



A Peer Reviewed International Journal of Asian  
Academic Research Associates

**AARJSH**

**ASIAN ACADEMIC RESEARCH  
JOURNAL OF SOCIAL  
SCIENCE & HUMANITIES**



## MANIFESTATIONS OF POVERTY IN NIGERIA (CASE STUDY OF SOUTH-EAST NIGERIA)

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### Abstract

Poverty strikes at the core existence of man, thereby depriving him the capability to function. Identification and separation of manifestations of poverty from its causes is very important in poverty alleviation. The study was at identifying the different manifestations and indicators of poverty in Nigeria using South-east Nigeria as a case study. Principal Component Analysis was used at achieving this aim and it was found that following to be dimensions of poverty in South-East Nigeria: Dwelling indicators; financial indicators; sanitary indicators; Human resource indicators and Nutrition indicators. On the bases of the findings, several recommendations were proffered, among which provision of adequate and quality is housing; enhancing the capacity of microfinance banks; overhauling of educational curriculum to make it more functional etc.

**Keywords:** Dimension, Indicator, Poverty, Principal Component Analysis

## 1. Introduction

Developing countries are generally characterized by low levels of living, by low per capita income, unequal distribution of income, poor health, inadequate education, low productivity, low life expectancy, high population growth rate, high unemployment rate etc (Todaro and Smith, 2007). Also, many inhabitants of these countries are voiceless, powerless, socially and physically isolated and are deprived of essential things that make life meaningful and enjoyable. (World Bank, 2000). The deprivations that the poor in these developing countries face are many, complex and dynamic in nature. Generally, these countries are inhabited by people who are poor as a result of many reasons which manifest in many ways.

Poverty in nature, manifestation and dynamism is a hydra-headed and slippery concept but over the years efforts have been geared towards alleviating the menace of poverty. Recent global effort in the fight against poverty is the Millennium Development Goals (MDGs) agreed by world leaders in 2000 to be attained in 2015. These goals provide factual and numerical standards for tackling poverty in all its ramifications and presentations. But the fight against poverty must first of all start with identification of its causes and the different ways they manifest, which is rather slippery and dynamic in nature. Most times the causes and manifestations are intricately related that it is often difficult to separate the two and they fuel each other.

Nigeria is a country of paradoxes: despite huge human and material endowments, most Nigerians live in abject poverty and penury. The latest statistics from Central Intelligence Agency (CIA) World Fact Book (2010) showed that out of the estimated population of 150 million people in Nigeria, 105 million people are poor; representing about 70% of Nigerians. The 2010 Global Monitoring Report (GMR) of the United Nations Educational and Scientific Organization (UNESCO) revealed that about 92% of Nigerians survive on less than \$2 a day while 71% survive on less than \$1 a day. According to 2010 press briefing on Nigeria's poverty profile, 61.2% of Nigerians are poor with the core being 38.7% (Yale, 2011). This report estimated Nigeria's poverty profile for 2011 at 62.8%. According to available statistics from NBS (2008), when poverty was disaggregating by sector and zone, there was a sharper decline in the urban areas between 1996 and 2004. In the urban areas, it declined from 58.2% in 1996 to 43.2% in 2004, which represented a decline of 15.0%. In the rural areas, it declined from 69.8% in 1996 to 63.3%, representing 6.5% decline. The northeast zone had the highest poverty incidence with 63.9% while the lowest poverty rates were recorded in southeast at 34.2% followed by southwest with 43.0%. Poverty rates for the southern states were below the national average. The northern states clearly have poverty incidence above

national rates. But in 2010, the national poverty incidence increased to 61.2%. The northwest became the zone with the highest poverty incidence while the south west was the zone with the least poverty incidence.

Efforts at alleviating poverty in Nigeria have not been very successful, efficient or adequate, probably because the causes of poverty have not been separated from the manifestations. It just like a situation of treating the symptoms of a disease not the cause of the disease. The implication is that there will be a short-time relief from the problem but the problem will definitely resurface in the near future. Further, poverty is dynamic and so in one period, what was an indicator in one time period may cause other types of poverty in another period.

