds Ratio	Marginal Effects	Odds Ratio
	(10.970)***		(8.508)***	
REMI (If the HH receives remittances from abroad)	0.7143	0.6739	0.3983	0.7096
	(10.970)***		(9.508)***	
MEM (If the HHH belongs to any thrift society)	0.3138	0.6028	0.5018	0.9008
	(-2.001)*		(-2.501)**	
WAT (Access to drinkable water)	0.3871	0.8383	0.2121	0.9621
	(9.0234)***		(7.3987)***	
HOUS (Type of housing (materials house is made of)	0.3846	0.6098	0.6027	0.8019
	(2.001)*		(3.999)***	
SAN (Access to good sanitation)	0.1781	0.9106	0.2127	0.6712
Abia	-0.0435	1.2076	-0.412	1.3476
	(3.35)***		(6.125)***	
Anambra	0.0179	0.8285	-0.0421	1.0001
	(3.98)***		(-7.04)***	
Ebonyi	-0.2801	1.5861	-0.7917	1.8941
	(3.87)***		(14.87)***	

Variables	Rural		Urban	
	Marginal Effects	Odds Ratio	Marginal Effects	Odds Ratio
Enugu	-0.0138 (-4.11)***	1.8628	-0.4721 (-9.11)***	1.9230
Sample size s	7,139		1,903	
Pseudo R2	0.3782 (0.0014)		0.3912 (0.0002)	
Chi-square	10261.56		20187.34	
Log likelihood	-189.2342		-107.234	
Number of iterations	19000		19000	

Source: Author's

Note: \* stands for significance at 0.10; \*\* stands for significance at 0.05; \*\*\* stands for significance at 0.01. For State dummies, Imo State was used as the control

The overall model is significant given that the chi square probability for both regressions is less than 0.01 hence significant at 5% and 1% significant levels. In spite of the list wise deletion of missing observation, the number of observations for both regressions offer enough degrees of freedom for robust estimations.

The results show that age of head of the household, household size, dependency ratio, gender of household head, educational level of the household head, per capita income, value of total assets, access to credit, distance to the nearest health facility receipt of internal remittances (from within Nigeria), receipt of international remittances, whether household head belongs to any thrift society, access to drinkable water, type of housing materials and access to good sanitation are all significant determinants of poverty in both rural and urban regions at least at 10% significant level except the



dummy variable that measures whether household head is a farmer, which is not significant for rural respondents. Nevertheless, the odds and level of significance vary with between the rural and urban sectors across the variables estimated.

The results suggest that a year increase in age of head of the household is more likely to significantly reduce the odds of being poor in the rural sector and inversely, significantly increase the odds of being poor in the urban sector. In fact, for a 1% increase in age, poverty reduces significantly by 0.6746 in the rural sector and increases significantly by 0.1246 in the urban sector. This could be explained by the fact that; urban sectors are more structured to harness the young and vibrant working age groups as oppose to rural areas which is predominantly farming and practiced in most cases by the old and in some cases retired persons. This sharp contrast in between rural and urban sectors in terms of age and poverty is not the same with household size. As household size increases, the odds in favour of being poor increases significantly at 1% significant level. The odds are however higher for rural respondents (2.6130) than for urban respondents (1.4581). This is also expected a priori given that household size has a direct relationship with dependency ratio and the likelihood of dragging per capita income below the poverty line is higher for rural respondents. No doubt dependency ratio follows same interpretation with household size. As dependency ratio increases the odds of being poor increases significantly and is higher for the rural sector.

Female HHHs have 2.27 times higher odds of being poor than male HHHs in the urban but only 1.0621 times higher odds of being poor than male HHHs in the rural areas. This means that female HHHs are more likely to be poorer in the urban areas of South East Nigeria than in the rural areas. This difference is justified by the fact that, women in rural areas of the South-East have access to different inherited assets such as lands, economic trees, living places, livestock, etc. which help them cope better than their urban counterparts. The higher the years of education, the lower the odds of being poor and this is significant at 1% significant level. Again, this is expected a priori as education increases the chances of getting paid employment or improves the ability to articulate and performs better in any trade all things being equal. Moreover, the likelihood for education reducing poverty is more in urban areas than in rural areas.

