Tackling Crippling Poverty, Panacea to The Nigerian Economic Decay

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ABSTRACT

The issue of poverty is a multidimensional conception and often defined by zeroing mainly on income poverty or broadly by including lack of access to opportunities for raising standards of living. However, tackling crippling poverty in a Nation at crossroads like Nigeria requires the need to identify factors that are strongly associated with poverty and agreeable to modification by policy formulation and implementation. The focus of the research work was basically to examine the poverty level and its determinants in Ado-Ekiti. Primary data were collected from the random sample of 101 salary earners using self-structured questionnaire. Descriptive statistics were used to analyze the socioeconomic characteristics of the respondents. The poverty level was measured using Foster, Greer and Thorbecke (FGT) poverty indices, while probit regression model was employed to examine factors that influence poverty among the salary earners. The result from the descriptive statistics showed that the female salary earners within the age bracket of 34-41 years with polygamous marital status were pro poor. The incidence of poverty show that 46.5% of the sampled salary earners were actually poor based on the poverty line. The poverty depth indicated that an average poor salary earner would require 13.9% of the poverty line to get out of poverty, while the poverty severity was 6.23%. Estimation by gender group revealed that poverty was most pervasive among female salary earners with a value of 3.7% compared to other category. The probit regression further indicated that the likelihood of being poor were more with household size, level of education, place of occupation and income level. The study, therefore, recommended amongst other things that government should embark on a poverty alleviation program, especially for women so that the unemployed among women folk can be financially empowered

Keywords: Poverty, Foster, Greer and Thorbecke (FGT) indices, Salary Earners, Probit

1. INTRODUCTION

Poverty is a multidimensional issue, thus any effort to define poverty in any universally acceptable ways has never proven successful, and several perspectives of the concept have emerged in the literature. Apart from its multifaceted meanings, poverty level also differs across countries in the world. In the World Bank's 2017 Atlas of Sustainable Development Goals, of the world's population, 35 percent, which is about 1.8 billion people lived in extreme poverty in 1990 and in the pace of 22 years, the rate fell by 22.6 percent. In 2013, an estimated 766 million people, or 10.7 percent of the world's population, lived in extreme poverty as against the recorded 12.4 percent in 2012.

This implies that progress has been achieved to curb the poverty level in the world. In the East Asia, South Asia and Pacific extreme poverty fell sharply. However, even with substantial progress in poverty reduction in the world, considerable challenges still remain in the Sub-Saharan Africa (World Bank, 2017). Despite a decline in the extreme poverty rate to 41 percent, the region's population growth means that 389 million people lived on less than $1.90 a day in 2013, which accounted for about 113 million more than in 1990. Thus, Sub-Saharan Africa now accounts for half of the world's extreme poor figure. This analysis indicates that when the number of people living in extreme poverty has fallen in most countries of the world, the Sub-Saharan African countries still have the highest number of people living below the international poverty line of $1.90 a day.

In some Sub-Saharan African countries like Ghana and Uganda the number of people living in extreme poverty fell from 6 million and 14 million in 1990 to 3 million and 13 million to 2013. The Quartz Africa Report shows that 35 million more Nigerians were living in extreme poverty in 2013 than in 1990. Evidence obtained from the National Bureau of Statistics revealed that about 15% of Nigeria's population were poor in 1960 and in 1980, the rate increased to 27.2%, which is equivalent to about 17.7 million people (Quartz Africa, 2017). The poverty rate further increased from 27.2% in 1980 to 42.7% and 65.6% in 2004 and 2010 respectively, with about 112.5 million people being classified as poor and it was predicted that the rising trend is likely to continue (NBS, 2015).

Poverty level across Nigeria does not relate only to the unemployed, but it's also common among the working population. Interestingly, the proportion of the working population below the international poverty line of $1.90 a day among the age group of 15-24 years in Nigeria, was put at 57.03% in 2004 with a slight decrease of 0.18% in 2010. However, in the pace of 2 years the percentage skyrocketed to 60.54% in 2012, this same trend was recorded for the age group of 25 years and above with higher percentage among male than female. These statistics indicate that the majority of the working population in Nigeria are poor. In 2014, Nigeria rebased her Gross Domestic Product and overtook South Africa as the biggest economy in Africa, but despite this, Nigeria still ranked 152 out of 188 countries on the scale of the Human Development Index (HDI, 2016). Nigeria was placed on Low Human Development, LHD category outside High and Medium Human Development categories that featured 53 countries in Africa (Nwabughiogu, 2016; Human Development Report HDR, 2016).

