POVERTY AMONG NIGERIAN WOMEN: NATURE AND MAGNITUDE

by

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INTRODUCTION:

Nigerian's weak economic base became problematic from the 1970's with the persistence of internal and external disequilibrium, as revealed by rising fiscal deficits, stagflation, balance of payments difficulties and dept crisis. Following the collapse of the global petroleum market in the early 1980s and the resultant drastic reduction in the nations foreign exchange earnings, the country found itself in serious financial difficulties. The need to re-orientate the economic activities was recognised and the government instituted a Structural Adjustment Programme (SAP) in 1986 which was intended to .restructure the economy, promote productivity and self-reliance. Partly, due to this economic downturn, exercabated by global recession, the country has experienced inflation, high interest rates and huge debt servicing.

The impact of SAP on the poor is transmitted primarily through income flows into poor households. The real income of the household depends essentially on their input and output prices. The 'pass through' argument is usually the basis on which the impact of devaluation (a major policy of SAP) on domestic prices is explained.

The underlying reasoning is that the induced increases in the prices of imported intermediate input and final consumer goods as a result of devaluation will pass on to domestic prices. In the less developed countries (including Nigeria), there is high dependence on imported capital goods and raw materials. In the event of devaluation, the domestic prices of imported inputs are raised. This increases production costs. Mark-up pricing becomes the order of the day not only to maximise profit but also to take care of the anticipated demand and input cost fluctuations.

Devaluation that causes inflation reduces the real wage rate since households have to spend more to maintain at least the same living standard. When average household consumption is maintained, poverty will not increase provided the poor do not lose from changes in the distribution of consumption. However, Nigeria's case is markedly different from the above as the proportional growth in income levels is far lower than the growth rate of inflation caused by devaluation. Consequently, a great majority of Nigerians are poor. However, the most vulnerable group of the poor are the women.

The remaining part of the paper is organized as follows. Part I discusses the concept of poverty in Nigeria. Part II the extent of poverty in Nigeria. The methodology used to derive information for this study is also presented in this part. Part III provides empirical analysis on the extent of poverty among women in Nigeria and some concluding remarks.

PART I

THE CONCEPT OF POVERTY IN NIGERIA

The concept of poverty in Nigeria has been on individual, group or regional bases, although the last two have been analyzed a lot more to the neglect of the first. The Third National Development Plan for example, emphasized the government's intention to promote a balanced regional development and to ensure that state walk in tandem in the process of development (Third plan, 1975; 291). The objective of 'balance' among individuals as it relates to income distribution was however acknowledged in the Fourth plan (1981). The conception poverty in both the absolute and relative terms has also been highlighted in the country as evident in the Nigerian Economic Society's 1975 annual conference which examined poverty in Nigeria. The conference submitted that poverty was perceived as existing where incomes or disposable resources are inadequate to support a minimum standard of decent living (Edozien 1975:37; Olayide and Essang, 1975: 153; etc.). However, Onimode and Dudley (1975) associated poverty with people's lack of power to influence their environment which manifests itself in forms of little or no education and barely any access to property or land. On the other hand, Phillips (1975) emphasized the concept of relative poverty as it relates to the lower quintiles or deciles of households whose average income is considered to be below some specified poverty level, although this study emphasized the poverty problems among women, it is true that in Nigeria poverty affects the majority of the citizenry.

The basic needs approach focuses on the need to identify the basic necessities of life and the groups within the society most vulnerable to poverty based on those identified necessities, with a view to alleviating their poverty. Dudley (1975) identified basic needs of the society to include food, clothing, shelter, education, health, work and mobility. The International Labour Organisation's (ILO) study of 1981 on Meeting Basic Needs of Nigerians agreed with the identified needs by emphasizing better food, water, shelter, health service, learning and work as the "main needs in Nigeria today" (ILO, 1981:12). However, the poverty line computed in this ILO study did not make adequate provision for non-food needs.

The centre for Social and Economic Research (CSER), Zaria, in its 1982 National Conference on Basic needs in Nigeria also emphasized the needs mentioned above as basic in Nigeria. This was also acceded to by the Nigerian Institute of Social and Economic Research (NISER), Ibadan during its Annual Conference on basic needs in Nigeria in 1986.

PART II

THE EXTENT OF POVERTY IN NIGERIA

In this study, poverty will be categorized by income levels of Nigerian women in the public services that fell below a specific two poverty line. In the absence of readily available poverty lines in Nigeria, the study specifies two poverty lines based on the recommendations contained in the World Development Report (1990). As specified in chapter one, the corresponding absolute and extreme poverty lines for Nigeria have been worked

out at ₦22,000.00 and ₦ 29,600.00 per annum, respectively (using AFEM rate of US$1 = 80.00).

Methodology

The analysis in this study is based mostly on data contained in the Federal Ministry of Labour publications. Consequently, the data for the study is essentially secondary data. The data for this study were augmented with information collected through interviews. No field work was undertaken to collect data by way of surveys.

