

## Socio-Economic Effect of Poverty in Demsa Local Government Area of Adamawa State, Nigeria

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### Abstract

*This study examines the socio-economic effect of poverty on economic development of Demsa Local Government Area in Adamawa State. Poverty continues to cause devastating effect, strain government resources, and deprive us of our productive potentials and stray away resources to unproductive uses. Relevant literatures were reviewed including theories on poverty and economic growth using survey design, 100 respondents were selected to participate in the study. Data collected was analysed using simple percentage, tables and bar charts. The study found that laziness, unemployment, poor environment, lack of good governance, insecurity, exclusion of the poor from economic activities is some of the causes of poverty. Expenditure on health of the poor, security, internally displaced persons and loss of output are effects of poverty that reduce value of the economy. Based on the findings, the study concludes that poverty have negative effect on the economic development of Demsa and recommends that providing enabling environment for individuals is the best option for reduction of poverty; deliberate restructuring the education sector for optimum efficiency; vigorous skill acquisition is strongly recommended, etc.*

**Keywords:** Socio-Economic; Poverty; Economic; Development.

### Introduction

The socio-economic effect of poverty to Demsa local government and the nation at large include certain public expenditures on poor families especially for conditions and behaviours such as poor health and crime—associated with the poor, loss of output as a result of poverty and low level of education and income per capita. Harry, Greg and Jens (2007) assert that costs borne by victims of crime are examples of private expenditures and losses for the non-poor that should count as burdens as well. Furthermore, the income that the poor might have earned represents a loss of productive capacity and output that ultimately reduces the aggregate value of our economy. Also, social cost such as remedial costs, intergenerational and opportunity cost (productivity and tax revenue a country foregoes which leads to low earnings). It is therefore not only fair and just to reduce poverty in Nigeria, but may be in the country's material interest to eliminate the effect of poverty.

A new report by The World Poverty Clock (2018) shows that Nigeria has overtaken India as the country with the most extreme poor people in the world and sees Nigeria as the poverty capital of the world. The report went further to state that 87 million Nigerians are now living in extreme poverty which represents nearly 50% of its estimated 180 million populations which is distributed amongst all the states of the federation, including Adamawa state. As Nigeria faces a major population boom, it will become the world's third largest country by 2050 and its problem will worsen. The effects of poverty in Demsa and Nigeria could also include poor health-high level of infant mortality and low level of life expectancy and loss of output are the biggest signs of it. A lot of people do not get basic medical amenities and have no access to qualified specialists. Moreover, lots of children are not immunized and their health has low priority. The effect of poverty is devastating simply because huge sums are paid to kidnappers and money expended on the maintenance of internally displaced persons (IDPs) all over the country and also on the ones heavily spent on the construction of infrastructures destroyed by the poor.

We can see that socio-economic effect of poverty disproportionately affects economic development of Demsa and has a complex mix, institutional and individual costs thereby cutting short the lives of people and making them the object of caricature. Thus, this study attempt to cast a spotlight on these effect of poverty, it does not concern itself with either the poverty "gap" which is a measure of the

difference between the income of households living in poverty and the poverty line or with the fairness of the distribution of income between the poor and the non-poor. But attention was devoted to harmful consequences which poverty has on productivity-output and tax revenues, expenses on health, costs on education, costs incurred on insecurity, cost of fumigation, costs on poverty alleviation among others. For instance, in United States of America, costs incurred on loss of earnings, health and criminality is equivalent to nearly 4 per cent of gross domestic product (GDP) (Harry *et al.*, 2007). Since Demsa local government area and Nigeria in general tend to justify their poverty only on moral grounds, and they have not carried out the cost-benefit analysis that would reveal the savings and gains as well as the costs of a major reduction in poverty rates. On moral grounds, one can say that some help for the poor is better than no help at all. But on strict economic grounds, the cost of providing insufficient help can be massive and destructive. Hence, the study therefore examines the socio-economic effect of poverty on the economic development of Demsa local government in Adamawa State where the costs of poverty are used to assess its effect. Conceptual framework, theoretical framework, empirical review and evaluation of literature are carried out in regard to the topic, findings and recommendations would be made and the researcher would proffer solution where necessary.

