

RURAL POVERTY SITUATION IN EKITI STATE, NIGERIA: COPING STRATEGIES, AND RELATED CONSTRAINTS

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Abstract

Poverty is more prevalent in the rural area than the urban area. In this study, 120 rural households in Ekiti State, Nigeria were sampled in order to examine the determinants of poverty among the respondents, and their various poverty coping strategies. The result of the probit model revealed that; household size, age of the household head, educational level, membership of social group, and income of the household head were the main determinants of poverty among the respondents. While, the result of poverty coping strategies shows that reducing the frequency of eating per day (11.5%), eating of less preferred food (10.9%), compulsory fasting (10.7%), seeking help from friends/relatives (9.8%) and consumption of stored products meant for planting (8.5%) were the most coping strategies in the study area. It was concluded that increase in the number of years of schooling of the respondents, having a small household size and, belonging to social group would reduce the likelihood of being poor among the respondents.

Keywords:

Poverty;

Households;

Rural;

1. Introduction

Poverty remains a major concern of sustainable development goals [1], and every minute a person dies due to poverty related reasons [2].

Poverty is a multi-dimensional phenomenon related to the inadequacy or lack of social, economic, cultural, and political entitlements. Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not being able to go to school and not knowing how to read. Poverty is not having a job, is fear for the future and living a day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom.[3]

Poverty in all its forms has blighted Nigerian society for generations. Although there has been a multiplicity of programmes and projects with poverty reduction mandate implemented over the years, it appears they were tinkering at the edges rather than the root causes of poverty since its incidence and severity had continued to deepen.[4]

Poverty in Nigeria is more prevalent in the rural sector due to dwindling and inequitable distribution of real income. [5] Hence, there is a need to examine rural poverty situation in Nigeria by focusing on the determinants and coping strategies, and related constraints.

The objectives of the study are to:

- i. analyze the determinants of poverty among rural households in the study area, and
- ii. examine the poverty coping strategies among the rural households in the study area.

1.6 Hypothesis

Ho: There is no significant relationship between the poverty status of the rural households and their socio-economic characteristics in the study area.

2. Literature Review

The poverty situation in Nigeria has triggered researchers across the country in recent years, to examine poverty. The various findings of their efforts were quite revealing. For instance, [6]

using a multistage sampling approach and a total of 105 farmers showed that 99 % of the households studied in Osun state of Nigeria were poor, while the poverty gap was 98.9%. Further results showed that size of household of the respondents was significant at 5% which indicated that it had great importance in determining poverty in the study area and was positive implying that the higher the household size, the higher the probability of being poor. Household income and primary educational level were also significant at 1% with negative coefficients indicating that the greater the household income, the lower the probability of being poor and that the more households were engaged in primary occupation, the lower the probability of being poor respectively.

[7] assessed the determinants of poverty among farming households in Nasarawa state of Nigeria. Their study adopted Costs of Calorie method and discriminant analysis to determine the incidence of poverty as well as its determinants respectively. They also showed that the incidence of poverty among the sampled households was found to be high and the major determinants of poverty include household size, number of income sources of the household head, number of household members employed outside agriculture and the number of literate adult males and females in the study area.

[8] examined the welfare status and poverty situation of households in Eastern Senatorial District of Kogi state, using data collected with the aid of structured questionnaire and interview schedule of households. The analysis of data was done by the use of Tobit regression model and Foster, Greer, Thorbeck (FGT) poverty analysis. The study discovered that the age of household heads, number of people with higher education, gender, and number of hour's household work per week have positive impacts on household income and are significant at 5% level of significance. This means that as these variables increase, the household's income also increases, leading to a fall in poverty level. Also, it was discovered that location dummy and number of people not educated have negative impact on household income and statistically significant at 5% levels of significance. This means that as these variables increases, household income will fall, leading to an increase in poverty among the households.

