

## **Urban Poverty Incidence in Nigeria: A Study of Awka Metropolis Anambra State, Nigeria**

**Mbah, Stella I., Ph.D**

Department of Business Administration  
Chukwuemeka Odumegwu Ojukwu University  
Igbariam, Anambra State  
Nigeria

**Mgbemena, Gabriel C.**

Department of Business Administration  
Chukwuemeka Odumegwu Ojukwu University  
Igbariam, Anambra State  
Nigeria

**Ejike, Daniel C.**

Department of Business Administration  
Chukwuemeka Odumegwu Ojukwu University  
Igbariam, Anambra State  
Nigeria

### **Abstract**

*This study examined poverty situation in Awka metropolis of Anambra State, Nigeria, using the P-alpha class of poverty measure. To achieve this objective, a structured questionnaire was administered to 399 heads of households selected from mixed socio-economic backgrounds. The study revealed that 49 percent of the respondents were considered to be poor, with 0.17 poverty gap index and a 0.03 severity of poverty index. However, the indicators were considered to be modest when compared with the national rates. The causes of poverty in Awka metropolis include: lack or inadequate supply of some identified basic necessities of life such as shelter, potable water, and sanitation, basic healthcare services, electricity and educational services. As a result of these inadequacies, there are psychological distress, increase in destitution, child labour, violent crime, and prostitution. It was therefore recommended among others that government should step up public investment in urban infrastructure, provision of credit facilities, involvement of the people in development decision that affects their lives or participatory budgetary process and most especially, good governance at the municipal level with accountability and transparency to stamp out corrupt tendencies which has inhibited past developmental efforts of the government.*

**Keywords:** Urban, Poverty, Basic Infrastructures, Economic, Deprivation

### **Introduction**

#### **1.1 Background of the Study**

Poverty according to the World Bank/ Central Bank of Nigeria (1999) is the inability of individuals or households to adequately meet the basic human necessities such as food, shelter, clothing, and Medicare. A state of deprivation of human needs to which a person, household, community or nation can be subjected. It can also be said that poverty as a way of life is characterized by low calorie intake, inaccessibility to adequate health facilities, low quality education systems, low income, unemployment and underemployment as well as lack of access to various housing and societal facilities (Onibokun and Kumunyi, 2006).

Urban poverty has been a low priority area on research and development agenda of Nigerian government. For over three decades, these have been dominated by rural development and rural poverty. As Osinubi (2013) has noted, the renewed interest in urban issue has been due to the widespread idea that urbanization is spreading up. At the end of the year 2000, about half of the world's population lives in urban area, in 1975, it was only 28 percent. In 1970, developing countries level of urbanization was 25 percent, in 1994, it has increased to 37 percent and it has been projected to increase to 57 percent in 2025 (UNO, 2001).

A World Bank survey (2010) reports that the depth and severity of extreme poverty increased more than seven-fold in the urban Nigeria compared with a two-fold increase in the rural areas. From the above evidences, the problem of urban poverty in Nigeria is certainly becoming more serious and alarming as compared to the rural poverty. The problem has been due to recent high population growth rate and rural-urban migration, which has made quality of life in urban center slums worse than could be found in many typically rural settings as many urban services have been over stretched beyond capacity. Other factors to which the increase in urban poverty in recent times can be attributed include, among others: the inner urban decay caused by poor maintenance of and lack of investment in public facilities; low per capita income; overpopulation, especially of the active group; unemployment; inflation/high cost of living; and the low level of education of some of the urban dwellers. In the light of the above, it has become necessary to study the conditions under which the urban poor live in Nigeria in order to provide necessary information which will help the city and state administrators to develop more positive policies and action plans towards the poor.

### **1.2 Statement of the Problem**

Urban ghettos lack basic infrastructures like accessible roads, pipe borne water, functional educational system, cottage industries, functional healthcare delivery services, poor communication, absence of effective transport system, electricity, decent and affordable homes etc. According to Okeke (2011), the urban poor are often plagued by drug abuse, crime, violence, filthy environment with dotted shanty structures and poor schools. Another dominant feature is family disintegration and high school drop-outs, especially of the female teenagers who get side tracked and become mothers without the resources or skills to escape a life of poverty. There is also the problem of female headed families which is highly associated with the inability of underclass men to secure steady jobs for sustenance of their livelihood. Poverty derived from lack of income-producing employment is passed on from generation to generation un-ended. Therefore, the problem that associates with urban poverty is quite enormous and they require effective policies to address them.