### **Objective of the Study**

The main objective of this study is to determine the socio-economic effect of poverty on the economic development of Demsa local government area in Adamawa State, Nigeria.

### **Research Question**

How to identify and ascertain socio-economic effect of poverty in Demsa local government area?

### **Significance of the Study**

Effects of poverty are already at alarming rate. This study is an effort to upgrade the information emerging from the socio-economic setting of Demsa local government area in Adamawa state with regard to the effect of poverty on its economic development. The study will create awareness and sensitize the public on the harmful consequences of costs incurred by the government as a result of poverty related activities and also make them hate the occurrence of such in the near future.

### **Definition of Key Terms**

- a. Economic costs: Economic costs are defined as follows; certain public expenditure on poor families. Costs borne by victims of crime and the income that the poor might have earned represent a loss of productive capacity and output that ultimately reduces the aggregate value of our economy.
- b. Social costs: Social costs are defined as; remedial cost (cost of healthcare system or fighting crime. Intergenerational costs (costs we pay by allowing poor children to become heirs to the impediments which have held their parents back). Opportunity cost (costs we pay as a result of loss of productivity and tax revenue and other private cost associated with low-income earners).
- c. Gross domestic product: Gross domestic product is the total monetary value of goods and services produced in a country during a year.
- d. Costs on crime: Costs on crime are expenditures incurred on criminal activities like cost of reconstruction of properties destroyed by Boko haram, militants, religious and ethnic crisis, money paid as ransom to the kidnappers, money spent on the maintenance of internally displaced persons and on fumigation among others.
- e. Cost of health care: Costs incurred on the healthcare system as a result of poverty or certain illness that is caused by poverty. These include additional expenditures on health care and the value of loss quantity and quality of life associated with early mortality and morbidity. It also entails expenditures on special education and disability insurance.

## Theoretical Framework

### *Classical Theory of Poverty*

The classical economic tradition contends that the individual is ultimately responsible for poverty thereby providing foundations for laissez-faire policies.

### *Opportunity Theory of Poverty*

The restricted opportunity theories contend that the poor lacks sufficient access to economic opportunities and cannot avoid poverty unless their economic opportunity improves (Duncan, 1984).

### *Culture of Poverty Theory*

The culture of poverty is a concept in social theory that asserts the value of the people experiencing poverty plays a significant role in perpetuating their impoverished condition, sustaining a cycle of poverty across generations.

## Conceptual Framework

Poverty is a multifaceted concept and therefore has many faces. This is because poverty in Nigeria may be different from poverty in America, Japan, France, and South Africa among others. The conceptualization of this research is rationalized thus;

*Davis and Sanchez-Martinez, (2014) cited Adam Smith (1776) the father of modern economics and asserts that poverty is "the inability to purchase necessities required by nature or custom".*

Peter Townsend (1979) conceptualized poverty as *"Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary, or are at least widely encouraged or approved, in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities"*

Poverty has many dimensions and may include inadequate access to government utilities and services, environmental issues, poor infrastructure, illiteracy, poor health, insecurity, social and political exclusion. In urban areas, the burden of demand of services has effects on school enrolment, access to primary health care, growth of unsanitary urban slums. Also, in rural areas, poverty manifests itself more in the agricultural sector and food security. Furthermore, Ebong and Ogwumike, (2013) in their journal are of the opinion that there is no acceptable definition of poverty. They conceptualized it into "income/consumption perspective". That is, a person is poor "if and only if his/her income level is below a specified poverty line; 1 dollar or 2 dollar per day". Secondly, "the basic need perspective". That is, "poverty is the deprivation suffered due to lack of material requirements for meeting minimally acceptable levels of human needs". Thirdly, "capability perspective"; that is, "poverty represents the absence of some basic capabilities to function". Lastly, "voice of the people-which has to do with how the poor themselves perceive their situation".

