EMPIRICAL STUDY ON THE EVOLUTION OF THE PHENOMENON OF POVERTY IN URBAN AND RURAL ENVIRONMENTS. CHALLENGES AND PERSPECTIVES

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ABSTRACT: THE MAIN AIM OF THIS RESEARCH PAPER IS TO PROVIDE AN EMPIRICAL STUDY ON THE EVOLUTION OF THE PHENOMENON OF POVERTY IN URBAN AND RURAL ENVIRONMENTS. POVERTY INVOLVES NEGATIVE ASPECTS THAT AFFECT HUMAN WELL-BEING SUCH AS POOR INFRASTRUCTURE, LOW LIVING STANDARDS, LOW INCOMES, POOR SOCIAL SERVICES (EDUCATION, HEALTH, TRANSPORT) AND SOCIAL INEQUITIES. POVERTY ALLEVIATION IS A MAJOR GLOBAL OBJECTIVE AND CAN BE ACHIEVED BY IMPLEMENTING SUSTAINABLE GOVERNMENTAL REFORM PROGRAMS. URBAN MIGRANTS AND RURAL MIGRANTS ARE ESSENTIAL ISSUES IN UNDERSTANDING THE GLOBAL PHENOMENON OF POVERTY, BOTH IN RURAL AREAS AND IN URBAN AREAS.

KEYWORDS: RURAL POVERTY, URBAN POVERTY, SOCIAL INEQUALITY, GLOBALIZATION, URBAN MIGRANTS, RURAL MIGRANTS, ECONOMIC GROWTH, LIVING STANDARDS, INCOME;

Introduction

Rural poverty is a specific concept on defining poverty in rural areas while urban poverty defines poverty in urban areas. Urban areas reach a level of development superior to rural areas. In rural areas there are very poor living conditions and the level of poverty is higher than average. A very important question arises especially in the case of emerging countries. Is the economic growth an efficient tool for poverty alleviation? A multidimensional approach is mandatory in understanding the global phenomenon of poverty. Rural communities are often isolated due to poor infrastructure, low living standards, low incomes, poor social services (education, health, transport) and social inequities. The infrastructure underdevelopment contributes to the spread of poverty in rural areas. Moreover, demographic factors also have a

significant impact on the increase in rural poverty. The migration from rural areas to urban areas is generated by public policies, urban growth and rapid industrialization process. Urban migrants and rural migrants are two significant categories which influence the dynamics of poverty particularly in the case of emerging countries. Poverty alleviation policies provides a security framework for improving living standards, both in rural areas and in urban areas. On the other hand, rapid urbanization leads also to serious issues such as social inequities, changes in unemployment dynamics, social transformations, environmental degradation, labor migration, undeveloped infrastructure and social segregation.

Literature review

Dao (2004) has conducted an empirical analysis on rural poverty in developing countries and concluded that diminishing the spread of rural poverty generates the deceleration of the rural-urban migration process. Jha (2002) discussed relevant aspects on rural poverty in India and suggested that the slow penetration of the official credit machinery into the rural areas influenced the phenomenon of rural poverty. Guo and Cheng (2010) investigated poverty and inequality in urban China and suggested that rural migrants have become a major segment in the urban poor class and large urban centres are an essential attraction for millions of urban migrants interested in the high opportunities unavailable in their smaller hometown cities based on the demand for cheap labour fource.

In another train of thoughts, Agarwal, Satyavada, Kaushik and Kumar (2007) investigated certain issues on urban poverty and suggested that health an essential aspect as to provide accessible health, sanitation and hygiene services to the urban poor, it is necessary to augment urban primary health infrastructure. Baker and Schuler (2004) lead an empirical research study focused on the idea of urban poverty level of aggregation have highlighted a number of conclusive questions in solving the problems that have been analyzed such as where the poor are located in the city, whether there are differences between poor areas, if access to services varies by subgroup, whether specific programs are reaching the poorest, and how to design effective poverty reduction programs and policies.

