Determinants of Poverty: A Mini-Review

Mansour A. Abdulwasaa a,b* and Sunil V. Kawale a

a Department of Statistics, Dr. Babasaheb Ambedkar Marathwada University, Aurangabad, India.
b Department of Data Sciences, College of Administrative Sciences, Taiz University, Yemen.

Authors’ contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

ABSTRACT

This paper aims to review the literature on the determinants of poverty. This study also provides insights into the interplay between demographic, social, economic, and political determinants and their impact on poverty levels. This review concludes by emphasising the interconnectedness of these determinants and the need for comprehensive and integrated approaches to poverty reduction. The literature review results revealed a significant effect of the economic, social, demographic and political determinants on poverty. Finally, the paper provides insights for policymakers and practitioners seeking to develop strategies that promote sustainable development for poverty reduction.

Keywords: Poverty determinants; poverty; demographic determinants; social determinants; economic determinants; political determinants.

1. INTRODUCTION

Poverty is a pervasive and complex issue that affects societies worldwide, presenting significant challenges to global development efforts [1,2]. The multidimensional nature of poverty necessitates a comprehensive understanding of poverty's demographic, socioeconomic, and political determinants is crucial for devising effective poverty alleviation strategies and
promoting sustainable development [3,4]. This literature review paper explores the various determinants of poverty, shedding light on the complex factors contributing to its persistence and prevalence. Demographic determinants such as population growth, migration patterns, and urbanisation significantly affect poverty rates [5]. Rapid population growth can strain resources and social services, particularly in developing regions, while migration and urbanisation can lead to concentrated pockets of poverty [6]. Moreover, recognising the demographic dynamics is crucial for formulating targeted interventions for the specific challenges associated with changing population patterns. Socioeconomic determinants also play a vital role in perpetuating or alleviating poverty [7,8]. Limited access to quality education, inadequate healthcare, a lack of employment opportunities, and income disparities contribute to the persistence of poverty. Understanding the impact of these socioeconomic factors is crucial for developing interventions that promote equal access to education, healthcare, and economic opportunities, empowering individuals and communities to break free from the cycle of poverty [9].

Additionally, knowing the political determinants of poverty enables the identification of institutional barriers and advocacy for policy reforms that promote good governance and social justice [2]. Governance quality, policy frameworks, and political stability significantly impact poverty reduction efforts. Transparent and accountable governance structures, supportive policy environments, and political stability are essential for effective resource allocation and implementing poverty reduction measures [10]. Understanding the role of politics and governance is essential for designing policies that address the systemic barriers to poverty alleviation [11]. The poverty problem is one of the goals of the third millennium for development, and its removal is the primary goal of achieving development for any country, whether it is developed or underdeveloped. Moreover, the problem of poverty is one of the biggest challenges facing the world's countries due to the multiplicity and diversity of the concept of poverty. It is no longer just the denial of access to goods and services due to a lack of income, but rather the lack of health care and education, housing, and social exclusion that have made it an important issue. The importance of the current paper lies in the fact that it identifies the combined social, economic, demographic, and political variables that affect poverty and through which economic, social, and political policies can be developed to reduce poverty [12]. While the previous literature review that was reviewed dealt with some of the determinants that are related to poverty. It is impossible to determine poverty through a specific determinant but rather through the combined study of determinants. The structure of our review paper is as follows: In Section 2, the literature was reviewed. The results and discussion were covered in Section 3. The study's conclusions were addressed in Section 4 of the study.

2. LITERATURE REVIEW

Based on the objective of our literature review, relevant previous studies were collected. Databases and reputable scientific journals were searched through Internet search engines for appropriate articles and analyzed based on the research's objective, methodology, and key results. The Mendeley program was used to organize the references.