Ebong and Ogwumike, (2013) cited Adam Smith that "man is rich or poor according to the degree in which he can afford to enjoy the necessities, the conveniences and the amusements of human life". Davis and Sanchez-Martinez, (2014) cited (Townsend, 1979) and revealed that Townsend defined poverty as "the lack of resources necessary to permit participation in the activities, customs and diets commonly approved by society". They further cited Ravallion and Chen (2008) in their work on World Bank and states that "a common method used to measure poverty is based on incomes or consumption levels. A person is considered poor if his or her consumption or income level falls below some minimum level necessary to meet basic needs. This minimum level is usually called the "poverty line". In another development, Davis and Senchez-Martinez,

(2014) cited the World Bank (2004) defined poverty more comprehensively as “pronounced deprivation in well-being, comprising many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Poverty also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of (political) voice, and insufficient capacity and opportunity to better one’s life”. This definition includes the multidimensional character of poverty as well as the concept of dignity. Musa and Leila (2015) hold that World Bank organisation describes poverty in this way; “poverty is hunger, poverty is lack of shelter. Poverty is being sick and not being able to see doctor. Poverty is not having access to school not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time”. Shidrick and Rucell, (2015) see poverty as sociological, while Wolf, Lamb and Zurzpiro, (2015) view it as philosophical, Fell and Hewstone, (2015) view poverty as psychological. This is to say that poverty is sociological, philosophical and psychological. Singer, (1975) view poverty in part that is “it is a function of education and/or health: life expectancy at birth, child mortality, e.t.c”. (1979). Blackwood and Lynch, (1994) submits that “other development analysts see poverty in very broad terms such as being unable to meet ‘basic needs’-physical (food, healthcare, education, shelter, etc.) and nonphysical (participation, identity etc.) requirement for a meaningful life”. Ogwumike, (2002) posit that “the concept of poverty is a multi-dimensional issue that affects many aspects of human condition ranging from physical to moral and psychological”. Accordingly, Davis and SanchezMartinez (2014) are of the opinion that European commission, (2004) conceptualized the definition of poverty in a more broader way, which claim that “People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation”.

In the same vein, they further attest that a definition of poverty which attempts to encompass both the developing and developed country context was published in the Copenhagen Declaration of the United Nations in 1995. During the summit, it was agreed that poverty includes “lack of income and productive resources to ensure sustainable livelihoods, hunger and malnutrition; ill health; limited or lack of access to education and other basic services, increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments and social discrimination and exclusion. It is also characterised by lack of participation in decision making and in civil, social and cultural life”. A part from lack of participation and exclusion earlier highlighted, discrimination was also put in forefront here. Absolute poverty entails low calorie intake, poor housing conditions, and inadequate health facilities, poor quality of educational facilities, low life expectancy, high infant mortality, low income, unemployment and underemployment. In relative terms, poverty is conceptualized in terms of the standard of living in a given society. Thus, relative poverty exists where households within a given country have per capita income of less than one-third of the average per capita of such country (World Bank, 1996). This occurs where certain section of the society does not have adequate income or access to certain basic amenities as compare to other people in a society or in terms of individuals. In the same development, Ogwumike, (2002) holds that “poverty can also be conceptualized into subjective poverty”. The concept requires the individuals (including the poor) to specify what they consider to be a minimally adequate standard of living or an income or expenditure level they personally considered to be absolute minimal. He further stressed that other concepts of poverty that have evolved over time include transitory and chronic poverty. Transitory poverty is temporary, transient and short-term in nature while chronic poverty is a long-term, persistent poverty, the causes of which are structural (Ogwumike, 2002). National bureau of statistics, (2012) conceptualized poverty into four measures; relative measure, absolute (objective) measure of poverty, dollar per Day and subjective poverty measure. Narayan et al (2000:30) expressed the view of the poor man in Kenya, 1997 that; “Don’t ask me what poverty is because you have met it outside my house. Look at the house and count the number of holes. Look at my utensils and the clothes that I am wearing. Look at everything and write what you see. What you see is poverty.” **Relationship between Poverty and Health**

