



An Appraisal of the Role of Statistical Series and Indicators in the Alleviation of Poverty

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Abstract

Poverty is one of the major problems hindering the growth and development of small and medium scale industries today. In the history of man, poverty has been in constant presence but its meaning has changed over time. Despite the various efforts of Government over the years in alleviating poverty, there seems to be no significant improvement in the standard of living of the people. Prompt collection and analysis of data series and indicators that would provide a direction and extent of poverty in the country are to be emphasized. It is recommended that timely, complete and reliable statistics should be collected to create and sustain an environment, which fosters strong equitable development and it is an essential ingredient for formulating sound policies for alleviating poverty. Such Statistical information provides the direction and knowledge required for the development or growth of the society.

Keywords: Poverty, Series, Indicator, Gross Domestic Product, Inflation rate

1. Introduction

The poverty level in Nigeria contradicts the Country's immense wealth, consisting of human, agricultural, petroleum and gas, and solid minerals. Despite the availability of these resources at the country's disposal, the poverty level and the economy has not fared well to date. A major setback has been inadequate and improper use of relevant data required to enable government plan effectively poverty alleviation schemes.(Adeyeye, 1987).

In order to define poverty, it is necessary to have a measure of the standard of living and also to choose a level, which separates the poor from the non-poor. Various methods have been suggested which includes Income, expenditure, proportion of expenditure allocated to food, calorie intake and nutritional status as well as intangible criteria, such as freedom, the right to vote and gender equality.(Sen, 1977)

However, we may define poverty simply as the condition in which a person is unable to meet the minimum requirements of food, health, housing, education and clothing. (Sen, 1983) Broadly, poverty can be conceptualized in four ways; these are lack of access to basic needs or goods; a result of lack of or impaired access to productive resources; outcome of inefficient of common resources; and result of "exclusive mechanisms". (Olowa, 2012)

Poverty is measured using consumption expenditure rather than income in Nigeria- similar to the approach taken by many other countries globally. (NBS, 2019). The incidence of poverty is the

proportion of the population who falls below a specified household income or expenditure level that defines a “poverty line”. The poverty gap is the average “shortfall “of household income or expenditure as a percentage of the poverty line.

2. Material and Methods

2.1 Statistical Series and Indicators

Statistical indicators (Economic and Social) are derived quantities that are used to analyze and summarize data. Statistical series and indicators are important for any National statistical system.(Atkinson, 1970) Such data collected may form a massive and complex set, which must be grouped and classified. Since data collection is a continuous process, the same set of items may have to be observed in many places over time at some specified intervals. Such quantities are statistically representative of the characteristics of the economy and the aspects of the society being measured so as to show some pattern or trends. There is a need to constantly review the statistical series compiled.

The measurement of poverty is the first approximation to the problems of social and economic deprivation, (Steeten and Burki 1978). Poverty can be caused by different factors and conditions, and may assume very different nature and characteristics. Very often the interest of policy makers is to identify groups and regions which are particularly affected by deprivation, so that they can receive the benefits of public action – vulnerable groups such as children, the elderly, women, racial, ethnic and linguistic minorities.(Adeyeye, 1987)

2.2 Data Series and Indicators Required for Poverty Alleviation

A wide range of data set is required by government to ensure that available resources allocated towards alleviating poverty are effectively utilized. These series are classified into three, namely economic indicators, social indicators and demographic indicators.

2.2.1 Economic Series and Indicators

The key economic series and indicators include:

(i) Gross Domestic Product (GDP)

The GDP measures the total output of goods and services for final use produced by resident and non-residents regardless of the allocation to domestic and foreign claims. (The World Bank, 1996). It is calculated without making documents for depreciation of “man-made” assets or depletion and degradation of natural resources. The data collected on GDP growth will provide an average annual growth rates calculated from GDP at constant prices with respect to a given year.

(ii) Rate of Inflation

Inflation is a period of rising prices and a persistent fall in the value of money. An appropriate data series on the rate of inflation could be useful in determining and measuring the level of poverty in the Country.

(iii) The Real Disposable Money Income

Trends in real wages and salaries, which include payments to employees in return for services, are also of interest. Such salaries and wages give provision to withholding taxes, employee contributions to social security and pension funds after being deflated by the Consumer Price Index (CPI).

(iv) Employment and Unemployment Rates

The labour force participation rate is the percentage of the population within each sex and age group that participates in economic activities either employed or unemployed (ILO). The crude activity rate is the ratio of the total economically active population to the total population of all ages. Data on labour force participation will play an effective role in planning adequately poverty alleviation programmes. Other series of interest that may be useful in this direction include, number and gender structure of the labour force, unpaid family workers, age structure and occupational distribution of the labour force.

