Social Capital and its Influence on Poverty Reduction Among Rural Households in Ogun State, Nigeria

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Abstract

This study analyzed the influence of social capital on poverty reduction in Ogun State, Nigeria. Survey was conducted on 284 households using multi-stage sampling technique. The data were analyzed applying P-alpha measure of poverty, Foster, Greer and Thorbecke (FGT) poverty indexes and multivariate regression. Mean per capita expenditure was estimated as ₦36,463.24 while the poverty incidence, gap and severity were 48.9 percent 15.9 percent and 7.08 percent respectively. Poverty incidence proved to be higher among female-headed households who had attained 60 years with members consisting of over 10 persons who had no formal education. Heterogeneity index and meeting attendance index stood at 25.6 percent and 57.4 percent respectively, while cash contribution score was unexpectedly low at 10.5 percent and mean social capital estimated at 24.24 percent. Tobit regression result indicated that the likelihood of being poor was more with large household size, age, and nativity while monthly income, per capita expenditure, attendance in meetings and heterogeneity index were shown to have negative effect on poverty. This study emphasized on active participation of households in community groups and social ties.

Keywords: households, p-alpha measure, per capita expenditure, poverty reduction, social capital.

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1.   INTRODUCTION

In most developing countries, an enormous extent of poor population pervades the rural areas with their poverty level being much more drastic than in the urban areas (World Bank, 2015). Up to this point, Nigeria is positioned as the third nation having 47 percent of extremely poor individuals, despite her rich belongings (Dauda, 2016; Gabriel, 2014; NPC, 2013). In Nigeria, the poverty rate kept on increasing, especially, at the North-East region where threat to economic growth and national security like the Boko Haram insurgency has disrupted livelihood activities and reduced trade flows.

One of the difficulties facing many countries today, particularly in developing nations, is the powerlessness to handle the growing pace in the poverty rate (Olaleye, 2011). In fact, the incidence of poverty has had acute effect on their economies triggering significant devastation and turning into a hindrance to growth and development. Nigeria is being tackled with even more radical and protracted poverty impediment despite several anti-poverty programs and strategies to mitigate the problem (Olaleye, 2011; Abdussalam, Johari and Haji, 2014). According to UNDP (2018; 2019), Nigeria's poverty index currently stood at 51.4 per cent while the human development index was valued for 0.532 in year 2017, placing it at 157 out of 189 countries and territories.

Going by statistics shown between 2005 and 2018, Nigeria's Human Development Index value rose from 0.465 to 0.534 (14.8 percent increase) (HDR, 2018). The most recent survey data that were publicly available for Nigeria's Multidimensional Poverty Index (MPI) estimation refer to 2016/2017 OPHI, 2017). In Nigeria, 51.4 percent of the population are multidimensionally poor while an additional 16.8 percent are classified as vulnerable to multidimensional poverty. The breadth of deprivation (intensity) in Nigeria, which is the average deprivation score experienced by people in multidimensional poverty, is 56.6 percent while the MPI, which is the share of the population that is multidimensionally poor, adjusted by the intensity of the deprivations, is 0.291 (OPHI, 2017). As a matter of fact, an unfavorable result of high incidence and depth of poverty keeps on emanating in Nigeria despite the enormous resources (human & physical) allocated by successive governments towards curtailing the nation's poverty rate (Nigeria-Human Development Report, 2019).

Extant research conducted in developing countries demonstrates the significant roles social capital could play in reducing poverty. Studies by

Hassan & Birungi (2011) on Uganda and Tenzin, Otsuka & Natsuda (2013) on Eastern Bhutan show that group participation (proxied for social capital) is determined by factors such as education, homogeneity index, trust as well as other household characteristics. Aker (2007) discovers that households with significant level of social capital are associated with an upsurge in household expenditure in rural Tanzania.

Be that as it may, endeavors at neediness to decrease incidence of poverty to a great extent remained imperturbable by poor people, even though there had been ideas on established advancement of home-grown institutions as a guarantee for the conveyance of helping people (Okunmadewa, et al., 2005; Olaleye, 2011). Shortages of suitable local-level organizations and flaws of prevailing ones, to a great extent, discourage the poor from taking an interest in decision-making process, which of course, would affect their well-being. From the aforementioned problems, the following research questions are therefore raised in lieu of the context of these gaps

a)   What is the poverty status and profile of the households in the study area?

b)   Do poor people participate in social network?

c)   To what extent does social capital contribute to poverty reduction?

