Integrated approaches to poverty problems

Ayna Salamova[1,*], *Mira* Kantemirova[2] , and *Zara* Makazieva[1]

[1]Kadyrov Chechen State University, Grozny, Russia
[2]North Ossetian State Medical Academy, Vladikavkaz, Russia

Abstract. Poverty is a multifaceted issue that requires comprehensive strategies to tackle its various dimensions. By combining economic, social, and policy interventions, it becomes possible to address the root causes of poverty and work towards sustainable solutions. This abstract highlights the importance of understanding the complexities of poverty and the need for collaborative efforts among governments, organizations, and communities to create lasting change. Integrated approaches provide a holistic framework to combat poverty and improve the well-being of affected populations.

1 Introduction

One of the primary functions of the state is to ensure the production and equitable distribution of public goods, while pursuing specific social development goals. The effectiveness of achieving these goals depends on the rational allocation of resources across various economic sectors and the fair distribution of labor results, income, and social benefits within society [1]. The parameters of this distribution can vary depending on social and historical factors.

It is crucial that the wealthier segment of society, due to their greater resources, bears more responsibility for their actions. This should be reflected in contributing a larger share of their income for redistribution. The reason behind progressive taxation of income and property is not merely fiscal or administrative; it has deep philosophical and political foundations. The provision of public goods by the state in a centralized manner reduces costs and makes redistribution advantageous even for the wealthier part of society. When individuals provide these services individually, it is often more costly than making payments to the state, which then provides the same benefits to everyone [2].

Interestingly, the wealthier segment of society often opposes progressive taxation of income and property, often due to a lack of trust in the government's effectiveness. Arguments that the state cannot effectively collect these taxes from the wealthy do not hold up to scrutiny in today's digitally advanced tax collection systems. Additionally, collecting significant taxes can transform the taxpayers' stance from a negative one ("we do not pay taxes to the state and do not demand anything from it") to a positive one ("we pay taxes and should receive benefits for them"), which can be a significant factor in social development.

---

* Corresponding author: salamova_chgu@mail.ru

In the modern context, progressive taxation should encompass both property (possibly in the form of "luxury taxes," as suggested by President V.V. Putin in 2012) and inheritance [3]. However, it's important to exclude modest inheritances, like a single home and reasonable savings, from taxation to ensure that no more than 10% of the population is affected. Some forms of such taxation have already been implemented, like taxing cars based on their engine power.

The scale of redistribution should guarantee citizens access to essential social benefits, primarily in the realm of human capital development, with education and healthcare being the most vital components. These sectors should be approached as essential public services, not profit-driven businesses or sources of budget revenue. Rigorous non-market quality control should be enforced, given that students and patients are generally incapable of improving the quality of education and healthcare services. Special attention should be directed towards the education of younger generations to break the cycle of poverty.

One of the most significant challenges of poverty is the degradation of the individual, often expressed as "learned helplessness." People become accustomed to passivity, fear change, and even suppress those who offer new opportunities [4]. To address this, the state should establish "social elevators," including mechanisms for identifying and nurturing various talents, and actively promote them among the youth, leveraging diverse youth subcultures.

Presently, the state possesses substantial financial resources to address a broad range of fundamental social issues. These funds can facilitate comprehensive modernization of the country while establishing a robust social protection system.

2 Research methodology

Poverty measurement and monitoring are essential for assessing the well-being of the population, identifying vulnerable groups at risk of poverty, and designing effective strategies to improve income levels through employment and social support (fig.1). Choosing and constructing poverty lines and determining the parameters for assessing the quality and standard of living are crucial components when addressing this issue [5].

In the Russian Federation, the cost of living is a key metric used to assess the standard of living of the population and is employed in the development and implementation of social policies, federal social programs, the establishment of the federal minimum wage, as well as the determination of scholarship amounts, benefits, and other federal social payments. This cost of living calculation includes the valuation of a consumer basket and mandatory payments and fees, against which the monetary income of the population is compared. Individuals whose incomes fall below this poverty line, or the subsistence level, are considered to be living in poverty.

