



## NIGERIA'S POVERTY PROFILE

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<p><b>Received:</b> 20<sup>th</sup> September 2022 <b>Accepted:</b> 26<sup>th</sup> October 2022 <b>Published:</b> 30<sup>th</sup> November 2022</p>	<p>The paper employs an analytical research method to assess the causes and impact of human poverty in Nigeria and the variation in poverty levels among the rural and urban dwellers. It examines the disparity in poverty levels among various geopolitical Zones and individual States. It identifies Institutional causes of poverty in the nation as; corruption, income inequality, long term ethnic conflicts, lops sided development programmes and incessant civil unrest. The non- institutional factors that breed poverty in Nigeria include illiteracy, poor health consumption and gender discrimination. For the successful reduction of human poverty in Nigeria, the study suggests that: education should be free and compulsory at the primary and secondary levels, people with proven financial integrity should be appointed into government offices, government should take over the medical expenses of vulnerable groups such as children between 1-5years and adults of 60 years and above. There should be an upward review of 2019 minimum wage act; National Health Insurance Scheme should be properly managed for optimum results and primary health centers should be properly funded by the National Primary Health Care Board.</p>
<p><b>Keywords:</b> Nigeria's Poverty Profile</p>	

### INTRODUCTION

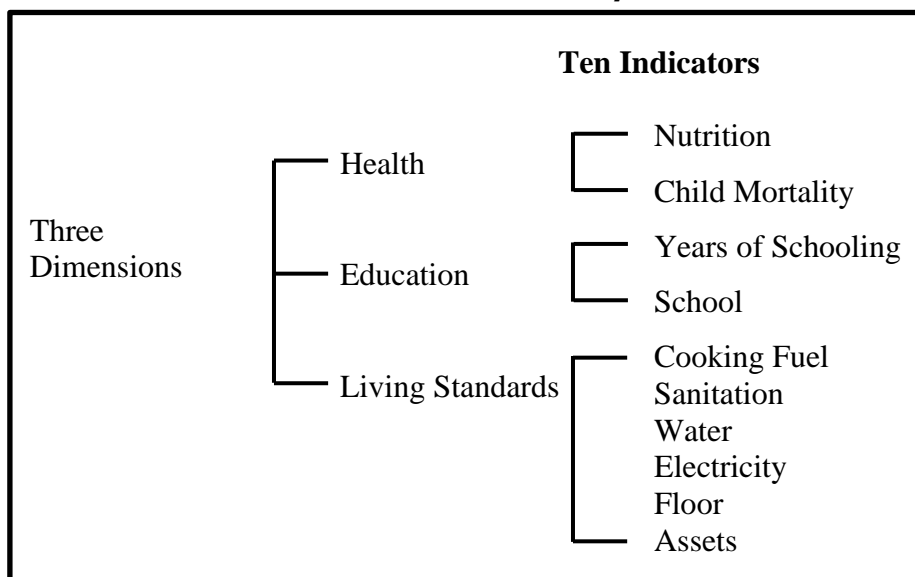
Poverty arises when people lack basic capabilities for livelihood such as education, income and health care. Other syndromes of poverty include insecurity, low self-esteem or a sense of powerlessness which may include absence of rights such as freedom of speech. A common method used to measure poverty is based on incomes and consumption levels. A person is considered poor if his consumption or income falls below some minimum level necessary to meet basic needs. This minimum level is usually called the 'poverty line'. When estimating poverty worldwide, the same benchmark line is used and expressed in a common unit across countries. Therefore, for the purpose of global aggregation and comparison, the World Bank reference line is set at \$1.50 and \$2 per day (in 2010 purchasing power parity) (Ravallion & Chen, 2008).

#### Theory of Multidimensional Poverty Index (MPI)

The Multidimensional Poverty Index or MPI is an international poverty measure developed by the Oxford Poverty and Human Development Initiative (OPHI) for the United Nations Development Programme's flagship Human Development Report in 2010. It is an innovative index over the HPI that reflects the multiple deprivations that a poor person faces with respect to education, health and living standards. The MPI is an index of acute multidimensional poverty (Alkire & Santos, 2010).

