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Poverty situation and three dimensions of poverty curve in Iran

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Extended Abstract

Introduction

Poverty has always been studied in the world. However, the goal of studying poverty is not only improve the well-being of currently poor households, but also it is important to recognize the barriers that will lead to more poverty in the future for which we should take a new approach. Poverty has always been one of the problems of human society; this painful phenomenon has not been brought under control yet and it has been intensified by the progress of human societies in various fields, including the economy. Considering the fact of spreading poverty, if the effective demand of society decreases, the production and employment will decrease consequently so by identifying the poor and supporting them, the negative consequences of poverty can be avoided. Measuring poverty is important for two main reasons. First, targeting various types of assistance to the deprived and vulnerable groups. Second examining the trend and manner of changes in the severity of poverty over time or in different places.

Objective

In this study, an attempt has been made to measure the total poverty and also the dimensions of poverty in Iran. The specific purpose is to show the total poverty and dimensions of poverty in Iran, including the impact of poverty, the severity of poverty and the income inequality among poor people. Besides, in this research the poverty line and its indicators are presented and various dimensions of poverty in Iran have been studied.

Data/Methodology

The main progress of this study is using the raw data of the Statistics Center of Iran, plotting the poverty dimension curve (TIP) and using the Jenkins and Lambert method for a period of ten years since 2008. The situation of poverty and its dimensions examine the impact of poverty incidence, the intensity of poverty and income inequality among the poor in Iran.To plot the poverty dimension curve, all observations are sorted from the smallest to the largest, and the population is displayed as a cumulative ratio on the horizontal axis. Finally, by calculating and placing the cumulative ratio of the normalized poverty gap on the vertical axis, the poverty dimension curve is drawn and analyzed. In this research, FGT poverty index has been also used to calculate poverty. FGT poverty index has been proposed by Foster, Greer, and Torbek in 1984. This index indicates that the poverty which is resulted from the study of different subgroups of the population can be added together to achieve a unit of total population poverty.

Results/Findings

The results show that total poverty during the mentioned period has a relatively downward trend with a gentle slope and its peak is occurred in 2009. Examining the dimensions' poverty shows that approximately ٦٠percent of the population of Iran was below the relative poverty line in each period and the calculated intensity of poverty indicates that the poor are 54 %away from the desired situation and income inequality between them is estimated ٣٤percent. During this period, poverty incidence and income inequality among the poor in the Iranian economy has a relatively stable trend. In addition, the trend of intensity of poverty in the years from 2008 to 2010 had a relatively constant trend, but from 2010 to the end of the period has decreased with a slight slope.The results also show that the highest incidence of poverty, the highest intensity of poverty, the highest income inequality among poor people and the highest total poverty occurred in 2009, 2008, 2008 and 2009 respectively.

Implications
Poverty means "nothing and nothing". But the most common definition of poverty that most sources agree on is the economic definition of poverty, which is "the inability to meet the minimum human needs". To measure poverty, two separate issues must be considered. First identifying the poor in the total population and second is to build an index using available information. In order to identify poverty, a criterion for poverty must first be selected and the border between the poor and the non-poor must be determined. This can be done with the help of the "poverty line".

Keywords: Poverty dimensions, Poverty incidence, Intensity of Poverty, Inequality among the poor