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Determining the Contribution of Growth in Income and Inequality in Reducing Poverty in Iran (A Province-Based Case Study)

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EXTENDED ABSTRACT

INTRODUCTION
Poverty is a fundamental multidimensional phenomenon which has always been and is one of the most important detriments to societies and the root of the problems and hindrances of most parts of the world. Efforts to eliminate this social problem are one of the most prominent goals of economic growth and development; and despite economic growth in underdeveloped or developing countries, this problem persists. .Although growth in income, as one of the macroeconomic variables, has a significant effect on poverty and its reduction, but the existence of inequality and its effect on economic growth plays an important role in benefiting the poor from economic growth. In the process of economic growth, what reduces poverty is an increase in household income; thus, the distribution of income among households should be such that the poor also benefit from this growth. Therefore, economic growth is not sufficient to eliminate poverty on its own, and its effect on poverty is not the same at different times and places, and the manner in which the benefits of growth are distributed is significant as well. Inequality and poverty are two completely different concepts, but they are deeply related. Therefore, paying attention to economic growth and reducing inequality can have good results in reducing poverty. In recent decades, societies that have focused on both economic growth and reducing inequality have been much more successful in reducing poverty. In this regard, to understand the effects of economic growth on poverty, it is necessary to distinguish between the effects of economic growth on poverty and the effect of inequality on poverty. Then, the change in the poverty index is broken down into a change in average incomes and changes in income inequality to properly determine the contribution of income and inequality in poverty decrease.

METHODOLOGY
in the present study, the effects of income and inequality and their resultant on reducing poverty in the provinces of Iran over a fourteen-year period, from 2004 to 2018, have been determined using the Sen Index, the Kakwani method, and various mathematical methods.

FINDINGS
As confirmed by our study results, both income effects and inequality effects had performed in favor of the impoverished in the province of Yazd and led to poverty reduction, while in Kermanshah, Khorasan Razavi, Isfahan, and Zanjan the income effects and inequality effects have somewhat neutralized one another. In other words, even though the increase in the average income reduced poverty, the increased inequality led to increased poverty. On the other hand, the situation in the province of Alborz was considerably different. In this province, although decreasing the average income increased poverty, the improvement in income distribution not only eliminated the negative effects of the income share, but also reduced poverty. However, the income effects and inequality effects had moved in the same direction in Gilan, Khuzestan, Fars, Hamedan, Chaharmahal & Bakhtiari, Lorestan, Tehran, Qom, North Khorasan, and Sistan and Baluchestan, to increase poverty. Finally, in other provinces, the distribution of income has changed in a way that despite the increase in average incomes, poverty increased.

CONCLUSION
Therefore, as the research findings show, poverty has decreased in only a few provinces during the period under review. And the inequality effects and the income effects, or both, have led to increased poverty. Therefore, in order to reduce poverty, economic growth and reduce inequality must be given much attention.

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