### **1.3 Objectives of the Study**

The broad objective of the study is to examine urban poverty situation in Nigeria through the study of Awka, the state capital of Anambra State, Nigeria. However, specific objectives are:

- (i) To corroborate the facts raised in the background of the study as well as the statement of the problem.
- (ii) To suggest policy dialogue and an action plan that can lead to reduction in urban poverty in the country.

## **Review of Related Literature**

### **2.0 Conceptual Overview of Poverty and Urban Settlement**

#### **2.1 Poverty: Definition and Measurement**

World Bank (1999) states that poverty is hunger; lack of shelter; being sick and not being able to go to hospital; not knowing how to read; not being able to speak properly; not having a job, fear for the future, losing a child to illness brought about by unclean water; powerlessness; lack of representation and freedom (see also Narayan, 2000).

ku, Ibrahim and Bulus (2007) analyzed poverty from five dimensions of deprivation:

- (i) Personal and physical deprivation experienced as a result of health, nutritional, literacy and educational disability and lack of self confidence;
  - (ii) Economic deprivation drawn from the lack of access to property, income, assets, factors of production and finance;
  - (iii) Social deprivation as a result of denial from full-participation in social, political, and economic activities.
- Others are:

- (iv) Cultural deprivation in terms of lack of access to values, beliefs, knowledge, information and attitudes which deprive the people of control in their own destinies; and
- (v) Political deprivation in terms of lack of political voice to participate in decision making that affects their lives.

Sanyal (1991) and Schubert (1994) saw poverty as either absolute or relative or both. Absolute poverty being that which could be applied at all times in all societies such as, for instance, the level of income necessary for bare subsistence living, while relative poverty relates the living standard of the poor to the standards that prevail elsewhere in the society in which they live. Related to the definition of poverty is the measurement of poverty. According to Foster, Greer and Thorbecke (1984), the most frequently used measurements are:

- (i) The head count poverty index given by the percentage of the population that live in the household with a consumption per capita less than the poverty line;
- (ii) The poverty gap index which reflects the depth of poverty by taking into account, how far the average poor persons income is from the poverty line; and
- (iii) The distributionally sensitive measure of squared poverty gap which reflects the severity of poverty (see also Grootaert and Braithwait, 1998; Ravallion and Sen, 1994).

According to Ijaiya (2000), the purpose of poverty measurement is to find out who is poor, how many people are poor, and where the poor are located. Levy (1991) stressed that to measure poverty, two tasks should be accomplished, and the tasks according to him are:

- (i) A poverty for the extreme poor and for the moderate poor respectively, must be determined and
- (ii) The poverty level of individuals has to be aggregated. The World Bank provides \$1 and \$2 a day per person for core poor and moderate poor respectively.

The method is also referred to as Purchasing Power Parity (PPP) (World Bank, 1993). However, the \$1 and \$2 measures for the named levels of poverty are no longer realistic given the prevailing current economic realities. Levy further states that to determine the poverty line. Two methods should be employed and they are:

- (i) The use of nutritional intake which is set at 2500 calories per head per day and
- (ii) The use of a list of certain commodities considered essential for survival. For instance, food, housing, water, healthcare services, electricity supply, education, sanitation vis-à-vis income are all essential commodities for survival. Although, the use of income as the basis for determining the poverty line has become less relevant since the method of calculation scarcely takes into consideration the new economic trends resulting from a high rate of inflation and the prevailing high increase in interest and exchange rates as well as devaluation, it has not been completely dropped. However, consumption-expenditure is now being advocated as a better alternative.

In the opinions of Aigbokan (1997), Anyanwu (1997) and Grootaert and Braithwaite (1998), total consumption-expenditure is preferred to income because it is usually better reported in household budget surveys. Furthermore, there is the important theoretical consideration that expenditure reflects in the area of better long-term permanent income and life cycle consumption pattern because it is usually stable and devoid of short-term fluctuations like income. Moreover, using the expenditure data for welfare analysis has the compelling advantage that the poverty line can be derived from the data itself and need not be adopted from other surveys (Ijaiya, 2000).

In another development, a study by the United Nation Development Programme (UNDP) 'advocates the use of Human Development Index (HDI) and Capability Poverty Measure (CPM). According to the UNDP (1997; 1998), HDI combines three components in the measurement of poverty: life expectancy at birth (longevity); educational attainment and improvement in standard of living determined by per capita income. The first relates to survival, i.e., vulnerability to death at a relatively early age. The second relates to knowledge, i.e., being excluded from the world of reading and communication. The third relates to a decent living standard in terms of overall economic empowerment. CPM, however, focuses on the average capabilities of the people by reflecting on the percentage of those who lack basic, essential human capabilities which, as ends in them, are needed to rise from a position of income poverty to one of sustained human development (Kankwanda, Greogorie and Quadraogo, 2000).

