

URBAN POVERTY IN NIGERIA: A CASE STUDY OF AGEGE AREA OF LAGOS STATE, NIGERIA.

BY

**TOKUNBO SIMBOWALE OSINUBI
DEPARTMENT OF ECONOMICS
FACULTY OF THE SOCIAL SCIENCES
UNIVERSITY OF IBADAN, IBADAN, NIGERIA
tokunbosinubi@yahoo.co.uk**

AUGUST 2003

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ABSTRACT

Poverty is multi-dimensional. It is characterized by lack of purchasing power, exposure to risk, malnutrition, high mortality rate, low life expectancy, insufficient access to social and economic services and few opportunities for income generation. Though the incidence of poverty in Nigeria is much higher in the rural areas than in the urban centres, the urban slum dwellers form one of the more deprived groups. Urban poverty has been a low priority on research and development agenda of Nigerian government. For over two decades, these have been dominated by rural development and rural poverty. The recent renewed interest in urban issues has been due to the widespread idea that urbanization is speeding up. At the end of the year 2000 about half the world's population live in urban areas, in 1975 this was only 28%. In 1970, developing countries level of urbanization was 25%. In 1994, it has increased to 37% and it is projected to be 57% in 2025 (U.N.O., 2001).

In Nigeria the number of rural poor declined from 26.4 million in 1985 to 22.8 million in 1992. In urban towns and cities, it rose from 9.7 million to 11.9 million in 1985-1992. The depth of poverty declined from 19% to 16% in rural areas, while it increased in urban areas from 9% to 12%. In 1985-1992, total extreme poverty in Nigeria increased from 10.1 million people to 13.9 million with a near three-fold increase in the urban extreme poor from 1.5 million to 4.3 million people (World Bank, 1995). Moreover, the depth and severity of extreme poverty increased more than seven-fold in urban Nigeria compared with a two-fold increase in rural areas. From these evidences, the problem of urban poverty in Nigeria is becoming more serious and alarming as compared to the rural poverty.

This study was carried out in Agege area of Lagos State to determine conditions under which the urban poor live in order to provide information, which will help the city and state administrators, develop more positive policies and actions towards the poor. The methodology adopted involved the use of structured questionnaire for the collection of information on the level of total household consumption expenditure and other social economic characteristics, which might influence the occurrence of poverty in one way or the other. A total of 140 copies of questionnaire were administered and 100 were returned, using stratified random sampling.

The study revealed that there is existence of poverty in the urban area of Agege of Lagos State. It was revealed that there is a considerable inequality in the distribution of wealth in the area. The inequality in wealth and different poverty levels were attributed to unequal opportunities to get some level of education, type of occupation and difference in household size and number of persons working in the household.

Our results show educational status and annual per capita income as determinant of per capita household expenditure on basic needs. Other variables, which may be socio-cultural, technical, financial, and institutional, which cannot be adequately captured in this study, can be expected to improve R^2 if included.

However, there is need for government to formulate and carry out thorough implementation of economic development plans and programmes that will provide employment, housing, education, improved health care facilities among other things specifically for the urban poor.

1.1 Introduction

The most pathetic feature of Nigeria society today is that a majority of its members are living in a state of destitution while the remaining relatively insignificant minority, are living in affluence. These skewed economic relations do not reflect the geographic spread of resource endowment; rather it is a product of classical greed, injustice and selfishness, which is beyond any economic principle. Though it is true that where one comes from can be a strong determinant of one's economic status because of difference opportunities and constraints but what is happening in our society today differed too much from this.

Poverty has no geographical boundary. It is seen in the North, West, South and East. It is found in rural as well as urban areas of Nigeria. Though the incidence of poverty in Nigeria is much higher in the rural areas than in the urban centres, the urban slum-dwellers form one of the more deprived groups (World Bank, 1997).

The income dimension of poverty defines poverty as a situation of low income or low consumption. This has been used for constructing poverty lines. Accordingly people are counted poor when their measured standard of living in terms of income or consumption is below the poverty line. Thus, the poverty line is a measure that separates the poor from the non-poor. However, poverty has both income and non-income dimension usually intertwined. The poor are those who are unable to obtain an adequate income, find a stable job, own property or maintain healthy conditions. They also lack an adequate level of education and cannot satisfy their basic health needs (Sancho 1996). Thus, the poor are often illiterate, in poor health, and have a short life span (World Bank, 1995). They have no (or limited) access to basic necessities of life such as food, clothing, decent shelter, are unable to meet social and economic obligations, they lack skills and gainful employment, have few, if any economic assets, and sometimes lack of self-esteem (Olayemi, 1995). Very often, the poor lack the capacity to escape from their situation by themselves. This characteristic is what causes the social conditions of extreme

poverty to persist and to be transmitted from one generation to the next. Frequently, those most affected by extreme poverty are young children, pregnant mothers, the elders, the inhabitant of rural areas and marginal urban zones and those groups of people who have not been integrated into the society, especially, certain ethnic groups of people who find themselves segregated in their own societies. Among the groups most affected by extreme poverty throughout the world are those who are most vulnerable and lack resources, along with those who do not have capacity to organize themselves nor to exercise the right to protect their situation (Sancho, 1996).

The poor in most developing countries are to be found among four identifiable economic groups the rural landless, the small farmers, the urban underemployed and the unemployed. Generally, the poor are dis-proportionately located in rural areas and slums in urban areas.