Similarly, the UNDP introduced the Multidimensional Poverty Index (MPI) in 2010 and it identifies multiple overlapping deprivations suffered by households in 3 dimensions that include education, health and living standards. From the most recent survey data that were available for Nigeria's MPI estimation, which refer to 2013, 50.9 percent of the population were multi-dimensionally poor, while additional 18.4 percent lives near multidimensional poverty. The breadth of deprivation (intensity) in Nigeria, which is the average deprivation score experienced by people in multidimensional poverty was 54.8 percent. The MPI adjusted by the intensity of depravation, was 27.9% for Nigeria in 2015 (HDR, 2016).

The Nigerian Bureau of Statistics (NBS, 2015) stated that absolute poverty using the per capital methodology in the period of 2003/2004 in Ekiti state was 60.40 percent with 4.5 percent decrease in 2009/2010. The percentage was 17.8 percent higher in the rural areas than in the urban areas in 2009/2010. From the findings of Akerele and Adewuyi (2011), 38.30 percent of the households in Ekiti state need large amount of money to be able to escape poverty. The socioeconomic characteristics of people living in Ekiti, according to the NBS latest survey data of 2010 indicated 28% unemployment rate in Ekiti, thereby placing Ekiti state after Imo state as the state with the second highest unemployment rate in Nigeria. The majority of the residents of Ekiti state also had primary education, while the percentage distribution of household livelihood based on income categorized 37.6% as poor.

As defined by (WHO, 2017), poverty does not imply only a condition of not having enough money to meet basic needs such as food, clothing and shelter. It also relates to education, health, life expectancy among others. Poverty has many faces, changing from place to place and across time and it is a situation that people want to escape and a condition that the global world strive to eradicate through the sustainable development goals (SDGs). Since no country is free from poverty until all countries are free from the phenomena of poverty. Thus, poverty is a call to action for any economy that desire sustainable development and for the poor as well as the wealthy. Thus, tackling poverty is a call to change the world, so that many more may have enough to eat, adequate shelter, access to education and health, as well as protection from violence. Therefore, the main objective of this study is to examine poverty level and the determinants of poverty in Ekiti State, Nigeria.

2. LITERATURE REVIEW

2.1 Conceptualization of Poverty

Poverty is a global issue, even though there is a global apprehension towards poverty reduction, there is a little or no consensus on the definition and measurement of poverty. While there is world-wide agreement on poverty reduction as an overriding goal of development policy, there is no generally accepted definition of poverty (Laderchi et al, 2003). Kotler et al. (2006) highlight that arriving at a single, definitive definition of poverty has become complex due to various factors. Poverty affects diverse groups, leading to a relative understanding of the concept depending on the perspectives of different interest groups and individuals (Kotler et al., 2006). The challenges associated with defining and measuring poverty have often prompted researchers and policymakers to associate poverty with other related concepts such as impoverishment, deprivation, the disadvantaged, inequality, the underprivileged, and the needy (Kotler et al., 2006). Laderchi et al. (2003) identified four primary approaches to defining and measuring poverty, which include the monetary, capability, social exclusion, and participatory approaches.

According to Obadan (1997), poverty can be viewed from an economic perspective as a situation of low income and or low consumption. This approach is often used to construct poverty line that represents the values of income or consumption necessary to purchase the minimum standard of nutrition and other necessities of life. By this definition people are said to be poor when their measured standard of living, calculated in terms of their incomes relative to their consumption pattern, fall below the poverty line.

This is because the poorest of the poor, around the world have the worst health as they are exposed to greater personal and environmental health risks and are undernourished (WHO, 2017). This point of view is further buttress by Osmani (1992) with the explanation that the elementary aspects of being poor include hunger, inadequate healthcare, unhygienic living conditions and the stress and strain of precarious living. Thus, being poor means being deprived of full nutritional capabilities, premature mortality and inability to live a life free from avoidable morbidity In sum, poverty inclines the poor to disease, hunger, deprivation, want and premature death.