Rucks-Ahidiana and Harding (2015) have investigated relevant aspects of urban poverty and identified several important causes, effects and consequences such as crime and delinquency, unemployment, low levels of education, single motherhood, spatially concentrated poverty and the transmission of poverty over generations. Rogerson (1996) investigated urban poverty in the economic hub of South Africa and concluded that informal economy is not a solution to poverty alleviation, considering the rapid growth of the so-called "survivalist" enterprises and the relationship between formal and informal economy.

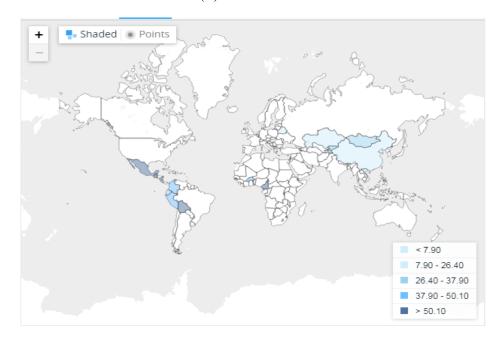
Siwar and Kasim (1997) have conducted an research study on urban poverty in Malaysia as emerging country and concluded that the two large dimensions respectively rapid urbanization and industrialization will generate the motion rural migrants into urban centres and as major consequences are included low incomes perspective and inherent pressure on urban services, infrastructure and the environment. For instance, Ludwig, Duncan and Hirschfield (2001) conducted an empirical analysis and argued that the possibility for families to live in lower-poverty neighborhoods contribute significantly to the decrease of violent criminal behavior by teens.

Empirical analysis and statistical results

The empirical analysis includes the following figure 1, with the multiple graphic representations on Rural poverty headcount ratio at national poverty lines (% of rural population) for the period 2015 (A-J). Moreover, the empirical analysis includes the following figure 2, with the multiple graphic representations on Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population) for the period 2004-2017 (A-N).



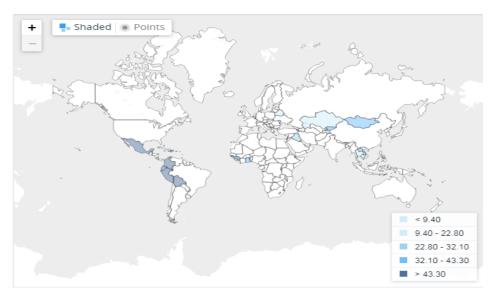
(A) Year 2015



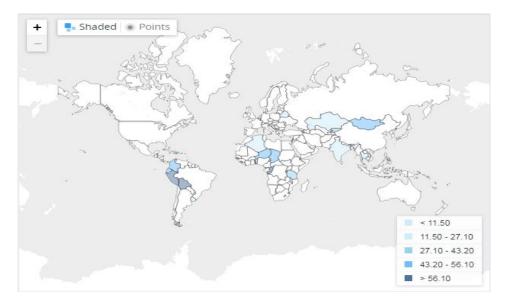
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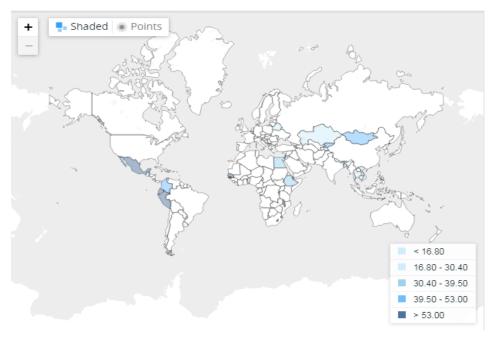
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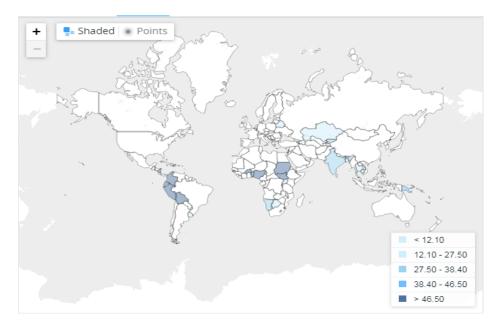
(D) Year 2012