Buba et al. [13] conducted to examine the effect of demographic, social, and economic variables on households’ exclusion and social deprivation and focus on gender inequality. The study used mainly descriptive and standard methods such as binary regression analysis (logistic model) of poverty to examine the variables responsible for inequality concerning economic and social wealth among households in Nigeria. The study found that social variables such as literacy, head of household education, demographic variables such as the age of the head of the family, the size of the family, the type of head of the family, and economic variables such as work and employment characteristics are major determinants of poverty in Nigeria [13].

Ardi and Isnayanti's [14] study analysed the latent variables of economics, education, and health on poverty in Indonesia. The (SEM) method was used based on secondary data from 2015 to 2017 for 34 provinces. The results showed a negative and substantial impact on poverty's health and educational determinants; the greater the poverty, the lower the family’s health and education. In contrast, the economic determinants positively affect poverty but are insignificant [14].

Otok et al. [15] investigated the effect of latent variables (external variables) represented by human resources, economic and health factors,
and poverty as inner variables in all provinces of Java. It used structural equation modelling through the generalised least squares (GLS) methodology, and secondary data for 2017 were used. The results showed that human resources and health determinants impact poverty and that economic factors do not affect poverty [15].

Bici and Mancellari's [16] study sought to identify ways to measure poverty and analyse monetary and non-monetary variables that affect poverty. The non-monetary factors are the living conditions, basic and social needs, the possession of assets, and other factors related to the environment. Secondary data from the Standard of Living Survey was used by applying structural equation modelling. The results revealed that poverty is related to income, good living conditions, living in a safe environment, owning assets, and social participation [16].

Xhafaj and Nurja's [17] study sheds light on the assessment and analysis of poverty levels based on the 2012 Living Standards Survey. The Principal Component Analysis (PCA) used the multivariate statistical approach. This technique was used to assess poverty and reduce the set of variables for the data to the smallest possible number of variables. The study results showed that 50% of the households had a low economic and social status and thus were impoverished [17].

Spaho's [18] study aimed to measure poverty trends and analyse the main determinants that affect poverty. And assessing the impact of programs and policies for family well-being on poverty, based on the Living Measurement Survey 2013. The study relied on a descriptive and standard approach. It used a logistic regression model to analyse per capita consumption of poverty representative as a dependent variable and demographic and economic variables as explanatory variables, such as family size, educational level, employment status, residence, family assets, and housing. The results indicated that residence and family size are the most specific and statistically significant variables. It also revealed that it is necessary to improve the demographic and social characteristics and pay attention to the agricultural and tourism sector to alleviate and reduce poverty [18].

Kusuma et al. [19] examined four factors (latent variables) represented by the economy, poverty, health, and human resources with 16 indicators. Structural equation modelling using the PLS approach was used for secondary data in 2016. The results revealed that health and economic variables have a significant negative and statistically significant impact on poverty in Papua province [19].

Nguyen's [20] study reviewed the effects of economic and social variables on poverty alleviation in ethnic minority areas in Vietnam and relied on structural equation modelling. The results revealed the importance of education quality and cultural activities and that strengthening the identity of ethnic minorities is the main factor in getting out of poverty in those areas[20].

Chen and Wang [21] reviewed the important determinants of poverty at the regional and family level in Taiwan. It was based on the household, labour force survey 2006 and national statistics. It used the descriptive approach to describe the independent variables in addition to hierarchical linear models, which is called multilevel logistic regression. The results showed that education, economic growth, inequality, family type, and dependency ratio are linked to an important and statistically significant relationship with poverty. And that regional heterogeneity of poverty exists in Taiwan, meaning that poverty varies in different regions [21].

Muhammad et al. [22] documented the impact of inflation, government spending, infrastructure budget, and village funds on poverty rates through economic growth, investment, and inequality variables. Panel data from 2015 to 2019 was used for 33 provinces in Indonesia. The structural equation modelling approach. The outcomes showed no effect of economic growth, investment, and income inequality variables on poverty. In contrast, there is a strong negative impact of the infrastructure budget on poverty. Also, the inflation variable directly and weakly impacts poverty [22].