Poverty causes serious health problems for those individuals living in poverty. Unemployment results to poverty which leads to cardiovascular conditions that may contribute to ischaemic disease risk factors like high blood pressure and cholesterol (TUC, 2010). Annkern and Ritzen (2001) “the biggest enemy of health in the developing world is poverty” (cited Kofi Annan 2001). They further buttress that globally, there is a stark relationship between poverty and poor health. That poverty creates ill health because it forces people to live in environment that make them sick, without decent shelter, clean water or adequate sanitation. Poverty creates hunger which leads them vulnerable to diseases. They conclude that the best cure is economic growth and broad-based development. Gwedolyn, (2012) opined that “cost associated with poverty increase the risk of adverse outcomes such as health, low productivity and increased crime”. Nathan Laurie, (2008) infer that “poverty hits Ontarians with disabilities”. Hence, there is a link between poverty and health. Ichoku and Fonta, (2009) revealed that the incidence and intensity of catastrophic healthcare are very high among Nigerian population due to poverty and prevalent health expenditure is on rich rather than the poor”. This is direct opposite of the above assertion. The researcher seems to believe also with their opinion because in developing countries, political leaders spend so much on their health. Nevertheless, world health organisation has declared poverty to be the single largest determinant of health.

### ***Cost of Security***

The cost to insecurity in the country since past few years is unquantifiable according to human right watch, a security monitoring agency (NBS, 2012). Between 2009-2012, about 2800 lives had been lost to militia insurgency. Money from international organisation and fund raised locally, governmental and non-governmental organisation which supposed to be channeled to human capital development has been deployed for the rehabilitation of families of the casualties and the renovation of properties destroyed, (NBS,2012). Accordingly, unspecified millions of naira is being paid as ransom for the release of victims of kidnappers. Central bank of Nigeria spent 100million, opposition governors 200million, and \$50,000million from CAN, America chapter, to reduce suffering (NBS, 2012).

### ***Cost of Health***

Harry *et al.*, (2007) give two dimensions to costs of health, these are; “additional expenditures on healthcare and the value of loss of quantity and quality of life associated with early mortality and morbidity”. Over the years federal government allocation to health is equivalent to 3.2% of the total federal government spending. The total budget allocated to health shows an increase. In 2009 the allocation was 154.6 billion, while in 2010 it was 164.9 billion and 2014 it was 279.2 billion. The total budget allocation to health, accounts for 5.4% of the total federal budget and 0.7% of the national gross domestic product (Uzochukwu, Etiaba, Okwuosa, Envuladu, Onwujekwe, 2015).

### ***Loss of Productivity***

Saharareporters.com when discussing the social and economic costs of unemployment with Nasir Ahmad El-Rufai on November 09, 2012 asserts that loss of productivity as a result of employment resulted from poverty is about 2 million. That is, ninety million people are willing to work but seventy (70) million cannot find productive job out of 162 million estimated Nigerians. This is to say that Nigerian government losses a lot as a result of poverty. To be candid, poverty creates many costs in terms of opportunity cost of lost output, the cost of welfare provision, private and external cost associated with exclusion from normal economic activity, poor have little disposable income hence cannot spend to generate income for firms and jobs for another individual. In six months, Nigeria lost N1.0trn due to attacks on production shortfalls between January and June 2016, (Vanguard newspaper July 6, 2016).

### ***Empirical Review***

Many studies were conducted to verify the conceptual and theoretical postulation relating to socio-economic effect of poverty on the economy in both developing and developed countries.