The urban poor in sub-Saharan Africa especially the West Africa region experience difficult time. The episode of international adjustment programme clearly harmed the urban poor group the most, despite the government intention to protect the incomes of the urban groups especially the elites. Even if the very wealthy groups have benefited from adjustment programmes, the majority of the urban population was hit badly by the policy-induced recession. The incidence of urban poverty increased in the region for both public sector and the private sector.

Urban poverty has been a low priority on research and development agenda of Nigerian government. For over two decades, these have been dominated by rural development and rural poverty. The recent renewed interest in urban issues has been due to the widespread idea that urbanization is speeding up. At the end of the year 2000 about half the world's population live in urban area, in 1975 this was only 28%. In 1970, developing countries level of urbanization was 25%. In 1994, it has increased to 37% and it is projected to be 57% in 2025 (U.N.O., 2001).

In Nigeria the number of rural poor declined from 26.4 million in 1985 to 22.8 million in 1992. In urban towns and cities, it rose from 9.7 million to 11.9 million in 1985 – 1992. The depth of poverty declined from 19% to 16% in rural areas, while it increased in urban areas from 9% to 12%. In 1985 – 1992, total extreme poverty in Nigeria increased from 10.1 million people to 13.9 million with a near three-fold increase in the urban extreme poor from 1.5 million to 4.3 million people (World Bank, 1995). Moreover, the depth and severity of extreme poverty increased more than seven-fold in urban Nigeria compared with a two-fold increase in rural areas. From the above evidences, the problem of urban poverty in Nigeria is becoming more serious and alarming as compared to the rural poverty. The problem has been due to recent high population growth rates and rural-urban migration, which has made the quality of life in urban centre slums worse and urban services over, stretched.

Given the above it is therefore important to study the conditions under which the urban poor live in order to provide information, which will help the city and state administrators develop more positive

policies and actions towards the poor. It will also aid in knowing the living standard of the people in the study area and also facilitates comparison of their living standard within the region and with other parts of the country in term of income-expenditure (per capita) and other social welfare performances. This study therefore, uses primary and cross-sectional data to examine and determine the dimensions and level of urban poverty in Agege area of Lagos State, Nigeria. The methodology to be adopted will involve the use of structured questionnaire (stratified random sampling) for the collection of information on the level of total household consumption expenditure and other socio-economic characteristics, which might influence the occurrence of poverty in one way or the other.

The remainder of the paper proceeds as follows. Section two reviews the literature while section three is the methodology. Section four contains the analysis of results and section five concludes the study.

SECTION TWO LITERATURE REVIEW

2.1 Concept and Nature of Poverty

Poverty defies objective definition because of its multi-dimensional nature. There is yet no universally accepted definition of poverty. There is always the difficulty in deciding where to draw the line between the poor and the “non-poor”. Aluko (1975) refers to poverty as a lack of command over basic consumption needs, which mean, in other words, that there is an inadequate level of consumption giving rise to insufficient food, clothing and/or shelter, and moreover the lack of certain capacities, such as being able to participate with dignity in society.

Poverty has been defined as the inability to attain a minimum standard of living (World Bank Report, 1990). The report constructed two indices based on a minimum level of consumption in order to show the practical aspect of the concept. While the first index was a country specific poverty line, the second was global, allowing cross-country comparisons (Walton, 1990). The United Nations has introduced the use of such other indices as life expectancy, infant mortality rate, primary school enrolment ratio and number of persons per physician.

Poverty has also been conceptualized in both the “relative” and “absolute” sense. This is generally based on whether relative or absolute standards are adopted in the determination of the minimum income required to meet basic life’s necessities. The relative conceptualization of poverty is largely income-based or ultimately so. Accordingly, poverty depicts a situation in which a given

material means of sustenance within a given society is hardly enough for subsistence in that society (Townsend, 1962).

What is most important to deduce from these different definitions is that, poverty must be conceived, defined and measured in absolute quantitative ways that are relevant and valid for analysis and policy making in that given time and space.

In Nigeria, the prevalence of both relative and absolute poverty is duly recognized and even mentioned in various National Developments Plans (1975, 1980). Concern for poverty scourge received a further boost during the 1975 Annual Conference of the Nigerian Economic Society (NES) and during the 1997 Annual Conference of the same NES. The 1975 NES conference was devoted entirely to sensitizing the nation to the poverty menace view that poverty existed when incomes or disposable resources were inadequate to support a minimum standard of decent living. Some of the components of living were specified in the individual papers and more importantly the urban poverty was well enlightened. While the 1997 Annual Conference was devoted to impact of Structural Adjustment Programme (SAP) on poverty in Nigeria and different methods of alleviating poverty in Nigeria. It was agreed that majority of those who are poor are not producers themselves. This group of people forms part of dependent population because they have no direct earnings of the type typically evaluated in distribution studies. And partly there is no guarantee that an increased income would be spent on essential services. Therefore, it was agreed upon that improvement in basic needs such as medical, housing, education, regular access to nutritional food and so on remains the best option.

Dudley (1975) sees poverty largely in the light of the need for personal growth in Nigeria. According to him, the basic needs, which any society should provide for its members should include such things as food, clothing, shelter, education, health, work and mobility. Dudley provided some basic indicators of the state basic services especially in relation to the poor in Nigeria. Most of the discussion was at a national aggregate level. Other than showing the general adverse situation in the rural and urban areas, inequality, potable water supply, he also refers to issues of nutrition, for instance, it was stated that 30 percent of the households in Oyo State are malnourished. He also stated that in Lagos State more than 72 percent of the households live in one-room houses. He also highlighted that access to health services may vary from two-third of the population in the South to one-third in the North.