According to Alkire, et al (2013), the MPI looks at poverty through a 'high-resolution' lens. By directly measuring the nature and magnitude of overlapping deprivations at the household level, the MPI provides information that can help to inform better policies to reduce acute poverty. In the words of Todaro & Smith (2011), the MPI takes into account that there are native interaction effects when people have multiple deprivations – worse poverty than can be seen by simply adding up separation deprivations for the whole country, taking averages and only combining them. The MPI is composed of three dimensions and ten indicators as depicted by the figure below

The Multidimensional Poverty Index



Source: Alkire & Santos, (2010)

The MPI is the first international measure to reflect the intensity of poverty – the number of deprivations that each person faces at the same time. It can be broken down by population group (such as ethnicity), geographical area and indicator. It can also be used to track changes in poverty over time.

LITERATURE

The Nigerian poverty situation is a paradox in that the country is one of the most endowed in terms of human and natural resources but greater majorities of its population are poor. The relative poverty figure released by National Bureau of Statistics (NBS 2014) shows that about 130 million Nigerians are poor. More than half of the country's population of 174 million (2016 estimates) lives under the poverty line of US and \$1.50 per day. The MDGs target for Nigeria was to reduce the percentage of the population living in poverty from 54.4% in 2004 to 2.14 by 2015. This was not feasible due to exogenous factors such as corruption, rapid expansion of urbanization, unemployment and macro-economic shocks (UNDP, 2013).

The institutional factors that breed poverty in Nigerian include: corruption, income inequality, long term ethnic conflict and civil unrest. Other factors include political instability and lop-sided development programmes (UNICEF, 2014). Apart from these institutional factors, illiteracy, poor health consumption and gender discrimination have also inhibited the growth of personal income. Gender discrimination and feminization of poverty has become a global challenge. This may be defined as prejudice on a certain gender (mostly women and girls) as a result of illiteracy, lack of civilization, religious taboos or tradition. It goes with the erroneous belief that one gender (especially men) is superior to the women whereas poverty reduction and rapid socio-economic development of a nation can be achieved when the women are as educated as their male counterparts (Alderman et al, 2003).

Nigeria's economy has a very narrow and weak base, depending mostly on exportation of crude petroleum oil as a major source of income. The agricultural base of the economy has long been frustrated, resulting in high and growing unemployment which has exacerbated the level of poverty in Nigerian (World Bank, 2013). In the past four decades, the country has been 80 percent dependent on crude oil sales. With the fluctuation of crude oil prices in the international market since 2015, Nigeria experienced a decrease in government earnings on the sales of crude petroleum due to the down- pricing of the commodity from US\$85 to about US\$35 per barrel and the entire economy began to experience a shock. As a stabilization measure, the federal government initiated a gradual removal of subsidies on all petroleum products. This led to sudden and astronomical increases in the prices of petroleum products such as premium motor spirit. This culminated in the exertion of excessive financial burdens on consumers in the downstream sectors. In essence, the entire economy experienced cost-push inflation with more depreciation of the Naira and astronomical increase in the number of the poor in Nigeria.

Apart from structural and institutional causes, one of the most identifiable causes of poverty in Nigeria is corruption. Those vested with the constitutional powers to allocate resources among various sectors of the economy rather choose to enrich themselves by staking away the nation's hard earnings into personal accounts in foreign countries. Following Nigeria's political history; the economy is often looted by a few privileged persons at the detriment of the entire populace. There is prevalence of high unemployment which affects wage rate, inversely. Wage rate reduces as unemployment rate increases. The low wage rate in Nigeria can also be attributed to the inefficient distribution of National income, inflation and the low Purchasing Power Parity (PPP) of the Naira which value has depreciated, over time. With the country's high dependence on crude oil revenue and the non-diversification of her economy, there is persistent unfavorable balance of payment (BOP) in Nigeria's foreign trade. The spillover effect is that of persistent

dependence on foreign goods at the detriment of domestic industries. This results in leakages of the country’s domestic and foreign reserves.

The increasing crime rate in the Nigerian society engenders poverty. The civil unrest perpetrated by Boko Haram in the North-East and the Militants in the South-South regions of Nigeria have become unbearable since 2012. The country’s resources have been diverted to fighting of wars with insurgent groups. Some families and communities have been displaced thereby exposing them to severe hardship and extreme poverty. The extra-budgetary military expenditure for the execution of warfare against insurgent groups has caused serious distortions of some macro-economic variables in the economy.

