

## Determinants of Poverty among Rural Households in Asa Local Government Area of Kwara State

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### Abstract

Poverty is a global menace that threatens the standard of living of the people across various countries of the world. This study therefore, focused on the determinants of poverty among rural household in Asa Local Government Area, Kwara State, Nigeria. A multistage sampling technique was used for this study. In the first stage, ADP zone C was purposively selected. The second stage was the random selection of one Local Government Area from the ADP zone. The third stage was random selection of three villages in the Local Government Area. The fourth stage was the random sampling of fifty (50) respondents in each of the villages. A total number of 150 respondents were interviewed with structured questionnaire. Data collected were analyzed using descriptive statistics and ordinary least square regression. Data were analyzed to determine the relationship between independent variables (age of household head, years of schooling of household head, non-working, access to water, power abuse, poor housing quality) and the dependent variable (per capita income in ₦). The mean age of the household heads was 40 years. This shows that majority of the respondent were still within their productive age. However, the unemployed household heads were 31.33% of the respondents. Households who had no access to portable drinking water were 13.33% and those who were abuse by those in position of authority were 40%. About 69% were non-poor while 31.33% were below poverty line. Therefore, government should provide job for teaming unemployed youths by engaging them in skill acquisition programmes which are engineered towards enhancing food security and eradication of poverty.

**Keywords:** Access to water, per capita income and poor housing quality.

### 1 INTRODUCTION

Poverty is a multi-facet event in nature with physical, economic, social and psychological dimensions (Narayan and Chambers, 2000). This informed the United Nations declaration of 1996 as the “International Year for the Eradication of Poverty” and October 17 of every year designated as the “International Day for the Eradication of Poverty” worldwide. Similarly, the decade 1997 – 2006 has been declared United Nations Decade of Eradication of Poverty (Usman, 2001). Poverty is now acknowledged as the main goal of international development, for instance the millenium declaration of the United nations signed by 189 countries commits the global community to reduce by half the proportion of the world’s poor and hungry by 2015 (IFPRI, 2001).

Nigeria is one of the most resource endowed nations in the world. For instance, in terms of agricultural resources, Nigeria has a land area of 98.3 million hectares, out of which 79 million hectares is arable land. Between 60-70% of the population is involved in agriculture and agricultural related industries contributing a large share of GDP (FAO, 2013). Despite this large natural resource endowment and agricultural potential, poverty and hunger remain critical developmental challenges. Hence; there is a persisting paradox of a rich country inhabited by poor people which has been of great concern for many years but more especially in the last two decades. Poverty continues to be widespread, severe and also on the increase in Nigeria. The most recent indicators of poverty such as literacy level, access to safe water and the incidence of poverty rank Nigeria below Cameroon, Mauritania and Senegal. Nigeria’s Gross National Income (GNI) per capita in 2011 was also found to be far lower than that for Gabon, Angola and Algeria, while purchasing power continues to decline with high inflation and increasing income inequality. The Nigeria’s Gini Index of 48.8 was above 33.0 and 44.1 for Mali and Madagascar respectively for the same period showing high level of income inequality in Nigeria (World Bank, 2011). Nigeria Human Development Index (HDI) value for 2011 was 0.459 in low the human development category, positioning the country at 156th out of 187 countries. Using selected world developmental indicators, the life expectancy at birth in 2011 in Nigeria was 51.9 for which Nigeria is ranked 171th out of the world’s 187 countries (UNDP, 2011). This implies that there is a generalized high level of poverty in the country.

The objectives are to;

- determine the socio-economic characteristics of households in the study area.
- examine the poverty status of households in the study area.
- estimate the determinants of poverty among households in the study area.

Hypothesis testing:

$H_0$ : There is no significant relationship between socio economic characteristics of household and their level of poverty.

## 2 METHODOLOGY

This study was carried out in Asa Local Government Area of Kwara State, Nigeria. Asa Local Government Area has area land size of 106,455 square kilometer. It has a total population of 385,221, which is made up of 180,387 males and 204,834 females (National Population Census 2006). Kwara State lies within the north central geopolitical zone of Nigeria. It has a land area of about 34,467,536 square kilometres. According to the 2006 National Population Census figure, Kwara State has a total population of 2,365,353. This is made up of 1,193,783 males and 1,171,570 females. Majority of the people are involved in small scale farming. The State is bounded in the North by Niger State, in the South by Osun and Ondo States, in the East by Kogi State and in the West by Oyo State. Kwara State shares an international boundary with the Republic of Benin (Taiwo, 2005). Kwara State is located between latitudes 7°45'N and 9°30'N and longitudes 2°30'E and 6°35'E. The topography is mainly plain lands to slight gentle rolling. The annual rainfall ranges between 1000mm and 1500mm. Average temperature ranges between 30 and 35°C (KWADP, 1996).

Population comprises of all household heads in the rural areas of Asa Local Government Area, Kwara State. Multistage sampling techniques were used for sampling of respondents. The first stage involved purposive sampling of ADP (Agricultural Development Programme) zone C out of the four zones in the State: which comprises of ADP Zones; A, B, C, and D's. The second stage was purposive sampling of one (1) Local Government Area from the Zone. The third stage was random selection of three villages in the Local Government Area. The fourth stage was the random sampling of fifty (50) respondents in each of the villages. A total number of 150 respondents were interviewed.

The tools and procedure that were employed elucidated the objectives of the study: this includes the following.

Descriptive statistics:

They are the mean, percentages and frequency distribution. These were used as tools to describe the socioeconomic information of the individual household.

