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The Differences on Poverty Rate Across Regions In Nigeria: An Empirical Evidence

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Abstract
This paper attempt to examine the differences on poverty rate across the regions in Nigeria. The specific objectives of the study are to assess the factors that influences the differences on poverty rate and examine the differences on poverty rate of each regions in Nigeria. Secondary data for this research were sourced from the Oxford Poverty and Human Development Initiative (OPHI), National Bureau of Statistics (NBS) and the National Population Commission.The study also reveals that North-West is the region with highest rate of poverty (76.8%) while South-West Graded to be the region with the lowest rate of poverty. The study as also discovered that the rate of poverty and fertility rate are related significantly ($r = 0.984$; $P= 0.000 < 0.05$), and the differences between poverty rate and level of literacy, employment and standard of living is insignificant. This entails that for any increase in the level of literacy, standard of living and employment will leads to a decrease in the multidimensional poverty index (MPI) thus, poverty rate decreases. The researchers recommends the intervention of government to increase in the number of jobs, level of education, standard of living and improvement in health sector in the regions.

I. INTRODUCTION

Recently the issue of poverty has been at the centre of global policymaking (Alkire & Yalonetzky, 2015). The drive to address poverty in developing countries has become more urgent, given the need to attain the United Nations Millennium Development Goals (UN MDGs) by 2015 (Angwe, 2016). The problem of poverty has crippled the world economic development from time to time. Poverty is visible in all the corners of the world; though, its severity varies (Okuneye, 2020).

It is more prominent in the developing and less developed economies, while; the incidence of poverty is less common in the highly industrialized nations (World Bank, 2018). However, poverty has no geographical boundary (Sanchez-Martinez, 2019). It is seen in different part of the world. It is seen in the north, west, south and east. It is found in rural as well as urban areas of Nigeria. Both rural poverty and urban poverty are global phenomena (Perpetual, 2020).

In general, there are higher rate of poverty in developing countries than in developed countries. Eradicating rural poverty through effective policies and economic growth remains a challenge for the international community (UNDP, 2013). The first target of Millennium Development Goals was to decrease the extent of extreme poverty by one half by the year 2015, which could not be achieved (Blank, 2018). The World Bank (2015) established that Nigeria with 170million population falls among the countries with extreme poverty over 70% 0f its population lives on $1.25 or even less a day.

Poverty in Nigeria remains pervasive despite high economic growth (Adofu & Akoji, 2013). As the most populous country in Africa and also the largest black nation in the whole world, Nigeria is still characterized with high rate of poverty across the geographical regions (Adeboye, 2016). Some regions are considered to be poorer as compared to other parts of the regions (Zanna, 2016). Many States in some regions have recorded a progressive improvement in economic and social indicators, but some part of the regions are still left behind (Kamil, 2015). In a disaggregation of the national poverty rate, the lack of responsiveness of poverty reduction to growth can arguably be attributed to the performance of two of the six geopolitical zones into which the country is often divided, North East and North West (Egware *et al.*, (2019).

According to National Bureau of Statistics (2015), North East and North West have retained the poorest geo-political zones in Nigeria since 1985 (NBS, 2015). With a poverty prevalence of 76.8% the North West region has the highest level of poverty in Nigeria (NBS, 2015). The report further revealed that poverty rate in 2010, North east has

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445.8, North west has 531.8, North central has 496.6, south south has 344.7, South east has 242.4 and southwest has 324.5 respectively (NBS, 2015). The crisis of poverty in Nigeria manifested the researcher to study the differences on poverty rate across regions in Nigeria. The specific objectives are to assess the factors that influences the differences on poverty rate across the regions in Nigeria and to examine the differences on poverty rate of each regions in Nigeria.

II. LITERATURE REVIEW

2.1 Concept of Poverty

Aigbokhan (2000) argued that there is no accepted definition of poverty because of its multi-dimensional nature which affects many aspects of the human conditions including physical moral and psychological. It is perhaps for this very reason that Agbu (1997) observed that poverty is more easily recognized than defined. Different criteria have therefore, been used to conceptualize poverty. However, some renowned scholar agreed with the conventional view of poverty as a result of insufficient income for securing basic goods and services (sen, 1981). This was further collaborated by the Central Bank of Nigeria (1999) views poverty as a state where an individual is not able to cater adequately for his or she basic needs of food, clothing and shelter. Other analysis view poverty in terms of education, Health, life expectancy, child morality etc (Balami, 1999). The study was further collaborated by the World Bank (2000) utilized inductive approach to uncover various dimensions of poverty such as lack of well-being, psychological, basic infrastructure, illness and assets, unable to meet social and economic obligations, lacks gainful employment, skills, assets and self-esteem.