Region	Survey Coverage (%) Mar 2023	$2.15 (2017 PPP) Headcount ratio (%) Sep 2022	Headcount ratio (%) Mar 2023	Number of poor (mil) Sep 2022	Number of poor (mil) Mar 2023	$3.65 (2017 PPP) Headcount ratio (%) Sep 2022	Headcount ratio (%) Mar 2023	Number of poor (mil) Sep 2022	Number of poor (mil) Mar 2023	$6.85 (2017 PPP) Headcount ratio (%) Sep 2022	Headcount ratio (%) Mar 2023	Number of poor (mil) Sep 2022	Number of poor (mil) Mar 2023
East Asia & Pacific	97.4	1.1	1.2	24	25	7.6	7.6	160	161	32.1	32.1	675	676
Europe & Central Asia	87.4	2.4	2.3	12	11	6.2	6.1	31	30	15	15	74	74
Latin America & Caribbean	86.7	4.3	4.3	28	28	10.6	10.6	68	68	28	28	180	179
Middle East & North Africa	48.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other High Income	82.3	0.6	0.6	7	7	0.8	0.8	9	9	1.4	1.3	15	15
South Asia	96.4	8.5	8.6	156	161	42	42.3	772	788	82.2	82.3	1508	1532
Sub-Saharan Africa	54.3	35.1	34.9	389	391	62.4	62.3	691	698	86.5	86.4	958	969
Eastern & Southern Africa	29.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Western & Central Africa	90.5	27.2	27.3	122	124	57.1	57.2	255	260	85.1	85.1	380	387
World	84.6	8.4	8.5	648	659	23.5	23.6	1803	1831	46.7	46.9	3590	3634

Fig. 1. Global poverty update from the World Bank.

Data related to the number of individuals living in poverty, the characteristics of their quality of life, their categorization based on various criteria, and more are monitored and published by the Federal State Statistics Service. This data is provided for the entire population, specific demographic groups, households, and various subgroups within households [6].

The most commonly used method for measuring poverty in Russia is the absolute monetary method, which is also prevalent in international practice. It is relatively straightforward to implement for poverty monitoring compared to other approaches. This method relies on comparing individuals' incomes with a predetermined poverty line to determine their poverty status.

3 Results and Discussions

The information you provided highlights some key points about poverty and income inequality in Russia, particularly in 2020-2021 [7]:

1. **Reduction in Poverty**: The implementation of anti-crisis measures and state support for the population and businesses in 2020-2021 had a positive impact on poverty levels in Russia. The number of people living below the poverty line (with average per capita monetary income below the poverty line) decreased by 2.1 million people, amounting to 16.0 million people. This decrease represents a reduction of 1.3 percentage points compared to 2019 data.

2. **Risk of Poverty**: The risk of poverty, with average per capita monetary income in the range of 1.0–1.5 times the poverty line (GB), also decreased. Approximately 19.5 million people, or 13.4% of the population, were at risk of poverty, which was 1.1 million people lower than in 2019.

3. **Families with Children**: A notable characteristic of poverty in Russia is the prevalence of families with children among the poor population. According to 2020 data, nearly 80% of low-income households had children. Furthermore, as the number of dependents in a family increases, so does the level of poverty.

4. **Working Poor**: Many low-income households with children include working poor individuals. These are able-bodied citizens employed in the economy whose income from employment does not lift them above the regional subsistence minimum. In most cases (88.9%), adult working-age household members were employed in the economy.

5.   **Educational Levels**: The majority of working poor citizens have lower levels of education, with 21.1% having only secondary general education and 35.1% having secondary vocational education [8]. Surprisingly, a significant proportion of low-income working Russians have higher education (18.3%), indicating imbalances between educational qualifications and labor market needs.

6.   **Changes in Working Poverty**: The data shows that absolute working poverty in Russia significantly decreased from 2011 to 2020, with the share of people employed in the economy with incomes below the subsistence level declining from 13.1% to 4.7%. However, relative poverty (with wages below 2/3 of the median hourly earnings) still affects a substantial portion of employees in medium-sized and large organizations, amounting to 25.4% in 2021.

These points underscore the complexity of poverty and income inequality in Russia, with various factors contributing to the economic well-being of its citizens. Reducing poverty, addressing income inequality, and improving labor market conditions remain important challenges for the country's policymakers and leaders.

The text you provided discusses the factors contributing to poverty, particularly among the working-age population in Russia. Here are the key points:

Labor Market Dynamics: Poverty among the working-age population is closely linked to the dynamics of the labor market. This includes the balance between labor supply and demand, as well as the characteristics of employment, such as wage disparities and working conditions.

Industries with High Poverty Rates [9]: In 2019 and continuing into 2021, a significant proportion of the "working poor" were employed in industries with low added value that primarily catered to the domestic consumer market. These industries include education, culture, sports, hotels, catering, leisure, and entertainment.