Poverty can rightly be described as the “disease” in view of its ubiquitous effects on the health status of individuals and communities in the world. The greatest cause of ill health and suffering across the global is extreme poverty. According to World Health Organization (WHO, 2005) “The world’s biggest killers and the greatest cause of ill-health and suffering across the global is extreme poverty”. Poverty is the main reason why babies are not vaccinated; clean water and sanitation are not provided. Poverty is the reason why curative drug and treatment are not available and why mothers die in child birth, according to Global Health Forum (2006). Effort to address poverty must necessarily consider health sector input, while improvement in health must also be seen from its poverty reduction potential (WHO, 2000). Developing countries face much more crippling disease burden than the developed countries especially infectious diseases. Nigeria’s situation is not different as government still has much challenge. It was asserted by (Umoh 2013) that the underlying disease in Nigeria is poverty.

Nigeria faces a lot of developing challenges of which poverty holds a central place. The number of poor people increases with the population. In 2005, 55 percent of the people were living in absolute poverty. In 2010, the poverty figure rose to 69 percent. In 2015, due to effective poverty management strategies by the Federal Government, poverty rates reduced to 54.4 percent. Poverty is server in the rural areas than urban centers and towns due to lack of development incentives and social infrastructures in the rural areas. Due to illiteracy and poverty in some parts of the country, the link between health and development is not fully appreciated, whereas a better understanding cold have motivated private sector investment on health delivery. The health care financing regulatory network is still relatively weak, depending mostly on strong government leadership and incentives for improvement. The situation is particularly bad in the North Eastern States where over three quarters of the population live in absolute poverty (National Bureau of Statistics, 2010).

Like many developing countries, poverty in Nigeria was considered to be a rural phenomenon. This fails to hold sway in the present decade in that urban centers and cities are also ravaged by poverty. However, rural dwellers suffer more from poverty by being predominantly low income earners through farming, fishing, and cattle rearing, hunting and other petty occupations. They lack basic life amenities and social infrastructure such as good roads, electricity, pipe borne water and recreational facilities. This trend is depicted on the Urban / Rural incidence of poverty by different poverty measures below.

**Table 1: Rural Incidence of Poverty by different Poverty Measures**

Sector	Food Poor	Absolute Poor	Relative Poor	Dollar Per Day
Urban	27.7	52.0	61.8	52.4
Rural	48.3	66.1	73.8	66.3

Source: The Nigeria Poverty Report, CBN 2017.

Poverty in the urban areas in the country is made severe by low level absorption capacity of the nonagricultural sector, especially manufacturing, which is as a result of limiting growth of investment and technological innovation. Due to weak governance, corruption is manifested in inappropriate planning and negligence of the private sector. Imperial evidence shows that poverty and environmental degradation are inextricably severe in that, 75 percent of rural people depend on natural resources for their livelihood.

Environmental degradation reduces the opportunity for poor people to earn sustainable income. Due to Globalization, global competitions have worsened poverty in that some of Nigeria’s domestic products do not meet up the international standards moreover, international best practices are lacking in our business environment (NBS, 2016).

This further supports the claim that though poverty is everywhere, it is more of a rural phenomenon. What make it more noticeably a rural problem are not the actual differences in the number of the poor in rural areas or the incidence or growth rate but rather the relative difficulty of the rural poor to escape poverty. Blaming this on the unhealthy co-existence of the rural and urban sectors, Oriji and Akpan (2004) assert that, in Nigeria, the existence of two major sectors-rural and urban has contributed immensely to the distortion in the flow of economic resources. The rural areas are at the receiving end, because of urban pulling resources from the rural areas and consequently leaving the rural areas poorer. They maintained also that, lack of social amenities and economic infrastructure and lack of appropriate institution framework to effectively mobilize, allocate and utilize resources have equally left the entire system poorer (Ogiji & Akpan, 2004).

This growth in number of the poor means that, conversely, the number of the non-poor in Nigeria is on the decrease. On table 2 below, the number of non-poor is shown to have fallen from 72.8 percent in 1980 to 53.7 percent in 1985.