The present study aims at analyzing the impact of social capital on poverty reduction. The specific objectives are to determine household socio-economic characteristics, generate a vulnerability poverty profile in the study area, examine the effect of social capital on poverty status and proffer suggestions in lieu of extant poverty alleviation policies and programmes.

2.   LITERATURE REVIEW

2.1   Theoretical Review

2.1.1   Social Capital

Accordance to Organization for Economic Cooperation and Development (OECD, 2001) social capital is termed as "networks together with shared norms, values and understandings that facilitate co-operation within or among groups". Putman (2000) described social capital as a form of capital embedded with civic virtue through network of social relations affecting individual and group productivity in a positive manner.

Asadi et al. (2008) define social capital as "features of social organization, such as networks, norms and social trust that facilitate coordination and cooperation for mutual benefit". The concept grasps a lot of uses about networks, norms and values that are guaranteed upon the suitability of economic results as well as the manners through which social institutions work to transmit both economic advantage and selective types of social capital.

Woolcock (2001) opines that social capital falls into three groups: bonding, linking, and bridging social capital depending on the nature, level and degree of interaction involved. Bonding social capital depends upon the robust character between friends, relatives, and their neighbors. This is a strong force with respect to improving mutual benefits and responsibilities among network individuals. Linking social capital depends on the vertical system linkages between people or gatherings at various social levels. It can assist individuals with accessing assets and information data from formal frameworks, which would, in some way or another, not be accessible to them. Bridging social capital depends on the weak association between common interests of group members who have social and horizontal type in assessing assets.

2.1.2   Poverty Status

Poverty is construed as hardship in individuals' well-being, encompassing individuals with hopelessness in achieving essential livelihood and survival tantamount to their low income (World Bank, 2010). Adekoya (2018) claimed that Nigeria's high poverty profile is tantamount to diverse factors ranging from hunger, absence of shelter, lack of access to health care, education and tools to work, displacement due to natural and environmental disaster, high state of insecurity, kidnapping, high level of unemployment, especially youth unemployment, prostitution, slavery, child labour and disenfranchisement.

The prevalence of poverty in the rural areas is one of the most testing issues notable amidst developing countries. Statistics reveals that 1.4 billion out of the 6.5 billion individuals around the globe in 2005 lived on less than US$1.25 per day, and are therefore, ranked within the category of extremely poor, with more than 850 million individuals hitting the hay without adequate sustenance (HDR, 2007/2008; UNDP, 2008). The proposition made by Millennium Development Goals Report (MDGR, 2009) was the huge and significant advances in the battle against extreme poverty within 1981 and 2005 caused by ongoing global food crisis and this

slow down the pace of the effort of MDG going by the expected 55-90 million additional individuals added to the world extremely poor over what was foreseen in 2009 (World Bank, 2010). Despite the way, Nigeria is respected with ample physical as well as human resources, there were rationally dwindling wellbeing and outrageous poverty levels in the status of their nationals (Okunmadewa, 2001). Insights from National Bureau of Statistics (NBS, 2010) showed that poverty situation in the country has been escalating since 1960 (15 percent), 1980 (28.1 percent), 1985 (46 percent), 1992 (42.8 percent), and 1996 (65.5 percent) respectively, which later dropped to 54.4 percent in 2004 and expanded to 69 percent in 2010 and it stood at 51.4 percent as at 2017.

2.1.3   Poverty Alleviation through Social Capital

Sociologists and financial experts perceive the significance of informal communities in lessening poverty, reasonably improving human resources, and encouraging country progression through social connections (Yusuf, 2008; Hayami, 2009; Ishise & Sawada, 2009; Imandoust, 2011). Although, there are several definitions given to the concept of social capital, numerous researchers propose that social network have value (Fafchamps & Minten, 2002; OECD, 2001; Ernan &Ahmadriswan, 2017). In addition, social capital has been said to enhance credit access by tool of fortifying social associations and securities especially in the developing nations (Fafchamps and Gubert 2007).