2.2 Measurement Of Poverty

Poverty measurement as explained by Ajakaiye and Adeyeye (1999) is carried out to determine or choose a threshold poverty line that separates the poor from the non–poor so as to know the number of the poor. Knowing the poverty level, among individuals, group or nations are a policy guide to poverty alleviation interventions. In doing this, several measures of poverty have been put forward in the literature, these include the simple living standard measure, array of measures that involve absolute and relative poverty lines and composite measures of poverty, such as the Foster-Greer-Thorbecke (FGT) index, the Sen-Shorrocks-Thon index and Multidimensional Poverty Index introduced by UNDP.

2.3 Living Standards Measure (LMS)

This metric pertains to income inequality and is typically assessed through current consumer spending or income. Current consumer spending is generally preferred over income as a measure of present living standards. This preference stems from the fact that immediate well-being is directly linked to consumption, not income levels. Additionally, using income as a metric often poses challenges in dealing with self-employment, informal economic activities, and people's hesitancy to reveal income information to survey enumerators. In developing countries, informal employment is prevalent, and households often rely on multiple and constantly changing income sources, while home production is widespread (Brewer and O'Dea, 2012; Deaton, 2003). In these contexts, it is generally far easier to measure consumption than income Furthermore, income as a measure of living standards is often questioned on the ground that household surveys is under reported, especially by lower income households.

2.4 Poverty Line Measure

An income poverty line focuses on the monetary aspect of poverty but fails to fully encompass non-monetary aspects. The World Bank utilizes international standards for poverty lines, such as $1.25 or $2 per day, which are determined based on income levels (Wang et al., 2016). The poverty line, also known as poverty threshold or poverty limit, represents the minimum income level considered sufficient in a specific country (Ravallion, 1992). In 2008, the World Bank revised the poverty line to $1.25 at 2005 purchasing-power parity (PPP), accounting for inflation (Ravallion et al., 2009). In October 2015, the international poverty line was updated to $1.90 per day, which was determined using the International Comparison Programme (ICP) purchasing power parity (PPP) calculations and represents the equivalent of what $1.90 could purchase in the US in 2011. The new international poverty line replaces the $1.25 per day figure that used 2005 data. This measure is done largely to reflect the world new price levels and economic situations in developing countries (*Hildegard, 2016).*

The main poverty line used in the Organization for Economic Co-operation and Development (OECD) and the European Union is based on economic distance and level of income set at 60% of the median household income.

2.5 Composite Measures of Poverty

Composite measures of poverty allow a grouping of equities, indexes or other factors in a standardized way to provide a useful statistical measure of the overall poverty level. The commonly employed include the Foster, Greer and Thorbecke (FGT), Human development Index, (HDI), the Sen-Shorrocks-Thon Index and the Multidimensional Poverty Index (MPI)

2.6 The Foster, Greer and Thorbecke (FGT)

This poverty index was proposed by Foster et al (1984) based on a single formula. It is capable of incorporating any degree of concern about poverty through the poverty aversion parameters. The parameter called alpha, measures the incidence of poverty (Headcount index), the depth of poverty (Poverty gap) and the intensity /severity of poverty using poverty line, the number of household size, income/ expenditure as measured by consumption of the household. The FGT parameters, takes the values 0, 1 and 2 depending on the degree of concern about poverty.

2.7 The FGT Headcount Index

This is the most common measurement of poverty. It simply measures the proportion of people that are poor, often denoted as P_0. It is expressed mathematically as:

$$p_0 = \left(\frac{1}{n}\right)q = \left(\frac{1}{n}\right); \qquad y_i < z$$

Where;
 n = is the total population (or sample)
q = the number of poor
z = the poverty line

y_i = per capital income
0 = Poverty parameter that describes incidence of poverty

Here, $y_i < z$ is an indicator function that takes on a value of 1 if the expression is true, and 0 otherwise. So if per capita income (yi) is less than the poverty line (z), then $y_i < z$ equals 1 and the household would be counted as poor. The headcount index does not take the intensity of poverty into account and it does not change if people below the poverty line become poorer. Also, the poverty estimate is not calculated for individuals, but group of individuals.