Therefore, the objective of the study is to identify the different manifestations and indicators of poverty in Nigeria using South-east Nigeria as a case study. The study will be of utmost importance because it would provide policy recommendations to the various stakeholders involved in poverty alleviation. The rest of the paper is outlined as follows- section two reviews various related theoretical and empirical literatures, section three discusses the data methodology, section four presents the data analysis and interpretation of findings and section five provides conclusion, and recommendations.

## **2. Theoretical literature**

### **2.1 The Concept of Poverty**

Poverty is lack and deprivation and closely connected with illiteracy, under-nutrition, ill health, and utter bleakness of the future. Poverty which is both intrinsic and functional, strikes not only at the core of ongoing existence but effectively takes away the rights of a human being to live in good health, to obtain an education, and to enjoy adequate nutrition, thus, it destroys the aspirations, hopes and enjoyment of the future. (Ray, 1998).

From the 1880s to date, four major strands of thoughts on the concepts of poverty have emerged. These strands are dependent on the ideas of subsistence, basic needs, relative deprivation and capability (Townsend, 2006). In the first strand, an individual is considered poor on a subsistence level if their incomes were insufficient to obtain the minimum basics (measured in terms of quantities of bread or bread flour) for the upkeep of merely physical competence. But this line of thought was later criticized on the premise that human needs do not constitute mainly of physical need – food, shelter and clothing but also include social needs. In as much as physical needs are important to human beings, human beings are also social beings who have social needs and are expected to play social roles as workers, citizens, parents, partners, neighbours and friends. These roles change as people interact with each other. Thus, by the 1970s, a second conception of poverty was formulated.

The second conception has two features. The first comprises certain minimum requirement of a family for private consumption such as adequate food, shelter and clothing as well as certain household furniture and equipment. The second feature includes essential services provided by and for the community at large such as safe drinking water, sanitation, public transport and health care, education and cultural practices. In rural areas, it also includes land, agricultural tools and access to farming.

In the late twentieth century, a broader definition of poverty evolved to mean relative deprivation (Maxwell, 1999). In this definition, poverty was not only considered as a failure to meet minimum nutritional standard but also as a failure to meet the standard prevalent in a given society and this standard differs from time to time and from society to society (Maxwell, 1999). Thus, incorporating both the absolute and relative meanings of poverty.

The fourth conceptualization of poverty was by Sen (1999) who defined poverty as lack of capability to function in a society. This conceptualization of poverty incorporates powerlessness, isolation and inequalities (gender, tribe, religion etc) that people face. The human capability includes important aspects of well-being such as community resources, social relations, culture, personal security and natural environment (Falkingham and Namazie, 2002)

In line with these broad alternative definitions of poverty, scholars have narrowed the definitions of poverty based on their individual perspectives. Khandker (2001) conceptualized poverty as a lack of some or all of the following:

- Entitlement to food and other basic necessities
- Access to public provision of economic, social and human infrastructure
- Credit opportunities for income generation and consumption stabilization
- Empowerment in both private and public resource allocation
- Access to a social safety net and other resources that help households withstand natural and other shocks, thus safeguarding the very existence of life and families.

World Bank (2000) defined poverty broadly as material deprivation, low achievements in education and health, vulnerability and exposure to risk, voicelessness and powerlessness. The Bank conceptualized poverty in four ways: lack of access to basic needs and goods; lack or impaired access to productive resources; outcome of inefficient use of common resources; and result of exclusive mechanisms. Thus, the poor lack access to the following assets: human, natural, physical, social and financial (World Bank, 2000). Lack of access to

education results in scarcity of human asset while lack of access to land results in lack of natural assets. Lack of social assets is a result of lack of networks of obligations while lack of financial assets is a consequence of lack of credit. These different aspects of poverty interact and reinforce each other.

Henry et al (2003) conceptualized poverty into four indicators and components: human resource indicators; dwelling indicators; asset indicators and food indicators. The human resource indicators represent lack of access to formal, informal and vocational education that is capable of enhancing the human resource and capability of the individual. Lack of human resources reduces a person's earning power which further pulls the individual into poverty.

The kind and quality of accommodation inhabited by people also show their state of poverty. Poor people most often live in poorly built and ventilated houses that are often situated in the worst areas of a country. These houses often lack amenities like pipe borne water, electricity, sanitary facilities etc. These have adverse effect on the person's health and productivity and go further to reduce income; thus the cycle continues.