The coordination and collaboration for the shared advantage of individuals from affiliation connotes the pressing need of the notion of social capital. There are emerging proofs that the social capital can affect results for development, growth, fairness, and the fight against poverty (Grootaert, 1999; Okunmadewa et. al., 2007; Schafft and Brown, 2000). It is also affirmed that social capital being a component of sustainability oversees, manage risks, shocks, and opportunities. Henceforth, it encompasses economic resources aided from becoming part of a network of social relationships with the intention of tackling vulnerability and poverty (Narayan, 1997; Schafft et. al., 2000). Studies (Yusuf, 2008; Okunmadewa et. al., 2005) show that local institutional reinforcement through the dynamic support and involvement of the poor in venture plan and execution is an essential factor in reducing poverty need in Nigeria. Along these lines, teamwork is currently observed as a significant prerequisite for the poor to benefit by a portion of people in organized public instituted poverty reduction programs (Okunmadewa et. al., 2005).

Nasution, Rustiadi, Juanda & Hadi (2014) explores the link between social capital and poverty within the bucolic area of Indonesia utilizing a two-fold national data indexes, which indicate that social capital is characterized by the interest in social activities that have a positive influence on poverty. Empirical evidence suggests that the determinants of social capital include educational level, membership density in social associations in the community, a durable market base and home ownership (Rupasingha and Goetz 2007; Akani, 2012; Isham, Kelly and Ramaswamy, 2002). It is suggested that these components should establish prospective means in facilitating household access to social capital, which will increase income and lessen poverty particularly in provincial territories (Okumadewa et al., 2005; 2007 and Omonona 2001). Taga (2013) posits that social capital engages a person by connecting to those with various social groups, agencies, and structural networks. The dearth of interaction with prominent individuals can be considered as one cause of poverty, while individuals and cultural relationship are beneficial to them since such relationships encourage various sorts of chances and financial resources.

Karimi (2015) explores the role of social capital to reduce poverty by focusing on rural households in Afghanistan. The link between social capital and extreme poverty was investigated taking a contextual analysis of savings groups in the three Districts of Parwan Province of Afghanistan. The results show that saving groups was found as source of social capital recognizing it as the group's membership in social activities which assume a crucial role in reducing poverty alongside with improvement in the rural development of the nation. Further evidences have shown that social capital is inversely proportional to poverty in the developing countries such as India (Morris, 1998), Pakistan (Taga, 2013), Uganda (Hassan & Birungi, 2011), Cameroon (Johannes & CRES, 2009) and Nigeria (Okunmadewa et. al., 2005). Tenzin, Otsuka and Natsuda, (2015) examined the impact of social capital on the poverty of rural households in eastern Bhutan, considering response on whether households participate in community group(s) which was used as a proxy for the structural aspect of social capital. It was evidenced that poor households in remote areas were discouraged from participating in community groups. Meanwhile, a binary proxy on measuring social capital is inadequate especially when considering a structured dimension.

2.2   Theoretical Framework

This paper contributes to an empirical investigation to study the influence of social capital on poverty reduction, considering the household endowment of social capital and household characteristics rural areas in Ogun state, Nigeria.
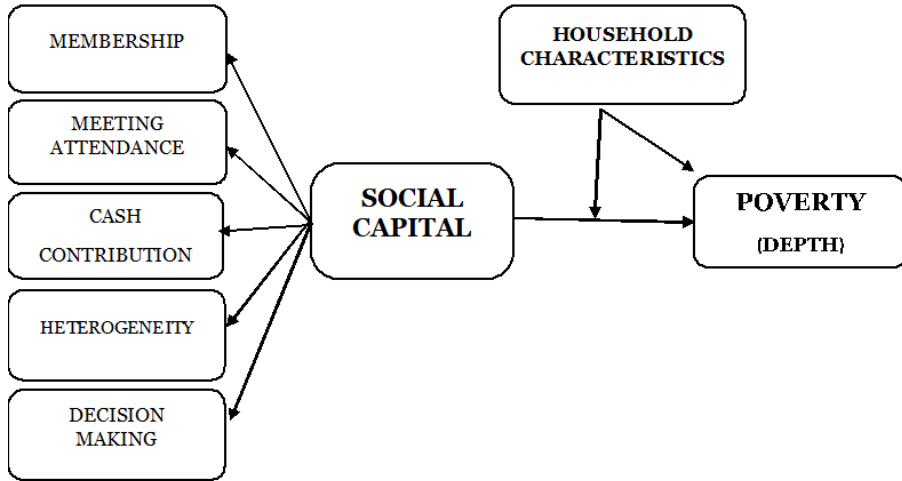