Under the principle of basic needs, Steward (1985) did a comprehensive study on Nigeria poverty. She alludes to the fact there is substantial under-reporting in basic indicators especially in child mortality, diseases and morbidity. She also states that there is positive urban bias in government expenditure for basic services significantly inadequate income to meet basic food needs let alone basic services.

The issue of conceptualizing poverty within a basic needs framework, specifying these needs and settling minimum levels for them within the Nigerian context, has been the focus of studies by Ogwumike (1987, 1991) and Ogwumike and Odubogun (1989). These studies generally defined poverty as a household's inability to provide sufficient income to satisfy its need for food, shelter, education, clothing and transportation. Minimum standards for food are based on nutritional requirements in terms of calories and protein consumption habit and customs are also allowed for in the selection of the food items to give the required national stock. Shelter and education, the number of person per room and the number of children attending school (and the level of schooling) respectively, are adopted as minimum standard. However, the problem of defining minimum standard for clothing and transportation has persisted.

2.2 Poverty Measurement in Nigeria

Given that poverty has been correctly conceptualized, traditional approaches to measurement usually start with the specification of poverty line and the value of basic needs considered adequate for meeting minimum levels of decent living in the affected society.

Poverty can be measured using the head count ratio which is based on the ratio or percentage of the number of individual or household whose income are not equal to the poverty line to the total number of individuals or households (Bardhan, 1973; Ahluwalia 1976; Ginneken 1980). Another method of measuring intensity of poverty is the "income-gap" ratio. Here the deviation of the poor's incomes from the poverty line is average and divided by the poverty line or expressed as its percentage (World Bank, 1980).

A major work on Nigeria using the core basic needs approach is that of Ogwumike (1987, 1991). His work examined the utility of poverty measure that takes into account the basic needs of life based on Nigerian scene. Using data from a sample survey of households he conducted in Borno, Imo and Oyo States between October 1984 and January 1985, he derived minimum levels for such basic needs item as food (759.5 kilo cal/week and 2533.3 gm/week protein), shelter (₦4.66 a month per person), education (2.09/month/per person) in Nigeria; derived a poverty line of ₦ 47.44 per person per month for Nigeria based on food and non-food needs. The food component constitutes about 80 percent of total expenditure and calculated the extent of poverty (those with income less than the poverty line ₦47.44) to be 57.14 percent of the sampled households. He then concludes that a greater proportion of the population may continue to be deprived of their needs unless radical poverty eradication programmes are instituted in Nigeria.

In 1989 the World Bank study constructed poverty lines on the basis of 1978 income data, which amounted to ₦65 per family in urban area and ₦35 per family in rural area. The poverty line assumed in

the case of urban household ₦50 for food and rest for housing, clothing etc and set the rural prices to be 40 percent below urban level. According to these lines it was estimated that 34 percent were poor in urban area (instead of 15 percent in 1974), while 40 percent were under poverty line in rural area.

Drawing results on the basis of unprocessed 1985/85 Federal Office of Statistics data, the World Bank in 1989 conducted research study on poverty lines in Nigeria. The poverty lines were set at ₦150 for urban and ₦110 for rural areas using 20 percent of urban households and 17.2 percent of rural households to fall below poverty line or food insecure, resulting in around 18 percent of all households nationally being poor.

Oni and Anthonio (1974) also conducted a household's survey in Ibadan between 1970 and 1971. Essentially the study was conducted to increase their understanding of food consumption patterns in an urban area (Ibadan) of Nigeria and to present concrete solution to food and poverty problems in large urban areas. The survey covered three areas, University of Ibadan senior staff quarters, Abadina community and Ojaogbo to represent the high, middle and low-income areas respectively. The households covering less than ₦60 per month were classified as low-income households, those earning at least ₦60 but less than ₦200 per month were classified as middle income earning households while those earning ₦200 and above per month were classified as high-income households. From the analysis carried out, it was found that about 62 percent of the aggregate were expended on food. The percentage dropped to about 39 percent for the middle-income groups and further declined to about 16 percent for the high-income group. They also found that the high-income group saved about 11 percent of their disposable income, while the low-income group saved only 6 percent. The study also disclosed that the proportion of income that was spent on non-food items increased with income. In concluding the analysis, it was found that other factors such as the size, age, occupation and other demographic characteristics affect or inference poverty.

Echebiri (1997) carried out a study on the structure of rural income inequality and poverty in the Southeastern Nigeria. In his study, household data were collected from sixteen villages in Abia, Anambra, Enugu and Imo States for the period of November 1984 and December 1985. A total of one hundred and fifty five (155) households were surveyed. Households were categorized into bottom, medium and top income groups to capture differences in income levels. The analyses showed that household's income is best estimated using monthly expenditure and repeated cost-route visit techniques. Income was generally low in study areas and the distribution was not particularly skewed. Four poverty line criteria were used to estimate the incidence of poverty: Minimum Calorie requirement, food share of total expenditure, ₦395.41 per capita per month at 1995 prices (World Bank 1995) and ₦1500 per capita per annum at 1996/97 prices. The analysis of rural socio-economic profiles shows striking locational variations among bottom, medium and top income groups. The variation was

discovered to relate intimately with Agro ecology (a major occupation) and urban inference as key correlates of household income. Food dominates household expenditure comprising about 69 percent, 65 percent and 54 percent for bottom, medium and top income groups respectively.