Harry, Greg and Jens (2007) conducted a research on the Economic of Poverty in United States. The study was carried out using secondary data which were analysed using ordinary least square regression technique to estimate average statistical relationship between children growing up in poverty and their earnings, propensity to commit crime, and quality of health later in life. Their result suggests that the costs to the U.S. associated with childhood poverty total about \$500 billion per year, or the equivalent of nearly 4 percent of GDP.

Olakunle (1999) carried out a research in Nigeria on social costs of poverty and it uses anomie theory to analysed how poverty resulting from unemployment and inflation, increases criminal activities in Nigeria. It also shows that when poverty coupled with high levels of economic and social aspirations, the state is set for criminal activities. He further stressed that poverty is positively associated with criminal involvement and that police force of Nigeria confirmed that property crime, which is associated with economic survival, records the highest proportion of reported crime in Nigeria as captured in (FOS, 1996). He concluded that, that is why allocation percentage on security in the budget from 2009 to 2013 was 6%, 11%, 21%, 19% and 13%. We can see that the above percentages constitute significant portion in the budget. On the contrary, Icholi and Fonta (2009) attributed the incidence and intensity of catastrophic healthcare expenses are among Nigerian population, its contribution to the national poverty profile is very low and that expenditure on healthcare system may be more among the rich rather than the poor. The study uses data drawn from Nigeria on their study conducted in Nigeria to rich rather than the poor but accepted that the current and increasing tumultuous polity and national instability has been explain in part as rising high rate of poverty and inequality in the country cited (Ogwu,1998). Effiom, Archibong and Ojua (2014) carried out a research in Nigeria, Akpabuyo local government on an assessment of the impact of poverty on criminal behaviour among youths and uses survey design where data was collected through the use of questionnaire and Pearson product moment correlative coefficient. The result revealed that poverty significantly influences criminal tendencies among youths. Most youths with low socio-economic background are easily lured into criminal activities.

Nathan Laurie (2008) conducted a research in Ontario in Canada on the cost of poverty on children. He confirmed that there is a relationship between poor health outcomes, low productivity and low educational attainment and children future income. He revealed that poverty has a significant cost for governments and that the federal and Ontario government are losing at least \$10.4 billion to \$13.1 billion a year due to poverty, a loss equal to 10.8% to 16.6% of the provincial budget. In a nut shell he concluded that poverty has a cost on household, public and private cost in regard to loss of productivity, crime and healthcare in which the cost to household in the province was from \$2299 to \$2895 and health care \$2.9 billion every year and budgeted \$7.6 billion per year. The author cited United States study on the costs of poverty on children and revealed that they are losing equivalent to nearly 4 percent of United States gross domestic product. Similarly, Gwedolyn, (2012) in a research conducted in Florida on the impact of economic poverty and found that costs associated with individual living in poverty are due to increased risks of adverse outcomes such as health, low productivity and increased crime in unsafe neighbourhood-which lead to lower graduation rate and a reduced participation in the work force. He further stated that poverty work against human capital development, limit ability to contribute talent and labour to the economy and thereby putting a strain on government resources and causing decreased economic output. Douglason (2009) carried out his research in Nigeria where he estimates the dynamics of socio-economic determinant of crime in Nigeria from 1981 to 2005 using an error-correction model. The study analysed the long run causality between crime and discomfort applying the error-correction based; Granger causality technique and dynamic error-correction method. The result revealed that unemployment is the most determinant of crime in Nigeria. Sinnathurai, (2013) conducted a research on the Nexus of Poverty, GDP Growth, Dependency Ratio and Employment in Developing Countries. The study relies on cross country data and involves forty-one (41) countries which have been selected from Asia, Latin America and Sub-Saharan Africa. The study employs OLS method, correlation and econometric tools. The result found

that economic growth, poverty and industrial employment significantly affect the age dependency ratio in model two is practicable and consistent with economic theories.