2.8 The FGT Poverty Gap Index

The poverty gap index is a popular measurement of poverty, which adds up the extent to which individuals on average fall below the poverty line, and expresses it as a percentage of the poverty line. More specifically, it defines the poverty gap as the poverty line (z) less actual income (yi) for poor

individuals; the gap is considered to be zero for everyone else.
Using the index function, the poverty gap index is expressed as;

$$p_\alpha(y,z) = \frac{1}{2} \sum_{i=1}^{q} \left(\frac{z - y_i}{z} \right)$$

Where

$\frac{z - y_i}{z}$ = proportion of income below the poverty line

This measure is the mean proportionate poverty gap in the population (where the non-poor have zero poverty gap). This measure is the minimum cost of eliminating poverty (relative to the poverty line), it shows how much would have to be transferred to the poor to bring their incomes or expenditures up to the poverty line (as a proportion of the poverty line).

2.9 The FGT Poverty Severity Index
The poverty severity index represents the squared poverty gap index, which aims to create a poverty measurement that considers the inequality among the poor. It calculates a weighted sum of poverty gaps, taking into account the proportion of the poverty line represented by each gap. In contrast to the poverty gap index, which assigns equal weights to all gaps, the squared poverty gap index gives more emphasis to observations that fall below the poverty line by squaring the gaps. This approach implicitly prioritizes those who are further below the poverty line in the measurement. The formula to estimate poverty severity index is expressed as;

$$p_\alpha(y,z) = \frac{1}{2} \sum_{i=1}^{q} \left(\frac{z - y_i}{z} \right)^2$$

3.8 The Sen-Shorrocks-Thon Index
Sen (1976) proposed an index that seeks to combine the effects of the number of poor, the depth of their poverty, and the distribution of poverty within the group. The index is given by:

$$P_S = P_0 \left(1 - (1 - G^P) \frac{\mu^P}{Z} \right)$$

Where;
P_0 =headcount index
μ^P = mean income (or expenditure) of the poor,
G^P =Gini coefficient of inequality among the poor. The Gini coefficient ranges from 0 (perfect equality) to 1 (perfect inequality),
z = the poverty line

2.10 The Multidimensional Poverty Index
The MPI examines households' experiences of various simultaneous deprivations in three key aspects: education, health, and living standards (HDR, 2016). The education and health dimensions are measured using two indicators each, while the living standards dimension relies on six indicators. All

the indicators used to formulate the MPI for a particular country are obtained from household surveys. The household survey calculates deprivation scores by assigning weights to the indicators. These deprivation scores are then computed for each household in the survey. To differentiate between the poor and non-poor, a deprivation score threshold of 33.3 percent (one-third of the weighted indicators) is utilized. If a household's deprivation score is 33.3 percent or higher, the household (and all its members) are categorized as multidimensional poor. Households with deprivation scores greater than or equal to 20 percent but less than 33.3 percent are considered to be living near multidimensional poverty. Lastly, households with deprivation scores greater than or equal to 50 percent are classified as experiencing severe multidimensional poverty (HDR, 2016).

2.11 Past And Current Interventions To Crippling Poverty In Nigeria
2.11.1 Sustainable Development Goals
The Sustainable Development Goals (SDGs), is the 2030 global agenda for Sustainable Development. The SDGs introduced the implementation for the achievement of the 17 goals adopted by 193 world leaders. According to the UN Secretary-General Ban Ki-moon, SDGs are a to-do list for people and planet and a blueprint for success. Thus, strategies and interventions explained in the policy framework of SDGs are necessary tools in achieving this world common goal. Under the poverty eradication (goal 1), it is expected that by 2030, through the various poverty eradicate programmes and strategies, extreme poverty for all people everywhere, currently measured as people living on less than $1.90 a day would have become a forgotten issue and if not totally eradicate at least reduce by half the proportion of men, women and children of all ages living in poverty in the world at large. As part of the advocacy to achieve this goal, some giant steps have been taken in this direction in Nigeria.