According to Azpitarte (2010) the dominant western definition since world war II has defined poverty in monetary terms, using levelsof income or consumption to measure poverty and defining the poor by a headcount of those who fall below a given income or consumption level or poverty line.

In an earlier study by Ajakaiye and Adeyeye (2013) however, look at the concept of poverty not from lack of wealth but in terms of security, the study viewed poverty is a situation where individuals or society not having a peaceful life and cannot walk freely. Such people are not enjoying their daily life. The study further argue that manifestation of urban poverty include haggardness and poor clothing, no family, stressed by elderly inability to pay rent, inability to feed one's self and his family, joblessness, not having "big brother "or important" connection". Inability to meet community perceptions of obligations such as levies and urban street beggars. Moreover, poverty is also defined by a sense of helplessness, and lack of opportunities, self-confidence and self-respect on the part of the poor.

In recent study to Alkire and Santos (2010) observed that United Nation Development Programme (UNDP) introduce a new international measure of poverty the multidimensional poverty index (MPI) which directly measures the combination of the deprivations that each household experiences. The MPI assesses the natures and intensity of poverty at the individual level, with poor people being those who are multiply deprived and the extent of their poverty being measure by the extent of their deprivations. This according Alkire and yalonetzky (2011) the MPI offer an essential complement to income poverty measures because it measures deprivations directly and reveals a different pattern of poverty than income poverty. Furthermore, according to Alkire and Santos (2010) The MPI has three dimensions of human development: (i) life expectancy (health) (ii) educational attainment and (iii) standard of living.

Finally, no matter how one would want to define poverty, it all boils down to either economic poverty the measures poverty in terms of income index and food energy index or non economic poverty which measure poverty in terms of health (malnutrition), education (literacy rate), standard of living such as access to safe water and sanitation, as well as safety, empowerment, good governance, population growth rate and indebtedness etc. (World Development Report, 2010).

2.2 Factors that Influences the Difference on Poverty Rate Across regions in Nigeria

The Multidimensional Poverty Index (MPI)

The Multidimensional Poverty Index (MPI) is a measure of acute poverty rate covering many States and Nations across regions (MPI, 2020). The MPI complements income-based poverty measures by reflecting the multiple deprivations that people face at the same time(MPI, 2020). The MPI identifies deprivations across health, education and living standards, and shows the number of people who are multidimensional poor and the deprivations that they face at the household level(MPI, 2020). The MPI has three dimensions and 10 indicators, which are shown in the box below(MPI, 2020). Each dimension is equally weighted, each indicator within a dimension is also equally weighted, and these weights are shown in brackets within the diagram below(MPI, 2020).

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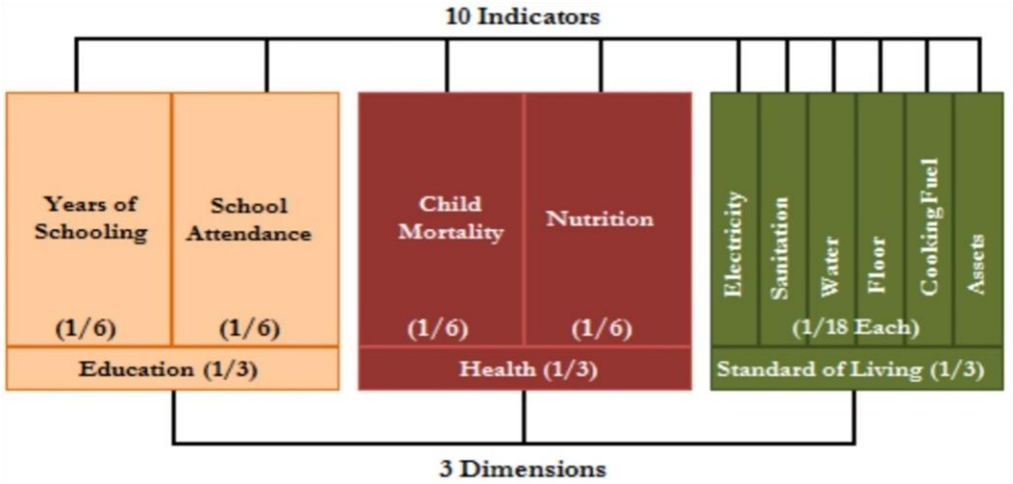
Three Dimensions of MPI