The dummy variable for whether the household head is a farmer is only significant at 10% for the urban sector and not significant at all for the rural sector. This suggests that, if the household head is a farmer, the probability of reducing poverty is mildly significant. As expected a priori, a

unit increase in per capita income significantly reduces the odds of being poor by 0.89 for rural and 0.7564 for urban sectors. This relationship between per capita income and poverty is same with that for total asset, internal remittances and international remittances. As total asset increases, the odds of being poor reduces by 0.7801 in the urban sector and 0.807 in the rural sector.

Respondents with access to credit have lower odds of being poor as expected and significant at 1% significant level. With 0.67 for the rural sector and 0.8610 for the urban sector, the results suggest credit access reduces poverty more in rural areas than urban areas. This could be explained by the fact that rural sectors are not saturated and credit should therefore have larger impact. Both internal and external remittances received by household head have lower odds of being poor significantly at 1% significantly for rural and urban sectors than those who do not receive remittances. This is expected as remittance increase income in the family and therefore makes it possible to raise per capita income above poverty line. If the household head belongs to a thrift society, the odd in favor of being poor is 0.6028 for the rural sector and 0.9008 for the urban sector. This implies that, belonging to a thrift society has higher potential of reducing poverty in the rural sector than in the urban sector.

Access to drinkable water has lower odds of being poor for the rural and urban sector than those who do not have access to drinkable water. Similarly, households with good housing have lower odds of being poor than households without good housing materials. Access to drinkable water, household head belonging to thrift society and household with good housing materials all have lower odds in the rural sector than in the urban sector. The reverse is the case with access to sanitation which has lower odds of being poor like the former but it is lower in urban than rural sectors. Given the states as a dummy variable, Imo state was considered based category and the other 4 states of the south east are observed. The results show that rural HHs in Abia, Ebonyi and Enugu have higher odds of being poor than rural HHs in Imo state and this is significant at 1%. However, rural HHs in Anambra has lower odds of being poor than Imo state given that the odds ratio is less than 1. Similarly, urban HHs in Abia, Ebonyi and Enugu States have higher odds of being poor than urban HHs in Imo State. Nevertheless, urban HHs in Anambra has the same odds of being poor than Imo state urban HHs given that the odds ratio is approximately 1.

## 5.2 Poverty dynamics in rural and urban South-East, Nigeria

It is noteworthy that poverty analysis in Nigeria and some other developing countries have generally focused on poverty trends based on cross-sectional datasets, with very little attention being paid to its dynamics – which is transitory or chronic poverty. Transitory poor people are those who move out or fall into poverty between two periods whereas the chronic poor people remain in the poverty trap for a significant period of their lives. The static measures of households' standard of living does not in most times necessarily provide the best insight to their likely stability over time. For instance, a high mobility into or out of poverty may suggest that a higher proportion of a population experiences poverty over time than what the cross-sectional data might show. It further implies that a much smaller proportion of the population experiences chronic poverty relative to those poor who are enumerated on cross-sectional observations in a particular year (Hossain and Bayes, 2010). Thus, the analysis of poverty dynamics is very important especially in the South-East Nigeria where rural-urban migration seem to be the norm in order to unearth the true nature of wellbeing of her rural population. Both the micro and macro level socio-demographic and economic factors are likely to affect poverty movements and intergenerational poverty transmission (Krishna, 2011).

Let's recall that in Chapter Three the study noted that the 'spell approach' to measure the dynamics of poverty with a single-step analysis by examining, change in poverty status for 2004 and 2010 was applied. The four categories of change in the poverty status between any two periods to be used will include: *never poor*, *chronic poor (poor in two periods)*, *moved out of poverty*, and *moved into poverty*. In the second step, all the two waves of the panel dataset are used to explore poverty dynamics and four categories will be recorded as follows: *poor in all two periods (chronic)*, *poor in one period and never poor*. This implies applying equation 3.3 in two equations with the first representing 2004 and the second 2010 which are the last available Living Standards Surveys (LSSs).