2.12 Theoretical and Empirical Review of Poverty
Different schools of economic thought have different perspectives about the causes of poverty, which suggests different approaches to curbing this economic phenomena. Emphasized was made on unemployment as a major cause of poverty and pinpoint the monetary approach to poverty measurement so as to support income/ money as an ultimate effective element in poverty removal. As presented by Davis and Sanchez-Martinez, (2015), the neoclassical school of thought view re-emphasized the classical view and provides more explanations on the causes of poverty.

Empirically, several studies have measured poverty and examined its determinants in Nigeria, for instance, Adekerele and Adewuyi (2011), assessed household poverty and welfare among households in Ekiti State, Nigeria. Using Foster Greer and Thorbecke (FGT) poverty index, the result revealed that 38.30 percent of the 80 households covered by the study were poor. The study suggested provision of employment opportunities and enhancement of women's education as an effective way of crippling poverty and promoting the peoples' welfare in Ekiti state. The study of Ukwueze and Nwosu (2014) provided strong evidence about the impact of education on poverty among youth in Nigeria. In the same vein, the findings of Dauda (2009) provided a strong implication for educational policy in Nigeria and it was suggested that a concerted effort should be made by policy makers to encourage an increase in educational investment in order to accelerate growth which would engender economic development and eradicate poverty.

Following the propositions of the classical and neoclassical economists, Ucha (2010) analyses unemployment, corruption, and non-diversification of the economy, income inequality, laziness and a poor education system as some of the key factors contributing to poverty in Nigeria

3. METHODOLOGY

This study employed cross-sectional descriptive research design, which covers the cross-section of salary earners in Ado LGA of Ekiti State. The study area is Ado-Ekiti, Nigeria. It is one of the sixteen local government areas and the capital of Ekiti State. It is predominantly occupied by the Ekiti sub-ethnic group of the Yoruba tribe and has a population of 308,621 (NPC, 2007). Ado-Ekiti is a trade center for farmers that sell crops like yam, cassava, grain and tobacco. The study population are salary earners from Ado LGA. The population consists of the working population, which were within the adult age range of 18- 60 years. The sample size was determined using a random sampling technique, which enable equal chance for each respondent to be selected in the study. To obtain the sample size, the simple random sampling formula developed by Anderson, (2007) was employed, using a confidence level of 95% and confidence interval of 8.0.

The major instrument used for this study is a close ended 35 item self-structured questionnaire containing questions regarding the socioeconomic status and background information about poverty indicators. Research assistants were employed in the distribution of the copies of the questionnaires to the employees in the public and private establishment in Ado environs. The Foster-Greer-Thorbecke (FGT) Poverty measure was used to measure the level of poverty, while descriptive statistics using frequency distribution was employed to describe the socioeconomic and bio-data of the respondents and to estimate the probit models the maximum likelihood estimation was applied using STATA statistical software.

3.1 Poverty Measure
FGT Poverty Index when α = 0, measures the poverty incidence (headcount index) and it is expressed as;

$$p_0 = \left(\frac{1}{n}\right) q = \left(\frac{1}{n}\right)$$

FGT Poverty Index when α = 1, measures the poverty gap and show the extent to which individual salary earner fall below the poverty line, expressed as;

$$p_1 = \frac{1}{2} \sum_{i=1}^{q} \left(\frac{z - y_i}{z}\right)$$

FGT Poverty Index when α = 2, measures poverty severity index and it is expressed as

$$p_2 = \frac{1}{2} \sum_{i=1}^{q} \left(\frac{z - y_i}{z}\right)^2$$

Where;
q =the number of poor salary earners
z = the poverty line for the sampled salary earners
y_i = *Income of the respondents*
α = *Poverty parameter that describes the level of poverty and it takes on values 0.1 and 2 for headcount, poverty gap and severity indices respectively.*
$\dfrac{z - y_i}{z}$ = *proportion of income below the poverty line*

