An Analysis of dependence growth of poverty on the measurement of economic growth

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Abstract

The aim of the present research in addition to the effects of growth on poverty reduction in Iran’s economy, showing growth of poverty this is stretching the criteria depend on the measurement of economic growth as well. So in this study, the per capita consumption expenditure of the two different criteria for households and per capita GDP as criteria for economic growth, has been used. This research follows the pattern of Ravallionregression and Chen (1997), the effects of economic growth on poverty has been about the analysis. The territory of Iran and to place the research period 1975-2011 analysis. The results show that over the course of the review, in addition to economic growth, poverty is on the growth and find that negative relationship between economic growth and the growth of poverty there. With the increased production, reduced poverty, and on the other hand, poverty by increasing social conflict is also dropped.

Keywords: poverty, economic growth, the per capita household consumption expenditure and gross domestic product per capita.

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1-Introduction
The phenomenon of poverty, a problem that all human societies in all the time to have been a kind of face. Pointer to the stunted development of poverty emerge that economic, social and cultural, social and solidarity as well as physical and mental health of the nation are threatened, and reduces life expectancy, labor efficiency and economic efficiency will be eventually. So pay attention to the issue.
On the one hand, poverty reduction, one of the most important objectives of the policy by the Government after the Islamic revolution, and on the other hand, the pursuit of the goal of economic growth has always been of interest to policy makers. In addition to serious believe there is growing along with justice. So the main purpose of economic activity that will be followed during the realization of poverty reduction, economic growth high.
Reviews of various aspects of poverty such as the types of assistance targeted to disadvantaged groups and review process and how to hit the poverty intensity, depth and changes over time and in different places is important. An issue that should be noted is that a supportive umbrella should be extended so that all individuals are entitled to benefit from it, and people who do not involve entitlements. Therefore, the attention and the new look.
In this context, the analysis and identification of the relationship between poverty and economic growth variables of the requirements of planners to benefit all segments of society from the consequences of growth and solve the problem of poverty is considered. Therefore, in this study, it is tried that the reciprocal relationship between these variables, are analyzed.

2- Literature and history of research
2-1- Literature research
In general it can be said that economic growth in mutual relations, inseparable and are twisted with poverty. That is why several investigations in recent years in the context of the relationship between growth and poverty has been carried out in these studies economists have been looking for the answer to the question whether the benefits of economic growth involves poor or whether the main effect of absorbed by growth of the rich.
In response to this question is, the first two theories are that the Group musicians economy very optimistic look to the relationship between growth and poverty and the growing belief downward leakage (from poor to rich loss) believe that absolute economic growth reduces poverty.
From this definition, as the growth in favor of the poor is according to also learn that if you reduce the poverty growth, no matter how small it is, will be to the benefit of the poor. In this case, however, does not increase poverty but disparities can increase. Of course, one can say exactly how that would be to the benefit of the poor while reducing poverty, reduce inequality as well.(Ravallion m; Chen 2003, Mac clock and belch 2000).
Based on the first definition if economic growth reduce poverty only, however, will be to the benefit of the poor. In other words, even if some of the benefits of growth are poor people realize, even though the lion's share of the benefits of growth have been non-poor, growth can be beneficial to the poor '.
Here's the word in favor of the poor means it is that poor people obtain benefits from growth. According to this definition, although not by increasing poverty but disparities can increase find. This is compared to the non-poor, a small part of the interests of the poor people to be noticed growth, as growth is weakening of the rich to the poor. This definition can be the definition of weak growth.
On the other side is a group of economists with pessimistic claim that the benefits of economic growth to the poor not seem that the group causing the growth of poverty theory
advocates say, the average increase in revenues at the same time with a big group of people are poor and the claims are that economic growth helps the poor get poorer.

According to this view, if countries in terms of relative advantages without a development policy, run, causing wasting resources and as a result are becoming poorer society.