Figure 1: Research model

3.   METHODOLOGY

3.1   Study Area

The study was conducted in Ogun State, Nigeria. The state recorded high poverty incidence among the states in the South West geopolitical zone with indices of 49.9 percent in 2004 and 2009 (57.6 percent) respectively (NBS, 2010). Although, her consumption poverty headcount was valued as 26.5 percent, while the highest and least was identified in Oyo (34.3 percent) and Lagos (13.3 percent) in the South West region (World Bank, 2013). In national view on consumption poverty head count, Ogun state was ranked at 24th position out of the 36 states compared to Lagos (37th) and Oyo (18th) in the south west region, while her multi-dimensional poverty index (MPI) stood as 0.112 in 2017 (World Bank, 2013; HDR, 2018). Going by the erratic upward and downward trend in poverty rate in the state, it is

therefore imperative to examine the poverty status of the households in the bucolic area.

3.2   Research Design, Sampling Size and Techniques

This study is a quantitative research type, which adopted a cross sectional survey. The primary data was collected through a properly structured questionnaire administered for households in the study area. In calculating the sample size, the online survey software was used for the computation. Going by the NBS, 2006 census, estimated population of Ogun state was 3,751,140 and the 95% confidence level was applied, alongside with interval (marginal error) of 5%, the sample size was said to be 384. A multistage sampling procedure has been used in this research, going by the complexity of the population which involve households scattered across diverse towns in the local government area. Stage one involved selecting two (2) local governments (Local Council Development Area) each from the three senatorial districts in the state having more prevalent rural areas. Thus, in Ogun East Senatorial District, Obafemi Owode and Odogbolu were selected while Odeda and Abeokuta North were selected in Ogun Central and Imeko Afon and Ipokia in Ogun West Senatorial District. Stage two involves random selection of four (4) villages/farming communities from each of the local government area chosen and the final stage encompassed random selection of sixteen (16) households from each communities selected in stage two. In all, three hundred (384) household heads were interviewed covering a period of 5 months (June - November 2018) with the aid of proficient enumerators who comprehend local languages in the state. However, only 284 questionnaires with complete responses were processed for the study (74% response rate).

3.3   Analytical Techniques

This study employed several analytical methods including descriptive and inferential statistics (Foster et. al., 1984), weighted poverty measure (FGT poverty index) and the multivariate regression models (Okunmadewa et al., 2005; 2007). In this study, Statistical Package for the Social Sciences (IBM, SPSS) version 20 was used for the descriptive analysis while Limdep version 7 was used to run the multivariate regression.

3.3.1   Socio-economic Characteristics of Respondents

To describe the socio-economic characteristics comprising gender, age, household size, occupation, marital status and educational level, the

descriptive statistics was employed making use of the frequency, mean and percentages (Adekoya, 2014; Olaleye, 2011; Idowu et. al., 2011)

3.3.2   Poverty Measure

To determine the poverty status, P-alpha measurement was employed, which consist of the headcount indices (Po), poverty gap indices (P1) and poverty severity indices (P2) (Okunmadewa et al., 2007; FGT, 1984; Morris, 1998). The generic formulae for measuring poverty is dependent on the parameter α that accepts the existing value of zero on headcount and one for poverty gap as well as two for poverty squared gap in subsequent expression:

$$P = \frac{1}{n}\sum_{i=1}^{q}\left(\frac{Z-Y_i}{Z}\right)^{\alpha}$$ ……………..………….. (1)

FGT Measure

For α = 0, 1, 2

Where α = non-adverse parameter

Y = Poverty status of the family (1 = If respondent is poor; 0 = If non-poor)

Y_i = Income per head at $_i$th household

n_i = Size of its ith household

q = Number of households below the poverty line

Z = Poverty line value

Where α = 0, it indicates a zero concern about poverty incidence.

Equation (1) thus becomes

$$P_{oi} = \frac{1}{n}(q) = \left[\frac{q}{n}\right]$$ ………………..………..………(2)

Where α = 1, it shows equal interest that exists for poverty depth, thus, Equation (1) becomes

$$P = \frac{1}{n}\sum_{i=1}^{q}\left(\frac{Z-Y_i}{Z}\right)$$ ……………………………...(3)

P1$_i$ is the poverty gap between $_i$th poor household and the poverty line. Following the equations above, the income gap ratio that quantifies proportional separation of the mean income of poor people that beneath the poverty line was assessed as a ratio of P1$_i$ to P0$_i$.