The first equation measures the determinants of poverty based on the cross-sectional NLSS 2004 dataset, where the dependent variable  $P_i$  is dichotomous in nature with two outcomes, poor and non-poor, therefore, the binary logistic regression has been used. The second equation measure the dynamic analysis of poverty where the dependent variable has more than one outcome, therefore, the multinomial logistic regression has been further applied to get the final results for both equations 1 and 2 which is summarized in Table 8 and figure 1 below.

Table 8: Poverty Dynamics in Rural and Urban Areas of South-East, Nigeria

State	Time Frame	Number of waves	Average HH size	Welfare measure	Percentage (%) of Households			
					Always Poor	Sometimes Poor	Never Poor	z-stat
Abia Urban	2004 - 2016	2	5.1	Absolute Poverty	31.35	33.76	34.89	2.644**
Abia Rural			5.3		43.21	30.79	26.00	4.959***
Anambra Urban	2004 - 2016	2	5.2	Absolute Poverty	21.09	24.17	54.74	3.023***
Anambra Rural			5.6		26.74	30.19	43.07	2.001*
Ebonyi Urban	2004 - 2016	2	5.1	Absolute Poverty	37.92	41.38	20.70	1.970*
Ebonyi Rural			6.5		41.91	42.28	15.81	2.065*
Enugu Urban	2004 - 2016	2	5.3	Absolute Poverty	34.06	31.63	34.31	3.728***
Enugu Rural			5.9		37.85	40.17	21.98	2.582**
Imo Urban	2004 - 2016	2	5.3	Absolute Poverty	25.72	31.73	42.55	2.001*
Imo Rural			5.9		27.41	30.44	42.15	5.018***
Average for SE	2004 - 2016	2	5.52	Absolute Poverty	32.726	33.654	33.62	2.511**
Average for Rural SE	2004 - 2016	2	5.84	Absolute Poverty	35.424	34.774	29.802	5.016***
Average for Urban SE	2004 - 2016	2	5.2	Absolute Poverty	30.028	32.534	37.438	4.728***

Source: Author's

Note: \* stands for significance at 0.10; \*\* stands for significance at 0.05; \*\*\* stands for significance at 0.01. For State dummies, Imo State was used as the control