Also, Van de Walle (1990) carried a study on poverty alleviation in Nigeria; she suggested that the satisfaction of basic needs directly alleviate some of the most severe consequences of poverty. She contended that healthy, well-nourished and educated individuals obviously have a higher standard of living than sick, hungry and ignorant ones. This is because the former are more productive and better able to respond to new opportunities. She therefore, suggested investment in human capital and involvement of the poor in the growth process.

Likewise, World Bank (1995) carried out a study on Nigeria. The study identified poverty in rural communities as related to poor physical facilities, food insecurity, obsolete agricultural practices, poor nutritional values, little access to savings and credit, general inability to educate children due to high cost, inadequate diet, and homes without amenities such as latrines, bathrooms and kitchens, irregular water supply and electricity as well as the inability to cloth oneself.

In another wider but controversial study by the World Bank carried out in 1996 on poverty in Nigeria, they assessed the poverty trend in Nigeria between 1985 and 1992 using two-thirds of mean households expenditure as poverty line. The main findings of the study were first, poverty was more pronounced in rural than urban area. Second, the southern part of the country had less poverty than either the central or northern part of the country, finally, poverty in Nigeria declined between 1985 and 1992 from 36 million out of a 1995 population of 84 million to 34.7 million out of 1992 population of 102 million. The study shows that the mean per capita household expenditure (in 1985 prices) rose from ₦592.81 in 1985/86 to ₦792.6 in 1992/93. Consequently, the estimated moderate and extreme poverty lines stood at ₦395.41 and ₦197.71 respectively. Moderate poverty was reported to have fallen from 31 percent in 1985/86 to 20.5 percent in 1992/93, while extreme poverty rose marginally from 12 percent in 1985/86 to 13.6 percent in 1992/93. It was shown that incidence and depth of poverty fell nationally between the two periods, poverty severity rose during the period. In addition, the incidence rose in some states such as Kano, Rivers and Sokoto. The severity also rose in states like Borno, Benue, Cross Rivers, Kano, Kwara, rural Lagos, Plateau and Rivers. The incidence of poverty for all poor in 1992 was 36.4 percent for rural Nigeria and 30.4 percent for urban Nigeria, which indicates that poverty is not seen in the rural but also co-existed in urban cities/areas of Nigeria.

From the foregoing studies, therefore, it can be seen that poverty has long been in existence in Nigeria. The incidence, depth and severity of poverty have been increasing over the years. More so, over the years, it has been shown that poverty is not limited only to the rural areas of Nigeria but existence of poverty in urban areas has been on the increase.

SECTION THREE

METHODOLOGY

3.1 The Study Area

This study attempts to examine the poverty level in Agege area of metropolitan Lagos. Agege being one of the metropolitan Lagos areas was chosen because it is essentially an urban area and one of the densely populated areas in Lagos, Nigeria. Such a place is a natural abode of the poor and the unskilled. More so, being a major commercial, administrative and industrial centre, metropolitan Lagos is also the natural abode of the rich and affluent. Hence a study of this nature reveals the nature of urban poverty in Nigeria. Metropolitan Lagos consists of Lagos division and the urban part of Ikeja division of Lagos state which has now been zoned into five; Lagos North composing Agege and Ikeja local government areas, Lagos South composing Lagos Island, Lagos Mainland and Eti-Osa local government areas, Lagos Central composing Mushin local government, Lagos West composing Shomolu, Ikorodu, Epe and Ibeju-Kekki local government areas.

3.2 Data Source

The data used for this study were of primary origin. The data were collected through a general household survey and by the administration of structured questionnaire. The survey covered notable areas in Agege, Lagos State like Dopemu, Shasa, Akowonjo, Ipaja, Gbotikuyo, Oko-Oba, and Orile-Agege. The sample households in all the areas covered were selected by stratified random sampling technique and this was achieved by dividing the population into stratum or sub-population, the household sample was drawn randomly to allow for degree of representativeness.

Information was sought from the sample households on both quantifiable and non-quantifiable factors affecting income and households expenditure pattern. Those factors include, household monthly income, source of income, household size, expenditure in various consumers' items, occupation, employment, and other household non-food expenditure. The consumer items that were considered were food, accommodation, clothing, transport, household goods, fuel and light, school fees, drinks and entertainment and other goods and services. The food items considered include yam, *gari*, beans, rice, bread, egg, fish, beef, or pork, *eko* (pap), cassava flour, vegetable, fruits and others.

A questionnaire was given to each respondent when literate and the procedure for completing the questionnaire was explained to him or her. The illiterate respondents were interviewed directly using personal interview method in order to avoid incomplete information.

On the whole, a total of one hundred and forty (140) copies of questionnaire were printed, out of which one hundred (100) were collected for the analysis due to lack of cooperation from some respondents and incomplete information from some others.

3.3 Analytical Techniques

The analytical techniques employed in analyzing available data include Gini coefficient of analyzing inequality in the distribution of wealth and Frequency distribution analysis. Regression analysis was used to determining the factors responsible for expenditure of households' basic needs.

SECTION FOUR ANALYSIS OF DATA AND RESULTS

4.1 Socio-Economic Characteristics of the Respondents (Poor And Non-Poor)

The characteristics of the respondents treated here are those that have bearing with poverty in Agege area of Lagos state.