Lack or inadequate supply of food and nutritional requirements is another basic indication of poverty. When this is lacking, an individual is susceptible to all forms of diseases and ill-health. This has implications on the productivity and earning capacity of a person and further exacerbates the poverty level of the individual.

In line with other scholars, Chambers (2005) saw poverty beyond material lack. He described poverty as pronounced deprivation of wellbeing in which a person/individual/society live in bad conditions and experiences with material lack, other deprivations and disadvantages interact and reinforce one another

The concept of poverty can be absolute or relative. Absolute poverty defines poverty in absolute terms where the standard of living is measured by the real value of goods and services necessary to ensure a minimum level of subsistence. Relative poverty is when people lack or are denied the income and other resources, including the use of assets and receipts of goods and services, in kind, equivalent to income, to obtain the conditions of life. These conditions of life includes diets, material goods, amenities, standards and services that would enable them to play the roles, participate in the relationships and follow the customary behavior which is expected of them by the virtue of their membership in society (Townsend, 1985).

If poverty is defined as an absolute amount of real income that does not change over time, few people would be considered poor as the poor in the present age have more income than the middle class of 30 or 40 years ago. If poverty is defined in relative term that rises as

average income of the society rises, then the proportion of people considered as poor would remain unchanged. This shows that poverty is not strictly an absolute concept or a strictly relative concept.

Poverty can also be transitory or chronic. Transitory poverty refers to poverty which one falls into as a result of adverse shock such as natural disaster, war, illness, death, separation, etc. Chronic poverty is when one is in poverty for a long time which could be caused by the perpetuation of the causes of transitory poverty. Chronic poverty can be of two types: destitute and non-destitute. Destitute poverty comprises those who are physically and socially disadvantaged that without government welfare support, they will always remain in poverty. Non destitute are poor because they lack assets and opportunities. These are the core poor and they are significantly below the poverty line (Kurmanalieva, et al, 2003).

## **2.2 Dimensions of Poverty**

From the definitions and components of poverty considered, it could be seen that poverty is multifarious, dynamic and of different dimensions with many potential causes. Two general dimensions of poverty namely: income dimension and participation dimension have been identified. Income dimension is an exclusive material dimension generally measured by annual household income. On the other hand, participation dimension takes a broader view of poverty and comprises of many forms of deprivation that poor people experience, such as social inferiority, powerlessness, humiliation and isolation.

Falkingham and Namazie (2002) and Azad et al (2000) averred that poverty is a complex and multidimensional syndrome that goes well beyond a narrow lack of material consumption or resources to include the psychological pain of being poor, low achievement in education and health and a sense of vulnerability to external events. This was captured by Baulch (1996) in a progressively broadening 'Pyramid of Poverty Concept', that shows the multidimensional nature of poverty. Each concept of poverty in the pyramid reflects a different type or combination of dimensions of well-being, lack of which, signifies a state of poverty. As the pyramid gets lower, the combinations of the different blends of poverty gets broader and more complex.

For Hulme and McKay (2005), there are eight dimensions of poverty: physical well-being (health), material well-being (income or consumption), mental well-being (education and training), employment well-being and its stability, spiritual well-being, public liberties and the protection of the environment.

This means that one can still be considered poor even when one has income to buy goods and services but cannot participate in policy formulation or be treated less well because of gender,

tribe or religion inclinations. Countries like the United Arab Emirates, Jordan, Saudi Arabia, Kuwait, Syria, Iran, and Iraq are still regarded as poor countries not because they have low income levels but because of non-participation of majority of the people in the political process.

Chambers (2005) broadly categorized the dimensions of poverty into three. In the first broad category, there are three dimensions of poverty- subjective, objective and interactive processes. Subjective dimension of poverty explains what an individual experiences and feels. Objective dimension deals with the conditions or causes that are external to the individual while interactive dimension handles how the subjective and objective dimensions interact and affects each other.

The second broad categorization is based on the WDR 2000/01 which identified that beside low income, there are other dimensions of poverty such as lack of education, health, food and shelter, fear, powerlessness and voicelessness. The third broad category is broader than the first two. This categorization encompasses both the first and the third and also includes the causes of poverty. This dimension of poverty therefore, includes the causes of poverty such as corruption and arbitrary governance (Parasuran et al, 2003).