Mug et al. [23] dealt with the poverty concepts and its most important determinants and analysed the main causes and factors affecting poverty in 124 countries, including Turkey, for the period (1981 to 2010). A descriptive method and standard approach were used. Multiple linear regression estimated poverty impacts on current poverty rates in previous years, per capita GDP, Gini coefficient, school enrollment rate, inflation, family size, health, ethnicity, and lack of access
to services and infrastructure. The results revealed that decreasing the Gini coefficient by one unit reduces poverty. A positive relationship exists between inequality and inflation on poverty and a negative impact between educational attainment and economic growth on poverty [23].

Biyase and Zwane's [24] study contributed to identifying the important factors and determinants that affect poverty and family well-being in South Africa. The study used the descriptive approach, and the least-squares method was used to estimate logistic regression models to analyse independent variables, dependency ratio, race, employment status, educational level, districts, family size, and asset ownership over the dependent variable represented by poverty and per capita income. The most important results revealed that the household size is statistically significant and impacts poverty. Increasing the household size reduces household welfare and thus falls into poverty. Investing in education and improving the economic conditions of people living in rural areas are important programs for poverty reduction and alleviation in South Africa [24].

Belhouli's [25] study dealt with the different concepts of poverty, its types, and monetary and non-monetary measurement indicators. It aimed to identify the causes, determinants, and relationship of poverty with demographic, economic, and social variables and the evolution of the poverty phenomenon during the period (1995-2013). A descriptive analysis was used. The results showed that accelerated population growth and increasing household size were the main determinant of poverty. Also, education is the only means by which poverty can be confronted, and there is a strong link between unemployment and poverty, as unemployment is one of the main determinants of poverty [25].

Epo's [26] study aimed to investigate the determinants of poverty in Cameroon based on the 2001 family survey. It used the descriptive approach in addition to the logarithmic and binomial regression to analyse the explanatory variables such as education, access to infrastructure, family size, health, and land ownership. The results found that the household size and the increase in the number of children in rural areas increase poverty while education and land ownership can reduce poverty and that the household head's educational level helps get out of poverty and reduce it [26].

Lekobane and Seleka [27] aimed to determine the critical determinants of poverty in Botswana. The study used descriptive and standard approaches, such as linear regression analyses. The study revealed that job status and educational level are the most important poverty determinants. Focusing on education's importance alongside rural development and creating new job opportunities to combat and reduce poverty is imperative. The results showed that educational attainment is negatively related to poverty, and family size and dependency ratio positively correlate with poverty. Poverty is more prevalent in rural areas than in urban areas, and efforts must be made to provide infrastructure and services to reduce poverty [27].

Akanbi's [28] study investigated the levels and determinants of poverty in Africa based on 19 selected countries. The analytical method was used as the least-squares technique and the Principal Component Analysis (PCA). The results showed that countries with better governance and infrastructure have a less poor classification. In addition, to alleviate poverty, the governance system and physical infrastructure must be improved, which are important determinants of GDP growth. Continuous infrastructure improvement will increase economic growth and thus reduce poverty. Good governance, effective public service, transparency, and a society free of corruption are required to eradicate poverty [28].

Dartanto and Nurkholis [29] examined Indonesia's most important determinants of poverty. Descriptive and analytical approaches were used, and a logarithm model was applied to study poverty's demographic, social, and economic variables. The results revealed that the most important factors that explain poverty are family size, educational attainment, physical assets, health services, access to electricity, and employment status. Remittances from outside the country positively affect poverty elimination in addition to ownership of agricultural lands, and access to essential services such as electricity, health, and education have the effect of escaping from poverty. Households in Java with access to basic services such as health and education are better than households outside Java [29].

Saadany and Mohemd's [30] study aimed to identify the indicators of poverty and its distribution among the Egyptian governorates
and to study its causes. The study used simple and multiple linear regression analysis to identify the effect of various social and economic factors represented by the income index and the education and health index (life expectancy) on the phenomenon of poverty. The results showed a positive statistical significance effect for each education, income, and health index on the dependent variable represented by poverty and human development during the study period [30].