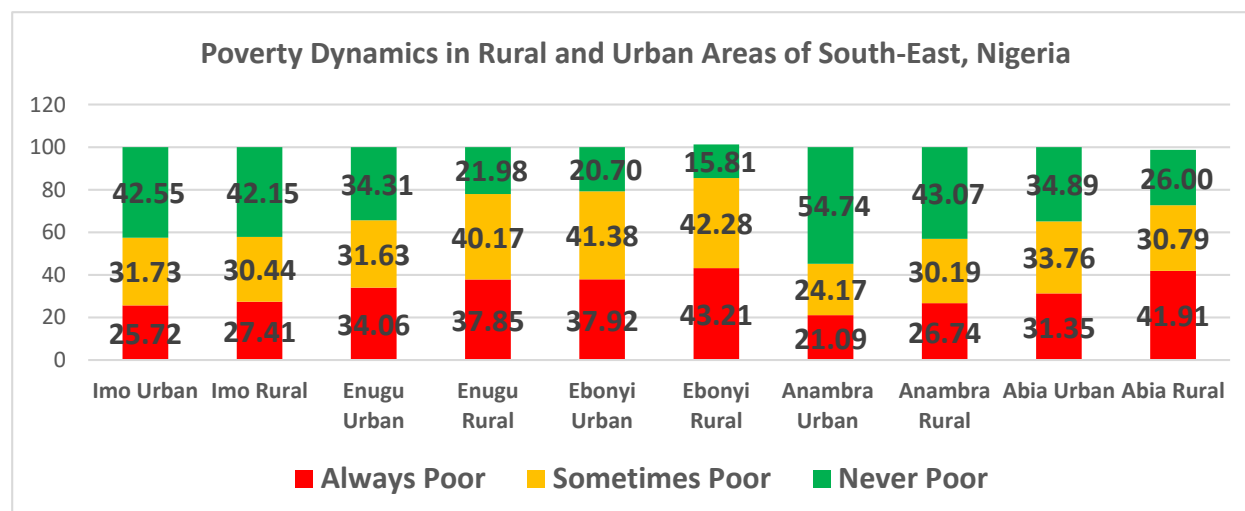


Figure 1: poverty dynamics in rural and urban areas of south- east, Nigeria

Source: Author's

Three broad conclusions can be drawn from the two-wave poverty dynamics in the South-East. First, when a longer period is considered, say 6 years, the proportion of population who ever lived below the poverty line during this period is about one-third of the population (32.726%) leaving approximately two thirds of the population in the out of poverty region. Second, the good news from the above is that this is a small proportion of population which studies never found and hence policy to get them out of poverty may not cost much. It further suggests that when a household experiences a decline in its well-being, it has some coping mechanisms to improve its living standard. Third, moving into and out of poverty has become a common phenomenon in rural South-East states with Ebonyi and Enugu States topping the chart. This phenomenon directly depresses the desired status of 'never poor'.

Chronic poverty (poverty in the two waves) for rural dwellers, although low on the average seem very high in states like Abia and Ebonyi (both over 40%) and to an extent Enugu (37%). Movement into and out of poverty is also relatively high (more than 40%) in Ebonyi and Enugu State. However, the situation in the other three states of the region especially for Urban dwellers in Anambra was the lowest with approximately three quarters or over 70 percent never fell below the poverty line.

Like in other parts of the world and consistent with earlier studies, family size is always linked to poverty dynamics. Further analyses show that larger family size and high dependency ratios are associated positively with chronic poverty and negatively with the desired state of, never poor

across South-East States of Nigeria. This seem to be the case with Ebonyi state rural dwellers with the largest family size, highest chronic poverty, highest move in and out of poverty and lowest never poor. In other words, rural Ebonyi ranked worst in the three measures showing that large household do not only always affect poverty but equally movement into and out of poverty. The persistence of poverty in terms of higher incidence of chronic poverty and lower chances of staying in never-poor status is relatively more common among rural households across all states.

## 6.2 Poverty Coping Mechanisms for Poor Rural and Urban Households in South-East

It is obvious that both poor rural and urban households in the South-East geopolitical zones face a multitude of risks and how they are able to cope with such shocks is important knowledge for any policy-maker. This study utilized the same detailed household survey from two waves 2004 and 2010 from rural and urban South-East Nigeria to investigate household risk coping strategies or simply coping mechanisms. The two waves asked questions on the coping mechanisms of poverty and several factors were found for different states though for the rural poverty one factor that cut across all was access to farmland which their urban counterparts could not concur. The rankings of the coping mechanisms in terms of importance shows that remittances are the single most important coping mechanism for rural poor households while petty trading is the single most important coping mechanism for poor urban households across the five South-East States. Other coping mechanisms arranged in order of their importance for both rural and urban poor are presented in Table 9 below.

Table 9: Coping Mechanisms of Rural and Urban Households across South-East States

Coping Mechanisms	Rural	Coping Mechanisms	Urban
Remittances	1.04 (0.23)	Petty Trading	1.37 (0.55)
Inheritance	1.29 (0.71)	Formal Employment	1.44 (0.42)
Petty Trading	1.43 (0.47)	Remittances	1.64 (0.19)
Crop Sales	1.47 (0.63)	Inheritance	1.69 (0.82)
Self-Employment	1.68 (0.57)	Self-Employment	1.82 (0.49)