In conclusion, dimensions of poverty can be physical, material, social and/or psychological. It can be subjective, objective, interactive, a cause, symptom or a combination of all of these. Thus, Chambers (2005) arrived at thirteen dimensions of poverty. These are: material lack; vulnerability and insecurities; bad social relations; physical weakness – the body, exhaustion; location – places of the poor; poverty of time; seasonal dimensions; capabilities, disregard and abuse by the more powerful; ascribed and legal inferiority; lack of information; lack of access to services and lack of political clout.

The multi-dimensionality of poverty shows poverty as webbed and interactive with causes and symptoms affecting and reinforcing each other. Due to this webbed nature, separation of cause from symptom is usually difficult.

### **2.3 Empirical literature**

Empirical study by World Bank (1999) for its development indicator report using a sample 21 African countries found that indicators of poverty include primarily education indicators which include primary enrollment and a set of literacy rates and health indicators which include access to sanitation and clean water.

Wagle (2005) using structural equation framework confirmed that multi-dimension of poverty holds and dimensions of poverty in Kathmandu, Nepal include economic well-being, capability and social inclusion. The study also found that capability is highly influential and

affects every other poverty dimension.

A study by Clark and Qizilbash (2005) randomly selected a sample of 941 from disadvantaged region of South Africa and using structured questionnaire asked them essentials that will enable them avoid poverty. Findings indicated that large admissible dimensions (up to 30) but the top five dimensions identified by 95% of the people were: housing/shelter, food, water, work/job, and money/income.

Ningaye and Ndjanyou's (2007) study submitted 37 variables to identify the indicators describing a real poverty situation. Using Multiple Correspondence Analysis, he identified seven dimensions of poverty: monetary poverty dimension; existence poverty dimension; human resources poverty dimension; subjective poverty dimension; infrastructural poverty dimension; financial poverty dimension and equipment poverty dimension.

A study by Hussain and Menka (2010) sought to determine the dimensions of poverty and spatial inequality and also its determinants at micro level. the study applied Deprivation Index which examined the levels of deprivation at each block and factors leading to the deprivation. Primary data were generated from 478 household. From 27 indicators selected, five major components of deprivation were arrived at: Deprivation in basic amenities; Deprivation in education; Deprivation in demographic aspects, Deprivation in employment and Deprivation in income level.

To the best of our knowledge, there are no empirical study on the dimensions of poverty in South-East Nigeria; which gave great impetus for this work.

### **3. Material and Methods**

The focus of the study is the South-east, Nigeria which comprises of five states out the thirty-six states of Nigeria. The states are Abia, Anambra, Ebonyi, Enugu and Imo. These states cover 28,987 square kilometers (Abia State [4,900sqkm], Anambra State [4,865sqkm], Ebonyi State [6,400sqkm], Enugu State [7,534sqkm] and Imo State [5,288sqkm]) out of the 923,769 square kilometers area of Nigeria (NBS, 2008). This represents only about 3.14% of the area of Nigeria. The south-east zone has a total population of 16,381,729 (Abia State [2,833,999], Anambra State [4,182,032], Ebonyi State [2,173,501], Enugu State [3,257,298] and Imo State [3,934,899]) which is about 11.7% of 140,003,542 population of Nigeria in 2006 (NBS, 2008). This shows that the zone is densely populated with an average of 565 persons per square kilometer which is more than the national average of about 152 persons per square kilometer.

According to available statistics from NBS (2008), when poverty was disaggregating by sector and zone, there was a sharper decline in the urban areas between 1996 and 2004. In the

urban areas, it declined from 58.2% in 1996 to 43.2% in 2004, which represented a decline of 15.0%. In the rural areas, it declined from 69.8% in 1996 to 63.3%, representing 6.5% decline. The northeast zone had the highest poverty incidence with 63.9% while the lowest poverty rates were recorded in southeast at 34.2% followed by southwest with 43.0%. Poverty rates for the southern states were below the national average. The northern states clearly have poverty incidence above national rates. In 2010, the national poverty incidence increased to 61.2%. The northwest zone had the highest poverty incidence while the southwest displaced the southeast as the zone with the least poverty incidence.

