



Effects of Poverty on Rural Household Welfare in Oyo State, Nigeria

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Abstract - Poverty affects both men and women in most rural households. The study therefore examined the effects of poverty on rural household in Orire Local Government Area of Oyo State, Nigeria. Simple random sampling technique was used in selecting 120 respondents. Data were collected on socio economic characteristics, measurement of poverty and perception of poverty, using structured interview schedule. Descriptive and inferential statistics were used to analyze the data collected. The mean age of the respondents is 43, while majority (80.8%) of the respondents were married with an average annual income of #181,291.67. The most severe measurement of poverty is low income level (WMS = 1.58) while lack of access to good health is a major way of perceiving poverty (WMS = 4.30) among the respondents. The findings of the study also revealed that the major effect of poverty on household is low standard of living (98.3%). A significant relationship was found between age ($r = .018^*$, $p = 0.05$), household size ($r = .025^{**}$, $p = 0.01$), level of income ($r = -.068^{**}$, $p = 0.01$) and the effects of poverty. The study therefore recommends that Government should invest more in farming especially in rural areas to increase the purchasing power of households. Also to provide finance for investment so as to increase the rural income level and thereby improving their standard of living.

Keywords : poverty, perception, strategies, household, welfare.

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EFFECTS OF POVERTY ON RURAL HOUSEHOLD WELFARE IN OYO STATE, NIGERIA

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Abstract - Poverty affects both men and women in most rural households. The study therefore examined the effects of poverty on rural household in Orire Local Government Area of Oyo State, Nigeria. Simple random sampling technique was used in selecting 120 respondents. Data were collected on socio economic characteristics, measurement of poverty and perception of poverty, using structured interview schedule. Descriptive and inferential statistics were used to analyze the data collected. The mean age of the respondents is 43, while majority (80.8%) of the respondents were married with an average annual income of ₦181,291.67. The most severe measurement of poverty is low income level (WMS = 1.58) while lack of access to good health is a major way of perceiving poverty (WMS = 4.30) among the respondents. The findings of the study also revealed that the major effect of poverty on household is low standard of living (98.3%). A significant relationship was found between age ($r = .018^*$, $p = 0.05$), household size ($r = .025^{**}$, $p = 0.01$), level of income ($r = -.068^{**}$, $p = 0.01$) and the effects of poverty. The study therefore recommends that Government should invest more in farming especially in rural areas to increase the purchasing power of households. Also to provide finance for investment so as to increase the rural income level and thereby improving their standard of living.

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I. INTRODUCTION

Poverty is a condition of having insufficient resources or income and can also be defined as the state of one who lacks a certain amount of material possessions or money (Encarta 2009). Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society, and it implies not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn one's living and not having access to credit. Poverty can also mean insecurity, powerlessness and exclusion of individual households and communities. Poverty can further be explained as susceptibility to violence, and it often implies living in marginal or fragile environments, without access to clean water or sanitation ("Indicators of poverty and hunger".un.org.). World Bank (2001) refers to poverty as pronounced deprivation in well

being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. World Bank (2001) also describes poverty to encompass low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of voice and insufficient capacity and opportunity to better one's life. David Moore (2009) argues that some analysis of poverty reflect pejorative, sometimes racial stereotypes of impoverished people as powerless victims and passive recipients of aid programs.

Poverty in its most extreme form is a lack of human needs such as adequate and nutritious food, clothing, housing, clean water and health services. Extreme poverty can cause terrible suffering and death, and even modest levels of poverty can prevent people from realizing many of their desires. The world's poorest people are many of whom live in developing areas of Africa, Asia, Latin America and eastern Europe struggle daily for food, shelter, and other necessities. They often suffer from severe malnutrition, epidemic diseases outbreaks, famine and war. In wealthier countries such as the United States, Canada, Japan, and those in Western Europe, the effects of poverty may include poor nutrition, mental illness, drug dependence, crime and high rates of diseases (Encarta 2009). Perception of poverty is an imaginative extension of thought that conceives of poverty as an agent of pollution. The World Bank (2007) defines extreme poverty as living on less than \$1.25(PPP) per day, and moderate poverty as less than \$2 a day (but note that a person or family with access to subsistence resources e.g. subsistence farmers may have a low cash income without a correspondingly low standard of living, they are not living "on" their cash income but using it as a top up). It estimates that in 2001, 1.1billion people had consumptions levels below \$1 a day and 2.7billions lived on less than \$2 a day. A dollar a day, in nations that do not use the dollar as currency, does not translate to living a day on the amount of local currency as determined by the exchange rate. Rather it is determined by the purchasing power parity, which would look at how much local currency is needed to buy the same things that a dollar could buy in the United States. ["When a dollar a day means 25 cents".bbcnews.com].World Bank (2007) data also shows that the percentage of the population living in households with

