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Analysis of Poverty Correlates and Multi-Dimensionality in South East Nigeria: New Empirical Evidence From Survey Data

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Using data from the Generalized Households' Survey (GHS), this article analyzed the incidence of multi-dimensional poverty and its determinants in South East Nigeria. Adopting the Alkire-Foster methodology and the logit model, the study found that the significant predictors of poverty and deprivation across dimensions include income (less than minimum wage), education, and consumption. The result showed that based on per capita consumption expenditure, over 60 percent of the South East population are living below the used $1.25/day. The pattern of group-specific poverty headcounts showed that those without formal education are poorer than those with formal education. Seventy percent of those residents in the rural areas were found to be poor as compared with 30 percent poverty level found in the urban areas. Male-headed households were found to be far poorer than female-headed households based on poverty headcounts; however, in terms of multi-dimensional poverty headcounts, female-headed households are more deprived than the male-headed households. The result also showed that the multi-dimensional poverty is exacerbated by being a female-headed household, living in rural areas with large household size. All of these were found to increase the possibility of being multi-dimensionally poor. The result also showed that a household with electricity reduces the incidence of multi-dimensional poverty. The study, therefore, recommended that the government should pay closer attention to female-headed households and the rural areas by providing the basic amenities to ameliorate their socio-economic plights. Since the availability of electricity and other infrastructure reduces poverty incidence, it is expedient for the government to make power (electricity) provision and other infrastructure, a major priority.

KEY WORDS: analysis, multi-dimensional, poverty, consumption, wealth, education, energy, health, survey

Background and Motivation

Poverty is a universal problem, which affects different people in different manners. It besets people in different areas, ways, and facets of life. People experiencing poverty usually are described as underprivileged, and they lack adequate means for good life sustenance. The most striking thing about poverty is that it has become multi-dimensional phenomenon overtime (Jung-Eun, Won-Hong, Bong, & In, 2015; Oshio & Kan, 2014). This perspective on poverty goes beyond the traditional uni-dimensional approach that primarily focuses on income or consumption expenditure (Megbowon, 2018). The justification behind this is based on the idea that income indicator is incomplete and its shortfalls lead to inaccurate estimations of poverty (Diaz, 2003). Therefore, alternative dimensions of poverty, such as deprivations in the ownership of assets, health, educational attainment, and energy among others, are often weakly correlated with income or expenditure (Calvo & Dercon, 2005; Chzhen, Gordon, & Handa, 2017).

On the contrary, poverty has overtime been seen as a problem of developing nations due to the persistent low standard of living among them. For instance, the poverty rate in Nigeria has been varying, and in most times, it has been on the increasing trend. Empirical evidence from the National Bureau of Statistics (NBS, 2006) indicated that poverty in Nigeria was around 15 percent of the population in 1960, and by 1980, it grew to 28.1 percent. The figure surged to 46.3 percent by 1985, before dropping to 42.7 percent by 1992. Similarly, the poverty figure surged further in 1996 to 65.6 percent in a total population of about 102.3 million, but the figure declined to 54.4 percent in 2004 before increasing to around 69 percent in 2010 and 70 percent in 2018 (NBS, 2012, 2018). This showed that poverty in the country fluctuates, and most recently, it has enormously increased. Although Nigeria's Gross Domestic Product (GDP) growth stood at 5.5 percent in 2013, 6.2 percent in 2014, 2.8 percent in 2015, −1.6 percent in 2016, and 0.8 percent in 2017, we reckon that the 2018 GDP growth rate of 2.5 percent against the world benchmark of 3.4 percent and the citizens average GDP per capita of $2,216.672 is abysmally low (NBS, 2018).

One of the most striking dimensions of poverty in Nigeria is the aspect of energy poverty, in which people in developing countries have limited access to energy consumption, use befouled or polluting fuels, and unavoidably spend excessive time collecting fuel just to meet the basic needs, to the detriment of their well-being. Available evidence shows that Nigeria, with its amount of oil reserves, is ranked amongst the poorest nations in the world (Thomas & Canagarajah, 2002). This status actually contrasts with her economic potentials. With the formal power sector consistently failing to deliver, more Nigerians are reportedly climbing down the energy ladder—having to move from the use of electricity, gas, and kerosene, to the use of wood fuel and other traditional biomass energy forms (Emagbetere, Odia, & Oreko, 2016).

Also, the inability of a large proportion of the nation's population to have access to health care or demand for better health-care services is another indicator of poverty (Gafar & Raji, 2005). The status of health care in the country has put a