

Comparative Analysis of Poverty Level Among Rural and Urban Farmers in Ekiti and Ondo States

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Abstract

The study was carried out to investigate the poverty level differential among rural and urban households in Ekiti and Ondo states of Nigeria. A total of 180 households, were randomly selected, from nine Local Government Areas of the two states. A structured interview schedule was used in eliciting information from them. The data collected were analysed using descriptive statistics such as frequency counts Mean, Standard Deviation and inferential statistics (Foster-Greer-Thorbeck, FGT). The Foster-Greer-Thorbecke (FGT) measure showed that 78% and 57% of the rural and urban farmers from the two states were poor respectively. Based on the poverty line of N5668, the depth of poverty is 0.3889 and 0.1875 for the urban dwellers. For the rural dweller, the severity of poverty is 0.2613 and 0.0856, and this showed that there was a higher level of poverty among households in the rural areas than the urban areas of the study area.

Introduction

Poverty is one of the greatest menaces challenging many African countries (Okunmadewa et al., 2010). In Nigeria, poverty is a policy and economic problem. Various programmes initiated by the governments have stressed the need to either permanently eradicate poverty or to alleviate it. Poverty level in Nigeria rural and urban areas has become increasingly connected through movement of people, goods, capital, and information. In view of this new reality, 'urban' and 'rural' as concepts seem to fall short to cover the complex web of flow and exchanges that have made rural areas dependent on each other. Poverty exists when a group of people cannot attain a minimum level of well-being. The 'minimum' is at least partly dependent upon the prevailing standards of society. Although, poverty exists both in rural and urban societies of Nigeria, yet it is important to note that it is a rural phenomenon (World Bank 1990, Fields 2000). However, further comparative studies on poverty among different classes or groups of people in the rural and urban areas are essential. The incidence of poverty in Nigeria is prevalent both in rural and urban areas with a proportionate increase in the former (Etim 2007). Nigeria has witnessed considerable worsening welfare conditions of its citizenry, despite her huge physical and human resource endowments (Okunmadewa 2001). The majority of the rural populace in Nigeria depends entirely on farming and farming activities for survival and generation of income, as well as use the activities to supplement their main source of income. This is evident in the fact that over 90% of the country's local food production comes from farms that are usually not more than one hectare. According to Olawepo (2010), about 60% of the population earn their living from these farms. Poverty has not been alleviated both in urban and rural areas despite the huge investment regional road networks.

A REVIEW OF THE INCIDENCE OF POVERTY IN NIGERIA

The Federal Office of statistics (now National Bureau of Statistics) and the World Bank initiated poverty tracking in the 1990's. Since this period, the high incidence of poverty in Nigeria informed the government to initiate several anti-poverty programmes such as National Poverty Eradication Programme (NAPEP), National Economic Empowerment and Development Strategy (NEEDS) and the Nigerian Millennium Development Goals (MDGs), etc. In 1995, the World Bank study on Nigeria identified poverty in rural communities as related to poor physical facilities, food security, obsolete agricultural practices, poor nutritional values, little access to savings and credit, general inability to sponsor higher education of children, inadequate diets and homes without basic facilities. There are high numbers of poor people living in rural areas of Nigeria. Based on an FOS (1999) report, the incidence of poverty is high among farming households than non-farming households. Agricultural growth is, therefore, a key determinant of poverty reduction in Nigeria. The poverty gaps between rural and urban households also reflect in their access to basic services. Okunmadewa (1998) and World Bank (1996) reported that poor families were in a higher proportion in farming households than 'in non-farming households' in Nigeria in 1985, 1992 and 1996. According to Adejobi (2004), the farming families, produced over 90% of foods consumed in Nigeria. Also, a significant proportion of the urban dwellers in Nigeria engage in farming practices. For the poorest of the poor, urban agriculture provides is a means of accessing food and thereby eradicating malnutrition. The activities that revolved around urban agriculture, also serve as means of employment among the poor. Most of these people are not skilled, but they derive their food and income from the activities. As for the middle-income families, it offers the possibility of savings. As a result, urban agriculture can be regarded as an investment by the urban population, which helps to stamp out poverty and food shortages

in the urban environments (UNDP, 1996). This shows that farmers in the urban centres are likely to be among the poorest of the poor people of the urban population..

Methodology

The study was carried out in Ondo and Ekiti States of Nigeria. Nine LGAs were purposively selected from 34 LGAs in the two states. From each LGA, one town and village were randomly selected. Also, ten respondents were randomly selected from each town/village. This makes a total of 180 respondents. A structured interview schedule was used in eliciting information from the respondents. The data collected were analysed using descriptive statistics such as frequency counts Mean, Standard Deviation and inferential statistics (Foster-Greer-Thorbeck, FGT).