## 2.2 Causes and Consequences of Poverty

According to the United Nations (1995) and the World Bank (1990), poverty is manifested in various ways, including lack of income and productive resources sufficient to ensure sustainable livelihood, hunger and malnutrition, ill-health, limited or lack of access to education and other basic social services, increased morbidity and mortality from illness, homelessness and inadequate access to basic needs, unsafe and degraded environment and social discrimination and exclusion. Yahie (2003) notes that it is also characterized by lack of participation in decision making in civil, social, political, and cultural life. He reiterates that the causes of poverty include:

- (i) Structural causes which are more permanent and dependent on a host of (exogenous) factors such as limited resources, lack of skills, location disadvantage and other social and political factors. The physically challenged, orphan, landless farmers, households headed by females fall into this category and
- (ii) Transitional causes occasioned by structural adjustment reforms and changes in domestic economic policies that may result in price changes, unemployment and so on. Natural disasters, such as droughts, flooding and man-made disasters such as wars, environmental degradation and so on, also induces transitional poverty.

As Obadan (2007) has posited, the main factors that cause poverty in sub-Saharan Africa include: huge infrastructural deficit in the areas of electricity, road network, and effective and efficient transport system. Others are: inadequate access to employment opportunities; inadequate physical assets such as land and capital (the poor have minimal access to credit even on a small scale); inadequate access to the means of supporting rural development in poor regions; poor access to markets where goods and services can be sold; low endowment of human capital; destruction of natural resources leading to environmental degradation and reduced productivity; inadequate access to assistance for those living at the margin and the victims of transitory poverty; and finally, failure to involve the people in the design of development programmes that affect them.

At the same time, poverty can also be as a result of problems of urbanization as facilities can be overstretched. According to Ward (1999), the factors that cause poverty in most urban cities can be linked to the inner urban decay caused by poor public facilities that have been allowed to get run down due to lack of maintenance and investment. More often than not, it arises from insufficient resources and poor maintenance skills. In addition, the available amenities are frequently inadequate to meet the increasing demands placed on them. It can also be proved with reasonable degree of evidence that local authorities have, over the years, cut expenditure on infrastructure development and raised tax rates. Such policies are known to be counterproductive and constrain private firms to relocate to more favourable areas, thus reducing employment. As a consequence, the burden of taxes falls disproportionately on the residents of the community who are less likely to relocate. He remarked that the capacity (and willingness) of private households to pay increased levies is minimal. The quality of social services, particularly education and health, fall drastically thus placing poor families at a disadvantage. The richer, better educated ones relocate to areas that are more favourable or pay to obtain these services privately.

On the other hand, lack of representation in decision making in the society and lack of freedom to express oneself are consequences of poverty. Karl Marx noted that the key to the class structure is economics. The extent of an individual's wealth is the determining factor for success in a number of crucial areas, including the chances to live and the chance to obtain possessions and education that are highly valued in society. In fact, Von Hauft and Kruse (1994) have highlighted three major consequences of poverty to include:

- (i) **For the People Affected** Poverty leads to physical and psychological misery, caused inter-alia by inadequate nourishment, lack of medical care, lack of basic education, unemployment, and discrimination in the labour markets.
- (ii) **Consequences on the Economies of Countries Affected** This arises from the formation of slums in cities, a worsening of ecological problems, particularly through predatory exploitation of land for agriculture, and underutilization of available human resources.
- (iii) **Consequences for the Political and Social Development of the Countries Affected** Mass Poverty tends to preserve or reinforce the existing power structures and thus also the privileges of a minority of the population, which in some cases may involve a corrupt elite. However, the privileged minorities are generally not interested in making structural changes to benefit the poor population. Consequently, mass poverty tends to inhibit the development of democratic structure and a higher level of participation.

In the views of Narayan et al (2000), many households are crumbling under the heavy weight of poverty. While some of them have managed to remain intact, others have disintegrated as the men, being unable to earn adequate incomes under the harsh economic conditions, have had to concede the role of breadwinner to the women. This necessitates a redistribution of income within the households. Thus, resulting in alcoholism and domestic violence on the part of men and a breakdown of the family structure. In contrast, women tend to take up demeaning and undignified jobs to provide a means of livelihood for the family. As have been observed by Usman (2014), mass poverty tends to generate loss of confidence in constituted authority, thereby undermining the effectiveness of government policies. There tend to be political apathy among the majority of the people and social disillusionment with respect to societal objectives and the peoples responsibilities towards the attainment of those objectives.