Finally, where $\alpha = 2$, it shows that a disparity exists between the poor and the poorest (poverty severity index).

$$P = \frac{1}{n}\sum_{i=1}^{q}\left(\frac{Z-Y_i}{Z}\right)^2$$
⋯..(4)

3.3.3   Social Capital and Poverty

Following Grootaert, (1999), Tobin, (1958) and Okunmadewa et. al., (2005); Tobit regression model was employed to analyze the effect of the explanatory variables on the likelihood of being poor.

The model is mathematically represented thus

$Qi = \alpha + \beta Xi + \eta WI + ui$……………………..(5)

$Qi = P1 = f(x) + ei \ if \ P1 > P1*$…………..……..(6)

$Qi = 0 = f(x) + ei \ if \ P1 \leq P1$………………….(7)

Where

Qi = dependent variable

P_1 = poverty depth (it is discrete when the household is non-poor and continuous when being poor)

$P_1* = 0$

X_i = vectors of household characteristics

W_i = Household endowment of social capital

α = intercept

β_i, η = parameters

U_i = error term

Household Characteristics (X_i) include:

X_1 = Marital status (if household head is married equals to one; zero If Otherwise)

X_2 = Household size (number)

X_3 = Gender (l for male; 0 if Otherwise)

X_4 = Age (years)

X_5 = Nativity (If household head is a native of the community equals to one; zero if otherwise)

X_6 = Occupation (l if farming, 0 if otherwise)

X_7 = Educational level (years spent in schooling)

X_8 = Access to Credit (l if yes, 0 if otherwise)

X_9 = Per capita expenditure (Naira)

Social capital endowment variables include;

W_1 = membership density

W_2 = heterogeneity indices

W_3 = meeting attendance indices

W_4 = cash contribution score

W_5 = decision-making index

W_6 = aggregate social capital index

Measurements of each are as described below:

Membership Density: It involves the totality of individual membership in associations.

Heterogeneity Index: responses in lieu of member's diversity of the three most important associations were aggregated. Questions ranging from whether members were from the same neighborhood, kin group, occupation, economic status, religion, gender and age group, which was coded 0, if yes and 1, if no. A maximum count of 10 symbolizes most sizable heterogeneity level across the associations. In every household, scores derived was then divided by the most extreme value (30) to arrive at the index after being multiplied with hundred. Hence, the zero worth signifies complete homogeneity while 100 denotes full heterogeneity.

Meeting Attendance Index: the attendance of members at meetings of associations was computed and multiplied by 100 to arrive at the index.

Cash Contribution Index: this was calculated as total cash contributed across various organizations, which was re-scaled after dividing this sum by the extreme value in the survey and multiplying the result by 100.

Decision-making index: this entails the average response of involvement in decision making within the three main organizations and multiplied by 100 for every household.

Aggregate social capital index: this was obtained from the multiplication of the densities of membership, heterogeneity index and the decision-making index.

4. RESULTS AND DISCUSSIONS

4.1 Socio- Characteristics of Respondents

Demographic characteristics of sampled households is shown in Table 1. The age distribution reveals that the majority (51.4%) falls between 40-49 years, 16.2% and 11.3% falls between 30-39 years and 50-59 years respectively while 15.1% are below 30 years and the remaining 6% have lived for 60 years and above. This implies that most respondents are still in their proactive age and can engage in other livelihood options for survival. Majority (53.9%) have 4-6 persons as the number of household members, 29.9% and 14.4% have 1-3 members and 7-9 persons while 1.8% had 10 or more persons. This implies that averagely, pressure and dependence exist on the income of the sampled households based on large household size. Also, the gender distribution showed that the majority (57.4%) are male while 42.6% are female. Analysis of marital status reveals that 71.8% of the respondents are married while 16.9% are single, 7.4% are divorced and 3.9% are widows, and this implies that a high sense of responsibility and commitment was required from the married people, which would enhance productivity towards meeting their family needs. On educational attainment of the respondents, the majority (35.2%) possess secondary school education while 7.7% and 15.1% have primary education and no formal education respectively while 22.5% attain up to tertiary level, which constitute Higher National Diploma (HND) or, and Bachelors and the remaining 19.4% are for Nigeria Certificate in Education (NCE) holders. This assumes that the respondents possess little literacy level. Responses on nativity shows that majority (62.3%) of the respondents are indigenes of the selected community while only 37.7% are reported to be native of the community.