Determining Poverty Lines For Nigeria

A criterion for determining the level of well-being is necessary in order to distinguish the poor from the non-poor among Nigerian Women. The most common criteria used are income and social indicators. The income criterion is widely used because data on income are easily comparable and measurable . However, an adequate measure of well-being should also include information on such social elements as life expectancy, infant and maternal mortality rates, literacy levels, access to safe drinking water, nutrition, accesses to health and education facilities, housing, etc. The quality of the social services provided to various segments of the population is also an important factor for consideration in assessing the well-being of a population. Meier (1976) contends that the current interest in income distribution is not simply due to concern with relative inequality. It is more often a concern with absolute standards of living in terms of calorie intake and nutrition levels, clothing, sanitation, health, education etc. However, problems arise in aggregating social sector data and in making them widely

comparable across sectors. It is for this reason that this study uses income level of Nigerian Women as proxies for per capita expenditure levels. For the avoidance of doubt, the income in our study shall be strictly limited to their annual salaries.

Having decided on the measure of standard of living, a demarcation line which differentiates the poor from the non - poor ought to be determined. A line so determined is called the poverty line. Different approaches to choosing poverty lines have been used over the years. In most cases subjectivity has been a major element of the chosen criteria. In countries where country - specific poverty lines have already been determined, the approach has been to utilize the specific poverty lines. However, if there are no country - specific poverty lines readily available for use, subjectivity can be minimized by employing various operational procedures for determining poverty lines. The World Bank poverty studies on Ghana and Rwanda provide some of the procedural considerations in determining a poverty line.

The World Bank study of a poverty profile for Ghana of 1988 used a predetermined fraction of mean per capita expenditure as poverty line. The proportion chosen as two - thirds of means per capita expenditure. Households whose per capita expenditure levels were less than two- thirds of average real per capital expenditure were considered to be poor. In addition; another poverty line was chosen at a much lower level of one-third of mean per capita expenditure. Households with per capita expenditure levels lower than one-third of mean per capita expenditure were considered to be in the "hard core" (abject)

Another World Bank publication on poverty profile for Rwanda of 1991 used the alternative method of percentile levels. In a given population, the poor were defined as the bottom 40 percent of the representative households in the population which constituted the bottom 20 per cent in terms of per capita expenditure levels were classified as the "hard core" poor.

Determining the cost of a minimum nutrition consumption basket that is necessary for sustaining life would facilitate a clearer identification of the extent of absolute poverty in the country. Data permitting this would b e the preferred approach in this study to determine the country - specific poverty level for Nigerian women. The dearth of data on this issue in Nigeria, however does not allow the determination of this yardstick for differentiating the poor from the non-poor, let alone the extremely poor from the poor. In the absence of data to determine this measure, this study opted to define poverty lines of $275 and $370, respectively, as outlined in the World Bank's World Development Report of 1990 on poverty. At the exchange rate of one U.S. dollar per eighty naira, these global lower and upper poverty lines for Nigeria worked out to be ₦1833.33 and ₦2466.67 per month, respectively.

The analysis of poverty used in this study applies a blend of quantitative and qualitative analysis. The magnitude of poverty among Nigerian women in the civil service is eliminated by the use of the indicated poverty lines. For the purpose of this study women labour force in the public service are used as the basic unit of analysis. However, a more useful approach could have been the use of households in poverty, which is more

inconformity with the Africa social setting, especially in the rural areas, where often than not, converge around the household.

Nonetheless, there are more dependent children than income earning adults in the average Nigerian household.

The analytical Model

The analytical framework used in this study follows the one proposed by J. Foster, J. Grear, and E. Thorbecke (1984). The formula provide a methodology for calculating poverty indices which gives a picture of the magnitude and depth of poverty in a given country. The analytical framework within which the poverty indices are computed is outlined below using the said formula:

Given a vector of household income, Y

$$Y = (Y_1, Y_2, \ldots\ldots Y_n) \ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

with $Y_1 \leq Y_2$ $\ldots\ldots\ldots (2)$

and $Z > 0$ $\ldots\ldots\ldots (3)$

where

Y_i = is the income level of household

N = the total number of household in the population

= is the pre-determined poverty – line

We now have;

$$S = (Z - Y_i) \ldots\ldots\ldots\ldots (4)$$

where S is the amount by which the poor household falls below the poverty line.

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The poverty index measure, P, is then specified as;

where

$$P_\alpha(Z,y) = \frac{1}{n} \cdot \sum_{i=1}^{q} \left(\frac{Z - y_i}{Z}\right)^\alpha \; ; \quad \alpha \geq 0 \quad ---(5)$$

q = is the number of poor households with income levels below the poverty line, 'Z'; and "alpha" is a parameter that measures the degree of concern over poverty gap.

The Foster, Greer and Thorbecke poverty index has the advantage of not only indicating the number of poor people in a given population, but also the gravity of their poverty. This is done by varying the value of the exponential by α from Zero to and positive number. For operational purpose, most studies use P_0, P_1, and P_2. for the purpose of this study, however, only the first α value (that is, P_0) is computed to provide a lead count of the poverty situation among Nigerian women.