### 2.3 Definition and Features of Urban Settlement

Ijaiya (2000) opined that there are no clear definitions of urban settlement because the classifications and definitions vary from place to place and alter according to their use. In most cases, the definitions and classifications are based on the characteristic differences between an urban area and a rural area.

According to Whyne-Hammond (1979), it is true that urban areas possess many physical, economic, and sociological characteristics, which distinguish them from rural areas. Towns for instance, can be identified by the closely-laid out buildings and streets, high population density, non-agricultural enterprises and heavy presence of vehicular movements. They are also distinct in terms of their population make-up: numerous and diverse groups of people living in close proximity, sharing the same social facilities but without strong social contacts. Individual anonymity is often a feature of urban areas, together with occupational and geographical mobility, social instability, complex class structures, wide variations in human wealth and heterogeneous ways of life. Urban areas have also been defined using criteria such as function, population size, and the form of administration. In Israel and Italy it is defined as a settlement in which a high proportion of the working population is non-agricultural. In Denmark, Sweden and Finland, it is simply a settlement with at least 2,500 people, while in Canada and Venezuela, it is a minimum population of 1,000 people. In the USA, an urban area is a population of 2,500 while in India, it is 5,000. In most South American Republics, e.g, Brazil and Bolivia, almost any administrative center is a town (Ijaiya, 2000).

The composition of population in urban areas is generally heterogeneous and the people that work in the various occupations in these areas come from diverse social, ethnic, linguistic, religious which may enrich artistic life in the urban community but could also pose serious problems of adaption, integration, and assimilation. As a result of these demographic mixtures, most urban areas are often marked by high levels of violence, crimes, general discontent, congestion, all other forms of criminality and poverty (Whyne-Hannond, 1979).

### 3.0 Methodology

In this section, all the methods and procedures adopted in carrying out the study were discussed under the following sub-headings: research design, area of study, population of the study, sample, and sampling technique, instrument for data collection, reliability of the instrument, methods of data collection and analysis.

#### 3.1 Research Design

The study adopted descriptive survey design. As a sample survey, the design was chosen to facilitate generalization of the result for the entire population. In the study, there was no need for hypothesis testing since the focus is in finding the incidence, gap, and severity of poverty in the study area.

#### 3.3 Population of the Study

The population for the study is the projected population of Awka South Local Government Area (LGA) of Anambra State, Nigeria. From a base population of 189,654 for the LGA and 3.2 percent growth rate, a population of 244,005 was estimated for the study through the said projection (NPC, 2006).

#### 3.4 Sample and Sampling Technique

Through the application of Taro Yameni is statistical formula for determining sample size from a finite population, the number of respondents to be interviewed in the study were determined as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size to be determined

N = entire population of interest

e = error margin (0.05)

I = constant

By substituting the values in the formula we have:

$$n = \frac{244.005}{1 + 244.005 (0.05)^2} = 399.3450875$$

Thus, the sample size for the study is 399.

Given the nature of the phenomenon under investigation and the settlement pattern in the area of study, convenience sampling technique was considered most appropriate to ensure that households included in the sample are the target households that can adequately represent the population of poor people in the communities selected for the study.

### 3.2 Area of the Study

The study covered some areas of Awka metropolis comprising mainly the traditional areas of Awka city, Okpuno-Awka, Ifite-Awka, Nibo, Amawbia, Amansea and Isiagu. Awka metropolis is located some 50 kilometers from Onitsha and about 110 kilometers from Enugu, the capital of old Eastern Region of Nigeria.

### 3.5 Instrument for Data Collection

A questionnaire and participatory poverty assessment method were used in gathering the data from the respondents. The questionnaire was however, based on the World Bank Living Standards Measurement Study (LSMS) and the National Bureau Statistic (NBS) National Integrated Survey of Households (NISH) methods, which among other things, and produced a comprehensive monetary measure of welfare and its distribution. Also captured is a description of patterns of access to and use of social services, e.g. education, health, and sanitation. The participatory poverty assessment method is used to obtain information from the key informants (e.g; heads of household), on their perception of the causes and effects of poverty (NBS, 1999; Grosh and Glewwe, 1995; Grosh and Munoz, 1996; Grosh, 1997 and Robb, 2000).

### 3.6 Reliability of the Instrument

The instrument was subjected to a reliability test through a method known as test re-test. Spearman rank order correlation coefficient was applied to the first and second responses of those selected for the pilot study. A coefficient of 0.87 was estimated thus showing that the instrument was 87 percent reliable and it was considered adequate for the study.