4.1.1 Sex and Marital Status of Respondents

Table 4.1: Sex and Marital Status of Respondents

Marital Status	Male Frequency	Female Frequency	Total Frequency	Percentage Distribution
Single	3	2	5	5%
Married	73	6	79	79%
Divorced / Widowed	6	10	16	16%
Total	82	18	100	100%

Source: Field Survey 2003.

From the above, it is shown that 79% of the respondents are married on the average. However, the percentage of married men far exceeded that of women. A greater percentage of women were either divorced or widowed. This will, as a matter of fact, affect their level of living as the burden of catering for themselves and children (as often the case in most Nigerian families) shift completely to the women. The percentage of single headed household is 5% but more males are single than females.

4.1.2 Age Distribution of Respondents

The study revealed that majority of the sampled household heads was between 20 and 50 years old.

Table 4.2: Age Distribution of Respondents

Age Group of Households Heads in Years	Male Frequency	Female Frequency	Total Frequency	Percentage Distribution
Less than or equal 30	2	2	4	4%
31 – 40	23	1	24	24%
41 – 50	32	6	38	38%
51 – 60	12	8	20	20%
Greater than 60	12	1	14	14%
Total	82	18	100	100%

Source: Field survey 2003.

Table 4.2 above shows that the majority of the respondents fell between the age 20 and 50 years and constituted 66% of the total household interviewed. Therefore, the majority of the respondents are middle-aged people. This distribution has two implications on poverty. While the distributions still rank all the respondents on the average at their economically active age, it also shows that they are still at the child bearing age. In the first reason cited, the ability of family to go about their daily activities in order to earn income with which they cater for their family basic needs is enhanced. Thus, these can result in reduction in poverty. Alternatively, the fact that most are still child bearing age leaves much to be desired. This is because, the larger the family size, the more thinly spread is the family's income on basic needs. Thus, leading to poverty aggravation. The above postulations are however subject to the respondent's level of education and life style as well as religion affiliation.

4.1.3 Educational Status of Respondents

The level of education of the respondents revealed that most of them are educated. Above 82% of the respondents are educated. However, the level of education varied from primary to secondary and tertiary institutions. Thus, the number of years spent in school varies from 6 to 15 years.

Table 4.3 Educational Status of Respondents

Educational Level	Male Frequency	Female Frequency	Total Frequency	Percentage Distribution
None	14	4	18	18%
Primary	5	6	11	11%
Secondary	24	2	26	26%
Tertiary	39	6	45	45%
Total	82	18	100	100%

Source: Field Survey 2003.

The percentage of those that are not educated is about 18%. This shows that the average Lagos residents is educated. This could be because any urban dweller requires a bit of education before such can properly fit into the life style of the urbanites. We must note that about 82.9% of the males compared with 77.8% of the female are educated. Also male population has greater member of uneducated than the females. The impact of such differences can only be seen in the earning capacities of the people. Additional, exposure of more males than females to education will strongly affect their poverty level differently.

4.1.4 Occupational Distribution of the Respondents

Even though majorities are educated, it is shown from the study that about 43% are self-employed while about 51% are either government employees or in private companies. Only about 6% of the respondents are unemployed with males accounting for 83.3% of the 6% and majority of which are pensioners. The effect of this is that more male respondents might be under poverty since being employed confers income-earning opportunity on someone.

Table 4.4: Occupation of Respondents

Occupation	Male Frequency	Female Frequency	Total Frequency	Percentage Distribution
Government	27	6	33	33%
Privates companies	18	-	18	18%
Self employed	32	11	43	43%
Unemployed	5	1	6	6%
Total	82	18	100	100%

Source: Filed Survey 2003.

The high percentage of self employed has been due to the inability of the government to provide good and adequate jobs for the qualified masses and also from the facts that the high percentage of self employed must have been due to the educational status of the respondents. For instance, about 55% of the respondents have educational qualification below secondary school. This qualification, by Nigeria standard, is not enough to be employed under government.

4.1.5 Household Size of the Respondents

The household size of the respondents ranged between 2-13 for both male and female household heads. However, the average family size of the respondents is 3. The impact of large family size is such that it reduces the per capita expenditure of the family thereby aggravating poverty in that household. The distribution of the household by size is as shown below.

Table 4.5: Distribution of Respondents by Household Size

Household Size	Male Frequency	Female Frequency	Total Frequency	Percentage Distribution
2 – 5	31	6	37	37%
6 – 9	48	11	59	59%
10 – 13	3	1	4	4%
Greater than 14	-	-	-	-
Total	82	18	100	100%

Source: Filed Survey 2003.

About 96% of the households fall between household size 2-5 and 6-9. Even though household size tends to reduce per capita expenditure, it can also enhance it. This has to do with the distribution of household between adult and children and also whether such adult is working, thereby supplementing the household income or is a dependant.

4.1.6 Average Annual Income of the Respondents

The income of a household is a function of the number of persons working in the household and sometimes the level of educational attainment. Income is a determinant of household expenditure since it serves as the budget constraints to the amount that can be spent within a period, there is also bound to be correlation between income and poverty level of a household, all other things being equal.