Table 1: Demographic Characteristics of Respondents (n=284)

Responses	Frequency	Percentage
Age		
Below 30 years	43	15.1
30-39 years	46	16.2
40-49 years	146	51.4
50-59 years	32	11.3
60 years & Above	17	6.0
Household size		
1- 3 persons	85	28.3
4-6 persons	153	44.0
7-9 persons	41	16.2
10 & Above persons	5	5.6
Gender		
Male	163	57.4
Female	121	42.6
Marital Status		
Single	48	16.9
Married	204	71.8
Divorced	21	7.4
Widow	11	3.9
Educational Level		
No formal education	43	15.1
Primary	22	7.7
Secondary	100	35.2
Diploma/Nigerian Certificate of Education	55	19.4
Higher National Diploma/Bachelors	64	22.5
Monthly Income		
Below ₦20,000	80	28.3
₦20,000 – ₦40,000	125	44.0
₦40,100 – ₦60,000	46	16.2
₦60,100 – ₦80,000	16	5.6
Above ₦80,000	17	6.0
Nativity of the Community		
Native	107	37.7
Non-native	177	62.3

SOURCE: Computations from Survey Data, 2018

4.2   Living Conditions of the Households

Table 2 presents the living conditions of the household as follows: 56.7% of the respondent's report that they are dwelling in rented apartments, 4.6% live in inherited abode while 14.1% live in family hood and the remaining 24.6% dwell in houses built by the household. The results also show that 19% of the respondents patronize government health centers, 24.6% of them regularly visit private hospitals while 12.7% frequent

maternity centers, but the majority (43.7%) patronize general hospitals, which is owned by the government. Regarding the availability of toilet facilities among the rural household, the results show that the majority (55.3%) of the respondents use water closet system, while 39.4% make use of pit latrine and the remaining 5.3% use bush disposal. It is evident that 22.1% of the respondents have access to tarred and motorable roads, 34.9% have access to tarred but not motorable roads, 39.1% have access to tarred but damaged roads. The report on transportation distribution shows that the majority (48.2%) make use of public transportation system, 4.2% usually trek on foot, 29.6% frequently use motorcycle while the remaining 18% use self-owned vehicles as a means of transportation. Likewise, on availability of water sources, the distribution shows that 25% use tap water, 22.9% have access only to local streams, 22.5% use locally constructed wells as source of water and the remaining 29.6% source for water through borehole. Based on the feeding habit of the respondents, the majority (56.4%) report that their meal was twice daily while 40.8% and 2.8% were for thrice and once. This implies that averagely, the respondents could afford a two square meal. Meanwhile, majority (53.9%) opined of not using clinic while 46.1% opted for clinic use and this was due to factors such as high rate of self-medication and habitual use of herbs in place of drugs, which most complained of inability to pay medical bills.

Table 2: Living Conditions (n=284)

Response	Frequency	Percentage
House Ownership		
Rented	161	56.7
Owned	70	24.6
Familyhood	40	14.1
Inherited	13	4.6
Type of Building		
Brick	251	88.4
Mud	27	9.5
Container	6	2.1
Daily meal		
Once	8	2.8
Twice	160	56.4
Thrice	116	40.8
Health Institutions		
General Hospital	124	43.7
Maternity Centre	36	12.7
Government health Centre	54	19.0
Private Hospital	70	24.6
Toilet Facility		
Pit Latrine	112	39.4

Water Closet	157	55.3
Bush Disposal	15	5.3
Road Network		
Tarred & Motorable	63	22.1
Tarred but Damaged	111	39.1
Not tarred	99	34.9
Not Motorable	11	3.9
Clinic Use		
Yes	131	46.1
No	153	53.9
Transportation Means		
By Foot	12	4.2
Motorcycle	84	29.6
Owned Vehicle	51	18.0
Public Transport	137	48.2
Water Source		
Borehole	88	31.0
Tap Water	71	25.0
Stream	65	22.9
Well	60	21.1

SOURCE: Computations from Survey Data, 2018

4.3 Structural Social Capital Dimension Indices

Table 3 shows six dimensions of social capital, which are: membership density of the household in local level institution, cash contribution score, decision making index, heterogeneity index, meeting attendance index and aggregate social capital index. The result indicates that a household belongs to at least two associations with membership density of 60.7%, but with low participation in decision making index value of 2%, which conforms with Putman, (2000) complaining on collapse in active involvement in clubs and other voluntary associations, although, heterogeneity indices stand at 25.56% with only 57.4% of the household attending meetings. Contribution index is remarkably at a low value of 10.5%, whereas, the mean aggregate of social capital is estimated to be 24.24%.