Cho and Kim [31] investigated the variables and determinants of poverty in Rwanda. The most important independent variables were the household assets, dependency ratio, gender of the family head, unemployment, land ownership, health, education, and their impact on poverty. The study used a standard model. The results showed that poverty must be reduced by reducing the birth rate, family size, equality between regions, especially in rural areas, supporting farmers and those who do not own a farm, and supporting female families. The study also showed that poverty is positively related to the level of family education [31].

Felfoul and Jaloul [32] examined the relationship between Algeria’s population growth and poverty rates. A standard model was built using the Autoregressive Distributed lag Model (ARDL). The result revealed a positive relationship between population growth and poverty. The results showed a long-term equilibrium relationship between population growth and poverty [32].

Mardiyana’s [33] study discussed the impact of the demographic variable represented by population on poverty and the effect of the social variable defined by education on poverty. In addition, to understanding their impact together on poverty in East Java, Indonesia. A multiple linear regression analysis was used. The study concluded that the population variable has a statistically significant and positive effect on poverty, while the education variable substantially and negatively impacts poverty [33].

Table 1. Summary of the literature review

<table>
<thead>
<tr>
<th>Reference</th>
<th>Study objective</th>
<th>Methodology</th>
<th>Key findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buba et al. [13]</td>
<td>Examine the effect of demographic, social, and economic variables on households’ exclusion and social deprivation, focusing on gender inequality.</td>
<td>Descriptive analysis, binary regression analysis (logistic model) of poverty</td>
<td>Social variables (literacy, education), demographic variables (age, family size), and economic variables (work, employment) are major determinants of poverty in Nigeria.</td>
</tr>
<tr>
<td>Ardi and Isnayanti [14]</td>
<td>Analyse the latent variables of economics, education, and health on poverty in Indonesia.</td>
<td>Structural Equation Modelling (SEM)</td>
<td>Health and education have a negative impact on poverty, while economic determinants have a positive but insignificant effect.</td>
</tr>
<tr>
<td>Otok et al. [15]</td>
<td>Investigate the effect of human resources, economic and health factors on poverty in Java, Indonesia.</td>
<td>Structural Equation Modelling (GLS)</td>
<td>Human resources and health factors impact poverty, while economic factors have no effect.</td>
</tr>
<tr>
<td>Bici and Mancellari [16]</td>
<td>Identify ways to measure poverty and analyse monetary and non-monetary variables affecting poverty.</td>
<td>Structural Equation Modelling</td>
<td>Poverty is related to income, good living conditions, a safe environment, ownership of assets, and social participation.</td>
</tr>
<tr>
<td>Xhafaj and Nurja [17]</td>
<td>Assess and analyse poverty levels based on Albania’s 2012 Living Standards Survey.</td>
<td>Principal Component Analysis (PCA)</td>
<td>50% of households have low economic and social status and are impoverished.</td>
</tr>
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<tr>
<td>Spaho [18]</td>
<td>Measure poverty trends and analyse the main determinants affecting poverty in Albania.</td>
<td>Descriptive analysis, logistic regression model</td>
<td>Residence and family size are the most significant variables affecting poverty. Attention to demographic and social characteristics, agriculture, and tourism can reduce poverty.</td>
</tr>
<tr>
<td>Nguyen [20]</td>
<td>Review the effects of economic and social variables on poverty alleviation in ethnic minority areas in Vietnam.</td>
<td>Structural Equation Modelling</td>
<td>Education quality, cultural activities, and strengthening ethnic minority identity are important factors in poverty alleviation.</td>
</tr>
<tr>
<td>Chen and Wang [21]</td>
<td>Review determinants of poverty at the regional and family level in Taiwan.</td>
<td>Descriptive analysis, multilevel logistic regression</td>
<td>Poverty is linked to education, economic growth, inequality, family type, and dependency ratio. Regional heterogeneity of poverty exists in Taiwan.</td>
</tr>
<tr>
<td>Muñoz et al. [22]</td>
<td>Document the impact of inflation, government spending, the infrastructure budget, and village funds on poverty rates in Indonesia.</td>