Comparing the poverty incidence of the South-East region with the national poverty incidence showed that consistently poverty incidence for the South-East region has always been below the national level. But there was a sharp increase in poverty incidence in the region from 26.7% in 2004 to 59.2% in 2010. In terms of zonal ranking according to population, economic activity and welfare, the South-East was ranked 5<sup>th</sup> in all of them. On the other hand, 47.8%, 40.3% and 19.7% had access to secure housing tenure, safe water and safe sanitation respectively. On the other hand, 8.9% and 63.9% had access to improved waste disposal and electricity respectively.

The design for this study is essentially quasi-experimental survey research achieved through the administration of structured questionnaire to a cross section of respondents in 2011. The respondents were clients of selected microfinance banks in South-east Nigeria States of Abia, Anambra, Ebonyi, Enugu and Imo using two-stage random sampling method. Total valid questionnaires used for the study were from 1802 respondents and they were asked to indicate the following as their poverty conditions before microfinance intervention: level of education; income level; saving level; source of drinking water; type of accommodation; number of meals taken in a day; major nutrient in meal taken; sanitary/toilet facility-in-use; whether sanitary/toilet facility-in-use is shared by non-family members; and the assets/possessions owned. The method of analysis is principal component analysis using SPSS 16.

## **4. Results and Discussion**

### **4.1 Data Screening**

Data screening was conducted to look at the inter-correlations between variables so as to ascertain if these dimensions measure the same thing. If they do, they are supposed to correlate with each other but they should not be highly correlated. Thus, problems of extreme multicollinearity and singularity (perfect correlation) should be avoided. There are several ways of avoiding this. First using table 1 which the top half contains the Pearson correlation

coefficient between all pairs of indicators and the bottom half contains the one-tailed significance of these coefficients, the significance values were scanned for any variables for which the majority of values were greater than 0.05. From table 1, none of the values has majority of values greater than 0.05. Secondly, the correlation coefficients were scanned to look for values greater than 0.9. Also from table 1, none of the coefficients were greater than 0.9 and this eliminated the possibility of singularity. A third way of checking for multicollinearity and singularity is by using the determinant. The necessary value of determinant is 0.00001 and the rule is that the calculated determinant must be greater than the necessary value to show the absence of singularity and multicollinearity (Andy, 2005). From table 1, the determinant is 0.130. Therefore, multicollinearity is not a problem for these data.

**Table 1: Correlation Matrix<sup>a</sup>**

	edu	inc	Sav	Wrs	Acc	qty	qlty	sani	med	asst	
Correlation	Edu	1.000	-.380	.268	.232	.242	.157	.044	.346	.212	.365
	Inc	-.380	1.000	-.030	-.095	-.255	-.148	-.035	.060	-.314	-.211
	sav	.268	-.030	1.000	.182	.380	.221	.161	.278	.214	.293
	wrs	.232	-.095	.182	1.000	.201	.138	.001	.430	.289	.189
	acc	.242	-.255	.380	.201	1.000	.413	.079	.353	.437	.431
	qty	.157	-.148	.221	.138	.413	1.000	-.208	.221	.309	.275
	qlty	.044	-.035	.161	.001	.079	-.208	1.000	.077	.084	-.048
	sani	.346	.060	.278	.430	.353	.221	.077	1.000	.240	.258
	med	.212	-.314	.214	.289	.437	.309	.084	.240	1.000	.349
	asst	.365	-.211	.293	.189	.431	.275	-.048	.258	.349	1.000
Sig. (1-tailed)	edu		.000	.000	.000	.000	.000	.032	.000	.000	.000
	inc	.000		.103	.000	.000	.000	.067	.005	.000	.000
	sav	.000	.103		.000	.000	.000	.000	.000	.000	.000
	wrs	.000	.000	.000		.000	.484	.000	.000	.000	.000
	acc	.000	.000	.000	.000		.000	.000	.000	.000	.000
	qty	.000	.000	.000	.000	.000		.000	.000	.000	.000
	qlty	.032	.067	.000	.484	.000	.000		.001	.000	.020
	sani	.000	.005	.000	.000	.000	.000	.001		.000	.000
	med	.000	.000	.000	.000	.000	.000	.000	.000		.000
	asst	.000	.000	.000	.000	.000	.000	.020	.000	.000	

a. Determinant = .130

*Source: authors' computation.*

The data were also subjected to sampling adequacy using Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and test of sphericity using Bartlett's test of sphericity. The KMO statistic varies between 0 and 1. A value of 0 indicates that the sum of the partial correlation is large relative to the sum of correlations, indicating diffusion in the pattern of correlations; hence, factor analysis is likely to be inappropriate (Andy, 2005). A value close to 1 indicates that patterns of correlation are relatively compact and so factor analysis should yield distinct and reliable factors. Kaiser (1974) recommends accepting values greater than 0.5. Furthermore, values between 0.7 and 0.8 are good. For these data the KMO value is 0.714, so factor analysis is appropriate for these data.