Source: United Nations' Multi-Dimensional Poverty Index (2017)

Above shows clearly the three dimensions of MPI which are; (a) education, which includes years of schooling, school attendance, (b) health which include , child mortality, nutrition and (c) standard of living which are electricity, sanitation, water, floor, cooking fuel and assets. According to Oxford and Human Development Initiative, OPHI (2017), a person, state or region is identified as multidimensionality poor (or 'MPI poor') if they are deprived in at least one third of the weighted indicators shown above; in other words, the cutoff for poverty (k) is 33.33%.The proportion of the population that is multidimensionality poor is the incidence of poverty, or headcount ratio (H). The average proportion of indicators in which poor people are deprived is described as the intensity of their poverty (A). The MPI is calculated by multiplying the incidence of poverty by the average intensity of poverty across the poor (MPI = H x A); as a result, it reflects both the share of people in poverty and the degree to which they are deprived.

Multidimensional Poverty Index (MPI) of each regions in Nigeria

REGION/ZONE	MPI
North-East	2.833
North-West	3.523
North-Central	1.34
South-West	0.523
South-East	0.609
South-South	0.64

Source: United Nations' Multi-Dimensional Poverty Index (2022)

The map above shows visually the differences on rate of poverty across regions in Nigeria. The red indicates a higher MPI and therefore greater poverty rate, while green indicates a lower MPI and therefore lesser poverty rate.

2.3.2 Distribution of Total Net Allocation by Federation Account Allocation

Nigeria operates a federal system of government and thus the task of generating revenue and providing infrastructure is a shared responsibility among the three tiers of government namely federal, state and local governments. The rate of poverty in each of the regions is highly dependent on the revenue available to these three tiers. The following is the presentation of the aggregate net allocation disbursed by Federation Account Allocation Committee between 2015 and 2020.

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Table 2.1 Federation Account Allocation Committee (2018 to 2022)

REGION/ZONE	AMOUNT TO STATES (₦)	% OF TOTAL
North-East	2,210,153,363,600.94	12%
North-West	2,974,118,327,140.31	16%
North-Central	2,094,205,427,044.38	11%
South-West	2,717,129,415,630.44	14%
South-East	1,790,147,367,339.76	9%
South-South	7,132,452,439,678.79	38%
Total	18,918,206,340,434.60	100%

Source: Federation Account Allocation Committee (2021)

Table 2.1 brings clearly into focus the distribution of total allocation on three items, which include statutory, 13% derivation fund and VAT to the six (6) geopolitical zones in the federation excluding FCT. It is interesting however to observe that apart from South-South with 38%, the oil producing zone, North west and South west stand out prominently as zones having the highest net statutory allocation in the federation. This may not be unconnected with their population advantages arising from Kano and Lagos states. Further analysis would reveal that amount that accrued to the South-South zone with 6 states within the period under review was equivalent to those received by the entire 19 northern states. This suggests that the resources in the non-oil producing states have not been tapped in a manner to make significant contribution to the federation account. Consequently, nonorthern state despite the availability of huge resources including oil and solid minerals could benefit from the 13% derivation allocation. Thus the extensive gap of federal account allocation to the regions contributed a lot of differences on poverty rate in the regions.

2.3.3 The Internally Generated Revenue (IGR) of each Region

The internally generated revenue (IGR) accruing to the region is still among the major factors that leads to the differences on the poverty rate in Nigeria. This is illustrated in the table below.

Table 2.2 Annual Average IGR (Internally Generated Revenue) between 2018 and 2022

Region/Zone	Amount	% share in Total	IGR per capita
North East	21,664,712,148.63	4%	926.52
North West	44,958,445,565.92	8%	1,016.27
North Central	37,661,732,662.56	7%	1,500.95
Northern Region	**104,284,890,377.10**	**18%**	**1,124.81**
South West	274,061,133,700.02	48%	13,569.11
South East	45,768,995,133.94	8%	1,340.32
South South	146,831,176,505.00	26%	5,664.49
Southern Region	**466,661,305,338.95**	**82%**	**5,813.89**
Total IGR	570,946,195,716.06	100%	

Source: National Bureau of Statistics (various issues)

Table2.2 shows the efforts byeach region(excluding FCT) in revenue generation from internal sources. The results suggest that the 19 northern States despite having huge human and material resources generate only 18% (N104.285billion) of their revenues per annum and depend on Federal Allocation and deficit financing for further sustenance. According to the table, the entire states in the South generate N466.661billion (or 82% of the annual average) on the average between 2015 and 2020.This has partly contributed to the poor economic situation of the region and thus, leading to the wide differences in the poverty rate.