2.1 Poverty Measurement

According to Ravallion[9] the widely used \$1 a day poverty line was set for World Development Report 1990. A consensus emerged in the international development community on this standard for measuring extreme poverty in the world, and it became the basis of the first Millennium Development Goal which is to halve the 1990s \$1 a day poverty rate by 2015. It was further argued that absolute poverty (measured using a poverty line with a constant real value) is the more relevant concept in poor countries. In 2005, after extensive studies of cost of living across the world, the World Bank raised the measure for global poverty line to reflect the observed higher cost of living. Now, the World Bank defines extreme poverty as living on less than US\$1.25 (PPP) per day, and moderate poverty as less than \$2 a day. Subsequently the use of \$1.25 a day has been gaining popularity as the new international benchmark for poverty measurement. Meanwhile, scholars have argued that the money metric measures of poverty are too restrictive and thus recommended the use of non-income social indicators such as life expectancy, assets, literacy and infant mortality to measure poverty. However, the money metric approaches have been widely used and they remain the most popular as they are more direct and devoid of the complexity involved in other suggested approaches [10]

In Nigeria, the NBS measures four types of poverty incidence: The food poverty measure, which defines proportion of population living on less than 3000 calories of food per day; the absolute poverty measure, which defines those living below or those that can afford a defined minimal standard of food, clothing, healthcare and shelter; the relative poverty measure, which defines those living below the living standards of majority in a given society. Household with expenditure greater than two thirds of the total household per capital expenditure are non-poor whereas those below it are poor while those with less than one third of total household Per Capital expenditure are core-poor and those with greater than one third of total expenditure but less than two third of the total expenditure are moderate poor.

3. Research Method

3.1 Study Area.

The Study was carried out in Ekiti State, Nigeria. Ekiti State is one of the six states constituting the south-western region of Nigeria. It is located between longitude 40 451 and 50 451 East of

the Greenwich Meridian and Latitude 700 151 and 800 51 North of the Bureau Equator. [11] Ekiti State is bounded in the North by Kwara and Kogi States, in the south by Ondo – State, in the west by Osun State and in the East by Ondo – State. Ekiti State has a means annual rainfall of about 1400 mm and a mean annual temperature of about 27°C. Its vegetation ranges from rain forest in the south to guinea savannah in the North with soil largely rich in organic minerals thereby making the State a major producer of tree and food crops.

3.2 Sampling Procedure and Sample Size

Multi-stage sampling technique was employed for this study. Three Local Government Areas (LGAs) were randomly selected from the State at first stage. These local government areas are: Ekiti South-West Local Government, Ilejemeje Local Government and Gbonyin Local government. In the second stage, two (2) communities from each of the selected Local Government Areas were randomly selected. At the final stage, twenty (20) households were randomly selected from each of the communities making a total of one hundred and twenty (120) respondents.

Primary data was used for the study, and this was collected with the aid of well-structured questionnaire. Various data on the rural households, such as; Age, Gender, Household size, households' incomes, source of income and food consumption expenditure were collected

3.3 Analytical Techniques

The Probit model was used to analyze the determinants of poverty among the rural households in the study area.

The model is given:

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

This was expressed as,

$$q_{it} = \beta X_{it} + e_{it}$$

Where q_{it} = an unobservable latent variable for poor households.

X_{it} = vector of explanatory variables

β = vector of parameter to be estimated

e_{it} = error term

The observed binary (1, 0) for whether household is poor or otherwise is assumed in the usual Probit model. The probability that the binary assumes the value 1 implies,

$$Prob. (q_{it}= 1) = \frac{e^{X_{it}\beta} + \beta^{X_{it}}}{1 + e^{X_{it}\beta} + \beta^{X_{it}}}$$

$$P_i = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7 + b_8X_8$$

Where:

P_i = Poverty status dummy (poor = 1, 0 otherwise).

X_1 = Age of the household's head

X_2 = Sex (male =1, 0 otherwise).

X_3 = Marital status dummy (married =1, 0 otherwise).

X_4 = Household size (Number)

X_5 = Number of years spent in school (Years)

X_6 = Amount of credit (₦)

X_7 = Membership of social group (Yes =1, No = 0)

X_8 = Household income (₦)

3.4 Poverty coping strategies Use Index (PCSUI)

Poverty Coping Strategies Use Index (PCSUI): This was employed to assess the extent of use of the coping strategies by the households. The knowledge of this allows a better understanding of the possible area(s) of intervention (formal or informal strategies) either by government or other stakeholders in the area. In analyzing the extent of use of any of the coping strategies by the rural households, a poverty coping strategy index (PCSUI) was developed by ranking. The extent of use of the PCSI was expressed using a four-point likert scale with the scoring order 3, 2, 1 and 0 for frequently used, occasionally used, rarely used and not used respectively.

The formula is given as:

$$PCSUI = N_1X_3 + N_2X_2 + N_3X_1 + N_4X_0$$

Where: PCSUI = Poverty coping strategies use index

N_1 = Number of households using a particular CSI frequently

N_2 = Number of households using a particular CSI occasionally

N_3 = Number of households using a particular CSI rarely

N_4 = Number of households not using any of the Coping strategies.