Bartlett's test of sphericity tests the null hypothesis that the original matrix is an identity matrix. From table 2 Bartlett's test is highly significant ( $p < 0.001$ ), and therefore factor analysis is appropriate.

**Table 2: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.714
Bartlett's Test of Sphericity	3.667E3
Df	45
Sig.	.000

*Source: authors' computation.*

#### 4.2 Factor Extraction

Table 3 shows the eigenvalues associated with each linear component before extraction, after extraction and after rotation. The eigenvalues associated with each factor represent the variance explained by that variable linear component. Using Kaiser Criteria, four components were extracted because they have eigenvalues greater than 1. From table 3, it could be seen that component 1 explained 31.26 5% of the total variance while component 2, 3 and 4 explained 12.445%, 11.680% and 10.001%% of the total variance respectively. In cumulative, these four components explained 65.390% of the total variance. The effect of rotation reduced the total variance of components respectively as follows: 22.675%, 16.134%, 14.703% and 11.878%.

**Table 3: Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.126	31.265	31.265	3.126	31.265	31.265	2.268	22.675	22.675
2	1.244	12.445	43.709	1.244	12.445	43.709	1.613	16.134	38.809
3	1.168	11.680	55.390	1.168	11.680	55.390	1.470	14.703	53.513
4	1.000	10.001	65.390	1.000	10.001	65.390	1.188	11.878	65.390
5	.866	8.661	74.051						
6	.664	6.637	80.688						
7	.619	6.190	86.878						
8	.498	4.975	91.854						
9	.474	4.738	96.592						
10	.341	3.408	100.000						

Extraction Method: Principal Component Analysis.

**Source: authors' computation.**

Table 4 shows table of communalities before and after extraction. Before extraction, the communalities are 1 on the assumption that all variance are common. After extraction, the communalities show the common variance in the data structure. From this table, 61.4% of the variance associated with quality of education is common or shared variance. Following this analysis, 82.7%, 57.1%, 67%, 67.6%, 67.6%, 83.8%, 73%, 47.1% and 46.7% of the total variance associated respectively with income level; savings level; source of water supply; type of accommodation; quantity of meals taken; quality of meals taken; sanitary facility-in-use; medical facility visited and assets possessed. Is common or shared variance.

**Table 4: Communalities**

	Initial	Extraction
Edu	1.000	.614
Inc	1.000	.827
Sav	1.000	.571
Wrs	1.000	.670
Acc	1.000	.676
Qty	1.000	.676
Qlty	1.000	.838
Sani	1.000	.730
Med	1.000	.471
Asst	1.000	.467

Extraction Method: Principal Component Analysis.

**Source: authors' computation.**

Table 5 is a table of rotated component matrix which contains the loadings of each variable unto each factor or component. The table shows that factor that have to do with quality of residence such as type of accommodation and factor that have to do with net-worth and assets is shared loaded highly in component 1, factors that have to do with sanitation and water is highly loaded in component 2; factors that have to do with income and education is highly loaded in component 3 and quality of meal in component 4. Thus the indicators of poverty are: Dwelling indicators; Financial indicators; Sanitary indicators; Human resource indicators and Nutrition indicators

**Table 5: Rotated Component Matrix<sup>a</sup>**

	Component			
	1	2	3	4
Acc	.779			
Netw	.755			
Asst	.638			
Sav	.544			
Med	.451		.415	
Wrs		.802		
Sani		.794		
Inc			-.901	
Edu			.610	
Qlty				.880
Qty	.517			-.588

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

**Table 5: Rotated Component Matrix<sup>a</sup>**

	Component			
	1	2	3	4
Acc	.779			
Netw	.755			
Asst	.638			
Sav	.544			
Med	.451		.415	
Wrs		.802		
Sani		.794		
Inc			-.901	
Edu			.610	
Qlty				.880
Qty	.517			-.588