<td>Panel data analysis, structural equation modelling</td>
<td>The infrastructure budget has a strong negative impact on poverty. Economic growth, investment, and income inequality do not significantly affect poverty. Inflation has a weak direct impact on poverty.</td>
</tr>
<tr>
<td>Muş et al. [23]</td>
<td>Analyse determinants of poverty in various countries, including Turkey</td>
<td>Descriptive method, multiple linear regression</td>
<td>Decreasing the Gini coefficient reduces poverty. Inequality and inflation have a positive relationship with poverty, while educational attainment and economic growth have a negative impact.</td>
</tr>
<tr>
<td>Biyase and Zwane [24]</td>
<td>Identify factors and determinants of poverty in South Africa.</td>
<td>Descriptive approach, logistic regression</td>
<td>Household size has a significant impact on poverty. Investing in education and improving economic conditions in rural areas is crucial for poverty reduction.</td>
</tr>
<tr>
<td>Belhoul [25]</td>
<td>Understand poverty causes and determinants</td>
<td>Descriptive analysis</td>
<td>Accelerated population growth and increasing household size are the main poverty determinants. Education and unemployment are strongly linked to poverty.</td>
</tr>
<tr>
<td>Epo [26]</td>
<td>Investigate determinants of poverty in Cameroon</td>
<td>Descriptive approach, logarithmic and binomial regression</td>
<td>Household size and the number of children in rural areas increase poverty, while education and land ownership can reduce poverty.</td>
</tr>
<tr>
<td>Lekobane and Seleka</td>
<td>Determine poverty determinants in</td>
<td>Descriptive and standard</td>
<td>Job status and educational level are important poverty determinants. Efforts</td>
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<tr>
<td>[27]</td>
<td>Botswana.</td>
<td>approaches, linear regression</td>
<td>should focus on education, rural development, and creating new job opportunities to combat and reduce poverty.</td>
</tr>
<tr>
<td>Akanbi [28]</td>
<td>Analyse poverty levels and determinants in selected African countries.</td>
<td>Least-squares technique, Principal Component Analysis</td>
<td>Better governance and infrastructure contribute to lower poverty rates. Improving governance systems and physical infrastructure is crucial for economic growth and poverty reduction.</td>
</tr>
<tr>
<td>Dartanto and Nurkholis [29]</td>
<td>Examine poverty determinants in Indonesia.</td>
<td>Descriptive and analytical approaches, logarithmic model</td>
<td>Family size, educational attainment, physical assets, access to essential services, and employment status are significant factors in poverty. Access to essential services and remittances positively impacts poverty reduction.</td>
</tr>
<tr>
<td>Saadany and Mohemd [30]</td>
<td>Identify poverty indicators and causes in Egyptian governorates.</td>
<td>Simple and multiple linear regression analysis</td>
<td>Education, income, and health indicators positively and significantly affect poverty.</td>
</tr>
<tr>
<td>Cho and Kim [31]</td>
<td>Investigate poverty variables and determinants in Rwanda.</td>
<td>Standard model</td>
<td>Poverty reduction requires a focus on birth rate, family size, regional equality, support for farmers and non-farmers, and support for female-headed families. Poverty is positively related to the level of family education.</td>
</tr>
<tr>
<td>Mardiyana [33]</td>
<td>Investigate the impact of population and education on poverty in East Java, Indonesia.</td>
<td>Multiple linear regression analysis</td>
<td>The population has a positive and significant impact on poverty, while education has a substantial negative impact.</td>
</tr>
<tr>
<td>Sugiharti and Primanthi [34]</td>
<td>Analyse poverty and its determinants in Indonesia.</td>
<td>Analytical approach, logistic regression analysis</td>
<td>Demographic determinants such as household head age, gender, household size, and educational attainment explain the causes of poverty. A larger family size increases the likelihood of falling into poverty.</td>
</tr>
<tr>
<td>Islam et al. [35]</td>
<td>Examine causes of inequality and determinants of poverty in Bangladesh.</td>
<td>Descriptive and analytical approaches</td>
<td>Household size has a positive and statistically significant effect on poverty, with larger families being more vulnerable to poverty. Disability and education also impact poverty.</td>
</tr>
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</table>