When the exponential α is set at zero, the (FGT) poverty index simply provides a lead count of poor people in a given population. As the value of α increase, the poverty line places more weight on the depth of poverty in the population, P_1 provides information based on average income of the poor. The use of mean data places less emphasis on the distributional aspects within the group of poor people. P_2, on the other hand, captures the aspects of income redistribution among the poor people by putting more weight on the poorer segments of the population.

Theoretically, P_1 can also be used to give an estimate of how much of resources are required to eliminate poverty in the given population in a situation where it is assumed that policy

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resource transfer, (T), needed to eliminate poverty is thus given by;

$$T = (n. z . P_1) \dots\dots\dots\dots\dots\dots\dots (6)$$

The FGT poverty index also has the advantage of being decomposable into smaller sub groups (for example by region, economic, sector, gender, etc.). This desegregation helps to provide information on the contribution by each decomposed sub-sector to the incidence of poverty in a given country. In this way, a clearer picture of where poverty is concentrated is obtained and poverty focused policy measures can be more reliably targeted. In the case of this study on poverty among women in Nigeria, only the head count measure of working class women in the civil service is used to indicate the distribution of poverty among women in the country.

PART III

EXTENT OF POVERTY AMONG NIGERIAN:

Empirical Analysis

The National census of 1992 put Nigeria's population at 88.5 million people. Of this number 44 million, 49 percent are women, half of whom, 22 million are female 15 years and above. It has been estimated that about 70 percent of the population reside in the rural areas, among whom women are in the majority.

Using an average income level of ₦2,466.67 per month as the poverty line in Nigeria, Table 1 give synopsis of the poverty situation among women in the country. In 1984, (the most 'recent' statistics on employment available), 45,230 women in the Federal Civil Services out of total of 45,297 women, were on

grade level 14 and below, while the remaining 67 fell within grade level 15 and 17.

Available statistics on income in the Federal Civil service indicate that only public servants on grade level 15 and above are above the poverty line. This means that 99.9 per cent of the women in the Federal Civil Services are living below poverty line. However, this could indeed be an under statement, if the allowances are considered. For instance, housing, transport and health allowances of the various level of officers can hardly meet the cost of the provision of these basic needs given the international standard.

Admittedly, using only the public sector income of women to generalised for the entire women in the economy can hardly be representative, given the fact that a good proportion of working class women are also employed in the private sector where wages are relatively higher than the ones in the public sector used for this analysis. Having said that, I want to say, that even if the statistics on the private sector are incorporated, on the average, the high level of unemployment among women coupled with the fact that most women are engaged in the informal sector activities where the returns are usually low would on the aggregate levelled up, consequently, still revealing very high level of poverty among women in Nigeria.

According to the 1990 Nigeria Demographic and Health Survey, female - headed households constitute 18 per cent of urban households. Thus, an increasing proportion of women are de facto households heads, shouldering all the material, social and emotional responsibilities of social reproduction. Much of the

farming is also being done by small farmers who are increasingly female headed households.

Given the above scenario, women head of household are extremely vulnerable in the initial period of structural adjustment of economies. They are casualties of unemployment. Even where they kept their jobs, their wage income as indicated earlier is gulped by inflation putting them in perpectual poverty.

Some Concluding Remarks

Whereas the difficulties in finding up to date reliable data in Nigeria are well recognised, the situation regarding gender desegregated data is even worse. Like in many part of Africa, the situation surrounding the Nigerian women put them in a position where they are more likely to be poorer than the average Nigerian man.

Poverty in Nigeria is widespread and will require deliberate measures to ameliorate it. Using the income criteria of public service worker in Nigeria, about 90 percent of the women population of Nigeria could be classified as absolute poor. Of this number 99 per cent could be classified as living under conditions of extreme poverty. The incidence of such widespread poverty in a country implies that targeted measures to reduce poverty would involve putting in place macro and/or sectoral incentives aimed at improving the situation of the poor. About 70 percent of the population of Nigeria is based in the rural areas. This is comparably the same proportion of the population living under conditions of absolute poverty. The majority of the poor derive their incomes from low production agriculture.

Measures to combat poverty in Nigeria especially among women will therefore have to include the right incentives in the agricultural sector in order to bring about improvements in the level of agricultural production. This would in turn help to increase income levels of a large majority of Nigerian women and consequently reduce the incidence of poverty among women in the country.

TABLE 1

DISTRIBUTION ON STAFF IN THE FEDRAL CIVIL SERVICE 1998 - 84

LEVEL	1980			1981			1982			1983			1984		
	M	F	%F	M	F	%F	M	F	%F	M	F	%F	M	F	%F
15-17	500	29	5.5	565	35	5.8	529	43	7.5	863	49	5.4	496	67	11.9
8-14	15,298	2,669	14.9	8,802	24,444	21.7	81,331	3,048	14.3	22,434	3,984	15.1	22,140	4,049	15.1
1-7	186,992	30,694	14.1	177,166	29,511	14.3	213,341	30,875	12.6	230,099	35,556	13.4	226,283	41,181	15.5

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