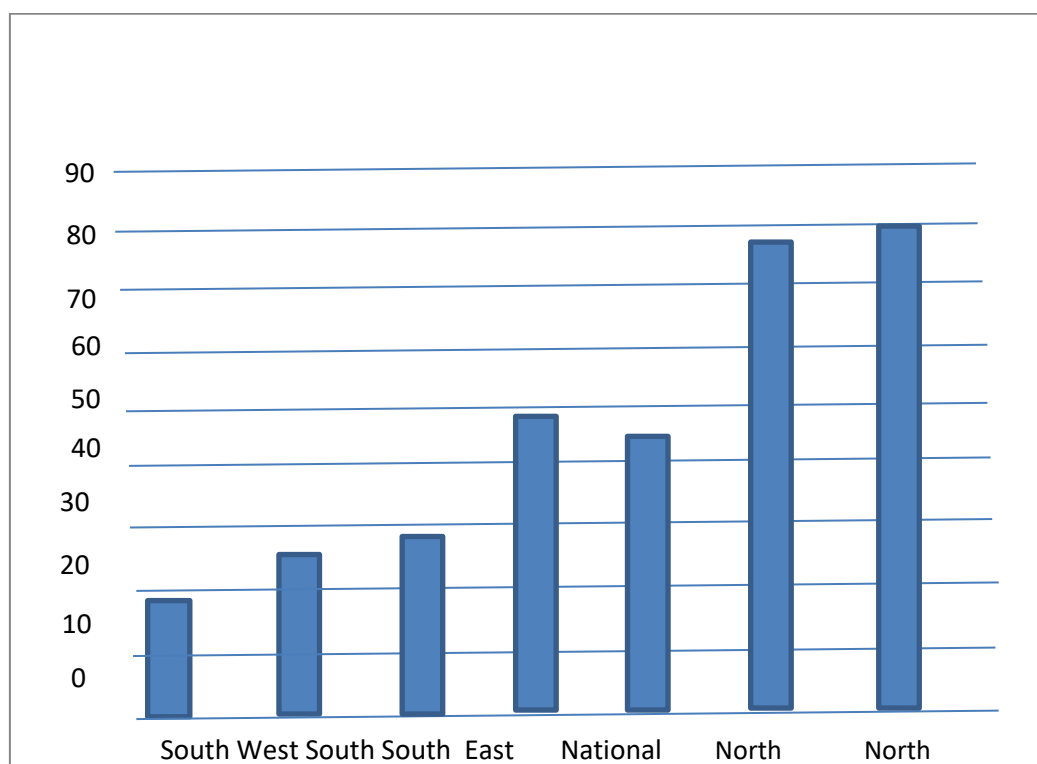
By 1998, the non-poor were less than half of the population at 34.4 percent. The number rose slightly to 43.3 percent in 2004 but fall again to 31.0 percent in 2010. In the same vein, the number of the non-poor in 2015 stood at 45.64 percent which is less than US \$35 per capita expenditure on health care delivery service as proposed by commission on micro economics and health, as benchmark for poverty reduction.

**Table 2: Relative Poverty Headcount from 1980-2016**

Year	Poverty incidence (%)	Estimated population (Million)	Population in Poverty (Million)
1980	27.2	65	17.1
1985	46.3	75	34.7
1992	42.7	91.5	39.2
1996	65.6	102.3	67.1
2004	54.4	126.3	68.7
2010	69.0	163	112.47
2016	54.5	174	93.96

**Source: The Nigerian Poverty Profile, 2012**

The poverty situation in Nigeria also depicts regional variation. According to United Nation’s Multi-Dimensional Poverty Index (2016), Nigeria’s average poverty level is 46 percent. The regional averages of poverty level are: South West, 19.3 percent; Northeast, 76.8 percent and North West 80.9 percent. Within 1980 to 2015, poverty rate was higher in the northern agro-limited zone at 40 percent compared to the middle and southern zones of 38 and 28 percent respectively. Each regional variation could be seen on the graph below.



**Source: The Global Multinational Poverty Index by the U.N (2016).**

It could be seen that poverty is most severe in the North East and North West. Only 20 percent of girls in these regions have attended school and are literate. The 2006 National School Census (NSC) has it that the Net National Enrolment of Primary age populations (6-11years) are not enrolled nation-wide. This represents about 5 million Nigerian children who have not accessed primary education. It is most worrisome that in some states of the federation like Yobe and Zamfara, the proportion of girls to boys in school ranges from 1 girl to 2 boys and 1 girl to 3 boys. There exists a wide variation of this statistics across various states and regions in Nigeria. Currently, the gender gap in Nigeria’s education has narrowed from 12 to 10 points (Ubek, 2010).