Coping Mechanisms	Rural	Coping Mechanisms	Urban
Institutional and social capital	1.69 (0.83)	Institutional and social capital	1.93 (0.89)
Livestock and fisheries sales	1.94 (0.63)	Household access to capital assets	2.18 (1.13)
Household access to capital assets	1.98 (0.87)	Consumption Reduction	2.52 (0.82)
Human capital	1.99 (1.02)	Human capital	2.58 (0.82)
Giving out of Children to apprenticeship	2.12 (0.94)	Sale of Assets	2.83 (0.91)
Fruits and Vegetable sales	2.13 (0.38)	Physical capital	2.94 (1.21)
Physical capital	2.19 (0.99)	Crop Sales	3.13 (1.19)
Exploiting Environmental resources	2.68 (0.79)	Use of savings	3.21 (1.02)
Consumption Reduction	2.98 (1.02)	Giving out of Children to apprenticeship	3.34 (1.61)
Use of savings	3.18 (1.09)	Livestock and fisheries sales	3.82 (1.39)
Formal Employment	3.94 (1.26)	Exploiting Environmental resources	4.46 (1.92)
Sale of Assets	4.01 (1.57)	Financial Capital	4.97 (1.69)
Financial Capital	6.16 (2.03)	Fruits and Vegetable sales	6.21 (2.93)

*Source: Author's: Note that the numbers in parenthesis are standard deviations*

### Key definitions of selected Coping mechanisms

- *Crop Sales:* Households earn cash income obtained from sales of agricultural commodities.
- *Physical Capital:* Physical capital comprises the basic infrastructure and producer goods needed to support livelihoods.
- *Household access to capital assets:* The livelihoods approach is founded on a belief that people require a range of assets to achieve positive livelihood outcomes. The assets which people or farmers need are the human, natural, physical, financial capital and social capital.
- *Human capital:* Human capital represents the skills, knowledge, ability to labour and good health that together enable people to pursue different livelihood strategies and achieve their livelihood objectives. At a household level, human capital is a factor of the amount and quality of labour available; this varies according to household size, skill levels, leadership potential, health status, etc.
- *Financial capital:* Financial capital denotes the financial resources that people use to achieve their livelihood objectives. The definition used here, however, limits itself to try

to capture an important livelihood building block, namely the availability of cash or equivalent that enables people to adopt different livelihood strategies.

- *Institutional and social capital:* Rural and urban households sometimes need social support to effectively achieve a better quality of life. Social support networks or social capital examined here are those where household participate and most of these groups are very informal while some of the cooperative societies especially for the urban residents are somehow registered and can assess funding from financial institutions.
- *Livestock and fisheries sales:* Households keep livestock especially small ruminants and poultry in addition to their crop production activities as a livelihood and risk management strategy. Livestock and fisheries provide meat for direct household consumption while livestock remains can be manure for crop production. Additionally, they play various roles in accomplishing social obligations such as marriage ceremonies, etc. Most of the farmers sell their livestock to local people and other itinerant urban traders.

## CONCLUSION AND RECOMMENDATIONS

### 8.1 Conclusion

The study examined the rural poverty in South-East, Nigeria. Dynamics, Determinants and coping mechanisms. The study was motivated by the fact that majority of the poor live in rural areas where they take to farming as their major occupation. Most of the population of Sub-Saharan African is rural; and agriculture is the mainstay of people's livelihood. Like in many developing countries, poverty in Nigeria is essentially a rural phenomenon as most of the impoverished people live in the rural areas where they derive their livelihood from farming.

Though, urban poverty exists and is also becoming an increasing concern, rural poverty is a much wider issue than the former. The poverty figure sector in Nigeria shows that majority of the poor are located in rural areas. Despite the involvement of the inhabitants of the rural communities in various farming activities, coupled with the use of backward technology, the incomes of the generality of the farmers have remained low. This has however worsened their living conditions through a reduction in purchasing power. The poor living conditions manifest in poverty.



Therefore, although predicted poverty reduction scenarios vary greatly depending upon the rate and nature of poverty related policies, actual evidence suggested that the depth and severity of poverty is still at its worst in the rural Nigeria and the rural South-East that has been outstanding has now become worse in terms of the growth rate. This study therefore, examines what determines rural and urban poverty? What is the direction of poverty dynamic? How have the rural and urban households in South-East Nigeria been coping with poverty over the years.