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III. METHODS

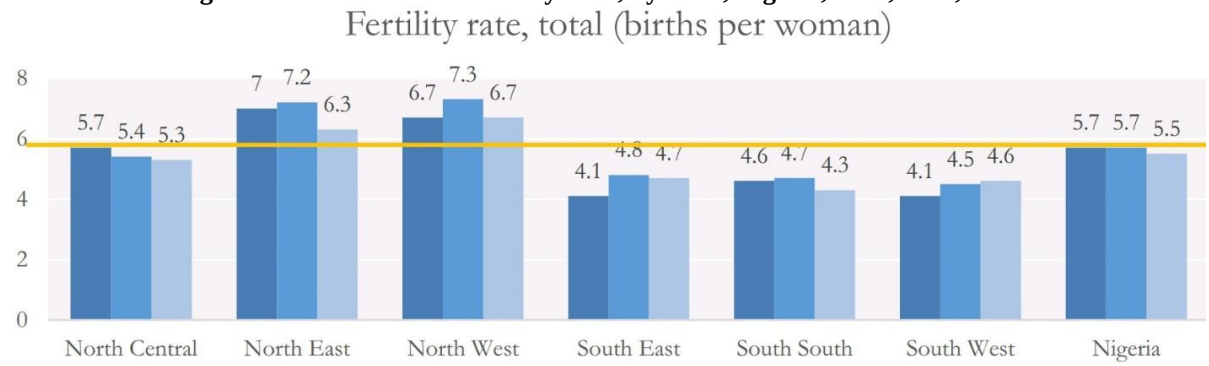
Data for the research were sourced from the Oxford Poverty and Human Development Initiative (OPHI), National Bureau of Statistics (NBS) and the National Population Commission. The study area (Nigeria) was delineated in line with the six geo-political zones/regions. Both the descriptive and inferential statistical techniques were applied for the study. Inferential statistical techniques such as the Pearson's correlation and Analysis of variance (ANOVA) were adopted.

IV. RESULTS

4.1 The Rate of Fertility in the Regions

In the last decade, the northern zones have shown significantly higher fertility rates than the southern zones, contributing to the high rate nationwide. The North West led the zonal fertility ranking with around 6.7 children per woman in 2020, against the national average of 5.5 and the average of 4.5 among zones in the south as shown in figure 4.1.

Figure 4.1. Trends in the Fertility Rate, by Zone, Nigeria, 2020, 2021, 2022



Sources: NPC and ICF International 2022, 2021; NPC and ORC Macro 2022.

Figure 4.1 shows that the fertility rate in the North West is higher than any other regions, thus, leads to a wide gap in the poverty difference across the nation. The high fertility rates in the northern zones pose serious challenges to the country's capacity to provide maternal and child health, adequate education, and basic services. The risk of mortality in infancy and early childhood is greater in higher-order births (births to women who have already given birth) and closely spaced births. Maternal mortality is also more likely in higher-order pregnancies.

The regional variation in the fertility rate can be explained by Multidimensional Poverty Index (MPI). Indeed, it was discovered that poverty rate and fertility rate related significantly ($r = 0.984$; $P = 0.000 < 0.05$) in the study area. This indicates that for any increase in the rate of fertility rate in any of the regions will leads to an increase in the poverty rate across the nation.

Regional Literacy and Employment Status in Nigeria

In terms of literacy, there were variations in the regions across the country. The literate refers to those who attended secondary school or higher institutions. Among the regions, the lowest level of literacy was in North East and the highest in the South East (see Table 4.1). It was discovered that there was variation in the level of literacy based on gender across the regions. Generally, men were more literate than women. Also, the highest and lowest literate of men can be found in South-South and North East respectively.