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consumption or income per person below the poverty line has decreased in each region of the world since 1990. The importance of studying the effects of poverty cannot be overemphasized for some people believe that poverty results from lack of adequate resources on global level. Resources such as land, food and building materials that are necessary for the well being or survival of the world's poorest people. Some individuals are still unaware of their poverty status and some considered poverty a necessary or desirable condition which must be embraced to reach certain spiritual, moral or intellectual states. This study explored the use of qualitative approach to measure the perception and effect of poverty on the farmers' household. It is on this background that the study identified the socio economic characteristics of the respondents; determined the qualitative measurement of household poverty, the perception of poverty by households in the study area and the coping strategies of households to poverty were also determined. The study further determined the significant relationship between the socio economic characteristics of the respondents and the effects of poverty on the household welfare.

II. METHODOLOGY

The study was carried out in Orire Local Government area of Oyo State. The area consists of 10 political wards. The Local Government is governed by an elected chairman and councillors elected from each ward. It has an area of 23km square and a population of 142,070 at 2006 census. The post code of the area is 210. It is part of the Local Governments of Ogbomoso Area of Oyo State, other local government in the area are Ogbomoso North, Ogbomoso South, Surulere and Ogo Oluwa. The tribe that mainly dominate Orire Local Government area are the Yorubas. The indigenes are mostly farmers, local school teachers and petty traders. The population of study includes the household heads in the study area. Simple random sampling technique was used in selecting 20% of the political wards after which six villages were randomly selected from the two wards namely: Iluju, Ikoyi, Aipo (ward 1) and Tewure, oja titun, Olose (ward 2). Thereafter twenty respondents were randomly selected from each village making a total sample size of one hundred and twenty respondents. Data was collected with the administration of interview schedule which contained both open and close ended questions relating to perception of poverty and its effects on household welfare and information was collected based on the objectives of the study. The variables for the study include both dependent and independent variables. The dependent variable is the effect of poverty and the independent variables include age, sex, marital status, and level of education. The statistical tools that were used to analyse the data collected, include descriptive and inferential statistical tools. Frequency count, percentages, and mean values

were used as the descriptive tools while Pearson Product Moment Correlation was used to determine the relationship between the variables.

III. DATA ANALYSIS AND INTERPRETATION

a) Socio economic characteristics of the respondents

Table 1 show that majority of the respondents (37.5%) were between ages 40 and 49. The mean age of the respondents was calculated to be 43 years and it implies that majority of the respondents were still in their economically active age. 62.5% of the respondents were Christians, and this shows that Christianity is prevalent in the study area. 80.8% of the respondents were married. The high percentage of married people is an indication of more responsible adults in the area, which implies that the respondents enjoy support from their spouses and children. 64.2% of the respondents had about 5 members in their household with most of them having one form of formal education or the other. 66.7% of the respondents were involved in farming as their primary occupation while 31.7% were involved in other occupations such as teaching and trading. Which implies that majority of the respondents earn a living from farming. This findings conforms with that of Omoregbee and Edeogbon (2006), in their study on diversification of livelihood among rural households noted that 90% of poor households relied on farming as a major source of income. The average annual income is #181,291.67 which implies that majority of the respondents earns about #200,000 annually.

b) Measurement of household poverty

Table 2 shows the mean score and rank of the items that measures household poverty. The level of poverty was measured on 3 point scale based on severity: very severe, severe and not severe. Low income level (WMS=1.58) was ranked as the most severe measurement of household poverty, followed by poor access to good security (=1.44), poor access to standard health facilities (=1.38), poor housing quality (=1.28), and precarious livelihoods (=1.13). Others are excluded locations (=1.06), weak community organisations (=1.04), poor gender relationships (=1.01) and disempowering institutions (=1.01). Problems in social relationships (=0.86), limited capabilities (=0.79), physical limitations (=0.78), abuse by those in power (=0.75) and poor access to portable water. This implies that the most severe measurements of poverty were low income level and poor access to good security.

c) Perception of poverty

The perception of poverty by respondents in their households was measured on five point scales which are strongly agreed, agreed undecided, disagree and strongly disagree. Table 3 shows that some of the respondents strongly agreed that lack of access to good health (WMS=4.30) and lack of access to basic

necessity of life (=4.20) were the major ways by which poverty can be perceived. Others are inadequate care (=4.12), inability to own property (=4.12) and inability to meet social and economic obligation (=4.05). Lack of information or access to modern agricultural inputs (=4.03), Lack of stable job due to lack of skill (=3.63), inadequate self education (=3.54), lack of money for children education (=3.07) and high mortality rate (=2.43). This implies that lack of access to good health and lack of access to basic necessity of life were the major ways of perceiving poverty by the respondents.