2.2.2 Social Series and Indicators

According to Hartwick(1990), social indicators refer to phenomena that are inherently more qualitative than macro-economic variables. Interpretation of such variables should be done cautiously. The following are some data series and indicators useful for planning poverty alleviation programmes.

(i) Education: The data series required on education include the educational attainment and level of head of household. This could be classified as follows: No education, Primary, Secondary and post-secondary. A comparison may be made between the poverty incidences of households headed by persons who had not been to school with household headed by persons with post-secondary education.

(ii) Occupation: Data series on the incidence of poverty of household in relation to the occupation of household heads is of importance. The occupation of heads of households may be classified as follows: Professional, technical, administrative, clerical and related workers, sales workers, service industry, agriculture and forestry, production and transport, manufacturing and processing, student, apprentice and others.

(iii) Access to Health Services: Data can be collected relating to access to health services. It could be of interest to estimate the percentage of the population that can reach appropriate local health services by the local means of transport within not more than one hour. Such data may be collected for both urban and rural population.

(iv) Access to Safe Water: An appropriate indicator is the percentage of the population with reasonable access to safe water supply, this includes treated surface waters or untreated but

uncontaminated water such as that from springs, sanitary wells and protected boreholes. The time it takes households to get access to safe water is an important indicator of poverty incidence in a community.

(v) Access to Sanitation Facilities: A good indicator here will be the percentage of population served by connection to public sewers or household systems, such as pit-privies, pour-flush latrines, septic tanks, communal toilets and other such facilities.

(vi) Nutrition: Indicators of interest include percentage of babies and children suffering from nutrition related problems of low birth weight, wasting and stunting growth.

(vii) Survival Prospects: Health related indicators of interest include, life expectancy at birth, infant mortality rate, child mortality rate and maternal mortality rate.

2.2.3 Demographic Series and Indicators

(i) Gender of Household Head: Poverty incidence is often dependent on the gender of household head. Comparison may be made between poverty incidences of households in relation to gender of household heads.

(ii) Age-Group of Household Head: The trend of poverty may vary with the age of household head. Poverty incidence in older groups may be compared with that of the younger ones, likely age-group classification of household heads is as follows; 15 – 24years, 25 – 34 years, 35 - 44 years, 45 – 54 years, 55 – 64 years, 65 years and above.

(iii) Household Size: Data series on household size will serve as a useful yardstick for computing indices on incidence of poverty. This could show whether or not poverty increases or decreases with the size of household. Size of household may be classified as 1, 2 – 4, 5 – 9, 10 – 20, 21 and above.

3. Discussion

3.1 Statistics as a Tool for Poverty Alleviation

Statistical data are indispensable for monitoring the implementation of development plan. Monitoring is a continuous process which requires data that are generated timely in order to assist in establishing whether the planned target is likely to be achieved or not. Statistics therefore play an important role in monitoring and evaluating the poverty alleviation efforts.

The Federal office of Statistics (FOS) has provided a substantial data that is relevant for the evaluation and monitoring of the incidence of poverty in Nigeria. For instance, the National Integrated survey of household (NISH) run by the FOS is an on-going programme of household surveys enquiring into various aspects of households such as housing, health, education and

employment. The general household survey (GHS), which is the core module of the programme, collects basic data on most aspects of the household and runs every year. (Aika, 1990)

Another important module of NISH is the National Consumer Survey (NCS). Although consumer expenditure surveys used to run prior to the initiation of NISH, the later often streamlines the surveys by developing a National sample and drawing a regular programme for them. The data from the four rounds of the surveys is processed to provide poverty assessment (PA) for Nigeria under a technical assistance with the World Bank, (Olowa, 2012).

3.2 Problems of Generating Data for Poverty Alleviation

- (i) Lack of awareness on the part of the people on the need to cooperate in giving sincere information of importance on request.
- (ii) Social, religious and cultural norms of the people may contribute to their behaviour toward response or non-response to questionnaires.
- (iii) Insufficient and adequate statistical staff.
- (iv) The ineffectiveness and inefficiency of government agencies assigned with the responsibility of collecting and compiling vital statistics.
- (v) There is an imbalanced definition of terms that can aid comparison Internationally.
- (vi) Statistical agencies are inadequately funded by government.

4. Conclusion

Timely, complete and reliable statistics is critical to creating and sustaining an environment, which fosters strong equitable development and it is an essential ingredient for formulating sound policies for alleviating poverty. Without alleviating poverty, the goal of enhancing the growth of small and medium scale industries cannot be achieved. Statistical information provides the direction and knowledge in which development or growth in the society must go. For the country to attain its ultimate goal of alleviating poverty, improved societal welfare, equity and macro-economic goals, it must give priority to production of timely and reliable aggregate of statistical series and indicators.

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