According to this theory, high economic growth will be increased poverty. This situation can happen when inequality is so low that the effects of the increase of poverty are also often does. This mode of growth by (Bhagwati1988) with the adoption of the terms of the green revolution, was entering the advanced technology to some tropical countries and its application by the wealthy and literate farmers increase yields some

The green revolution was the revolution, which was the name of a group of products with superior technology prices decrease and petty farmers and the poor have the ability to make use of this new technology did not take advantage of this revolution did not, and finally in the effect of increasing the gap between cost of production and reduce the price of its products have been forced to surrender land and were poorer.

So the growth caused by the green revolution is not only beneficial to the poor did not practice but also increased inequality and poverty. So the growth is the result of unequal distribution in the use of new technology can be increased poverty. So the theory of the growth of inequality caused by poverty, causing high economic growth effects of poverty as well as descending neutralized.

Now most economists believe that economic growth is meant to increase per capita income or costs of poverty in developing countries reduces. The main question is to what extent economic growth reduces poverty. More economic texts in question is the size of the poverty growth elasticity is what amount or nearly one percent change in the causes of economic growth.

During the 1990s, the poverty growth elasticity is usually between 2-to 3-is estimated to be, in the sense that the 10 percent increase in economic growth reduces poverty is 20 to 30 percent (Adams 2003, Bruno, Ravallion, & Squire1998, Ravallion& Chen 1997).

But the new estimates suggest that the rate of poverty growth elasticity is less and the rate of poverty growth elasticity correctly should be about 5-(Bhalla in 2002). In the past the growth elasticity of poverty estimates often, economic growth as the change in the average income of households, according to the budget or were defined, while the economic criteria in the new and famous estimates of GDP per capita to

2-2-history of research

Piraei and Ghanatiyan (1385) in a study titled "the effects of economic growth on poverty and inequality in income, poor growth in favor of measure", to check the phenomenon of poverty associated with economic growth for the period 1374 until 1382 ,to have the Iranian economy.

In order to show the relationship between economic growth, poverty and inequality of income, different methods of Ravallion and Kakwani and PerniaChen, Son, Khandker and Son is used. The major results obtained from this study shows that rural poverty in urban areas and the inclusion of Iran in the course of the investigation and the severity and depth of poverty in rural areas has increased.

The respective indicators, using the curves of growth and development, poverty, and hit rates of growth equivalent to poverty and inequality between the Exchange and the growth is calculated. The findings show that the desired economic growth in urban and rural areas in poor favor is weak.
In other words growth is weakening of the rich to the poor. Only in 1998 because the effect of growth on poverty, did not compensate for the effect of reversing the growth of inequalities to the detriment of the poor and poverty has been the resonator.

Therefore, they mean using a pattern of data in the form of regression Econometrics grew up, using data from three periods (1996-1993, 1997-2000, 2004-2001) for fifty developing countries and developed, the degree of income inequality, poverty and vulnerability of the effect of economic growth in the countries they studied.

The findings of the investigation has shown that during the period of unemployment of the studied variables, GDP growth and the important variables related to Gini coefficient, including poverty, and also, the increase in GDP growth leads to poverty reduction and income inequality is, moreover, the results suggest that the economic growth of the areas provided for, reduce poverty and related problems

Bagheri and kawand (1387) in the article "the effects of economic growth on poverty and inequality in (1384-1375)" while examining the growth curve of poverty and Lorenz curve domination and the analysis of changes in economic growth and inequality, tried to indicate whether economic growth in Iran during the years 1384-1375, has been to the benefit of the poor or not.

In this study, using the generalized Lorenz curves Atkinson, proof to economic growth and income inequality is associated with and then use the data plan cost and urban and rural family income during the years of poverty and growth curve the Lorenz family for domination in the aforementioned case of interval calculation and analysis of the law.

The results of this study show that the economic growth in most years in the rural areas and the urban poor benefit is poor between inequality and family is also reduced.