Variation by Industry: The prevalence of working individuals with wages below the established poverty line varies by industry. In particular, a high concentration of such workers was found in the culture, sports, leisure, and entertainment sectors. Conversely, the production of coke and petroleum products, as well as metallurgy, had a significantly lower proportion of workers with wages below the poverty line.

Wages Range from 1.0 GB to 2.0 GB: In 2021, many workers in the forestry and logging, hotels and catering, education, culture, sports, and leisure and entertainment sectors had wages ranging from 1.0 GB to 2.0 GB. This income range is above the poverty line but still indicates relatively low wages.

Regional Disparities: The level of wages by economic activity varies significantly across regions [10]. These regional disparities in wages have a substantial impact on the prevalence of poverty among the working-age population in different parts of the country.

Overall, this information highlights the multifaceted nature of poverty and its strong connection to labor market dynamics, wage inequalities, the types of industries in which individuals are employed, and regional disparities in wages. Addressing these issues is essential for reducing poverty and improving the economic well-being of the working-age population in Russia.

4 Conclusions

The analysis presented above leads to several important conclusions. Firstly, incorporating subjective data into poverty analysis broadens the range of information used to measure poverty. This approach enables the differentiation between households experiencing relative poverty, those facing subjective and material poverty, and households encountering monetary poverty. While there is some overlap between these groups, it reveals a significant segment of households that do not fall into the same categories, especially when

comparing those facing subjective or material poverty with those experiencing monetary poverty. This distinction highlights the complementary nature of poverty measures based on material deprivation and subjective experiences alongside monetary measures. It sheds light on dimensions of poverty often overlooked in monetary assessments and enriches the overall understanding of poverty in a country.

Secondly, analyzing non-monetary poverty aids in identifying the most vulnerable segments of society and contributes to efforts to analyze and address inequalities. Understanding non-monetary aspects of poverty helps policymakers pinpoint specific areas where interventions and social support measures may be most effective.

Third, this approach underscores the importance of linking statistical surveys on poverty and living standards with sociological research examining perceptions related to social status and quality of life. Integrating these dimensions into the analysis provides a more comprehensive understanding of the well-being and poverty levels of a population.

Lastly, combining monetary and non-monetary poverty measures offers a more holistic approach to developing European income, consumption, and welfare statistics. This approach enables a more comprehensive assessment of living standards and societal well-being, which can guide policy decisions and strategies for poverty reduction and equitable development.

References

1. A.Yu. Apokin, D.R. Belousov, Scenarios for the development of the world and Russian economy as a basis for scientific and technological forecasting, **3(3)**, 12–29 (2009)

2. M.A. Dovletmurzaeva, M.A. Dzhamaldinova, E.S.S. Kukaeva Management of current assets at industrial enterprises, **4 (5)**, 338-341 (2022)

3. N.Yu. Latkov, D.T. Dzhatdoeva, T. Boisjoni, V.Yu. Lapina, V.M. Poznyakovsky, Yu.M. Dzhabrailov, O.A. Sorokopudova, E.V. Karanina, A.V. Kotanzhyan, V.V. Kalitskaya, Nutrition for increased adaptive capacity, better sports performance and improved quality of lifeт, **12. (24)**, 2681. (2022)

4. E. Reynard, M. Panizza, Geomorphosites: definition, assessment, and mapping. Geomorphol Relief , 177–180 (2018)

5. EU-Russia Energy Dialogue, Energy Forecasts and Scenarios 2009–2010 Research. Final Report. Moscow: Publishing House "Economica, Stroitelstvo, Transport" (2021)

6. Haegeman K., Scapolo F., Ricci A., Marinelli E., Sokolov A.Quantitative and qualitative approaches in FTA: from combination to integration?, **80,** 386–397 (2021)

7. R.Kh. Ilyasov, Spline modeling and analysis of relationships in the economy with the possible presence of regression switching points,**11(4)**, 165-175 (2018)

8. K. M.-S. Murtazova Ecological and economic assessment of sectoral agricultural technologies, **3 (15)**, 68-71 (2021)

9. A.S. Salamova, Socio-economic factors in the fight poverty and hunger in the modern world: the scientific approach of Amartia Kumar Sen, **17(1)**, 237-245 (2023)

10. A.S. Salamova, Global networked economy as a factor for sustainable development, 03053 (2020)

11. G. V. Savin, The Manager, **12(6)**, 67-86 (2021)