(E) Year 2011



(F) Year 2010



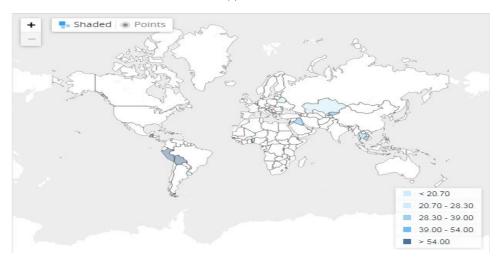
(G) Year 2009



(H) Year 2008



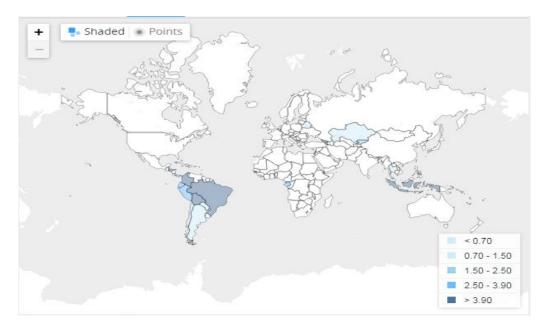
(I) Year 2007



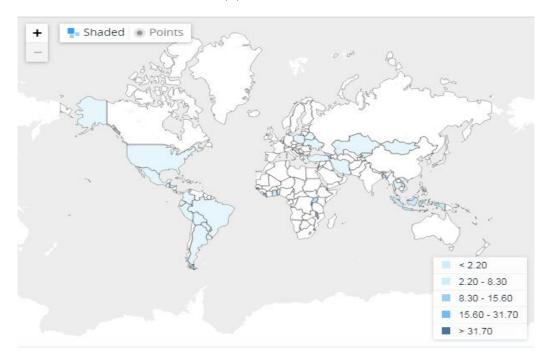
(J) Year 2006

Figure 1 Rural poverty headcount ratio at national poverty lines (% of rural population) for the period 2015 (A-J)