### 3.7 Method of Data Collection

Direct questionnaire administration was adopted by the researcher for its obvious advantages over other forms of data collection procedure. One, it afforded the researcher the opportunity of explaining or clarifying issues where necessary. Two it reduced the volume of non-response which often associates with surveys of this nature. Three, it afforded the researcher the opportunity of assessing whether the questionnaire items were understood by the respondents.

In collecting the data for this study, certain factors were considered and they include proximity, ecology, socio-cultural and economic variations. In accordance with the sample unit which was spread evenly across the communities in Awka area, the structured questionnaire was distributed to 399 heads of household out of which 378 completed and returned their questionnaire thus showing a response rate of 94.7 percent. The issues raised in the questionnaire included the background of the respondent i.e; marital status, educational status, employment status, household size, income, total consumption-expenditure and access to social services, e.g; clean water and sanitation, healthcare services and education, etc.

### 3.8 Method of Data Analysis

The data generated in the study were analyzed using descriptive statistic, such as frequency distribution and percentile in describing the socio-demographic characteristics of the respondents and the distribution of responses.

Like many other studies carried out to determine rate of poverty, intensity and severity, the analysis in this study was based on money-metric measure of utility and welfare. Therefore, for utility and welfare, the total household consumption-expenditure was used as a measure of household welfare and for determining the poverty line. The analysis also took into consideration differences in needs due to the differences in household size and composition and therefore used household expenditure per adult equivalent as the welfare measure. There are several options of adult equivalent scales and different scales are used in different countries. The most commonly used is that of the organization for Economic Cooperation and Development (OECD) because of its simplicity and popularity. Thus, the scale is expressed as follows:

$$EXP_{eq} = \frac{EXP}{n(0.7)}$$

Where:

EXP = total household expenditure

n = household size

0.7 = exponential formation representing other adults in a particular household<sup>1</sup>

(Glewwe, 1990; Grooteart and Braithwaite, 1998).

Subsequently, cut-off point needs to be selected to serve as a poverty line across the distribution of real household expenditure per adult equivalent. The use of an absolute line such as X dollars in Purchasing Power Parity (PPP) is rejected due to frequent fluctuations in the countrys exchange rate, hence a relative poverty line set at two-third ( $\frac{2}{3}$ ) of the mean per capita income consumption-expenditure is used to identify the poor (Aigbokhan, 1997: Coker, 1999 and NBS, 1999).

The next stage in the analysis of poverty in Awka metropolis is the use of the popular P-alpha class of poverty measures introduced by Foster, Greer and Thorbecke in 1984. The index is defined as:

$$P_{\alpha} = \frac{1}{n} \sum_{i=1}^q \left( \frac{z - y_i}{z} \right)^{\alpha} \quad \text{--- (1)}$$

Where:

n = number of people

q = number of poor people

z = poverty line

y<sub>i</sub> = total consumption-expenditure of individual

α = poverty aversion parameter.

The poverty aversion parameter (α) can take any positive value or zero. The higher the value, the more the index weights the situation of the poor, i.e; the people farthest below the poverty line. However, of particular interest are the cases where α = 0, 1 and 2. If α=0, then the index becomes:

$$P_0 = \frac{q}{n} \quad \text{--- (2)}$$

And this is the simple head count rate, i.e, the number of poor people in Awka metropolis as a percentage of the total population. However, as a very critical first indicator, it fails to pay attention to the depth (or gap), that is, the intensity and severity of poverty in the metropolis. To find out the depth and severity of poverty one needs to look at the extent to which the expenditure of the poor in the metropolis falls below the poverty line. This is customarily expressed in income gap ratio or expenditure gap ratio which expresses the average shortfall as a fraction of poverty line itself, i.e:

$$\frac{z - y_i}{z} \quad \text{--- (3)}$$

Where:

y<sub>i</sub> is the average income or expenditure of the poor in the metropolis.

<sup>1</sup> Note that even if children dominate the household, 0.7 is still used with the assumption that the children will one day become adults

A useful index is therefore obtained when the head count poverty ratio is multiplied by the income or expenditure gap ratio. Thus corresponding to:

$$P_1 = \frac{q}{n} \left( \frac{z - y^i}{z} \right) \text{------(4)}$$

And it reflects both the incidence and depth (intensity) of poverty. This measure has a particularly useful interpretation because it indicates what fraction of the poverty line would have to be contributed by individuals in the metropolis to eradicate poverty through transfer under the assumption of perfect targeting. Finally, the severity of poverty index is the mean of the squared proportion of the poverty gap expressed as:

$$P_2 = \frac{q}{n} \left( \frac{z - y^i}{z} \right)^2 \text{------(5)}$$

This is the index that shows concern for the poverty of the poor by attaching greater weight to the poverty of the poorest than to those just below the line.