Table 4.6: Distribution of Respondents by Monthly Income

Per Capita Annual Income Group (₦)	No. of Household	Percentage Distribution
0 ≥10,000	2	2%
10,000 > 20,000	38	38%
20,000 > 30,000	30	30%
30,000 > 40,000	18	18%
40,000 > 50,000	10	10%
50,000 ≤	2	2%
Total	100	100%

Source: Field Survey 2003

The annual per capita income ranges from ₦2,000 to ₦54,000. About 70% of the respondents earned per capita income that is below ₦30,000 (equivalent of less than ₦25,000 per month) while only 20% earned ₦30,000 and above per annum (equivalent of ₦4166 and above per month). These ranges are still less than minimum wage of the government workers in Nigeria.

4.2 Extent of Poverty Living Conditions and Needs Situation of the Respondents

In this section, attempt was made to classify the type of housing, source of drinking water, kitchen facilities, and toilet facilities. This is with a view to finding out the standard of living of the people based on available facilities.

4.2.1 Type of Houses Occupied by Respondents

The type of houses occupied by the respondents include flats, face to face, bungalows, boys quarters and room and parlour. However, majority of the respondents are living in face to face as well as room and parlour, both accounting for about 71% of the respondents.

The table below shows the distribution of the respondents according to the type of dwellings. The survey also reveals that about 86% of the respondents lived in rented houses or apartments while 14% live in either owned or family houses.

Table 4.7: Type of Apartment Occupied by Respondents

Type of House	Number	Percentage
Flat	21	21%
Face to face	44	44%
Bungalow	6	6%
Boys Quarters	2	2%
Room and Parlour	27	27%
Total	100	100%

Source: Field Survey 2003

In addition, most of the respondents share facilities with their co-tenants in the house. For instance, about 71% share kitchen facilities with others while the remaining 29% do not share kitchen facilities. In term of the toilet facilities, pit toilet is common amongst the respondents.

Table 4.8: Type of Toilet Used by Respondents

Toilet	Number	Percentage
Flush	27	27%
Pit	73	73%
Bucket	-	-
Bush	-	-
Total	100	100%

Source: Field Survey 2003

It is to be noted that the type of toilet facilities has impact on the health state of the family. The pit toilet is common in houses. The popularity of pit latrines may be due to irregularity of water supply, which makes it difficult to maintain a flush toilet, especially in large households.

4.2.2 Sources of Drinking Water

Majority of the sampled household depends on well-water and buying water for their water supply.

Table 4.9: Source of Drinking Water

Type	Frequency	Percentage
Pipe in the House	17	17%
Public Tap	11	11%
Well	30	30%
Buying	42	42%
Total	100	100%

Source: Field Survey 2003

Moreover, the irregularity of water supply in Agege area of Lagos State makes it imperative for every household that can afford a well to have one. But the implication on health status of each family can be disastrous since much water – borne diseases can crop up. From the above table 72% of respondents are either getting water from well or buying it.

4.3 Determination of the Respondents in Poverty

As stated in the methodology, the number of people under poverty is calculated in relation to the average expenditure per family (i.e. men per capita expenditure) in the study area. The main budget items consumed by households are food, accommodation, clothing, transport, household goods, fuels, light, health services, drinks and entertainment. The distribution of the expenditure as found among the households is discussed and the frequency distribution of expenditure among the households interviewed as well as determination of their poverty status are all analyzed as the main subject of this section.

4.3.1 Frequency Distribution of Expenditure

The frequency distribution of expenditure is meant to show in more detail the pattern of household per capita expenditure in the study area. Also, expenditure frequency distribution could be aimed at describing the skewness of the distribution of expenditure and more importantly the shape (type of skewness) of the households expenditure distribution.

Table 4.10 below shows the expenditure classes of all households in the study area. It varies from lower expenditure class of less than ₦5000 per annum per capita expenditure to as high as above

₦50000 per capita expenditure. The expenditure frequency distribution shown in Table 4.10 indicates that per capita expenditure distribution skews to the left side indicating the greater percentage classes of per capita expenditure. The table also shows that the households in the per capita expenditure range of 8000–13999 constituted the highest percentage (25%). It can be seen from the table below that the proportion of households in each class decreases, as the expenditure class gets higher.

Table 4.10: Frequency Distribution of Households per Capita Expenditure

Per Capita Expenditure Class (₦)	Frequency of Households (Number)	Percentage of Households
Under 5000	2	2%
5000 – 7999	1	1%
8000 – 10999	9	9%
11000 – 13999	16	16%
14000 – 16999	19	19%
17000 – 19999	10	10%
20000 – 22999	9	9%
23000 – 34999	12	12%
35000 – 37999	4	4%
38000 – 40999	1	1%
41000 – 43999	5	5%
44000 – 46999	4	4%
47000 – 49999	3	3%
50000 – and above	5	5%
Total	100	100%

Source: Field Survey 2003

Table 4.11: Cumulative Relative Frequencies of Housed per Capita Expenditure and House Receipt

Expenditure Class	Cumulative Proportion of Households	Proportion of Total Household per Capita Expenditure
≤ 5000	2	0.30
≤ 8000	3	0.58
≤ 11000	12	4.24
≤ 14000	28	12.71
≤ 17000	47	25.05
≤ 20000	57	32.79
≤ 23000	66	41.06
≤ 34000	75	53.66
≤ 37000	81	62.55
≤ 40000	83	65.75
≤ 43000	88	74.55
≤ 47000	92	82.21
≤ 50000	95	88.2
≤ 70000	100	100

Source: Computed from Field Survey 2003.