The finding shows that all three objectives of the study which were to identify the major determinants of rural and urban poverty in South-East, Nigeria, to ascertain the direction of poverty dynamics in rural and urban households in South-East, Nigeria and to identify major poverty coping mechanisms adopted by rural and urban households in South East, Nigeria were achieved. Finding indicate among others that the major determinants of rural and urban poverty in South East Nigeria are not household socio-economic characteristics but other factors as the age; household size, dependency ratio, gender of household head, educational level of the household head, per capita income, value of total assets, access to credit etc, are all significant determinants of poverty in both rural and urban regions. Also, the direction of poverty shows that the proportion who ever lived below the poverty line during the period is about one-third of the population (32.782%) leaving approximately two thirds of the population in the region out of poverty.

Similarly, moving into and out of poverty has become a common phenomenon in rural South-east States with Ebonyi and Enugu States topping the chart, it is also discovered that chronic poverty for rural dwellers, although low or the average seem very high in States like Abia, Ebonyi and to an extent Enugu, movement into and out of poverty is also relatively high in Ebonyi and Enugu State, the situation in the other three states of the region especially for urban dweller in Anambra was the lowest.

Finally, it can be concluded that rural dwellers have access to farmland which their urban counterparts could not have, it is also found that remittances are the single most important coping mechanism for rural poor households while petty trading is the single most important coping mechanism for poor urban households across the five South-East States.

## 8.2 Recommendations

Based on the finding of objective one which indicates that, age of head of the household, household size, dependency ratio, gender of household head, educational level of the household head per capita income, value of total assets, access to credit, etc., were all significant determinants of poverty in both rural and urban regions, the study recommends.

1. The adoption of an integrated rural development approach as a veritable tool for eradicating the scourge in the South-East region. since rural development is complex process involving environmental, economic, social, technical and spatial inter-relationships, any approach to it must of necessity involve package approach providing all the necessary inputs. The wide range of activities in an integrated rural development method must be centrally planned and coordinated so that the objective of policy continuity and sustainability are achieved.

The approach is gravitated on the need for action to be taken on several fronts simultaneously in an integrated manner to break the vicious circle of poverty and underdevelopment in rural South-East region. Indeed, integrated rural development demands programmes of agricultural productivity, health delivery services, investment in rural non-farm activities, nutrition, education and training rural electrification; co-operatives and maintenance; etc. to be planned and implemented in an integrated manner. The approach has the objectives of mobilizing both human and material resources to cope with the complex problems of rural poverty and underdevelopment. It also involves the stimulation for whom the programme is design. For effective planning and implementation, an integrated rural development scheme must depend on statutory bodies like the local government council, duly elected and responsible to the local community. Long term planning and maintenance can be effectively carried out by such permanent body as the local government. Finally, there is a need to intensify family planning services so as to improve knowledge of family planning. Most of the households are headed by female, important knowledge about fertility could have an impact on household size, which is an important determinant of poverty in the rural South-East.

2. In line with the findings of the second objective, which revealed that the proportion of population whoever lived below the poverty line during the period is about one-third of the

population, leaving approximately two thirds of the population in the region out of poverty. Also, moving into and out of poverty has become a common phenomenon in rural South-East with Ebonyi and Enugu States topping the chart. This finding also shows that larger family size and high dependency ratio are associated positively with chronic poverty. The persistence of poverty in terms of higher incidence of chronic poverty and lower chance of staying in never poor status is relatively more common among rural households across all states. The study recommends, intervention programs that may include unemployment insurance and benefits, microcredit, temporary social safety nets and health services, also addressing households in chronic poverty may be through deeper structural programs such as provision of access to education, addressing landlessness and infrastructural development. Finally, that family size and number of births in a household are significant predictors of moving into or out of poverty, highlights not only the demographic dimension of poverty dynamics but also the import of continued anti-poverty policy options that addresses the creation of employment, provision of education and family size reduction programs for the rural poor.