Mustapha and Erhan (2015) carried out a research on corruption, poverty and economic performance striking Eastern and central Asia (ECA) countries. They use panel unit root and dynamic panel of the secondary method and the result shows that corruption affect directly economic performance and low economic performance leads to poverty. Additionally, results imply that rules against corruption could affect economic growth indirectly through their impact on the level of poverty. Ashish (2014) carried out a research in India on "Is poverty the mother of crime? Empirical evidence of the impact of socioeconomic factors on crime in India and it uses hypothesis to test the data. The results indicate a positive and statistically significant impact of poverty, inequitable income growth and low quality of the legal system on incidence of total property-related crimes and also poverty has the highest impact on robberies.

### **Method of Study Study**

#### **Area**

Demsa local government is one of the local governments in Adamawa state with 9<sup>o</sup>25'N 12<sup>o</sup>8'E with the total population of 180251 as at 2006 National population census (NPC). The local government headquarters is located in Demsa. Demsa lies on the Benue River. It inhabited by ethnic groups such as the Bachama, Batta, Yandang, Bille, Mayah, Bare, Mbula and Fulani (NPC, 2006). The local government has ten (10) wards; these are Kpasham ward, Dong ward, Demsa ward, Nasarawo-Demsa ward, Dwam ward, Dilli ward, Mbula ward, Bille ward, Borong ward and Gwamba ward with seven Districts. The area covered by Demsa is 1825 km<sup>2</sup> with density of 113.01inh/km<sup>2</sup>. The age distribution is thus; 0-9 years 60259, 10-19 years 39655, 20-29 years 30844, 30-39 years 19808, 40-49 years 12236, 50-59 years 7062, 60-69 years 4117, 70-79 years 2616 and 80 and above years 1810. The population of male and female are 89511 and 88896, respectively (NPC, 2006).

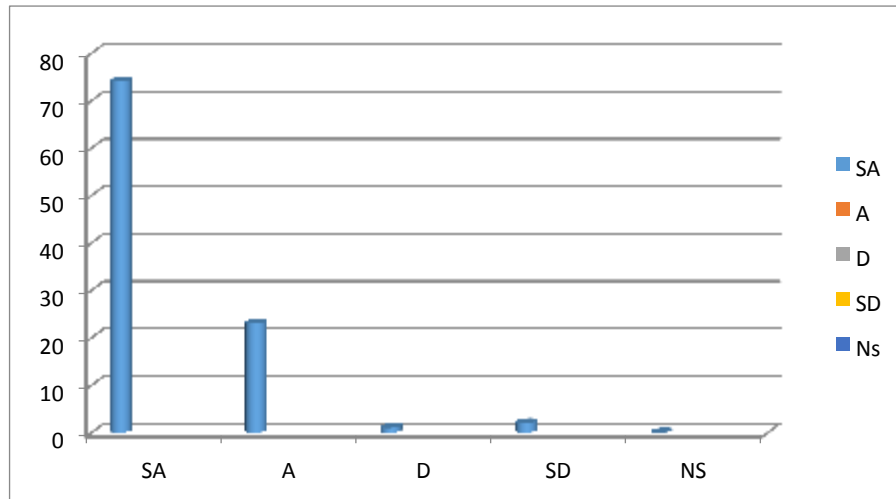
#### **Research Design**

The research adopts research design and quasi-experimental. It adopts positivist philosophical approach. This research design was developed to show the types of information gathered and for justification of the technique adopted in providing empirical test to support or refute a claim on the socio-economic effect of poverty. The study employs descriptive research and it uses survey research and correlational research. This is done by inquiry through the use of questionnaires, focus group interview and observation in some cases and uses non-parametric test.

#### **Data Analysis**

Figure 1 shows the acceptance of the definition of poverty. From the responses, it is obvious that respondents strongly agreed that lack of food, shelter and clothing is poverty. Strongly agreed is represented by 74%, the next most acceptable definition is agreed. Other people look at it differently. 1 person representing 1% and 2 persons representing 2% have disagreed and strongly disagreed with the definition. It is therefore evident that anyone who is unable to meet up with basic necessities like food, shelter and clothing is poor as defined by Musa and Leila (2015) in the literature review.