Table 4.1: Percentage Rate of Literates in Each Region

REGION/ZONE	Men	Women	Total
North Central	82.3	54.3	68.3
North East	51	28.3	39.65
North West	62.2	25.8	44

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South East	91.2	84.2	87.7
South South	93.1	81	87.05
South West	88.8	82.2	85.5

Source: National Demographic and Health Surveys (NDHS) (2022)

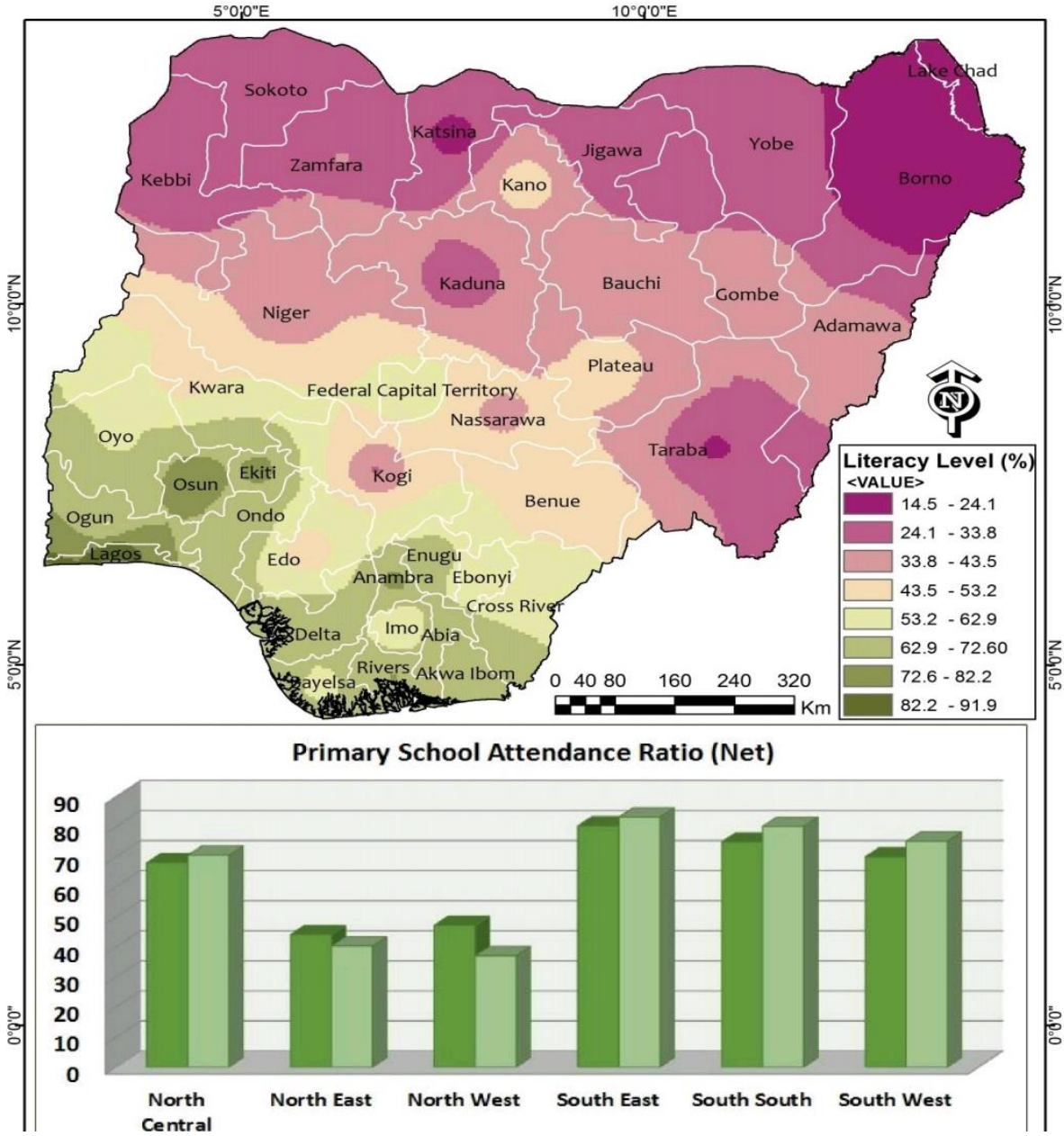

Figure 4.2: Variation in literacy across the regions

More so, it was discovered that there was also variation in the employment status across the regions. Based on states, the highest employed persons can be found in Lagos and Kano (see Figure 4). As against the trend of findings in this study, it is worthy to note that among the zones, the highest currently employed can be found in North Central. Among other things, this can be explained