The PCSUI was used in rank order to reflect the relative position of each of the PCSI in terms of their use. The extent of use of the PCSI then then obtained for all households in the study areas.

4. Results and Analysis

4.1 Determinants of Poverty among the respondents

The probit model results presented in Table 1 shows that household size, and age of the household head were significant at 1%, educational level and membership of social group, were significant at 5%, while income of the household head was significant at 10%. The results further revealed that the likelihood event of being poor were more with large households. This implies that the larger the household size, the higher the probability of being poor, while the marginal effects of the household size also revealed that a unit change in the household size leads to increase in the probability of being poor by 5.36%. Evidence from other studies pointed to the same direction between poverty and household size [12, and [13].

The negative relationship between the age of the household head and the likelihood of being poor indicated that as the age of the household head increases, the probability of being poor reduces. This finding is in line with the life cycle hypothesis (LCH) by [14] According to this hypothesis, a typical individual has an income stream which is relatively low at the beginning, and end of his life when his productivity is low and high during the middle years of his life. This finding also agrees with [15] in her work on determinants of poverty among rural households in South-Western States, Nigeria.

The educational level of the household head is negatively related to the likelihood of the households being poor. The implication of this is that as the level of education of the household's head increases, the probability of being poor reduces.

The negative relationship between the likelihood of being poor and membership of social group implies that households whose heads were members of social groups had higher probability of being non-poor than those whose heads were not. This can be closely linked to the beneficial effects of their memberships in terms of welfare enhancing services that these social groups offer.

Contrary to the *a priori* expectation that access to credit reduces the probability of being poor, amount of credit was positively related to the likelihood of being poor. This could probably be as a result of non-utilization of credit to improve household standard of living.

Table 1: Probit Model Estimation of Poverty Determinants

| Variables | Coefficients | Standard Error | P > Z | Marginal Effect |
|----------------------------|--------------|----------------|--------|-----------------|
| Age | -0.0686*** | 0.0223 | 0.002 | -0.0040 |
| Sex | 0.7806 | 0.7363 | 0.289 | 0.0689 |
| Marital Status | -0.5531 | 0.7480 | 0.460 | -0.0249 |
| Household Size | 0.9196*** | 0.2223 | 0.000 | 0.0536 |
| Educational Level | -0.1317* | 0.0706 | 0.062 | -0.0077 |
| Amount of Credit | 3.72E-06 | 2.90E-06 | 0.200 | 2.17E-07 |
| Membership of social group | -1.5820** | 0.6350 | 0.013 | -0.07637 |
| Household Head Income | -1.75E-06** | 7.78E-07 | 0.024 | -1.02E-07 |
| Constant | 3.9664 | 1.5907 | 0.013 | |

Chi² = 84.14

Prob > chi2 = 0.0000

Pseudo R² = 0.6235

NOTE ***, **, * Indicate Significant at 1%, 5% and 10% probability level respectively

Source: Computed from Field Survey Data, 2016.

4.2 Poverty Coping Strategies

The ranking of poverty coping strategies in Table 2 was done by using a four-point likert scale to score household's responses. The study indicated that reducing the frequency of eating per day (11.5%), eating of less preferred food (10.9%), compulsory fasting (10.7%), seeking help from friends and/or relatives (9.8%) and Consumption of stored products meant for planting (8.5%) were the most coping strategies in the study area.

Other coping strategies are: borrowing money from cooperative (8.0%), selling of assets (7.3%), family planning (6.9%), engagement in social vices (6.8%), Withdrawing children from school (6.7%), Children hawking (6.6%), and begging for alms (6.2%). This implies that withdrawing children from school and child hawking were not paramount in the study area because Ekiti people cherish sound education for their children. Furthermore, a typical Ekiti man has self-esteem and prefer die of hunger to begging for alms and, that could probably be the reason why begging for alms was the least coping strategies.