Table 2 show unemployment, inflation and human deprivation as some of the causes of poverty in Demsa local government area. The table revealed that 72 (72%) strongly agreed that unemployment, inflation and human deprivation are the causes of poverty in Demsa local government followed by 23 (23%) only agreed. Few representing 3 (3%) and 2 (2%) showed their disagreement on the causes of poverty in question. The computation above showed that unemployment, inflation and human deprivation are the causes of poverty in Demsa local government as concurred by Davis and Sanchez-Martinez, (2004) and Keynesian/neoliberal theory of poverty in the literature reviewed.

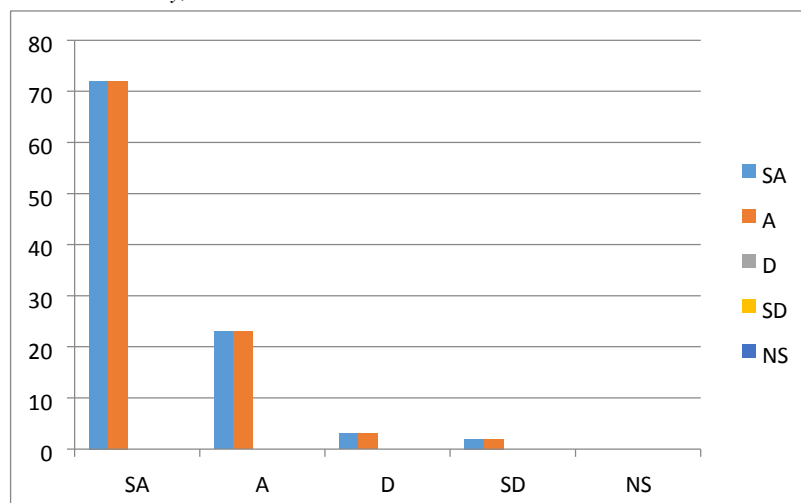


**Figure 1:** Bar chart showing the responses of the respondents in respect to the definition of poverty

**Table 2:** Unemployment, inflation and human deprivation are some of the causes of poverty in Demsa LGA

Description	Frequency (F)	Percentage (%)
SA	72	72
A	23	23
D	3	3
SD	2	2
NS	-	-
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Field survey, 2017



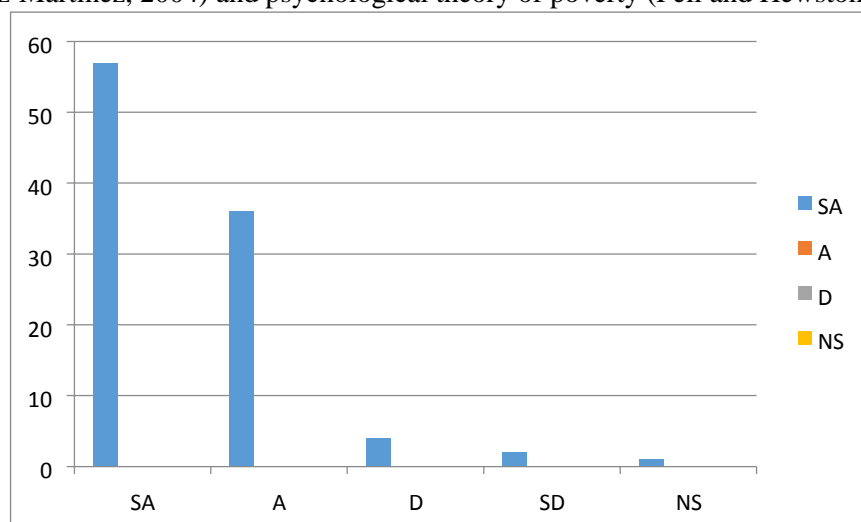
**Figure 2:** Bar chart showing responses on unemployment, inflation and human deprivation as causes of poverty