Sadeghi and Associates (1388) another article entitled "the relationship between economic growth and poverty, with poverty in Iran stretch of approach (the year 1383-1363)" using the method of Johansson and Joselius query the convergence effect of economic growth on poverty reduction with regard to poverty than the stretch of economic growth have been in Iran. The research findings also indicate that the variables related to the significant effect on inequality, poverty indicators are intensified.

Kurita and Kurosaki (2007) in a study titled "dynamic growth, poverty and inequality: an analysis of the data areas of the Philippines grew and Thailand" the relationship between growth, poverty and inequality for the period 2004-1985 using regression model in the form of check data have grew up. The results of estimation of a system of equation that involves the three economic growth, poverty and inequality, economic growth rate for the next courses in different provinces affected by the two Nations and differences in the different areas of income inequality, there is a good explanation for variables the differences among these has been the areas of economic growth.

3-pattern research

As the purpose of this study was to analyze how the effect of economic growth on poverty in Iran. The pattern used in this study for estimation of measurement method and through the Ravallion by linear regression model and Chen (1997) which is offered to the effects of economic growth on poverty through variable characterized by tension, to indicate that a percentage change in
The pattern is as follows:

$$\log P_t = \alpha + \beta \log \mu_t + \gamma \log g_t + \delta t + \varepsilon_t$$

So that the

P: metrics of poverty (earning less than a dollar for every person in the economic crisis)
Per capita consumption expenditure of the
$$\mu_t$$: GDP per capita of households or
$$g_t$$: income distribution Gini coefficient for

Coefficients estimates the poverty growth elasticity patterns of $$\beta$$ respectively, according to the average of the costs or the average gross domestic product, $$\gamma$$ is a stretch of poverty according to the Gini coefficient of income inequality and by changes in the length of time the process rate $$\delta t$$ show. The noise $$\varepsilon$$ such that $$t$$ also is white.

So the coefficient $$\beta$$ in the above pattern well suggests that a percentage change in economic growth caused a few percent change in the rate of poverty in the country or in other words do the poor benefit growth pattern will act or that is causing poverty. On the other hand, the coefficient $$\gamma$$ of the show by changing the economic growth in economic disparities on how much change does and what value can change the amount of poverty in the country is effective, because as stated in the issue was mentioned when economic growth is quite beneficial to the poor that serves to reduce income inequality.

It should be noted that the above pattern twice for two different criteria, namely the economic growth per capita consumption expenditure of households and per capita GDP estimation of $$\beta$$ and $$\gamma$$ coefficients will be for these two modes will be estimated and compared.

The Statistical Society of the study of Iran, and the poverty indicator variables (income less than one dollar for each individual in the economic crisis), Gini coefficient, income per capita and GDP per capita, which is the Central Bank of Iran’s statistics Center site for the time period, 1975-2011 is extracted by E VIEWS7 software can be estimated.

4. Estimation of research patterns

In the first estimate of the variables on the variables of poverty, using the method of ordinary least squares is paid results according to table 3 and 4 is as follows:

Despite the effect of variable non-significant trends on economic growth, in the analysis of the relationship between the two above the effects of economic growth on poverty, checks, it can be said, with the increase in production, poverty has also dropped (also seen as significant in the production level of the variable has been 90 percent).

Table 1 estimation of poverty dependent variable pattern

<table>
<thead>
<tr>
<th>p-value</th>
<th>T</th>
<th>Factor</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.4419</td>
<td>-0.778670</td>
<td>0.324855</td>
<td>C</td>
</tr>
<tr>
<td>0.0964</td>
<td>-1.712851</td>
<td>-1.95E-06</td>
<td>D(Gdp)</td>
</tr>
<tr>
<td>0.0407</td>
<td>-2.036191</td>
<td>-4.126122</td>
<td>D(Gi)</td>
</tr>
<tr>
<td>0.3420</td>
<td>-0.964595</td>
<td>-0.024235</td>
<td>T</td>
</tr>
<tr>
<td>0.0001</td>
<td>4.533187</td>
<td>0.565805</td>
<td>AR(1)</td>
</tr>
</tbody>
</table>