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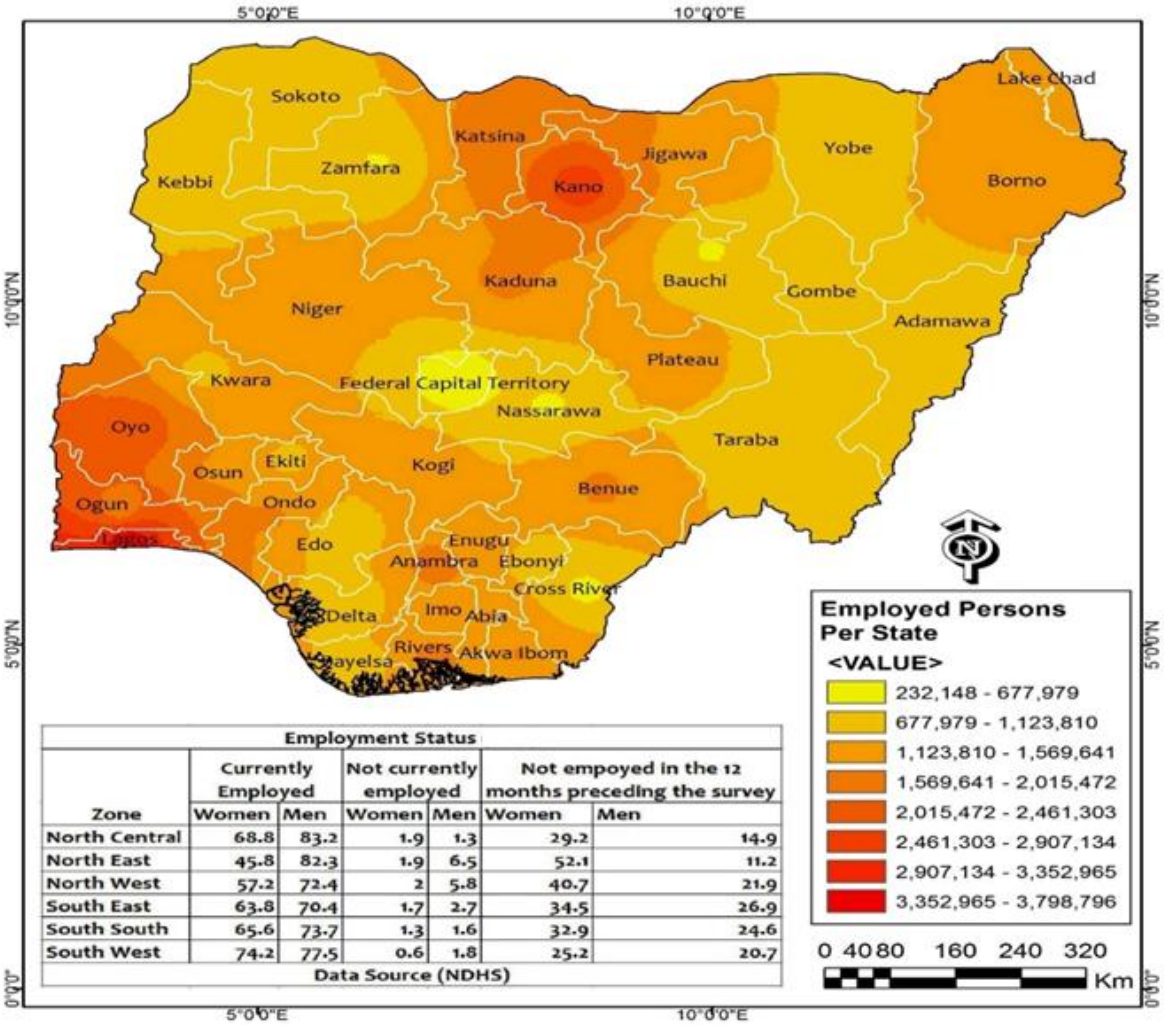
as a result of FCT-Abuja which is part of North Central. FCT- Abuja is the capital city of the country, thus there will be more opportunities for job in the place. Using the one-way ANOVA, it was discovered that there is no significant variation (*P= 8.325 > 0.00*). Therefore, there was no significant difference (*r = -0.882> 0.02*) between employment status in the regions. This implies that an increase in the level of employment in any of the regions will leads to a decrease in the rate of poverty in the nation.