The National Average Poverty Rate is 46 percent. The poverty prevalence rate among the 36 states and the Federal Capital Territory in Nigeria is reflective of the geographical Regions where these states belong. For instance, Lagos in the South-West is the lowest on the poverty scale with 8.5 percent due to her internally generated revenue base. Lagos State happens to be the industrial hub of the nation. Her industries generate both revenue and employment opportunities thereby reducing poverty. The spill-over effect is the reduction of poverty rates in the neighboring states such as Osun and Ogun with 10.9 percent and 26.1 percent, respectively. Some states in the South-South Region like

Akwa Ibom(Akwa Ibom 23.8 percent), Rivers21.1 percent), and Bayelsa(29.0 percent) These states enjoy revenue that accrues from 13.5 percent derivation fund from the Federal Government on crude oil exploration activities which amounts to a phenomenal increase on their revenue base and translates to poverty reduction. Other states within the South-South Geo-political Region are highly advantaged on the poverty rating as they fall below the national poverty line for instance; Edo is 19.2 percent, Delta (25.1 percent) and Cross/River (31.1 percent). There are yet many states in the Nigerian federation that are not so advantaged in terms of oil revenue such as: Zamfara State in the North West Region which is rated highest on the poverty scale with 91.9 percent. States within the Northern Agro-based region are characterized with high poverty rates such as: Yobe (90.5 percent), Jigawa (98.4 percent) and Bauchi (86.6 percent). The prevalence rate of all the states could be seen on table 3 below.

**Table 3: States in Nigeria and their Poverty Prevalence Rates**

<b>STATES</b>	<b>POVERTY PREVALENCE RATES</b>
ZAMFARA	91.90%
YOBE	90.50%
JIGAWA	88.40%
BAUCHI	86.60%
KEBBI	86.00%
SOKOTO	85.30%
KATSINA	82.20%
TARABA	77.70%
GOBE	76.90%
KANO	76.90%
BORNO	70.10%
NIGER	61.20%
BENUE	59.20%
ADAMAWA	59.00%
KADUNA	56.00%
EBONYI	56.00%
NASARAWA	52.40%
EBONYI	56.00%
NASARAWA	52.40%
PLATEAU	52.50%
<b>NATIONAL AVERAGE RATE OF 46.0%</b>	
CROSS RIVER	31.10%
OYO	29.90%
BAYELSA	29.00%
ENUGU	28.80%
ONDO	27.70%
KOGI	26.40%
DELTA	25.10%
AKWA IBOM	23.80%
KWARA	23.70%
FCT	23.70%
RIVER	21.10%
ABIA	20.02%
IMO	19.80%
EDO	19.20%
EKITI	19.90%
ADAMAWA	11.20%
OSUN	10.90%
LAGOS	8.50%

Source: *The Global Multinational Poverty Index by the U.N (2016)*

**GAP IN THE STUDY**

Among the various literature examined on the remote causes of poverty in Nigeria, the less than satisfactory state on this theme can be traced to issues of contents and methodology. Nigeria’s poverty profile is yet to be fully explored and analyzed. This work therefore seeks to fill such gap.

### CONCLUSION

The Institutional and non- institutional factors that breed poverty in Nigeria are similar to what obtains in other developing nations of the world such as: Cameroon, Ghana, Burkina Faso, India, Pakistan, Argentina and Brazil. Despite the introduction of not less than 30 poverty alleviation programmes in the last two decades by successive governments (both military and civilian), Nigeria's poverty rates still increases with the population. It can therefore be adduced that the real problem is that of "development". As a developing nation, there are many economic hurdles that Nigeria must surmount in order to drastically reduce its poverty rates. These include:

- Poor per-capita income
- Women illiteracy
- Low life expectancy
- High infant and maternal mortality rates
- High birth- rate
- Political instability
- High rate of inflation
- High Unemployment rates
- Bloated public sector of the economy etc.

### RECOMMENDATION

For the successful reduction of human poverty in Nigeria, the study suggests that:

1. Education should be free and compulsory at the primary and secondary levels.
2. Only people with track records of proven financial integrity should be appointed into government offices.
3. Government should take over the medical expenses of vulnerable groups such as children between 1-5years and adults of 60 years and above.
4. There should be an upward review of 2019 minimum wage act.
5. National Health Insurance Scheme should be properly managed for optimum results.
6. Primary health centers should be properly funded by the National Primary Health Care Board.

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