Table 4.12: Cumulative Relative Frequencies of Households Recipient and Per Capita Expenditure

Cumulative Proportion of the Household Expenditure	Cumulative Proportion of Household
0.30	2
0.58	3
4.24	12
12.71	28
25.05	47
32.79	57
41.06	66
53.66	75
62.55	81
65.75	83
74.55	88
82.21	92
88.2	95
100	100
Gini Ratio	0.32

Source: Computed from Field Survey Data 2003

Tables 4.11 and 4.12 show the per capita expenditure distribution of the household in the study area. It can be shown in the above that 2 percent of the households controlled just 0.30 percent of the total expenditure. 57 % of the total households controlled less than 33% of the total expenditure of the data while the remaining 43 % of the households controlled almost 70 % of the total expenditure of the area which means less than half of the households controlled over two-third of the wealth of the region. This shows that the distribution of wealth is not fairly equal in the area. This is confirmed by the Gini index or coefficient of almost 0.32 (0.3163). According to the ratio got from Gini coefficient, the disparity in the distribution of wealth was not great but it is quite obvious that it exists. For there not to be any disparity in the distribution of wealth, that is, perfectly distributed, the Gini index should be zero. Therefore, what we have is high enough to cause some problems, that is, like poverty in the socio-economic activities of the disfavoured people. Therefore, this society is not egalitarian.

4.4 Determination of the Factors Affecting the Per Capita Expenditure (Poverty Level) of the Sampled Households

As mentioned in the analytical procedure, a functional relationship was formulated to ascertain the determinants of household per capita expenditure on basic needs using the capital correlation matrix. A linear equation was chosen as the lead equation. This is as follows.

$$Y = \alpha + \beta_1 X_1 + \chi_2 X_2 + \delta_3 X_3 + \phi_4 X_4 + \gamma_5 X_5 + \varepsilon_t \quad (1)$$

where the dependent variable Y is the per capita expenditure on basic needs per year. X_1 is the age of the head of household in years, X_2 is the sex of the head of household, X_3 is the educational status of the household head in years, X_4 is the per capita income of the household and X_5 is the size of the household.

From the correlation matrix presented below, it can be shown that per capita income and educational status of the households' head were positively related to per capita expenditure while the three other variables (sex, age of household head and household size) were negatively related to per capita expenditure. This is interpreted as the more the number of years of formal education of household head; the more the per capita expenditure, which will determine the level of poverty the household belongs. More so, the more per capita income of the household the more the per capita expenditure on basic needs. It also confirmed that there is negative relationship between the household size, age of household head and sex. The negative relationship between the per capita expenditure and household size can be explained as the more the number of members of a household, the less the per capita expenditure if the number of people working in the household is relatively small compared to the total numbers. The explanation for sex and age is that they have negative relationship though they are not significant at 1%.

CORRELATION MATRIX

	Y	X ₁	X ₂	X ₃	X ₄	X ₅
Y	1					
X ₁	-0.1429	1				
X ₂	-0.0364	0.1822	1			
X ₃	0.5158	-0.3259	-0.1919	1		
X ₄	0.6246	0.0345	0.0677	0.4163	1	
X ₅	-0.1764	0.2282	-8.8133	-0.1374	-0.1156	1

Source: From Correlation Results 2003

Regression Result of the Model

$$Y = 9245.97 - 44.42X_1 - 198.69X_2 + 516.76^*X_3 + 0.39^*X_4 - 387.82X_5$$

(69.89) (2079.74) (167.24) (0.065) (441.05)

$$R^2 = 0.47769$$

$$\text{Adjusted R} = 0.4499$$

$$\text{F-statistic} = 17.1938$$

* Significant at 1%

As shown in the correlation matrix table, only educational status of the household head and per capita income are positively related to the per capita expenditure of the households, while sex, age and household size are negatively related to the level of per capita expenditure. Furthermore, it also shown from the regression result above that educational status and per capita income are the only significant variables even at 1% of probability. Therefore, we can say that income of household and educational status of household head had significant impact on the per capita expenditure of household basic needs in the Agege area of Lagos State, Nigeria. This can be interpreted as the higher the income available to the household; the better is the disposable income and purchasing power of such household. Hence, the households are at better advantage position as to be able to spend more of their income on basic needs.

In the case of educational status, there are two implications of the result. Firstly, the higher the level or number of years of schooling, the better-exposed one is and also more enlightened. Hence one is adequately informed to devote a sizeable amount of the household income to basic need to maintain a particular level of standard of living suitable to his level of educational standard. Secondly, income and educational status tends to move together in the same direction. Therefore, with improvement in the level of education, one is better placed in terms of income generation and therefore enhanced the purchasing power of the person and thereby improving his standard of living and poverty level.

The household size is however negatively related in the result presented above. This means that the higher the number of household the less or smaller the level of per capita expenditure especially when only few of them are working. Although, the household size is not significant in the area under study area, this could be due to the fact that majority of the members of the household, apart from the students, perform one economic activity or other in order to generate income.

The age and sex of household heads though negatively related but are insignificant at 1% and therefore insignificant in the determination of the household per capita expenditure. Infact, they do not significantly influence the level of poverty in the area under study. The relatively low R^2 may be due to non-inclusion of certain variables, which range from quantitative to qualitative ones.