Table 3: Dimension of Social Capital

Index	Minimum	Mean	Maximum	Std. dev.
Membership density	32.00	43.72	72.00	10.58
Meeting attendance	15.00	57.40	100.0	17.98
Cash contribution score	0.34	10.51	100.0	11.08
Participation in Decisions	0.01	0.02	0.04	0.01
Heterogeneity	6.67	25.56	46.67	7.09
Aggregate Social Capital	2.47	24.24	98.80	17.45

SOURCE: Computations from Survey Data, 2018

4.4   Poverty Status and Households

Analysis of household poverty status is shown in Table 4, indicating that the incidence of poverty is found to be greater among female-headed families (51.2%) relative to their male counterparts, which is supported by Omonona (2001). The result further indicated that poverty is higher among those having household size of 10 or more while low rate of poverty incidence is recorded in household size having 1-3 members (11.8%). This suggests that there will be lesser expenditure to meet daily needs if household size is lower, although larger family size will realize a higher likelihood of household being poor. The prevalence of poverty is reported to be higher for respondents who are 60 years or more in age and among those with no formal education showing 76.5% and 65.1% respectively, which implies that education of rural dwellers is a factor that must be mulled over in poverty alleviation. This affirms with research conducted by Rupasingha and Goetz, (2007) demonstrating that social capital is vital in poverty alleviation especially when coping strategies on improving the educational level of the poor is being set on track. Average per capita monthly expenditure is estimated as ₦36,463.24. Using a breadline of ₦810.70 per head, the incidence of poverty turns out to be 0.4894 while poverty depth and severity records 0.1599 and 0.0708 respectively. This shows that as much as 51.4% of the sampled households in the study area cannot afford a three-square meal of ₦810.70 per head per day. If this poverty level is compared to the national average of 51.4% as at 2017 (Nigeria Human Development Report, 2017), it shows that an average farm household within the study area is poor and at par with an average household in Nigeria. In absolute term, an average household in the sample is categorized as being poor if it earns less than ₦24,320.98 per person per month on the basis of an absolute poverty line defined using a two-third per capita expenditure of N810.70 per person per day i.e. N270.23 per meal three times daily.

Table 4: Poverty Indicators of Households

Characteristics	Per Capita expenditure	Incidence of Poverty	Depth of Poverty	Severity of Poverty
Age (years)	₦	P_o	P_1	P_2
Below 30	28,795.56	0.6047	0.1750	0.0727
30-39	47,314.28	0.2826	0.0790	0.0312
40-49	36,523.71	0.4932	0.1756	0.0806
50-59	40,530.31	0.4688	0.0992	0.0264
60 & Above	18,321.34	0.7647	0.3202	0.1733
Sex				
Male	37,728.59	0.4724	0.1531	0.0687

Female	34,758.67	0.5124	0.1692	0.0737
Marital Status				
Single	38,572.75	0.5000	0.2227	0.1205
Married	37,014.01	0.4902	0.1472	0.0601
Divorced	32,069.63	0.4286	0.1101	0.0382
Widow	25,431.46	0.5455	0.2183	0.1169
Education Level				
No formal education	26,857.40	0.6512	0.2442	0.1141
Primary	35,553.46	0.5455	0.1931	0.0900
Secondary	40,638.15	0.4900	0.1426	0.0602
OND/NCE	36,603.05	0.3818	0.1213	0.0523
HND/BSC	36,586.43	0.4531	0.1523	0.0679
Monthly Income				
Below N20,000	35,673.85	0.4750	0.1583	0.0727
N20,000 – N40,000	42,642.51	0.4640	0.1607	0.0720
N40,100 – N60,000	25,460.67	0.6304	0.1925	0.0826
N60,100 – N80,000	27,648.96	0.5000	0.1142	0.0403
Above N80,000	32,809.59	0.3529	0.1165	0.0501
Household size				
1-3 members	65,416.20	0.1176	0.0238	0.0076
4-6 members	25,797.10	0.5948	0.1744	0.0702
7-9 members	19,448.58	0.8049	0.3367	0.1706
10 & Above members	10,166.85	1.0000	0.5820	0.3494
TOTAL	**36,463.24**	**0.4894**	**0.1599**	**0.0708**