Source: research findings (the coefficient of determination: 0.65)

Table 2 estimation of poverty dependent variable pattern

<table>
<thead>
<tr>
<th>p-value</th>
<th>T</th>
<th>Factor</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.7877</td>
<td>-0.271546</td>
<td>-0.065782</td>
<td>C</td>
</tr>
<tr>
<td>0.0132</td>
<td>-2.624202</td>
<td>-0.002461</td>
<td>D(CU)</td>
</tr>
<tr>
<td>0.0300</td>
<td>-2.271100</td>
<td>-5.321615</td>
<td>D(Gi)</td>
</tr>
<tr>
<td>0.7988</td>
<td>0.257031</td>
<td>0.002778</td>
<td>(T)</td>
</tr>
</tbody>
</table>
AR(1)  0.435698  3.654158  0.0009

Source: research findings (the coefficient of determination: 0.65)

These results can be used to analyze income inequality with the increase and as a result to the wealthy classes (class conflict emerged), the possibility of accumulation of capital as a result of the accumulation of capital and investment in production and employment, and increased that to reduce poverty. In other words, according to the theory of the Kuznets do not match. The effect of process variables on poverty indicators can be presented in two separate analysis of variable trend primarily can process variable symbol of the growth of technology in the country is that this increases the efficiency of the labour force and in poverty reduction, but on the other hand can process variable symbol of the arrival of consumer goods and luxury and non-essential and thus increasing the demand for these goods. That eventually led to the rise of poverty, food and meeting the needs of the population so essential in both positive and negative effects of the resulting estimates of this kind can be justified but was very meaningful because the effects is not trimmed. Kuznets curve is not established in the country.

5-conclusions and recommendations
This research follows the pattern of Ravallion regression and Chen (1997), the effects of economic growth on poverty will be reviewed and analyzed. The territory of the place and the time period for the 1974-2010 analysis will be done. With regard to the relationship between growth and poverty, the objective of the present research in addition to the effects of growth on poverty reduction in Iran's economy, showing growth of poverty this is stretching the acriteria depend on the measurement of economic growth as well. So in this study, the per capita consumption expenditure of the two different criteria for households and per capita GDP as criteria for economic growth, in order to analyse the effects of economic growth on poverty used to be. The Statistical Society of the study of Iran, poverty indicators and target variables, the coefficient of Gini, per capita income and gross domestic product per capita is through the Central Bank of Iran's statistics Center site is extracted. The criteria used in this study to answer this question as a percentage change in Iran's economic growth makes a few percent change in the poverty growth elasticity of poverty, it is. In this study a stretch with two different criteria, namely consumer spending per capita economic growth of the household and per capita gross domestic product is calculated. The above method is that for the first time in Iran.

T-statistics are calculated in addition to the uniqueness of being economic growth (the growth of consumer spending) is on the growth of poverty. View the negative relationship between economic growth (the growth of consumer spending) and there has been a growth in poverty, so that the 1 percent increase in consumer spending growth, reduce poverty percentage 002/0. As well as the negative relationship between economic growth (GDP growth per capita) and there has been a growth in poverty, And therefore, according to the paper, the results are suggestions:

-With regard to the negative effect on the growth of poverty and the significant economic growth in Iran, the most important recommendations of a policy of social security during economic growth and with it. In other words to control the effects of economic growth, the use of supportive tools and social security on behalf of the Government of the necessary and essential.

-Increase economic growth reduces poverty is economic. Therefore, in order to reduce poverty in the country, the Government should invest in the necessary fields for the various economic sectors to provide the amount of production can be increased and led to the
promotion of economic growth, of course, it should be noted that this increase in economic growth must be consistent with the increase in the level of productivity.
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