Source: World Bank, Global Poverty Working Group



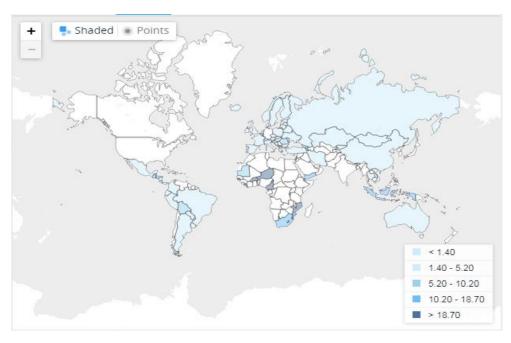
(A) Year 2017



(B) Year 2016



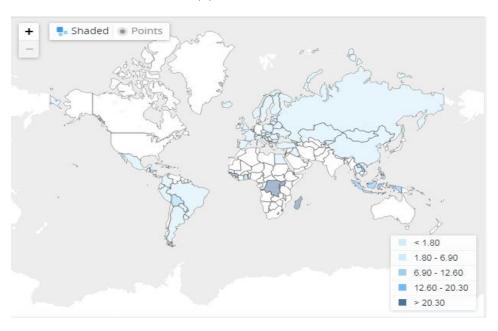
(C) Year 2015



(D) Year 2014



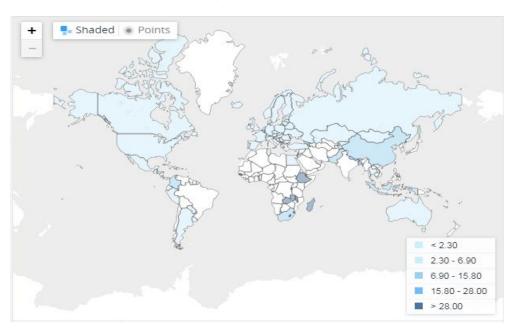
(E) Year 2013



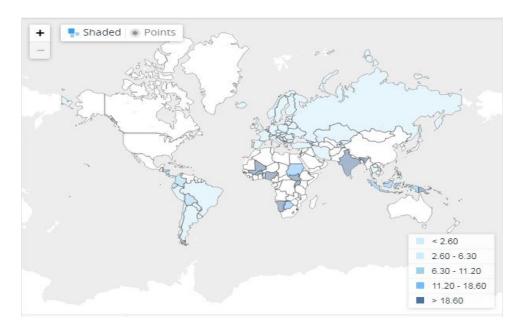
(F) Year 2012



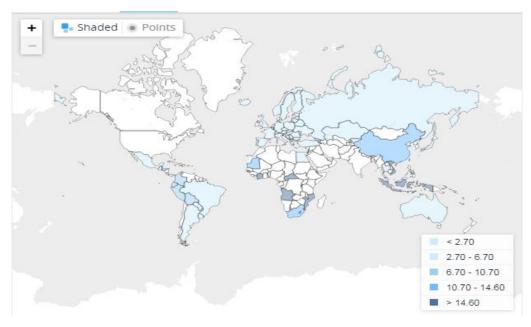
(G) Year 2011



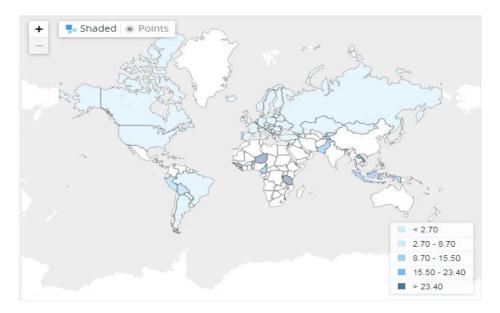
(H) Year 2010



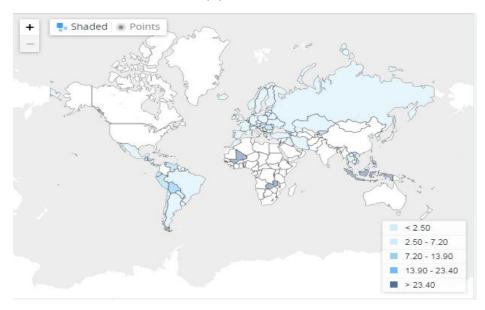
(I) Year 2010



(J) Year 2010



(K) Year 2007



(L) Year 2006



(M) Year 2005

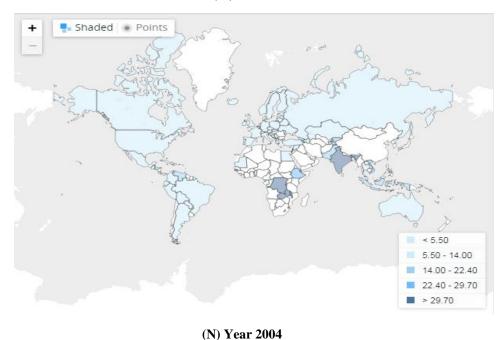


Figure 2 Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)

for the period 2004-2017 (A-N)

Source: World Bank, Global Poverty Working Group

Conclusions

Rural poverty reduction can be implemented on the basis of sustainable public policies. Agricultural development and economic growth patterns constitute key factors in understanding the rural poverty phenomenon. Moreover, reducing urban poverty is a major goal of public policies but requires the implementation of sustainable strategies. The rural infrastructure is

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gov con opp	vernmenta ntribute to	l reform reducing	programs poverty b	and the oth in rura	implemental areas and i	ation of effe in urban areas	ective public s. In addition,	e sustainable policies can there are still in emerging

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