3.2 Poverty Line Determination
To obtain the poverty line, the following steps were followed;

$$PCI = \frac{Y}{HHS}$$

$$TOTPCI = \sum_{i=1}^{N} PCI$$

$$MTOTPCI = \frac{TOTPCI}{NHs}$$

$$POVL = \frac{2}{3} \times MTOTPCI$$

Where;
PCI = Per capita income of the respondents
Y = *total income*
HHS = *Household size* $MTOTPCI$ =*mean* $TOTPCI$ = *Total per capita income*
$POVL$ = *Poverty line, which is the two-third of the mean total per capita income*

3.3 Probit Model for the Determinants of Poverty
Probit model shows that the probability that a respondent is poor is conditional on several factors. To be able to identify the significant factors that influence the probability of a respondent being poor, a probit regression model that explain an individual poverty status is modeled as;

Let y^* be a continuous variable that we do not observe and modeled as a function of a set of independent variables;

$$y^* = \gamma_1 + \pi_2 \lambda_i + \ldots\ldots + \pi_k \lambda_k \varepsilon_i$$

$$y^* = \lambda_i \pi_i + \varepsilon$$

ε = residual (error term) which is assumed uncorrelated with λ (i.e. λ is not endogenous).
λ_i = vector of explanatory variables which are socioeconomic factors
π_i = parameters of λ_i

While y^* is not observed, the discrete individual poverty status, whether it is 0 non-poor or 1 for poor respondents is observed, according to the following rule:

$$y_i = \begin{cases} 1 - if - y^* > 0 \\ 0 - if - y^* \leq 0 \end{cases}$$

To model the probability, the individual respondent is poor or non-poor, it is assumed that ε follows a standard normal distribution that yields;

$$p_i = pr(y_i = 1/\lambda_i) = pr(y_i > 0/\lambda_i)$$

$$pr(y_i = 1/\lambda_i) = p_i(\lambda\pi + \varepsilon > 0/\lambda)$$

$$pr(y_i = 1/\lambda_i) = pr(\varepsilon > -\lambda\pi)$$

$$pr(y_i = 1/\lambda_i) = N(-\lambda\pi/\partial)$$

$$pr(y_i = 1/\lambda_i) = \phi(\lambda\pi)$$

The symmetry of $\partial = 1$ implies the standard normal distribution. Thus, the probit equation that capture the association between dependent and independent variables is expressed in implicit and explicit form as;

$$\Pr_{poor} = \pi_0 + \pi_u\lambda_u$$

Where

$\Pr_{poor}$ =probability of being poor

λ_u = indexes factors that influence poverty, such as age, household size, gender, marital status etc.

π_u =indexes coefficients of factors that influence poverty

4. RESULTS AND DISCUSSION OF FINDINGS

4.1 Analysis Of Personal Information Of The Respondents

Table 1.

Gender distribution of the Respondents			Educational Status of the Respondents		
Poor salary Earners	Freq.	Percent	Poor Salary Earners	Freq.	Percent
Male	25	24.75	Secondary	4	3.96
Female	29	28.71	Post-Secondary	50	49.50
Non-Poor salary Earners			Non-Poor Salary Earners		
Male	24	23.76	Secondary	12	11.88
Female	23	22.78	Post-Secondary	35	34.65
Total	101	100	Total	101	100

Source: Field Survey, (2023)

From table 1, 52 respondents which represent 51.5% of the total respondents were female, while the remaining respondents; 49 (48.5%) were male. Out of the 52 female respondents, 29 respondents were categorized as poor salary earners, whereas the remaining 23 female respondents were non-poor salary earners. Similarly, 25 respondents out of the 49 male respondents were poor salary earners, while the remaining 24 respondents were non-poor salary earners. By implication, female respondents were more than male with a difference of 3%. Also the poor salary female earners were also more than the male poor salary earners with a difference of 4%. It can be seen from Table 1 that about 50% of the poor respondents, which represent 50 participants had post-secondary educational qualification. Those with only secondary education were 4 participants (4%), while 35 and 12 non-poor respondents had post-secondary and secondary educational qualification respectively. Although, the level of education of the respondents is believed to reduce the poverty level, but educational level may be insignificant for unemployed respondents.

