

## **Poverty: A Socio-economic Disease and Causative Agent of Numerous Socio-economic Diseases**

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The overall objective of this paper is to point out that poverty is a disease as well as a host to many social economic diseases. A navigation through the literature reveals that despite reported mixed findings of the effect of poverty on some socio-economic problems, it is still one of the leading causes of such problems. Thus, the need to channel a lot of resources and efforts towards combating it becomes compelling for two broad reasons. First, tackling poverty properly will indirectly reduce many vices confronting both developing and developed countries. Such problems include, but not limited to terrorism, robbery, corruption, social unrest, among others. Second, it is economically rational to commit adequate resources to tackle poverty now with a view to indirectly conserving resources for future development projects.

**Keywords:** Poverty; Unemployment; Terrorism; Robbery; Corruption;

### 1. Introduction

Poverty is a socio-economic disease, which social researchers have long considered to be one of the greatest problems impeding development in the developing countries, but not fully comprehended by the outsiders of social sciences as a contagious socio-economic ailment. The potency of poverty to ignite other socio-economic problems can be attributed to its multidimensional nature, which has received agreement in the literature (Alkire and Foster, 2011; Alkire and Santos, 2013, 2014; Bourguignon & Chakravarty, 2003; McIlwaine and Moser, 2003; World Bank, 2005). For example, World Bank (2005, p. 1) expansively enunciates poverty as "Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom". Thus, the motivation for the present study stems from the fact that while existing studies have separately linked many socio-economic problems to poverty, it is worthwhile to bring some of them together with a view to drawing better inference.

The rest of the paper, after this introduction, is arranged as follows, section 2 reviews the related literature linking the cause of some selected socio-economic issues to poverty, and section 3 contains conclusion and policy implications.

### 2. Literature Review

Generally, a rise in poverty can cause damaging effects on a set of multi-faceted issues, like economic, social and institutional issues (Popa, 2012; Alonso and Garcimartin, 2013; Hao, Chen and Zhang, 2016). In what follows, we take a voyage through the literature to establish the connection between poverty and some selected socio-economic problems.

#### ***Link between Poverty and Unemployment***

Poverty and unemployment are linked in one way or the other. While studies (e.g., Ukpere and Slabbert, 2009; Ucha, 2010) have established that unemployment drives up the rate of poverty, it is rare to see empirical studies that focus on unemployment causing effect of poverty. However, it is plausible to argue that the poor are at disadvantage to have start-up capital for business even at a small-scale level. Thus, from this point of view, self-employment may be difficult for the poor. Besides, the poor are also poorly educated which puts them at a disadvantage situation in wage employment that requires high level of education. Besides, the relative theory of deprivation also claims that the poor appear to be largely lazy or inactive (Gurr, 1970).

### ***Link between Poverty and Terrorism***

Terrorism is a deliberate, endangered or actual use of force or violence to attain personal, social, economic and political benefits via horror, coercion, or intimidation (Sandler, Tschirhart, and Cauley, 1983; Enders and Sandler, 2006). From the theoretical perspective (precisely, theory of the relative deprivation as developed by Gurr in 1970, acknowledges that absolute poverty may give room for apathy or inactivity). The theory further explains that the feeling by the poor that they deserve better than they are getting from the government or society can lead to violence. In recent time, terrorism appears to be the leading national security risk for numerous countries around the world because of massive casualties and hardship that usually accompany it (Ezcurra and Palacios, 2016). Providing empirical evidence for the determinants of terrorism, Caruso and Schneider (2011) find that an individual's involvement in terrorism decreases with his or her access to higher economic opportunities. A corroborating evidence is reported in the works of Fearon and Laitin (2003), Nasir, Ali, and Rehman (2011), Freytag, Krüger, Meierrieks and Schneider (2011), and Ezcurra and Palacios (2016). However, some empirical studies (e.g., Abadie, 2004; Lisanti 2010) have provided contrary evidence.

### ***Link between Poverty and Robbery***

The causes of crime, like robbery, are numerous. Besides, the causal factors of crime are at variance from one country to another (Khan, Ahmed, Nawaz and Zaman, 2015). However, since robbery can be linked to desire for money or wealth (D'Alenssio and Stolzenberg, 1990), it is plausible to link it to income poverty. Putting it into perspective, robbery is one of the direct consequences of economic failure or deprivation (D'Alenssio and Stolzenberg, 1990; Hsieh and Pugh, 1993; Holzman, 1979) in the society. This assertion has a corroboration in the work of McIlwaine and Moser (2003) on Colombia and Guatemala. In another related study on Pakistan, Khan et al (2015) provide further empirical support for robbery causing effect of poverty.

### ***Link between Poverty and Corruption***

Corruption is the abuse of public power by an individual or a group of individuals for personal monetary benefit (Ünver and Koyuncu, 2016). Looking at corruption from a broad perspective, it includes, but not limited to bribery, stealing, and partiality (Drury, Kriekhaus and Lusztiq, 2006). Corruption can be said to have no limit, but Goolsarran (2006) posits that corruption is more noticeable in areas where capital project requiring large amount of money for their execution. The causes of corruption are numerous and range from individual to institutional factors. Despite this, poverty remains a very important factor that can cause or trigger the level of corruption in a country. It is therefore, common to see high prevalence of poverty among the poorest countries of the world (Goolsarran, 2006). Available empirical studies have reported mixed findings on poverty as a causal factor of corruption. For example, studies such as Ünver and Koyuncu (2016), have reported positive impact of poverty on corruption. Besides this direction of connection between poverty and corruption, another set of studies have focused on the impact of corruption on poverty. For example, Cain (2007), Gupta, Davoodi and Alonso-Terme (2002), Yusuf, Malarvizhi, Mazumder and Su (2014) among others have provided evidence in support of worsening effect of corruption on poverty.

### **3. Concluding Remarks**

The central objective of this paper is to point out that poverty is a disease as well as a contributor to many social economic diseases. While we acknowledge mixed findings of the effect of poverty on some of the selected issues for review, it is deducible that reducing poverty will go a long way in the fight against several social and economic problems bedeviling many poor countries. Thus, the need to channel a lot of resources and efforts towards combating it becomes imperative for two broad reasons. First, tackling poverty properly will indirectly reduce many vices confronting both developing and developed countries. Such problems include, but not limited to terrorism,

robbery, corruption, social unrest, among others. Second, it is economically rational to commit adequate resources to tackle poverty now with a view to indirectly conserving resources for the future for other development projects. A result oriented policy that will tackle some of the socio-economic problems alongside poverty should be given priority. The present global efforts to eradicate poverty is commendable, but more resources should be committed to secure the future; not only for the developing countries as well as the developed ones.

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