Figure 4.3: Employment Status in the regions across Nigeria



Employment Status						
	Currently Employed		Not currently employed		Not empoyed in the 12 months preceding the survey	
Zone	Women	Men	Women	Men	Women	Men
North Central	68.8	83.2	1.9	1.3	29.2	14.9
North East	45.8	82.3	1.9	6.5	52.1	11.2
North West	57.2	72.4	2	5.8	40.7	21.9
South East	63.8	70.4	1.7	2.7	34.5	26.9
South South	65.6	73.7	1.3	1.6	32.9	24.6
South West	74.2	77.5	0.6	1.8	25.2	20.7
Data Source (NDHS)						

Source: World Bank calculations based on NLSS 2003–04 and GHS 2012–13.

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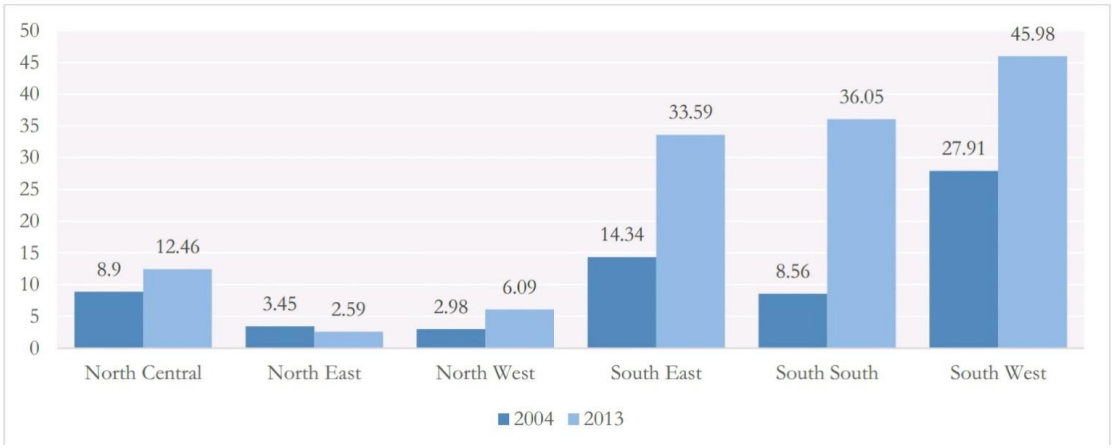
Figure 4.5. Standard of living across the regions in Nigeria



Standard of living is also greater in the south. In the south, 34–46 percent of households had Standard of living in 2022. The Standard of living in the South South, in particular, increased by 27 percentage points over the decade. In contrast, in the North East and North West, more than 90 percent of households did not have Standard of living in 2022. In addition, there was significantly negative relationship ($r = -0.883$; $P = 0.2 > 0.05$) between poverty and standard of living in regions across the country. This implies that for any increase in the standard of living, it leads to a proportional decrease in the rate of poverty.

V. CONCLUSION AND RECOMMENDATIONS

Poverty headcount ratios among the regions have been compared to results from a different poverty index, the MPI, which uses 10 indicators to measure poverty in three dimensions: education, health, and living standards. The MPI for Nigeria was calculated using 2022 Demographic Health Survey (DHS) data. Although, it is one nation, it was discovered that there was great disparity between the rate of poverty in the northern and southern regions. There is indeed disparity within the country. The variation in the level of poverty in the country can be greatly explained by total fertility rate, literacy percentage, level of employment and standard of living across the regions.The profile of employment rate among the regions also contributes to the differences. The low level of employment rate thus increases the rate of poverty in the northern zones. Only low-paid jobs are available to them, and the opportunity cost of standard of living thus becomes too high. Health care and nutritional status are significantly worst in the North West than any other region. The fertility rate is an indicator of child health. The difference between the north and the south is sufficiently convincing to claim that the south has a better health care than the North. The South West is by far the zone least affected by poverty. There are clear positive effects of Lagos State on bordering states. Poverty rates in this zone look to be lower than 12 percent and the North West is the region with the highest rate of poverty in Nigeria.There is need for the government to increase in the number of jobs in the regions and even in the modern private sector requires substantial improvement in the business environment and investment in key infrastructure.A number of poverty-targeted interventions should be applied to the high poverty regions which could directly reduce the gap between the north and the south by tapping the potential of the north.

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