Table 2: Age and Marital Status of the Respondents

Age of the Respondents			Marital Status of the Respondents		
Poor Salary Earners	Freq.	Percent	Poor Salary Earners	Freq.	Percent
Age			Marital Status		
18-25	6	5.94	Never Married	6	5.94
26-33	12	11.88	Married(Monogamous)	16	15.84
34-41	20	19.8	Married(Polygamous)	17	16.83
42-50	10	9.9	Separated	6	5.94
50 Above	6	5.94	Divorced	6	5.94
			Widowed	3	2.97
Non-Poor Salary Earners			Non-Poor Salary Earners		
18-25	6	5.94	Never Married	16	15.84
26-33	6	5.94	Married(Monogamous)	11	10.89
34-41	15	14.85	Married(Polygamous)	7	6.93
42-50	13	12.87	Separated	5	4.95
50 Above	7	6.94	Divorced	5	4.95
			Widowed	3	2.97
Total	101		Total	101	100

Source: Field Survey, (2023)

Table 2, presents the age category of the respondents selected for the study, the highest percentage of respondents fall within the age bracket of 34-41 years for both poor and non-poor salary earners. This is followed by age bracket of 26-33 years with 12 respondents and 10, 6 and 6 respondents were in the age range of 42-50, 18-25 and 50 years above respectively for the poor salary earners. Looking at the non-poor salary earners, 13, 7, 6 and 6 respondents were in the age bracket of 42-50, 50 years

above, 18-25 and 26-33 years correspondingly. These results imply that majority of poor and non-poor respondents are within the age bracket of 34-41 years.

Also, from (table 2), 17 respondents that represent the highest number of poor respondents were in the married polygamous category. Also, 16 and 3 respondents were in the married monogamous and widow categories for the poor salary earners respectively. The distribution of the non-poor salary earners shows that 16 respondents were still single as at the time of data collection, while 11 participants were married with monogamous marital status, 7, 5, 5 and 3 were married polygamous, separated, divorcees and widows respectively.

This analysis indicates that the majority of the sampled poor population were married with polygamous marital status, while the non-poor participants were majorly youth and married with monogamous marital status.

Table 3: Place of Occupation of the Respondents

Place of Occupation	Freq.	Percentage
Poor Salary Earners		
Govt worker(Civil Service)	19	18.81
Govt worker(Teaching Service)	17	16.83
Govt worker(Parastatal)	8	7.92
Private Organization Worker	10	9.90
Non-Poor Salary Earners		
Govt worker(Civil Service)	11	10.89
Govt worker(Teaching Service)	11	10.89
Govt worker(Parastatal)	3	2.97
Private organization Worker	22	21.78
Total	101	100

Source: Field Survey, (2023).

All the 101 sampled respondents were salary earners and from the table 3, the majority of the poor respondents were government workers (civil servants), 19 (18.8%). Also, 17 (16.8%) of the poor respondents that are government workers were in the teaching service. Moreover, 8 respondents were government workers (Parastatal), while the remaining 10 poor respondents were in the private sector. For the non-poor respondents, the majority of the respondents were in the private sector.

4.2 Poverty Indicators

Table 4: Source of Drinking Water and Means of Transportation

Means of Transportation	Freq.	Percent	Source of Drinking Water	Freq.	Percent
Non-poor salary Earners			**Non-poor salary Earners**		
Trekking	2	1.98	Borehole	11	10.89
Private motor vehicle	22	21.78	Well	11	10.89
Bicycle	3	2.97	Sachet Water	22	21.78
Public Transport	16	15.84	Pipe Bore water	4	3.96
Motorcycle	11	10.89	Bottle Water	6	5.94
Poor salary Earners			**Poor salary Earners**		
Trekking	7	6.93	Borehole	11	10.89
Private motor vehicle	8	7.92	Well	20	19.8
Bicycle	1	0.99	Sachet Water	11	10.89
Public Transport	18	17.82	Pipe Bore water	3	2.97
Motorcycle	13	11.88	Bottle Water	2	1.98
Total	101	100	Total		100

Source: Field Survey, (2023)

This study employed source of drinking water and means of transportation as indicators of poverty among the salary earners in Ado-Ekiti and the results obtained show that the majority of the poor respondents are drinking well water, while most of the non-poor respondents indicated sachet water as source of drinking water. However, for the non-poor respondents, 22 respondents indicated the use of their private vehicles as a means of transportation. By implication, the majority of the non-poor respondents have their vehicle as a means of transportation, whereas the many of the poor respondents are using public transport as a means of transportation.