Sugiharti and Primanthi’s [34] study aimed to analyse poverty and its determinants in Indonesia. An analytical approach, like the logistic regression analysis model, was used. The results showed the demographic determinants of poverty, such as household head age, gender, household size, and educational attainment, explain the causes of poverty. The larger the family size, the more likely it was to fall into poverty [34].
Islam et al. [35] examined the causes of inequality and determinants of poverty in Bangladesh. The study relied on descriptive and analytical approaches. A probabilistic model was built to verify poverty's important factors and determinants. The results showed that Household size has a positive and statistically significant effect on poverty, as large families are vulnerable to falling into poverty. In addition, disability and education impact poverty [34].

3. RESULTS AND DISCUSSION

The literature review results showed that poverty is multi-faceted and multi-dimensional, and it is a global problem that all countries suffer from and must be addressed. It also revealed that economic, social, demographic, and political determinants have a robust correlation and a significant impact on poverty. Inequality and inflation have a positive relationship with poverty, while educational attainment and economic growth have a negative impact. Additionally, accelerated population growth and increasing household size are the main poverty determinants. The approach used in analysing the studies is the descriptive and analytical approach. Multiple logistic linear regression, distributed autoregressive model (ARDL), autoregressive models (VAR), and PLS-SEM were used depending on the data and independent dependent and latent variables. Understanding the determinants of poverty is critical to designing effective strategies and policies to reduce poverty and promote sustainable development. Demographic determinants represented by rapid population growth, increase in family size, and high fertility play an important role in the high poverty levels. Social determinants such as health and education are key to perpetuating or alleviating poverty. Limited access to quality education and health care and the spread of illiteracy, especially among females, contribute to poverty. Additionally, the economic determinants represented by income inequality, weak economic growth, unemployment and inflation significantly affect the high poverty rates. Finally, political determinants also play a crucial role in poverty alleviation. Good governance, effective policy frameworks, and political stability are essential for equitable resource allocation and implementation of poverty reduction measures and inclusive development. On the contrary, corruption, wars, civil strife and political instability impede efforts to reduce poverty. The literature review showed that more efforts must be made to improve demographic and socioeconomic factors to reduce poverty. It is also necessary to focus and invest in general and primary education to address poverty. Family planning programs and policies that reduce population growth have an effective and beneficial role in poverty alleviation programs. The studies recommended focusing on rural development and creating new job opportunities to combat and reduce poverty. Efforts should be made to provide infrastructure and services in rural areas and improve the Economic conditions of people living in rural areas to alleviate poverty.

4. CONCLUSION

This literature review paper has provided a comprehensive examination of the literature on the demographic, social, economic, and political determinants of poverty. The review of poverty determinants has highlighted the multidimensional nature of poverty and the importance of addressing various factors to combat it effectively. A review of the literature on poverty determinants was successfully validated. The results confirmed that the poverty determinants strongly correlate with and significantly affect poverty. The literature concluded that it is necessary to work on increasing the rates of economic growth by achieving economic growth capable of creating new job opportunities that reduce the increasing unemployment rates and alleviate poverty. Improving the quality of education and health services is necessary to address poverty. Furthermore, reducing population growth rates by establishing family planning programs in health centres, especially in rural areas, to reduce poverty.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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