Table 2: Ranking of Poverty Coping Strategies Based On Frequency of Use

| Poverty Coping Strategies | A (3) | B (2) | C (1) | D (0) | PCSU I | % | Rank |
|---------------------------------------------------|------------|------------|------------|------------|-------------|------------|------|
| Reducing the frequency of eating per day | 120 | 88 | 34 | 2 | 244 | 11.5 | 1 |
| Eating less preferred food | 78 | 112 | 36 | 2 | 228 | 10.9 | 2 |
| Seeking help from friends and relatives | 84 | 60 | 48 | 14 | 206 | 9.8 | 4 |
| Consumption of stored products meant for planting | 24 | 84 | 54 | 16 | 178 | 8.5 | 5 |
| Selling of assets | 24 | 32 | 28 | 68 | 152 | 7.3 | 7 |
| Begging for alms | 0 | 20 | 26 | 84 | 130 | 6.2 | 12 |
| Borrowing money from cooperatives | 24 | 64 | 26 | 54 | 168 | 8.0 | 6 |
| Family planning | 21 | 20 | 35 | 68 | 144 | 6.9 | 8 |
| Children hawking | 18 | 12 | 33 | 75 | 138 | 6.6 | 11 |
| Withdrawing children from school | 0 | 40 | 32 | 68 | 140 | 6.7 | 10 |
| Engagement in social vices | 6 | 38 | 30 | 69 | 143 | 6.8 | 9 |
| Compulsory fasting | 60 | 128 | 22 | 14 | 224 | 10.7 | 3 |
| TOTAL | 459 | 698 | 404 | 534 | 2095 | 100 | |

Note,A= Frequently used, B= Occasionally used, C= Rarely used, D= Not used

Source: Field survey 2016

4.3 Problems Encountered by Rural Dwellers

Table 3 depicted various problems encountered by the respondents as rural dwellers in their communities. Lack of finance (23.7%) was the major problems encountered, while others are; Inability to own personal land (7.6%), lack of farm inputs (6.9%), poor power supply (13.1%), high food price (9.4%), Lack of Storage facilities (10.6%), Poor road network (9.2%), Lack of efficient market (7.1%) unpredicted weather (4.4%), difficulties in securing credit (7.1%), theft and burglary (0.7%)

Table 3: Distribution of Respondents on Problems Encountered as a Rural Dwellers

| Problems | Frequency | Percentage |
|---------------------------------|-------------|--------------|
| Inability to own personal land | 33 | 7.6 |
| Lack of finance | 103 | 23.7 |
| Lack of farm inputs | 30 | 6.9 |
| Poor power supply | 57 | 13.1 |
| High food price | 41 | 9.4 |
| Lack of Storage Facilities | 46 | 10.6 |
| Poor road network | 40 | 9.2 |
| Lack of efficient market | 31 | 7.1 |
| Weather | 19 | 4.4 |
| Difficulties in securing credit | 31 | 7.1 |
| Theft and Burglary | 3 | 0.7 |
| Total | *434 | 100.0 |

*Multiple Responses

Source: Field survey 2016

4.4 Hypothesis testing

The Probit Model analysis in Table 14 shows that socio-economic characteristics variables, such as age, educational level, and household size were statistically significant. Therefore, the study null hypothesis which states that, there is no significant relationship between the socio-economic characteristics and poverty status of the rural households in the study area. is rejected.

5. Conclusion

This study examined rural poverty situation in Ekiti State, Nigeria. The specific objectives were to analyze the determinants of poverty among rural households, and examine their poverty coping strategies. The probit model results shows that; household size, age of the household head, educational level, membership of social group, and income of the household head were the main determinants of poverty among the respondents. It was concluded that increase in the number of years of schooling of the respondents, having a small household size and, belonging to social group would reduce the likelihood of being poor. The result of poverty coping strategies shows that reducing the frequency of eating per day (11.5%), eating of less preferred food (10.9%), compulsory fasting (10.7%), seeking help from friends/relatives (9.8%) and consumption of stored products meant for planting (8.5%) were the most coping strategies in the study area. Lack of finance was the major problem encountered by the respondents, while others are; lack of farm inputs, and poor power supply.

Based on the findings of the study, the following policy implications and recommendations were made:

- i. Education that encompasses all aspects of training is important for rural dwellers. This will enhance their production skills for efficient productive activities.
- ii. The findings revealed that larger household were found to significantly decrease the level of per capita income. Therefore, rural dwellers should be sensitized on effective family planning and birth control.
- iii. Participation in social groups should be encouraged among the rural dwellers. Belonging to such groups have beneficial effects which could positively influence the poverty status of the rural households.
- iv. Government and financial institutions should make credit facility to be accessible to rural dwellers. Proper orientation should be given to them on credit utilization so that the credit could have positive influence on their livelihood.
- v. Since majority of the rural dwellers are farmers, Government should provide farm inputs to them at subsidized rate.

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