d) *Poverty coping strategies*

Table 4 shows that 98.3% of the respondents sell their farm produce, 96.7% pray to God in Church and Mosque and 84.2% have personal savings as their poverty coping strategies. 70.0% of the respondents accept gift from better off members of the family while 58.3% deny themselves and family of food and clothing. Another 46.7% borrow from friends and relations, 18.3% deny themselves and family of proper medical care when needed and 13.3% eat starchy food without meat, 9.2% involve themselves in town development unions. Also 7.5% buy food on credit, 6.7% are local leaders, 5.8% take credit for benefits, 3.3% sell their assets, 0.8% pack leftover food at social functions and withdraw children from school. Some of these major strategies such as praying to God in Church of Mosque and gift from better off members of the family are not income generating since they may encourage laziness and hence the tendency to remain in poverty and impoverish other members of the community.

e) *Effects of poverty*

Table 5 shows that all the respondents were adversely affected by poverty in their household in one way or the other. To 98.3% of the respondent, low standard of living was the major effect of poverty they experienced. 89.2% had low income level, 75.0% experienced low life expectancy, 67.5% had low rate of employment and 58.3% had poor housing condition. 52.5% were affected by poor nutrition, 45.8% experienced high rate of illiteracy and 42.5% had overpopulation rate. Another 20.8% were affected by high level of starvation or hunger, 15.0% experienced high rate of crime and violence while 9.2% had incidence of infectious diseases, 3.3% were affected by high level of mental illness and high rate of alcoholism while 0.8% were affected by physical health problems, high infant mortality rate and drug dependence. This implies that the major effects of poverty on the respondents were low standard of living, low income level and low life expectancy.

f) *Relationship between the socio economic characteristics of the respondents and the effects of poverty on their household.*

Ho1:- There is no significant relationship between the socio economic characteristics of the respondents and the effect of poverty on the household.

The result of the findings in table 13 revealed that there were positive and significant relationships between the age of the respondents ($r = .018$), household size ($r = .025$) and the effect of poverty on household. However there was an inverse relationship between the annual income of the respondents ($r = -.068$) and the effect of poverty. This implies that respondents that are older and have larger household sizes are more affected by poverty. This could be attributed to the need for survival as responsibilities tend to increase with age and household size. Also, respondents that earn higher income will be able to afford the basic necessity of life and household needs therefore, the lower the effects of poverty.

IV. CONCLUSION AND RECOMMENDATION

From the study, the mean age was 43 years which show that majority of the respondents were still in their economically active age. 62.5% were Christians and majority were married which implies that they enjoy support from their family. The average size of the households was 5 and majority of the respondents earn their living from farming which means that farming is the main source of livelihood in the households. The average annual income of the respondents was #181,291.67 that is, majority of the respondents earn about #200,000 annually. The most severe measurements of poverty were low income and poor access to good security while the major ways of perceiving poverty were lack of access to good health and lack of access to basic necessity of life. The major poverty coping strategies of the respondents were selling of farm produce and praying to God in Church or Mosque. Also, the respondents agreed that poverty had various adverse effects on their households. The major adverse effect of poverty on households is low standard of living. The study concluded that age, household size and annual income had influence on the effect of poverty on the households. The study therefore recommended that Government should invest more in farming especially in rural areas to increase the purchasing power of households and also to provide finance for investment. Also the respondents should be encouraged to do away with unproductive poverty coping strategies such as dependence on other people.

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Table 1 : Socio economic characteristics of the respondents [N = 120]

Variable	Frequency	Percentage
Age (in years)		
20 – 29	16	13.3
30 – 39	25	20.9
40 – 49	45	37.5
50 – 59	31	25.8
60 – 69	3	2.5
Religion		
Christianity	75	62.5
Islam	45	37.5
Marital Status		
Single	12	10.0
Widow	11	9.2
Married	97	80.8
Household size		
1 – 5	77	64.2
6 – 10	43	35.8
Level of Education		
Non formal education	12	10.0

Primary education uncompleted	1	0.8
Primary education educated	21	17.5
Secondary education uncompleted	28	23.3
Secondary education completed	51	42.5
Tertiary education completed	7	5.8
Primary Occupation		
None	2	1.6
Others	38	31.7
Farming	80	66.7
Annual Income (#)		
< 100,000	9	7.5
101,000 – 200,000	69	57.5
201,000 – 300,000	39	32.5
301,000 – 400,000	2	1.7
401,000 – 500,000	1	0.8

Table 2 : Distribution of respondents by measurement of poverty

Items	Very severe	Severe	Not severe	S WMS	Rank
Poor access to good security	56(46.7)	61(50.8)	3(2.5)	173	1.44 2
Poor access to portable water	11(9.2)	50(41.7)	59(49.2)	72	0.60 14
Precarious livelihoods	21(17.5)	93(77.5)	6(5.0)	135	1.13 5
Excluded locations	14(11.7)	99(82.5)	7(5.8)	127	1.06 6
Problems in social relationships	12(10.0)	79(65.8)	29(24.2)	103	0.86 10
Abuse by those in power	6(5.0)	79(65.8)	36(30.0)	90	0.75 13