#### 4.0 Result and Discussions

In this section, the data were presented and analyzed in a systematic manner, and the results of the analysis were equally discussed to facilitate policy prescriptions aimed at poverty reduction.

##### 4.1 Socio-Demographic Characteristics of the Respondents

The socio-demographic features of the 378 heads of household interviewed in the study are presented in Table 1 as shown below.

**Table 1:** Socio-demographic Features of the Respondents

S/N	Characteristics	Percentage (%)
1	<b>Gender of Respondents</b>	
	Male	71
	Female	29
2	<b>Age of Respondents (in years)</b>	
	Below 20	
	21 -30	11
	31 – 40	49
	41 – 50	22
	Above 50	18
3	<b>Marital Status</b>	
	Single	9
	Married	65
	Divorced	8
	Separated	7
	Widowed	11
4	<b>Highest Educational Qualification</b>	
	No education	8.1
	Primary	19.7
	Secondary	47.2
	Tertiary	25.0
5	<b>Employment status</b>	
	Informal sector/self-employment/farming	51.3
	Organized Private sector	19.1
	Public sector	25.5
	Unemployed	0.1
	Retiree	4.0

**Source:** Field Survey, 2015



As could be seen from Table 1, 71 percent of the household heads interviewed are male and 49 percent of both male and female fall within the age bracket of 31-40 years. The table shows further that about 65 percent of the samples are married. In the area of educational attainment, the analysis shows that more than 47 percent have secondary school education while 25 percent said they have tertiary education, thus showing that the sample consists of people who are fairly literate. Furthermore, it could also be seen from the table that more than 50 percent of the heads of household in the study area are engaged in the informal sector of either subsistence farming or any other kind of self-employment a situation which really underscores the need to pay more attention to the sector as major source of employment. However, about 25 percent are employed in the public sector

#### 4.2 Incidence of Poverty in Awka Metropolis

In this section of the analysis, we estimated poverty indices and in doing that, we attempted measuring the well-being of individual heads of household in the metropolis through their total consumption-expenditure and household size, using the adult equivalent scale. Having established the individual heads of household's

consumption-expenditure, a cut-off point that served as the poverty line, using  $\frac{1}{3}$  of the mean per capita expenditure of the whole population under study, was established at N6, 105 a month per adult equivalent. Following this poverty line, the popular P-alpha classes of poverty measures were used to determine the incidence, the depth or gap and the severity of poverty in Awka metropolis.

Table 2 below is the summary of poverty indicators in the study area. As could be seen from the table, the head count poverty index of 0.49 representing 49 percent of the population with a consumption level below the poverty line was estimated. Thus showing that 49 percent of the respondents in Awka metropolis lived in households that are poor since their adult equivalent consumption-expenditure was below the poverty line of N6, 105 per month (using \$1 per day measure).

**Table 2: Summary of Poverty Indicators (Incidence, Depth and Severity) in Awka Metropolis**

Total sample	No. of poor Households based on N6,105 poverty line	Poverty head count index $P_n$ (in %)	Poverty gap Index $P_1$ (in %)	FDTP <sub>2</sub> Index (in %)
378	185	49	17	3

**Source: Field Survey, 2015**

Also, poverty gap index of 0.17 (representing 17 percent of those whose average consumption-expenditure was below the poverty line) was estimated. This gap is referred to as the poor's degree of misery, thus representing the percentage of expenditure required to bring poor individuals below the poverty line up to the poverty line. The severity of poverty index on the other hand, was estimated to be 0.03 which represents 3 percent of the poorest among the poor households in Awka metropolis who require the attention of policy makers in the distribution of the standard of living indicators such as educational services, health care services, clean water, sanitation and other economic well-being indicators including food and income-generating activities.

### 5.0 Summary, Conclusion, and Recommendations

#### 5.1 Summary

Based on the results and the discussion of the results in this study, three (3) measures of poverty clearly show that the rate of poverty in Awka metropolis is relatively low (49 percent) when compared with the national rate of 62 percent as provided by the National Bureau of Statistics in 2012 (see NBS, 2013). Some of the causes and consequences of poverty in Awka metropolis were indentified. As perceived by some affected people, causes include among others: lack of or limited supply of some basic needs of life such as food, shelter, potable water, basic healthcare services, educational facilities, sanitation facilities, transportation and electricity, decent housing facilities and micro credit for self-help ventures.