SECTION FIVE

CONCLUSION

5.1 Summary of Main Findings

The definition of poverty by residents of area under study was about the same. They see poverty in terms of hunger, not occasional but perpetual hunger, living in poor housing conditions without water, kitchen and toilet facilities, inadequate income, malnutrition, lack of access to social services, and lack of social and political status. Generally, they see poverty as a lack of command over basic consumption needs like foods, clothes, and shelter, as well as lack of certain capacities, such as being able to participate with dignity in society. It is a situation in which one suffers because of lack of basic needs of substance.

From our analysis, the Gini index of about 0.32 indicates that there was a considerable inequality in distribution of wealth among the households in the urban area studied, that is, a little above average population controlled a large proportion of the wealth of all households. It was found that the urban households, especially the poor were functionally literate as the study reveals that only about 35% of the poor had no formal education while about 65% either had primary, secondary or tertiary education. Out of the total households in the study area only 18% had no formal education while 82 had formal education. Though the majority of the households are educated, it showed from the study that 49% are either unemployed or self-employed. About 71% of the poor households lived in either single rooms or rooms and parlour. Most of these houses do not have adequate conveniences like running water, toilet, and kitchen; and in place where they had, many household had to share the facilities. Many cooked their food in their room or in the corridors and used polluted well water as drinking water.

For the residents of Agege area of Lagos State to be able to cope with poverty, the poor among them dependent mostly on re-adjusting their expenditure patterns and savings, feeding, clothing and education of children. Infact majority of the households either fail to save at all or save less than 10% of their income. The regression result showed education (X_3) and Income (X_4) as determinants of monthly or annual households per capita expenditure on basic needs, however, the relatively low R^2 is indicative of the effect of omitted variables.

The inequality in income or wealth distribution and the existence of different poverty levels can be accounted for by unequal opportunities to get the same level of education, the type of occupation of the household head, and partly due to the difference in the number of household size and the number of people working in the household; totality of which resulted in difference in the level of poverty among the households.

5.2 Implication of Results and Policy Suggestions

Poverty has the consequence of breeding social disillusionment with respect to what the societal objectives are and member's responsibilities towards attainment of these objectives. Just as ignorance maintains poverty, so also can poverty perpetuate ignorance, since the victims cannot think and plan beyond where the next meal is coming from. Moreover, in a country or locality where the concentration of the bulk of wealth is in few hands, there is serious implication. A society where majority spend almost 90% of their income on consumption and having little or nothing for saving, which could be ploughed back into the economy for re-investment, economic growth would be slow and impeded, since the rate of economic growth is a function of investment through multiplier effects. This means that the group of people affected would not participate effectively in the process of development of that nation. In other words, poverty is a vicious cycle reproducing itself in perpetuity.

From the analysis of findings it is obvious that poverty exists in the Agege area of Lagos State where the study was carried out and it is also found that education, household size, occupation, employment, shelter, income and social infrastructural facilities such as health facilities, roads electricity, good schools, accommodation, water can be linked to the occurrence of poverty in the area. Therefore, any attempt to improving these factors will be a step in the right direction in alleviating poverty in the region and in Nigeria as a whole.

The Government Poverty Alleviation Programme should be restructured if not re-designed and should be centred on the 'basic needs' approach. This approach emphasizes the importance of separating generalized increase in income from the more significant attainment of the requirements for a permanent reduction of poverty through the provision of health services, education, housing sanitation, water supply and adequate nutrition. The rationale of this approach was that the direct provision of such goods and services is likely to relieve absolute poverty more immediately than alternative strategies, since growth strategies usually fail to benefit the intended target and the productivity and income of the poor depend in the first place on the direct provision of health and education facilities. In the same vein, there is no guarantee that increased income will be spent on essential services, since, households vary in their ability to spend wisely and effectively. They may irrationally prefer 'better' consumption goods that contribute less to family welfare than other goods that might serve as inputs to higher productivity.

Therefore, efforts to reduce poverty are unlikely to succeed in the long run unless there is greater investment in the human capital of the poor. Improvement in education, health and nutrition directly address the worst consequences of being poor. There is ample evidence that investing in human capital, especially in education, shelter and social services increases the poor's productivity and also attacks some of the most important causes of poverty. Improving the social services of the poor will be an

essential part of any long-term strategy for reducing poverty in the urban slums of Lagos and Nigeria as a whole.

Furthermore, for the poor to back out of this vicious cycle in which they are presently enmeshed, government (local, state and federal) must make reaching the poor a priority in its own right. This can be done through establishment of good schools, provision of shelter, provision of scholarship for their children and setting up of medical centres in the urban slums. These will help in a long way, since the effectiveness of education and health services as a weapon in the fight against poverty goes well beyond productivity in the labour market. They help in reducing the children mortality rate which influences most people living in urban slums (urban poor) to have more children as an insurance for old age, and which invariably leads to high household size and overblown population.

Apart from manpower development, government should find solution to the current unemployment or under-employment problems in the country as well as making and implementing anti-inflationary policies that will reduce the burden created by the current inflation that makes most necessary consumer items unaffordable to the poor masses. This will help to increase the real wage of the salary earners and other income earning activities. All these will help to reduce, if not completely eradicate the incidence of poverty in our urban cities.

In conclusion, any policy designed to ameliorate the plight of the urban poor must among other things recognize housing, provision of potable water, improved health care facilities, improved transportation in terms of good roads and provision of more mass transit buses and train, sound education for the wards of the urban poor and employment opportunities. No society can surely flourish and be happy, of which by far the greater part of the numbers are poor and miserable. Therefore, the need to alleviate poverty in Nigeria as a whole should be the highest priority of the government and the citizenry.

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