Limited capabilities	2(1.7)	91(75.8)	27(22.5)	95	0.79	11
Disempowering institutions	12(10.0)	97(80.8)	11(9.2)	121	1.01	8.5
Low income level	72(60.0)	45(37.5)	3(2.5)	189	1.58	1
Poor access to health facilities ⁵¹	(42.5)	63(52.5)	6(5.0)	165	1.38	3
Poor housing quality	39(32.5)	76(63.3)	5(4.2)	154	1.28	4
Weak community organisations	14(11.7)	97(80.8)	9(7.5)	125	1.04	7
Gender relationships	12(10.0)	97(80.8)	11(9.2)	121	1.01	8.5
Physical limitations	7(5.8)	79(65.8)	34(28.3)	93	0.78	12

Source : Field research, 2011

Table 3 : Distribution of respondents by perception of poverty

Items	Strongly	Agree	Undecided	Disagree	Strongly	Score	WMS	Rank
Inadequate care	21(17.5)	96(80.0)	0(0)	2(1.7)	1(0.8)	494	4.12	3
Lack of stable job due to lack of skill	11(9.2)	70(58.3)	25(20.8)	12(10.0)	2(1.7)	436	3.63	8
Inability to own property	35(29.2)	71(59.2)	7(5.8)	7(5.8)	0(0)	494	4.12	3
Lack of access to good health	45(37.5)	66(55.0)	9(7.5)	0(0)	0(0)	516	4.30	1
Inadequate self education	5(5.2)	59(49.2)	52(43.3)	4(3.3)	0(0)	425	3.54	9
Lack of money for children education	5(4.2)	44(36.7)	29(24.2)	38(31.7)	4(3.3)	368	3.07	10
High mortality rate	0(0)	16(13.3)	33(27.5)	57(47.5)	14(11.7)	291	2.43	11
Lack of access to basic necessity of life	28(23.3)	89(74.2)	2(1.7)	1(0.8)	0(0)	504	4.20	2
Unable to meet social and economic obligation	13(10.8)	103(85.8)	2(1.7)	1(0.8)	1(0.8)	486	4.05	5

Inadequate access to infrastructure and services	6(5.0)	108(90.0)	1(0.8)	4(3.3)	1(0.8)	474	3.95	7
Lack of access to modern agricultural input	4(3.3)	115(95.8)	1(0.8)	0(0)	0(0)	483	4.03	6

Source : Field survey, 2011

Table 4 : Distribution of respondents by coping strategies.

Poverty coping strategies	Frequency	Percentage	Rank
Gift from better off members of the family	84	70.0	4
Selling of farm produce	118	98.3	1
Praying to God in Church or Mosque	116	96.7	2
Involving in town development unions	11	9.2	9
Local leaders	8	6.7	11
Eating starchy food without meat	16	13.3	8
Deny of oneself and family of proper medical care	22	18.3	7
Selling of assets	4	3.3	13
Personal savings	101	84.2	3
Borrowing from friends and relations	56	46.7	6
Packing of leftover food at social functions	1	0.8	14.5
Denying oneself and family of food and clothing	70	58.3	5
Withdrawing of children from school	1	0.8	14.5
Running away from creditors	0	0	16
Buying food on credit	9	7.5	10
Taking credit for benefits	7	5.8	12

Source : Field survey, 2011

Table 5 : Distribution of respondents by effects of poverty

Effects	Frequency	Percentage	Rank
Poor nutrition	63	52.5	6
High level of starvation or hunger	25	20.8	9
Low rate of employment	81	67.5	4
Overpopulation rate	51	42.5	8
Low income level	107	89.2	2
Incidence of infectious diseases	11	9.2	11
Poor housing condition	70	58.3	5
Physical health problems/disability	1	0.8	15
High infant mortality rate	1	0.8	15
High level of mental illness	4	3.3	12.5
Drug dependence	1	0.8	15
High rate of illiteracy	55	45.8	7
High rate of crime and violence	18	15.0	10
High rate of alcoholism	4	3.3	12.5
Low standard of living	118	98.3	1
Low life expectancy	90	75.0	3

Source : Field survey, 2011

Table 6 : Relationship between the socio economic characteristics of the respondents and the effect of poverty on their household.

Variables	r value	Decision
Age	.018*	Significant
Household size	.025**	Significant
Number of years spent in school	-.026	not significant
Primary occupation	.085	Not significant
Annual income	-.068**	Significant

*Correlation is significant at 0.05 level of significance (2 tailed)

**Correlation is significant at 0.01 level of significance (2 tailed)