It was gathered that inadequate healthcare services, in particular has exacerbated the health situation of many respondents. The devastating effect of sickness to household's well-being is quite conspicuous as it leads to draining of meager resources through pockets droppings. Awka has a long history of shortage of water, especially pipe borne water. Infect, children born in the area around 1995/96 do not know what is called pipe borne water from water works, only what they have grown up to see are boreholes drilled by private individuals.

Also, electricity supply within the city of Awka and its environ is so epileptic that many micro and small businesses that depend on it for production have all shut down and gone out of business thereby making it difficult for many to meet their daily needs.

On the other hand, the consequences of poverty according to the respondents are economic distress, psychological distress and poor or low esteem. The poor lack voice, power, and independence, which leave them vulnerable to all kinds of exploitation, humiliation, and inhuman treatment by both private individuals and public agents from whom they seek one form of help or the other. Poverty brings shame and prevents people from participating in most communal activities. People are excluded from social interactions with other members of the community as a result of poverty. Other issues associated with poverty as observed from the study were increased cases of social vices such as prostitution, violent crime, child labour and many kinds of illegitimate or illicit deals.

## 5.2 Conclusion

In this study, an empirical analysis of poverty incidence, depth and severity in Awka metropolis, was carried out using the P-alpha class of poverty measurement. The study revealed that the rate of poverty in Awka is modest with 49 percent when compared with the national rate of 62 percent of the population that live below poverty line. The poverty gap index was estimated at 0.17 and the severity of poverty index was also estimated at 0.03. The indicators were described as modest because they are well below the national rates.

## 5.3 Recommendations

Even though the study revealed modest indicators, poverty incidence of 49 percent is significant. The implication is that nearly 50 percent of the population is living below poverty line. Poverty situation in Awka metropolis is the result of problems of urban development. Therefore, it will require a rise in income in both the organized formal and informal sectors to bring about a reduction in poverty. With respect to the informal sector, gains in productivity and higher incomes will lead to higher demand for consumer goods and services and consequently more job opportunities. Public investment in urban infrastructure and support services will greatly strengthen formal and informal sector activities and their linkages.

Government should provide electricity and other social amenities to the adjoining rural communities to stem the tide of rural-urban migration which has led to the over use of the social amenities in the cities. Also, the provision of credit facilities through specialized programmes and institutions (such as non-governmental and community based organizations) to support productivity growth, smoothen consumption and promote sustainable income-generating activities, especially in the informal sector, would reduce the poverty level.

Other measures towards poverty reduction in the urban areas are participation of the people in the development and decisions that affect their lives; decentralization of government activities, which also allows greater participation by the people in the development process; good governance which encompasses accountability, transparency, responsibility and participation in the development process. There is also the need to step up the fight against corruption which has inhibited development, as resources meant for the public are often diverted by corrupt public officials to personal use.

## References

- Aigbokhan, B.E. (1997). Poverty Alleviation in Nigeria: Some Macroeconomic issues. In: *proceedings of the Nigerian Economic Society Annual Conference on Poverty Alleviation in Nigeria 1997*. Nigeria Economic Society, Ibadan. PP.181-210.
- Aku, P.S, Ibrahim, M.T. and Bulus, Y.D. (2007). Perspective on Poverty Alleviation Strategies in Nigeria. In: *Proceedings of the Nigerian Economic Society Annual Conference on poverty Alleviation in Nigeria*. Nigeria Economic Society. Ibadan. PP. 41-54.
- Anyanwu, J.C. 91997). Poverty in Nigeria: Concepts, Measurement and determinants. In: *Proceedings of the Nigerian Economic Society Annual Conference on Poverty Alleviation in Nigeria 1997*. Nigerian Economic society, Ibadan. PP.93-120.
- Central Bank of Nigeria/World Bank (1999). Nigeria's Development prospects: *poverty Assessment and Alleviation Study*, 8 march, 1999.