Analytical Method

$$P_{\alpha i} = \sum_{i=0}^n n_i (1 - y_i / z) \frac{\alpha}{N} \dots\dots\dots 1$$

Where $\alpha=0,1,2$

When $\alpha=0$, it signifies the incidence of poverty or head count and the equation becomes

$$P_{\alpha 0} = \sum_{i=0}^n n_i \frac{(1 - \frac{y_i}{z})}{N} \alpha \dots\dots\dots 2$$

When $\alpha=1$ it conveys the information that there is uniform concern for poverty depth or gap i.e poverty depth or gap and the equation becomes

$$P_{\alpha 1} = \sum_{i=1}^n n_i (1 - y_i / z) \frac{\alpha}{N} \dots\dots\dots 3$$

Equation 2 and 3 which are poverty incidence or head count and poverty depth or gap represent the income ratio, which measure the proportionate distance of mean income of the poor below the poverty line.

Finally, when $\alpha=2$, it implies that a distinction is made between the poor and the poorest of the poor. This gives a measure of poverty severity. The equation becomes

$$P_{\alpha 2} = \sum_{\alpha=2} n_i (1 - y_i / z) \frac{\alpha}{N} \dots\dots\dots 4$$

Where

P_{α} =weighted poverty index for the ith group

N_i =total number of the household in the group

Y_i per capita income of the household in the sub-group

Z_i =poverty line for the sub-group

$\alpha =0$ is the incidence of poverty (head count index) and is used to the per capita income of the poor

$\alpha=1$ is the poverty depth/gap which is defined as the difference between the poverty line and the mean expenditure of the poor

$\alpha=2$ indicates poverty severity

Q =number of poor households

The contribution of each sub-group to the whole poverty in Ekiti and Ondo States was determined using

$$C_i = P_{\alpha i} N_i (P_{\alpha} N)^{-1}$$

Where C_i =Contribution of the ith group

$P_{\alpha i}$ = the weighted index of the ith group

N_i = total no of households in poverty

Poverty line was also constructed to classify the household into poor and non-poor. Monthly income was used as a proxy for standard of living. In order to calculate per capita household monthly expenditure, total monthly income was divided by total household size while the mean per capita household monthly income was calculated by dividing the total per capita household monthly income by total household size

Results and discussion

The study reveals that the modal age range was 41-60 years; amounting to 64.4% and 55.6% of the rural and urban households' respectively. About 65 and 86.7% of the rural and urban households were male. Majority of the respondents were illiterate in both settings. These were 64.4% and 56.67% among the rural and urban families respectively. The family sizes range from less than five people to 15, a group with the highest percentage, was 6-10 people, which amounted to 51.1% in both the rural and urban households. Majority of the

households operated on less than a one-hectare farm land. This was 79% of the rural farmers as against 72.2% of the urban counterparts. None of the rural households operated more than 5 hectares. Only two people among the urban farmers operated more than five hectares. This showed that farming is typically subsistent in the study area. Only 31.1% and 36.7% of the rural and urban household respectively owned a house. The rest lived either in rented or inherited apartments in both communities. 32% and 88% had access to improved seedling in rural and urban areas respectively. This is as a result of the higher expensive of the urban farmers to extension programmes than the rural farmers. Majority of the rural farmers (61%) had no access to improved seedling while a minority of the urban farmers (10%) had no access to improved seedling. Access to machinery shared the same episode with access to seedling in the rural areas. Seventy-eight per cent of the farmer had no access to farm machineries while only 12% had access to farm machinery. The reverse is the case in the urban settings, 54% of the farmers had access to machinery, and 46% had no access. Access to cooperative was fairly higher among the rural farmers (50%). It was lesser than what obtained among the urban farmers (70%). Access to extension service was very poor among the urban farmers. Only 8% of them had access while 92% of them did not have access to extension. Access to extension among the rural farmers was below average, (26%). The remaining 74% of them had no access at all. This result justified that poverty was extreme in both the rural and urban settings of both Ondo and Ekiti State. The second segment of the analysis began with the characterization of the poverty profile of the rural and urban households in Nigeria. It provided the key correlates of poverty as well as gave important notions underlying the determinants of poverty among the rural and urban households. The results showed that poverty was more widespread and severe among the rural households than the urban households. About 79% of the rural household were poor as against 52% of the urban farming households. The depths of Poverty of the rural and urban households were 42.6% and 18.8% respectively. The poverty severity for the rural household was 26.1% when compared with 8.6% of the urban household. Rural area contributed 38.9% to the poverty incidence in both states while urban areas contributed 26.1%. Contributions to poverty depth among the rural and urban households were respectively 9.5% and 21%. Lastly, contributions to poverty severity by the latter and former were 12.9% and 4.3% respectively. In order to improve the living standard of the rural poor in the study area, their monthly income must increase by 42.6%. This seemed to be very unrealistic now as several State Governments in Nigeria have not been able to pay the minimum wage of N19000 (about \$125) negotiated by the Nigerian Labour congress to their workers.