3. Congruent with the third objective which stated that access to farmland is most important coping mechanism for rural dwellers than their urban counterparts, also remittance is the single most important coping mechanism for rural poor households while petty trading is the single most important copying mechanisms for poor urban households across the five South-East States; the study recommends that; there is the need for a sustained improvement in farm total economic efficiency among the rural farmers. This the author believes would go a long way to improve the farmers' productivity and income and hence poverty reduction. Measure that promote both household enterprise diversification and agricultural production. Commercialization is equally highly desirable. Such measures would include the adequate supply of improved farm inputs, the provision of technical services including technical training and agricultural extension services and the supply of adequate credit to farmers. It must be stressed that any design and strategy to improve the urban condition must correspond with similar design and strategy to improve the rural areas in order to stamp out the prevalence of rural-urban migration.

4. concerted effort should be directed towards improving the agriculture capacities of the rural population. Since agriculture is their main source of livelihoods. If their agricultural capacities are improved, it will translate to increase agricultural produce and ultimately reduce the dependency of the rural households on remittances for survival.
5. Functionally, local governments are supposed to be prime movers in the area of integrated rural development. But it is common knowledge that funds allocated to local governments are rarely adequate for them to meet their statutory obligations. Therefore, federal, state and local governments are supposed to mobilize the rural dwellers. Private individuals and enterprises also have some roles to play in rural development. Given the concept of integrated rural development, it necessarily follows that all the key players, government at various levels, private enterprises and well to do individuals in the society must do their bit. Government cannot do all it takes to make rural dwellers duly satisfied. Community efforts have to compliment government programmes to make rural development dream come through.
6. One of the major factors that has contributed to the failure of rural development agencies to achieve their noble goal of poverty eradication in Nigeria today is the policy of the centralized control of the programmes or rural development set up by members of the elite who do not have the data available from deprived social groups or even from the private sector. If the strategies adopted by government have to succeed, the Nigerian government would have to adopt a policy of efficient consultation and collaboration based on partnership with the political communities. Such an arrangement would make it possible, on the one side, for the programmes to be mutually controlled by the authorities and the rural dwellers themselves, and on the other side, for the necessary responsibility and transparency.
7. However, recent findings in the field of rural development have led to the conclusion that popular participation based on involvement of beneficiaries of a rural development project at all stages of the project is an important factor for sustainable and success of the projects. More often than not, rural development projects are implemented without the involvement of the local people at all in cases where they are said to be involved. There is a need for

project managers to evolve method of involving the local people who are the intended beneficiaries right from the identification stage through to the time of completion. The people contribution in form of ideas, financial and human resources will serve as a motivating factor for them to see to the complete success of the programme. The point is that local people know and understand their environment and conditions better than the policy formulators and decision makers who operate from outside.

### **8.3 Contributions to Knowledge**

The findings of the study are congruent with existing literature in the subject of research and the assumptions of the theories used in the study. Nevertheless, the study makes further contribution to knowledge in the subject area by establishing that the major determinants of rural and urban poverty in South-East Nigeria are factors such as age of the household head, household size, dependency ratio, gender of household head, educational level of the household head, per capita income, value of total assets, access to credit, distance to the nearest health facility etc, which were all significant in both rural and urban South-East regions.

Furthermore, the study also revealed that states like Abia, Ebonyi and Enugu have highest level of poverty in the two periods (chronic poverty) also highest level of movement into and out of poverty also the persistence of poverty in terms of higher incidence of chronic poverty and lower chances of staying in never poor status is relatively more common among rural household across all states in South East region. The NBS has never delve into poverty dynamics which is a major contribution the current study has added to the body of existing knowledge and literature. Understanding the dynamics will improve policy formulation to tackle them.

Additionally, the study has contributed to knowledge by showing that remittances is the single most important copying mechanism for rural poor households while petty trading is the single most important coping mechanism for poor urban households across the five South-East States.

### **8.4 Suggestions for Further Studies**

The study has contributed to the knowledge of the subject matter by examining the rural poverty in South East, Nigeria, its determinant, Dynamics and Copying Mechanism. Further studies could

be replicated in the other geo-political zones of the country with similar characteristics in terms of determinant of poverty, dynamics of poverty and copying mechanism from poverty.

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