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations

**Source: authors' computation.**

### 4.3 Implication of the Findings

The aim of the study was to find out the major indicators and ways that poverty manifests in Nigeria, using carefully selected microfinance clients in south-east Nigeria. Poverty has been noted in diverse literature to manifest in many ways and identification of the indicators of poverty is crucial in poverty alleviation. Result of factor analysis showed that indicators of poverty are:

Dwelling/sanitary indicator: the result shows the deficit housing problem ravaging the country especially in the face of rapid urbanization and rural-urban migration. Most of the respondents live in one room apartment, commonly called '*face-me-I-face-you*' especially in the urban and semi-urban areas. There is going incidence of urban slums rising in the urban areas. These houses are usually poorly ventilated; poorly fit with electricity and other sources of energy and sanitary facility is often lacking or inadequate. In these dwellings, quality water is most often lacking, so that the people often make use of water from questionable sources such as boreholes, wells/'umi', water vendors and streams/rivers as water from the public water supply is often inexistence (Uwajumogu, 2012).

Financial indicator: poverty is also manifested in the lack of financial assets such as savings, assets possessed and other monetary measures. The savings of these people to save is low because their earning capacity is also low. The low savings rate does not enable them to acquire assets that will enhance their productive capacity in the future so the vicious cycle of

poverty continues. The few assets possessed by these people are often inherited land and with the high population density in the south-east, this further diminishes with time.

Another indicator of poverty is Human resource indicator. This is shown by lack of quality and functional education and also from insufficient medical facility enjoyed by the people. Though south-east Nigeria is one of the educationally-advantaged regions of the country, the type of education that is imparted, not only in this region but also throughout Nigeria, is not functional education. Functional education enhances the capacity of an individual to function in the society, to be a job/wealth creator and not a job seeker. Following this is the poor medical services enjoyed by these respondents because of inadequate personnel and equipment. This makes people resort to cheaper and orthodox methods such as self medication, prayer houses, chemists and quacks. The effect of these problems is that human resource deteriorates which reduces the productivity of the individuals.

Nutrition indicator is also another indicator of poverty. Cost of food stuff is very high in the south-east when compared with other regions of Nigeria like the north-east, north-west and north-central Nigeria. This is occasioned by the neglect of agriculture especially in the south-east and embrace of trading and commerce. The high cost of food results to poor quality nutrition.

## 5. Conclusion and Recommendations

Poverty is a very fundamental problem in Nigeria and it has both economic and social implications, thus alleviating poverty is a human as well as a moral right. The study was aimed at finding out how poverty manifests in Nigeria with the south-east as a focal point. This will enable policy maker to fine tune ways of alleviating poverty. The study found that poverty manifests in the form of poor dwellings, lack of financial assets, poor human resource accumulation and poor nutrition. In the light of the following, the following recommendations were proffered:

- Concerted efforts should be made by governments of all levels, Federal Mortgage Bank of Nigeria (and other development banks) and private investors to close the housing deficit in Nigeria by building and investing in the mortgage industry. The government may not necessarily be directly involved in building the houses but they can create enabling environments that will attract investors in the mortgage industry such as formulating enabling policies that will reduce the cost of housing; policy on typical and standard house; law on maximum rent and stopping advance payments etc. The state and local

governments could build low cost and affordable houses like council buildings in Mexico and USA.

- Banks especially microfinance should be enabled to fill the deficit in financial assets. Previous study by Uwajumogu (2012) found that microfinance banks in Nigeria are just microfinance in principle but not in practice and are not effective tool for poverty alleviation. This is because they do not lend to the poor but rather operate like mini-commercial banks established mainly in the urban areas and the potential borrower must satisfy the collateral conditions. Thus for microfinance banks to fulfill their mandate, there must be total overhaul of the Microfinance Regulatory Framework.
- The curriculum of Nigeria educational system should be dynamic especially with the exigencies of the time. The quest for paper certificates must be stopped while technical education and craft must be encouraged. Governments in partnership with the private sector should establish model industrial parks and clusters.
- Reducing food insecurity is one sure way of fighting poverty and this can be achieved through agriculture. Model farm settlements should be established to increase food production and also increase the employment of the teeming unemployed youths in the region.

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