SOURCE: *Computations from Survey Data, 2018*

4.5 Poverty and Social Capital Influence

Table 5 shows the Tobit regression results of the variables determining the level of poverty including the demographic factors, living conditions and social capital dimensions. However, seven out of the fifteen variables are significant with Adjusted R-squared value of 0.47698, which indicates that the factors identified could sufficiently explain about 48% of the effect on poverty status while the result of Log- Likelihood (800.66) shows that the model is significant. The results also show that the monthly income, meeting attendance index, heterogeneity index and per capita expenditure were statistically significant at 5% with a negative coefficient which implies an inverse influence on poverty status. It was predicted that the magnitude of decreasing poverty pace resulting from a unit change in meeting attendance and heterogeneity index were 0.12% and 0.35% respectively. Hence, it is evidenced that members belonging and attending to meetings of diverse voluntary associations like club, religious group, trade, and community ties are the most endowed determinants of social capital to tackle vulnerability and poverty (Schafft *et. al*., 2000; Okunmadewa et. al., 2007). Meanwhile, household size, age and nativity are

statistically significant at 1% and positively related to poverty status. This implies that the incidence of poverty increases due to a larger household size, age, and nativity to the community surveyed. Household size and age show that a unit increase will exacerbate the poverty situation of the households by 4.6% and 3.9% respectively.

Table 5: Tobit result showing the likelihood of being poor in accordance with social capital dimensions

Variables	Coefficients	t-value b/St.Er.|	Sig P[|Z|>z]
Constant	0.2429*	2.515	0.0119
Gender	-0.0011	-1.290	0.1972
Age	0.0390*	2.009	0.0445
Marital status	-0.0253	-1.569	0.1166
Household size	0.0459*	10.155	0.0000
Education	-0.0039	-0.369	0.7123
Occupation	-0.0278	-0.705	0.4807
Monthly income	-0.0201**	-2.197	0.0280
Access to Credit	0.0010	0.051	0.9596
Nativity	0.1106*	5.005	0.0000
Membership density index	-0.0012	-0.942	0.3464
Meeting attendance index	-0.0012**	-2.296	0.0217
Decision making index	-0.8439	-0.512	0.6086
Heterogeneity index	-0.0035**	-2.325	0.0201
Aggregate social capital	0.0010	0.735	0.4622
Per Capita Expenditure	-0.0000**	-2.487	0.0129
R-squared	0.50471		
Adjusted R-squared	0.47698		0.000
Log likelihood	800.6606		
Akaike	-0.847		

*Source: Field Survey, 2018   Significant at 1 percent * (p, 0.01) 5 percent ** (p, 0.05)*

5.   CONCLUSION

This study conforms to previous studies (Okumadewa et al., 2007; Schafft et. al., 2000) showing that social capital and its various factors play important role in reducing the effect of poverty among households in Ogun State, Nigeria. Explicitly, pervasiveness of poverty was noticed among large and aged households being headed by female, who were without any formal education and their income estimated to N40,000 and N60,000 on monthly basis. Also, the tobit regression result revealed that household size, age and nativity are positively related to poverty while monthly income, expenditure per head, attendance and heterogeneity index are inversely significant to

probability of being poor. Furthermore, disparate nature reveals certain level of diversity in each group (22.5%) and at the same time, attendance indices averaged around 57.4% to all participating members of the household. However, findings confirm that reviving community bond like social capital remains valuable in offering hope for sustaining individuals' life and their welfare.

6.   POLICY IMPLICATION

Firstly, the positive influence of household size on poverty connotes foremost attention in foreseeing birth control as a strategy in reducing poverty. Secondly, despite their membership density in at least two voluntary organizations, the cash contribution made seems quite low and this necessitate the urgent need of government to support the rural households in venturing into local level institutions (social associations) to give credit for the betterment of lives while executing their occupational engagements. Lastly, the establishment and active participation of households in community group, religious and social associations remain as one of the poverty alleviation programmes amidst the society.

7.   LIMITATIONS AND FUTURE RESEARCH

Going by this study, which is accustomed with previous studies on social capital being a multi-dimensional construct, further studies can examine all the three dimensions. Also, this research was conducted as a cross-sectional study that relied on a self-assessed instrument with a relatively small sample size, future research should look at a bigger sample size to actualize generalization, as well as conduct research in other parts of Nigeria, especially in the Northern part where the incidence of poverty is notably prevalent and possibly carry it out in other developing countries. A longitudinal design can be conducted to infer the causal relationship between social capital dimension and income of household members with inclusive of human services.

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