4.3 FGT Poverty Index Results

To be able to measure the poverty level, Foster, Greer and Thorbecke (FGT) poverty measurement approach was employed and the results obtained are presented in table 5.

Table 5: Results of FGT Measure of Poverty Level among Salary Earners in Ado-Ekiti

	Poverty Line (PL)	FGT=0 (P0)	FGT=1 (P1)	FGT=2 (P2)
Female Salary Earners	₦ 11881	0.227723	0.076091	0.03730062
Male Salary Earners	₦ 12191	0.237624	0.063299	0.02501999
Total Salary Earners	₦ 12032	0.465347	0.13939	0.06232061

Source: Field Survey, (2023)

An appropriate measurement of poverty must reflect three basic elements, namely the poverty incidence, gap and poverty intensity which reflect the extent to which the per-capita income of the poor falls below the poverty line. Overall the findings of this study are paradoxical and it portrays the inflationary pressure as well as poor economic condition in Nigeria.

4.4 The Determinants of Poverty

To examine the determinants of poverty among salary earners in Ado-Ekiti, this study employed probit model. Heteroscedastisity and potential autocorrelation were corrected for in the statistical results by using robust standard errors. The reference categories for the categorical variables are variables with the lowest observation that fall to the extreme sides of the distribution, except for marital status, which was considered because it was convenient and sensible to use. The probit model results are presented in table 6.

Table 6: Probit Analysis of the Determinants of Poverty

The Probability of being Poor	Coefficients	Marginal Effects
Female	0.464(1.28)	0.182(1.28)
Level of Education (Post-Secondary)	-1(-1.71)*	-0.376(-1.71)*
Govt worker(Teaching Service)	1.155(1.69)*	0.431(1.69)*
Log of Income	-1.342(-3.63)***	-0.53(-3.63)***
Private organization Worker	-1.349(-2.08)***	-0.5(-2.08)***
Govt worker(Civil Service)	1.213(1.73)*	0.447(1.73)*
Marital Status (Married Polygamous)	-0.738(-1.27)	-0.273(-1.27)
Marital Status (Separated)	-0.526(-0.75)	-0.196(-0.75)
Marital Status (Divorced)	-0.348(-0.58)	-0.133(-0.58)
Marital Status (Married Monogamous)	-0.925(-1.95)**	-0.345(-1.95)**
Household Size	0.522(4.34)***	0.206(4.34)***
Constant	12.778(3.2)***	
LR chi2(11)	66.93	66.93
Prob > chi2	0.000	0.000
Pseudo R2	0.4797	0.4797
No of Observation	101	101

*Z statistics in parentheses * p<.0.1, ** p<.05, *** p<.01 represent levels of significance, 10%, 5% & 1%. Source: Author's computation from STATA 12, (2023)*

Table 6, presents the estimates of the probit model that was computed using the maximum likelihood estimation technique. Overall, the analysis suggests that socioeconomic factors such as income, level of education and marital status are less likely to make people in Ekiti state experience poverty, while household size and place of work show otherwise.

5. CONCLUSION AND RECOMMENDATIONS

This study measured poverty level and examined the determinants of poverty, based on the results obtained from this research work, it was concluded higher level of poverty exists among salary earners in Ekiti and it would require a large amount of money to get people out of poverty. Also, the poverty level was higher among male than female with higher levels of poverty depth and severity among female than male. Furthermore, this study also concluded that some socioeconomic factors influence poverty among the salary earners and chief among these factors are the educational level, income and marital status.

On the basis of the aforementioned results and conclusion, the study gives the following recommendations as antidote to curb higher level of poverty in Ekiti State and Nigeria at large. The government should embark on poverty alleviation programme especially for women. The unemployed among women folk should be financially empowered. Ekiti State is an emerging state, thus much still need to be done in the area of education as the state still has a huge need for education, especially for women, Therefore, a good education policy that can see a good number of young people enrolled in school and also incentives such as bursary and scholarship that will encourage those with secondary education to further their education are expected to have a bearing on poverty in the long run.

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