

## The Role of Wellbeing for Poverty Alleviation: A Conceptual Study

*Admn Sciences*

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### **Abstract**

*The purpose of this study is to highlight the factors that affect to poverty alleviation. In this regard a review of literature is conducted where many factors have been evaluated and found less research work for wellbeing to poverty alleviation. This study suggested that wellbeing factors improve wealth and living standard of individuals. In addition, the role of wellbeing in poverty alleviation is explained. To explore the extent of wellbeing factors so as to be proposed, suggesting further investigation to develop a strong poverty alleviation theory. This study highlights the role of wellbeing factors including human resources (occupations, education, vaccination and supplements, illness and treatments), material resources (land, livestock, assets, housing, food, clothing, wealth) and social resources (kin, local community, connection to wider world, market and government) may be prove protagonist for poverty alleviation. This conceptual paper contributes to the existing poverty alleviation literature by suggesting a combination of wellbeing factors that provides a theoretical ground for developing a strong poverty alleviation theory.*

**Keywords:** Poverty alleviation, Wellbeing, Human resources, material resources, social resource

## **Introduction**

Poverty is not only process of deprivation but also the unfavourable condition in which people can not enjoy the God gifted life. Its characteristics of being in a state of joblessness, illiteracy, landlessness, homelessness, lack of adequate capital, facilities and food to earn a decent living and also powerlessness (Yunas, 1997). In literature, poverty is one of the social problems (Jitong, 2005) which are not only damage the society but also affect the metropolitan level (Pascale et al., 2005). Poverty remains a widespread phenomenon in the developing world, in spite of significant progress in raising living standards in many countries in recent years but still it remained complex. Day by day, numbers of people are increasing who committing suicide and going to mouth of death due to starvation and deficiency of other basic needs such as cloth, shelter, health and food. Mainly poverty reduces the household consumption, purchasing power of people and impact on productive sectors of the economy (Atkinson, 1992; Jenson et al., 2004). Thus from economic point of view, alleviation of poverty has been a central goal of almost all industrial societies (Goodin et al., 1999). All advance industrial democracies have implemented social policies to reduce poverty (Kenworthy, 1999). In this regard strategies applied in fields of health, education, social spending, microfinance, business activity, social capital and growth (Goodin et al., 1999; Kenworthy, 1999; Roomer, 1986; Squire, 1993; Ravallion and Chen, 1997; Rao and Gupta, 1995; Singh, 2009; Singer, 2006; Woolcock, 1998). Literature reveals that provision of employment and basic needs is more suitable in reducing of the poverty (Streeten et al, 1981). World Bank (1994a) supported and proposed that essential ingredients of improving the life of the poor in many countries, is the improvement of basic infrastructure, roads, water, sewerage and electricity. However, all these strategies unfortunately could not succeed to alleviate poverty in good manner because it is multi-dimensional concept (Carney, 1999; World Bank, 1998, Ravnborg, 1996). Thus there is more need to know the factors that may impact on poverty alleviation. In the literature, wellbeing factor is concerned with the quality of life, happiness and life satisfaction that shows feelings of individuals. Literature has largely neglected wellbeing factor for poverty alleviation. Indeed, poverty is a serious and epidemic issue for all economies because of growth in population which decreases the man's sources of income and affects severely on those who are having large families (Abernethy, 2002). Following to the issues, this study propose to provide insight about the wellbeing factors that affect to the poverty alleviation. Of great importance is that conceptual paper supports to researchers and field experts to look at the important factors of poverty alleviation.

## **Aim and Objectives of the study**

The aim of study is to investigate the wellbeing factor to reduce poverty. Researchers have proposed following objectives with the support of above aim of the study.

- To know the causes of poverty.
- To examine the role of material resources as a wellbeing for poverty alleviation.
- To investigate human resources as a wellbeing for poverty alleviation.
- To test social resources as a wellbeing for poverty alleviation.