Weighted poverty measures :

The Foster, Greer and Thorbecke (1984) class of weighted poverty measures will also be used to profile the poverty status of the households. The formula is given as follows:

$$A_{\alpha} = \frac{1}{n} \sum_{i=1}^p \left( \frac{B - Y_i}{B} \right)^{\alpha} \quad (1)$$

Where  $\alpha = 0 - 2$  and indicate headcount, depth and severity of poverty respectively

$n$  is the sample population

$p$  is the number of the poor in the desired population to be sampled

$B$  is the poverty line as  $\left(\frac{2}{3} \text{ or } \frac{1}{3}\right)$  of the estimated mean per capita household income

The ordinary least square model was used to achieve objective three (3). It is implicitly stated thus:

$$Y_1 = f(X_1, X_2, X_3, X_4, X_5, X_6, e) \quad (2)$$

Where,

$Y_1$  = per capita income (₦)

$X_1$  = Age of the household head (years)

$X_2$  = Unemployed/non-working status

$X_3$  = Access to portable water

$X_4$  = Power abuse

$X_5$  = Poor housing quality

$X_6$  = Household size

$e$  = constants

## 3 RESULTS AND DISCUSSION

In Table 1, 61.35% of the household heads in the study area were below 41 years old, while the older household heads accounted for 38.367% of the respondents. The mean age of the household heads was 40 years. This shows that majority of the respondent were still within their productive age. The largest segment (34%) of the respondents earn between ₦30001- ₦70000. The mean of the household income was ₦87, 530. This shows that the majority of the respondents were average income earners. The unemployed household heads were 31.33% of the respondents. Unemployment should be discouraged in a study with young and active respondents (40 years). Those who had no access to portable drinking water were 13.33%, and those who were abuse by those in position of authority were 40%. This figures is an indication of neglect of the rural community in Nigeria. The mean household size was 7. This was an indication that the respondents had large family members.

In Table 2, 68.67% were non-poor while 31.33% were below poverty line. This shows the level of

poverty in the study. Poverty should be eradicated.

The result from Table 3 shows that the coefficients of power abuse and household size were negative and significant at 1 percent level. Moreover, the coefficients of household head's age and unemployed were negative. The negative coefficients imply that households with low per capita income experienced power abuse than the rich ones. The less privileged households had large household size. The high family size of the poor household could make them to continue to be vulnerable to poverty. The aged household head were poorer than the young ones. Young one should be more active and productive than the aged ones. The unemployed had low per capita income which classifies them to be poor and economically redundant.

The coefficients of access to portable water and poor housing quality were positive and significant at 1% percent levels. Thus, the privileged household heads had high propensity of access to portable water than their less privileged counterparts. The poor household had bad housing quality.

The hypothesis testing of this study was stated in the null form. The hypothesis stated that, there is no significant relationship between the socio-economic characteristics of the household and poverty. In Table 3, the coefficients of access to portable water, power abuse, poor housing quality and household size were significant at 1 percent level. Therefore, the hypothesis was rejected.

#### 4 CONCLUSIONS AND RECOMMENDATIONS

There were evidence of poverty in the study. This is revealed by level of unemployment in a study of young and active household heads of the mean age of 40 years. Poverty incidence was further revealed by no access to portable water, poor housing quality and power abuse of the low income earners. Therefore, government should provide job for teaming unemployed youths by engaging them in skill acquisition programmes which are engineered towards enhancing food security and eradication of poverty. Farmers should have access to soft loans by arranging them into cooperative societies. The Local government which is the government at the grass-root should be given autonomy to spend her financial allocation in other to improve rural infrastructure, enhance livelihood which is aimed at eradicating poverty in Nigeria.

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**Table 1: Socio –economic characteristics of respondents and their household**

Socio Economic Characteristics	Frequency	Percentage
<b>Age (years)</b>		
≤ 30	30	20
31 – 40	61	41.33
41 – 50	32	21.34
≥51	27	17.33
Mean = 40 years		
<b>Household monthly income (₦)</b>		
≤ 30000	15	10.00
30001 – 70000	51	34.00
70001 – 110000	42	28
110001 – 150000	32	21.33
>150000	10	6.67
Mean = 87, 530, Minimum = 21500, Maximum = 210000		
<b>Non-working/unemployed status</b>		
Non-working	47	31.33
Working	103	68.67
<b>Access to portable water</b>		
Access	130	86.66
No Access	20	13.33
<b>Power abuse</b>		
Abuse	60	40
No abuse	90	60
<b>Poor housing quality</b>		
No poor housing quality	125	83.33
Poor housing quality	25	16.67
<b>Household size</b>		
1 – 3	16	10.67
4 – 6	61	40.66
7 – 9	40	26.67
10 – 12	27	18
≥13	6	4
Mean = 7, Maximum = 13		

Field survey, 2013.

**Table 2: Poverty status of household**

Characteristics	Frequency	Percentage
Poor	47	31.33
Non-poor	103	68.67

Field survey, 2013.

**Table 3: Determinants of poverty**

Variable	Coefficient
INTERCEPT	18254.10*
Age	-99.606
Unemployed/non-working	-2734.99
Access to portable water	10703.50***
Power abuse	-7523.49***
Poor housing quality	7605.96***
Household size	-2076.30***
R <sup>2</sup>	0.31
Adjusted R <sup>2</sup>	0.28
Probability of F-value	0.0000
N	150

\*\*\* 1% level of significance, \*\* 5% level of significance, \* 10% level of significance

Source: Field survey, 2013.