- Coker, J.P (1999). Household Sample Survey in the Study of Poverty: The Federal office of Statistics Experience. Proceedings of a Workshop on Graduate Studies Capacity Building Programme. Held in Ibadan 5<sup>th</sup>-16 July.
- Foster, J., Greer, J. and Thorbecke, E. (1984). A Case of Decomposable Poverty Measures. *Econometrica*, 52:761-765.
- Glewwe, P. (1990). Improving Data on Poverty in the Third World: The World Bank's Living Standards Measurement Study. *World Bank Policy Research Working Paper* No.416.
- Grooteart, C. and Braithwaite, J. (1998). Poverty Correlates and Indicator-based Targeting in Eastern European and Former Soviet Union. *World Bank Policy Research Working Paper*, No. 24.
- Grooteart, C. and Braithwaite, J. (1998). Poverty Correlates and Indicator based Targeting in Eastern Europe and Soviet Union. *World Bank Policy Research Working Paper* No. 1942.
- Grosh, M.E. (1997). The Policy Making Uses of Multi-Topic Household Survey Data. A Primer. *The World Bank Research Observer*, 12(2):137-160.
- Grosh, M.E. and Glewwe, P. (1995). Guide to Living Standards Measurement study Surveys and their Data set. *World Bank Living Standards Measurement Study Working Paper* No.120.
- Ijaiya, G.T (2000). Urban Poverty Incidence in Nigeria: A study of Ilorin metropolis. *The Nigeria Journal of Economics and Social Studies*. 42(3):410-426.
- Kankwanda, M.L., Greogoire, H.L. and Ouedraogo, H. (2000). Poverty Eradication: Where Stands Africa: *Economical*, London.
- Levy, S. (1991). Poverty Alleviation in Mexico. *World Bank Policy Research Working Paper* No.679.
- Narayan, D. (2000). Poverty is Powerlessness and Voicelessness. *IMF Finance and Development*, 37(4):18-21.
- Narayan, D. R., Patel, K., Schafft, A., Rademacher and Koch-Schulte, S. (2000). Voices of the poor: Can Anyone Hear Us? London: Oxford University Press.
- National Bureau of Statistics (NBS) (2012). *Poverty Profile for Nigeria*, Federal Republic of Nigeria: Federal Government Press.
- National Bureau of Statistics (NBS) (2012). General Households Survey Report, Abuja, Nigeria.
- National Population Commission (NPoC) (2006). *Population and Housing Census* National Population Commission. Abuja.
- Obadan, M. (2007). *Analytical Framework for poverty Reduction: Issue for Economic Growth Versus Strategies*. In: *Proceedings of the Nigerian Economic Society Annual Conference on Poverty Alleviation in Nigeria* 2007. Nigerian Economic Society, Ibadan. PP. 121-140.
- Okeke, N.J (2011). Unemployment and Poverty in Nigeria: A link to national Insecurity. *Global Journal of Politics and Law Research*, Vol. 2, No. 1: 19-35.
- Onibokun, A. and Kumuyi, L. (2006). *Urban Poverty in Nigeria: Towards sustainable strategies for its Alleviation*. Center for African Settlement Studies and Development (CASSAD) Ibadan. Nigeria.
- Osinubi, T.O. (2013). *Urban Poverty in Nigeria A Study of Agege Area of Lagos State, Nigeria*. Department of Economics, Faculty of Social Sciences, University of Ibadan, Ibadan Nigeria.
- Ravallion, M. and Sen, B. (1994). When Methods Matter: Towards a Resolution of the Debate about Bangladesh's Poverty Measure. *World Bank Policy Research Working Paper*, No.359.
- Robb, C.M. (2000). How the Poor Can Have a Voice in Government Policy. *IMF Finance and Development*, 37(4):128-40
- Sanyal, L. (1991). Organizing the self-employed: The Poverty of the Urban Informal Sector. *Internal Labour Review*, 30(1):39-56.
- Schubert, R. (1994). Poverty in Developing Countries: Its Definition, Extent and Implication. *Economics*, 49(50):17-40.
- United Nations (2001). Summit for Social Development. *The Copenhagen Declaration and Programme of Action* 16<sup>th</sup>-12<sup>th</sup> March.
- United Nations Development Programme (UNDP). 1997 Nigeria: *Human Development Report 1998*. UNDP, Lagos.
- Usman, I.C. (2014). Poverty and Welfare Status of Households in Eastern Senatorial District of Kogi State, Nigeria. *Global Journal of Human Social Sciences and Economics*, 14(3): 48-58.

- Von Hauff, M. and Kruse, B. (1994). Conceptual Bases for a Consistent Poverty Oriented Policy. *Economics*. 49(50):41-55.
- World Bank (1990). *Poverty World Development Report 1990*. London oxford university press.
- World Bank (1999). *Understanding and Responding to Poverty*,  
[http://www.World Bank org/Poverty/Mission/Upl.htm](http://www.WorldBank.org/Poverty/Mission/Upl.htm).
- World Bank (2001). *Development Indicators*. Washington, D.C. World Paper, 74-75.
- World Bank (2010). Implementing the World bank s Strategy to Reduce Poverty: Progress and Challenges. *The World bank*, Washington, D.C.
- Wynne-Hammond, C. (1979). *Elements of Human Geography*. London: George Allen and Urwin.
- Yahie, M. (2003). The Design and Management of Poverty Alleviation Projects in Africa: Evolving Guidelines based on Experience. *World bank EDI Human Resource Division*