## **Literature Review and Hypotheses Development**

Significant numbers of people are living in intolerable circumstances where starvation is a constant threat, sickness is a familiar companion, and oppression is a part of life (Marshall, 1925). This situation is associated with many reasons like over population, illiteracy, disease and social backwardness which visualize in all economies and societies (Vohra, 1996). Literature witnessed that improvement in education, health care, social capital, pro-poor policy, better resource management, microfinance, fishing, public actions, sustainable development strategies, targeted programs, macroeconomic policies, growth, business strategies, public policies, finance, employment, basic needs (Williamson and Canagarajah, 2003; May and Robert, 2005; Vohra 1996; Squire, 1993; Dunn, 2005; Dasgupta, 1995; Agenor, and Joshua 2005; Limam 2004; Falkingham, 2005; Singer, 2006; Beck et al., 2005; Streeten et al., 1981) are the main elements to reduce poverty.

To this extent different authors at different economies investigated that how to alleviate poverty from society like Gafar (1998) proposed economic growth and increase in per capita gross domestic product (GDP) are necessary to reduce inequality and poverty in Guyana. A study conducted by Jose (1998) in Latin America by applying quantitative methodology suggested that allocation of resources in education makes possible to improve the distribution of human capital in a society. Researchers like Fan et al. (2000) revealed that additional investment in rural roads and agriculture research part from government spending on education more responsible for poverty alleviation. They further purposed investments including irrigation, soil, water conservation and health also trim down poverty.

Social Capital is necessary for long-term development and it is the capital of the poor (World Bank, 2001, p-129). Study conducted in developing countries by measuring income of the poor on the basis of real per capita GDP, researcher like Dollar (2002) found that pro-growth, macroeconomic

policies such as low inflation, moderate size of government, sound financial development, opening of international trade, raise average incomes with little systematic effect on the distribution of income. Parthasarathy (1995) proposed provision of access to land through land reforms also reduce poverty in rural areas.

A research conducted in Bangladesh by Khandker, (2005) found that micro finance continues to reduce poverty among poor borrowers and within the local economy with average of 1% each year. Also microfinance raises income levels and living standard in India. A study conducted by Falkingham (2005) applying quantitative methodology, the data taken from the Demographic and Health Survey (DHS) and Multiple Indicator Cluster Survey (MICS) made clear that growth is the engine of all poverty reduction, many poor uplifted by growth. By Marcelli, Musso and Volch, (2005) a study conducted in Metropolitan Region by applying the quantitative methodology found that poor cities have lower fiscal capacities. Extra purposed additional taxes or fees, on poor cities also lead them towards poverty. May and Robert, (2005) conducted research in Lesotho by applying quantitative methodology revealed that direct transfer of income can make a significant impact upon poverty. A study conducted by Dewan and Fang (2007) in China revealed that rural poverty dropped dramatically in 2004 because of rural, urban labor migration. Further proposed migration improved the rural income growth and reduces poverty.

Concerning with poverty reduction strategy a study conducted by Singer (2006) projected that the best cure for poverty in any region of the world is more business activity and start up ventures. A Study conducted by Tshitagoni et al. (2010) in South Africa by applying quantitative methodology revealed that the projects generate the income and profit of the poor. A recent study conducted in Pakistan by Hassan et al. (2011) showed that health is important determinant of economic performance, increases human skills, earning capacity which eventually reduces the poverty level. Health and nutrition have a positive effect on labour productivity and income of the poor (Behrman 1990). African countries also spend on social services, such as healthcare and education.

From the above literature, what researcher has reviewed that agriculture, social, economical and public policy variables including predictor variables like microfinance, growth, public policies, health, education, social capital, government expenditures, investment in rural infrastructure, projects for poor have been examined and found to be useful to alleviate the poverty (Goodin et al., 1999; Kenworthy, 1999; Roomer, 1986; Squire, 1993; Ravallion and Chen 1997; Rao and Gupta, 1995; Singh, 2009; Singer, 2006; Woolcock,

1998). However, researchers have largely neglected the wellbeing factor which is not being found in the literature.