**Table 3:** Poverty is caused by laziness, government and poor environment where people live

Description	Frequency (F)	Percentage (%)
SA	57	57
A	36	36
D	4	4
SD	2	2
NS	1	1
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Field survey, 2017

Table 3 show laziness, government and poor environment as causes of poverty. The analysis of the responses of the respondents revealed that 57% strongly agreed that laziness, government and poor environment where people live causes poverty. Other respondents consisting 36% have also agreed with the causes of poverty. Few people representing 4% and 2% have expressed opposing thought to the causes of poverty. While 1% are not sure. This implies that laziness, government and poor environment where people live caused poverty. The view corresponds with classical theory (Davis and Sanchez-Martinez, 2004) and psychological theory of poverty (Fell and Hewstone, 2015).



**Figure 3:** Bar chart showing opinion of the respondents on laziness, government and poor environment as causes of poverty.

### Discussion of Findings

The research came out with the following findings; that unemployment, human deprivation, laziness, lack of good governance and poor environment where people live are the causes of poverty in Demsa local government area. This is evident by human deprivation in terms economic and social infrastructures couple with lazy attitude of Demsa people and over dependence on government as captured by classical theory of poverty who attributed the cause to individual choices, Keynesian theory also attributed the causes of poverty to lack of good governance (Davis and Sanchez-Martinez 2004), and psychological theory of poverty also admit some of these causes (Fell and Hewstone, 2015). The culture and opportunity theory equally confirm our findings.

Also, insecurity, health problem of the poor and exclusion of poor from economic activities are responsible for poverty. This is not contrary to what they are facing today because Demsa community experienced a lot of crisis from herdsmen these days from Kodomun and Kwayine. This view is similar to the view of Olakunle (1999) who posit that when poverty is coupled with high levels of economic and social aspirations the stage is set for criminal activities, those who are thwarted may seek to obtain them illegally. Nathan Laurie (2008) opined that it shows up in extra cost to healthcare system but a sharp contrast with Ichoku, Eme and William (2009) where they attributed health problem to rich rather than the poor and Effiom, Archibong and Ojua (2014) concludes that poverty significantly influences criminal tendencies among youths.

### Conclusions

The study analysed socio-economic effect of poverty on economic development Demsa local government area. The research had the major objective of determining socio-economic effect of poverty on economic development. The research was conducted on Demsa local government area, Adamawa state, Nigeria. The researcher collected data from the study area by administration of questionnaire through individuals and focus group. The data collected were analyzed using simple percentage and bar charts. The finding of the study revealed that unemployment, laziness, lack of good

governance, environment, and exclusion of the poor from economic activities, inflation and human deprivation causes poverty in Demsa local government area.

Poverty leads to loss of output. The income which poor are losing as a result of exclusion from economic activities in Demsa communities represent a loss of productive capacity and money heavily spend on security, IDPs, health of the poor ultimately reduces the aggregate value of the economy. This made government of the day particularly Demsa local government to focus more on maintenance of poverty in the name of poverty reduction, this situation continues to add burden and strain on the economy. Cost of security is 0.7 percent of National Gross Domestic Product (NBS, 2012).

### Recommendations

The following recommendations are made based on the findings;

1. Demsa local government should employ people and embark on deliberate education restructuring that will automatically produce graduate of polytechnics, colleges, Higher National Diploma and degree holders' automatic self-reliant and strengthen the National Directorate of employment for optimum efficiency.
2. Demsa local government should invest early in the lives of its citizens and focus more on human capital development in order to boost output and to avoid destruction of economic and social infrastructures, religious and communal clashes experienced daily in the Nigerian community.
3. Aggressive skill acquisition programme should be pursued by the relevant agencies in order to keep the people busy and empower them to be more economically viable.
4. The National Orientation Agencies and other bodies domiciled in Demsa Local Government should carry out a vigorous campaign and enlightenment about the socioeconomic cost of poverty in the area which is as a result of insecurity and other social vices.
5. Conducive working environment that is enshrined by good governance can go a long way in poverty alleviation in Demsa Local Government.

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