Conclusion

It could be adduced from the study that although poverty is more of a rural phenomenon in the study areas of both Ekiti and Ondo states, the urban farming households also share in the episode. It shows that some poverty alleviation or eradication programmes being orchestrated by the Nigerian governments in all the three tiers have not yet trickled down to the bottom poor, especially in the agricultural sector

Policy Recommendations

The study recommends the following:

Poverty alleviation programmes should focus on building up the human capital of the entire farming population in the study area. It should be done in such a way as to have a significant impact on their level of education.

Land use decree should be reviewed to encourage appreciable increase in the size of farm holdings.

Must more public enlightenment programmes on family planning among rural households.

Youth empowerment programmes in agriculture should focus on commercial rather than subsistence agriculture. Emphasis should be put on the use of modern methods of farming. These include access to improved seed and farm machine hiring units at affordable prices, access to extension services, and access to credit facilities at low interest.

Also, there is a need to provide more public infrastructures to enhance community development.

Table 1: Distribution of the socio-economic characteristics of the rural and urban farmers in the study area

| Variable | Urban frequency | Urban percentage | rural frequency | rural percentage |
|-------------------------------------|-----------------|------------------|-----------------|------------------|
| Age | | | | |
| <40 | 18 | 20 | 24 | 26.67 |
| 41-60 | 58 | 64.44 | 50 | 55.56 |
| >60 | 14 | 15.56 | 16 | 17.78 |
| Sex | | | | |
| Male | 58 | 64.44 | 78 | 86.67 |
| Female | 32 | 35.56 | 12 | 13.33 |
| Education | | | | |
| No education | 58 | 64.44 | 51 | 56.67 |
| Primary | 23 | 25.56 | 19 | 21.11 |
| Secondary | 07 | 7.78 | 11 | 12.22 |
| Tertiary | 02 | 2.22 | 09 | 10 |
| Family size | | | | |
| <5 | 21 | 23.34 | 32 | 35.56 |
| 6-10 | 46 | 51.11 | 46 | 51.11 |
| 11-15 | 23 | 25.56 | 12 | 13.32 |
| Farm size | | | | |
| <1 | 79 | 87.78 | 65 | 72.22 |
| 1-5 | 11 | 12.22 | 23 | 25.56 |
| >5 | 0 | 0 | 02 | 2.22 |
| Ownership of houses lived in | | | | |
| Personal | 28 | 31.11 | 33 | 36.67 |
| Rented | 20 | 22.22 | 44 | 48.89 |
| inherited | 42 | 46.67 | 13 | 14.44 |
| Access to improved seed | | | | |
| Yes | 29 | 32.22 | 80 | 11.11 |
| No | 61 | 67.78 | 10 | 88.89 |
| Access to farm machinery | | | | |
| Yes | 12 | 13.33 | 49 | 54.44 |
| No | 78 | 86.67 | 41 | 45.56 |
| Cooperative | | | | |
| Yes | 45 | 50 | 70 | 77.78 |
| No | 45 | 50 | 20 | 22.22 |
| Extension | | | | |
| Yes | 07 | 7.78 | 23 | 25.56 |
| No | 83 | 92.22 | 67 | 74.44 |

Table 2: Foster-Greer-Thorbeck (FGT) measures showing poverty levels among rural and urban farmers in Ekiti and Ondo States

| Variable | Rural | Urban |
|--------------------------------------|--------|--------|
| P0= proportion of poverty incidence | 0.7865 | 0.5165 |
| Co=Contribution of poverty incidence | 0.3889 | 0.2611 |
| P1= proportion of poverty depth | 0.4255 | 0.1875 |
| C1=Contribution of poverty depth | 0.2104 | 0.0948 |
| P2= proportion of poverty severity | 0.2613 | 0.0856 |
| C2=Contribution of poverty severity | 0.1292 | 0.0433 |

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