Wellbeing is the concept of quality of life, life satisfaction and happiness represented in a novel focus on people's feelings and evaluations. Gough and McGregor (2007, p.6) define wellbeing as "What people are notionally able to do and to be, and what they have actually been able to do and to be". Simple notion of wellbeing is a life going well with a variety of ways including quality of life, advantage, interest, a person's good, welfare, happiness, utility and thriving (Angner, 2008). In the literature immense notion of wellbeing is going to quality of life which is well defined by Emerson (1985, p.282) "as the satisfaction of an individual's values, goals and needs through the actualisation of their abilities or lifestyle". However, Wellbeing has been derived from two general perspectives. The hedonic approach, which focuses on happiness and defines wellbeing in terms of pleasure attainment and pain avoidance (Richard et al. 2001) and eudemonic approach, which conveying the belief that wellbeing consists of fulfilling or realizing one's daimon or true nature (Waterman, 1993). People who are trapped into the spirals of sadness and vicious prison of poverty through wellbeing diverts into the life of happiness and aware people from all ingredients which seem to be backbone of human civilization and providence of human needs will root out poverty from society. By applying wellbeing factor this study proposed predictor variables of wellbeing such that human resources, material resources and social resources which may be proving protagonist factors for poverty alleviation. Researcher proposed the following hypotheses on the basis of above research gap to fill this void and may be prove enormous important for the alleviation of poverty.

H1: Wellbeing has a significant and positive role to alleviate the poverty.

H2: Human resources as a wellbeing factor have significant and positive role to poverty alleviation.

H3: Material resources as a wellbeing factor have a significant and positive role to alleviate poverty.

H4: Social resources as a wellbeing factor have a significant and positive role to alleviate poverty.

## **Discussion and Conclusion**

Today poverty is one of the rampant issues in the world. Different social and political organizations are quite afraid how to reduce poverty from common individuals. It is not only process of deprivation but also the unfavourable condition in which people can not enjoy the God gifted life. An integrated review of literature reveals that poverty is the state of unemployment, lack of

education (Vikram and Arthur, 2003), lack of basic needs like food, health care, education, shelter (World Bank, 1996), powerlessness (Yunas, 1997), market failure (Stiglitz, 1998), lack of adequate income (UNDP, 2001) and social backwardness (Vohra, 1996). These issues are considered most serious and intolerable by which millions of people going into the mouth of death due starvation and deficiency of basic needs such as cloth, food, health and shelter.

The impact of poverty on society is very crucial because it damages the society, reduces the household income which impacts on household consumption and purchasing power of people (Atkinson, 1992; Jenson et al., 2004). However, this situation is associated with many reasons like over population (Abernethy, 2002), illiteracy, disease and social backwardness which visualize in all economies and societies (Vohra, 1996). Thus the alleviation of this serious issue is the biggest challenge for the world countries but specially South Asian countries where Pakistan, Bangladesh and India are prominent where millions of people are forced to live in abject conditions.

At the heart of reducing poverty, many factors such as microfinance, growth, public policies, government expenditure and improvement in infrastructure have been evaluated to alleviate poverty. However, wellbeing factor has been largely neglected in the domain. Researchers have proposed to investigate wellbeing factors including human resources (occupations, education, vaccination and supplements, illness and treatments), material resources (land, livestock, assets, housing, food, clothing, wealth and social resources (kin, local community, connection to wider world, market and govt.) may prove to be the protagonist for poverty alleviation.

Nowadays poverty is one of the burning issues for all economies which remains a widespread phenomenon in the developing world, in spite of launching many economic development programs relating to raising living standards but still it remained complex. To this end entrepreneurship is an important tool for improving the life of the poor. Entrepreneurship increases employment (Kuip and Verheul, 2004), generates income (FAO/UNESCO Seminar, 2002), develops skills through education and training programs (Henderson and Robertson, 2000; Souitaris et al., 2007) which are the main reasons of poverty. By applying the tool of entrepreneurship, income, employment, education, and skills can be achieved which are the main causes of poverty.

The measurement and analysis of poverty is very crucial for cognitive, analysis, policy making and for monitoring and evaluation purposes. Thus giving conceptualisation from where to know what the situation is and to understand the factors determining this situation is very necessary for the researcher and interested practitioners. Based on this need researchers have

developed and conceptualisation to reduce poverty through wellbeing factors. This conceptual paper contributes to the existing poverty alleviation literature by suggesting a combination of wellbeing factors that provides a theoretical ground for developing a strong poverty alleviation theory. Furthermore, this study contributes to economic development and social social development literature. Also, this study may support to researchers, policy makers, economic practitioners and economic monitoring and evaluation experts in assessing, designing, and evaluating new and existing economic trends to increase the income of individuals. This conceptual framework highlights the need to consider wellbeing factor for alleviating poverty in developing countries.

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