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AN INVESTIGATION ON POVERTY IN GUILAN PROVINCE

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ABSTRACT

The paper investigates poverty in Guilan-Iran covering time series data 2001 to 2012. First, it describes several meanings and required ideas about poverty. It also shows some of the previous studies related to the poverty. The survey applies the approaches of 66 and 50 percentages of costs median of households of urban for evaluation poverty line in Guilan-Iran. The results of study prove a Gilanian urban household to afford the minimum his requirements in 2001 was needed 10583739 Rails to be upper the poverty line based on technique of 50% of median in 2001 and it rises to 68591706 Rails in 2012. Hence, it is important to do some appreciated policies which provide these incomes for people.

Keywords: Households, Poverty Line, Poverty, Guilan and Iran

INTRODUCTION

One of the most essential concepts in the world is poverty. To remove poverty, it is necessary modify of social relations and power structure of societies. There many different meaning of poverty which every of them explains one of dimension of poverty. To state comprehensive definition of poverty is difficult because of it has different various features in the different societies and each definition explain one or two dimensions of it. Many economics reviewed of this concept. All of societies believe one of worst difficulties in each society is economic difficulty, which is displayed in economic poverty. It involve not only who exclude the requirements of their life and face with absolute poverty; but also comprise who alive at the lower level of living acceptable standards of life in a specified place and time which is named relative poverty (Assadzadeh *et al.,* 1987; Centre for the Study of Living Standards, CSLS, 2003; Dollar and Kraay, 2004; Fan and Chang-kang, 2005; Sameni-Kievani *et al.,* 2013). There are various meanings of poverty, for example, poverty is states as follows:

Population groups, households or Individuals are called poor once they face with lack of incomes to get the kinds of diet and take part in activities and life usual situations and chances. Due to the Asian Development Bank, poverty called denial of actives and opportunities which everyone is deserving of it (Foster *et al.,* 1984; Dawood, 2009; Askaripour-Lahiji *et al.,* 2013).

Another definition applies poverty line to describe poverty and declares level of income that one expend to get a lowest level of welfare in a known time and place. Those have incomes further than these amounts are rich and who get fewer of it are poor. It is very important to distinguish different scopes of poverty in every time and place (Fan and Zhang, 2001; Fan, 2002, Assadzadeh and Satya, 2001; Agenor, 2002; Adelman and Thorbeeksleds, 1996; Cairncross, 1962; Sameni-Keivani *et al.,* 2013). The research offers requisite understanding for organizers and economic policy in the Guilan province to afford and enable them to catch best policy in order to develop the economic situation and reach the fair rate of economic development. The aim of this survey is to determine the poverty line in Guilan-Iran in order to decline poverty in this area. The line poverty in Guilan-Iran moves up over time is the main hypothesis of the study.

MATERIALS AND METHODS

Library research and studying scientific and empirical literature on the subject are used in the study. The review relates time series data to guess the relationship between variables of the model which has got valid foundations of statistical distribution in the Guilan province. The main software which was applied in the research is Microsoft Excel and SPSS. Scope of research is cites of Guilan- Iran that used the incomes and expenditures of households of the cities of this province. The research applied the gross cost of households of the cities as estimation for the levels of incomes. The key variables of the research are

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indicators of household's costs in this province. In this research to estimate the poverty line applied the following model:

To determine the poverty line will use two methods which are the median of costs and determine the poverty lines via the 50 and 66 percentages. In this technique, ten groups are arranged based the households' costs, after that are determined the average between fifth and sixth groups costs and it give the households costs median which 50 and 66 percentages of them display the households poverty lines.

RESULTS AND DISCUSSION

The poverty lines in Guilan Province are determined in this paper base on two approaches 50 and 66 percentages median of urban households' costs. Actually, the research uses two different indicators to determine the poverty lines and compare their outcomes. First, the households' costs arrange into ten groups, then the average between fifth and sixth costs groups were calculated, this averages were considered as the median of households costs. Lastly, were considered 50 and more than 66 percentages of the median as the poverty lines. The outcomes of poverty lines were analyzed separately due to 50 and 66 percentages median for Guilan-Iran in the following tables covering time series data 2001 to 2012. Following table displays the poverty lines for households in Guilan-Iran based on 50 and 66 percentages median costs.

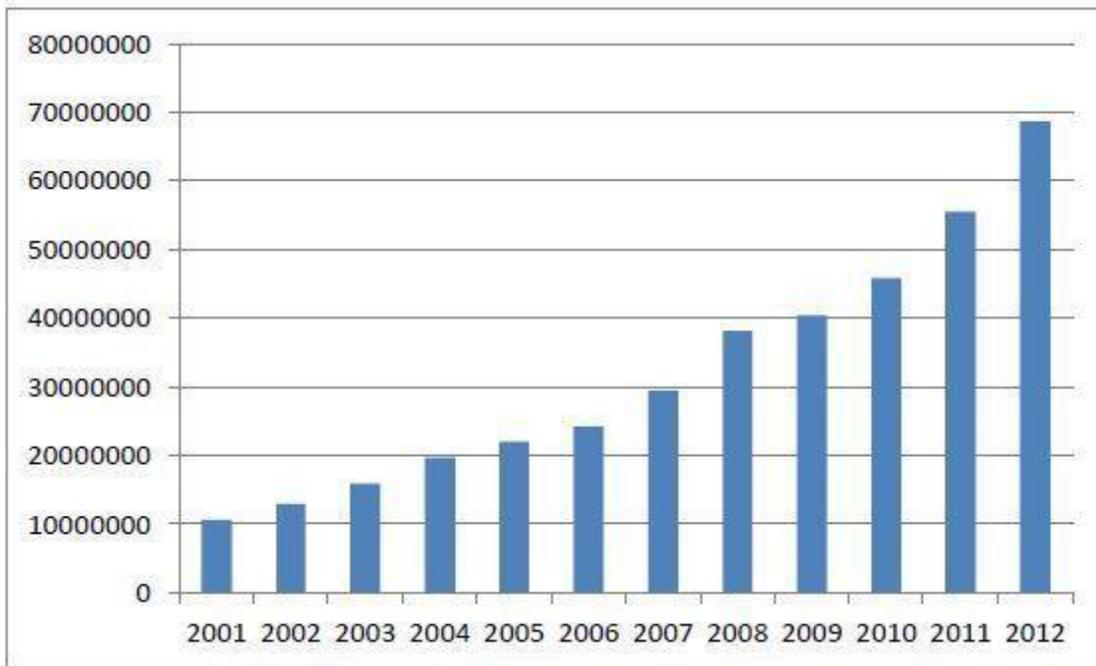**Table 1: Poverty Line due to the median costs for Guilanian Urban Household**

Year	Poverty Line due to 50 percentage of the median costs for Guilanian Household	Poverty Line due to 66 percentage of the median costs for Guilanian Household
2001	10583739	13970536
2002	13007501	17169901
2003	15932864	21031380
2004	19721297	26032112
2005	22020655	29067264
2006	24197079	31940145
2007	29408532	38819262
2008	38207972	50434523
2009	40443860	53385896
2010	45891313	60576534
2011	55446047	73188782
2012	68591706	90541052

Source: Iran Central Bank, compiled by researcher

Guilanian households should be have almost 10,583,739 Rails to afford their minimum wants due to the 50 percentage median costs in 2001 and it rises to 68591706 Rails as the results of study shows it. In addition, in the start and end of the study years, the line poverty was 13507931 and 57911792 Rails, respectively. Based on these indicators, the annual growth rate in average goes up annually 19 percent for the urban households.
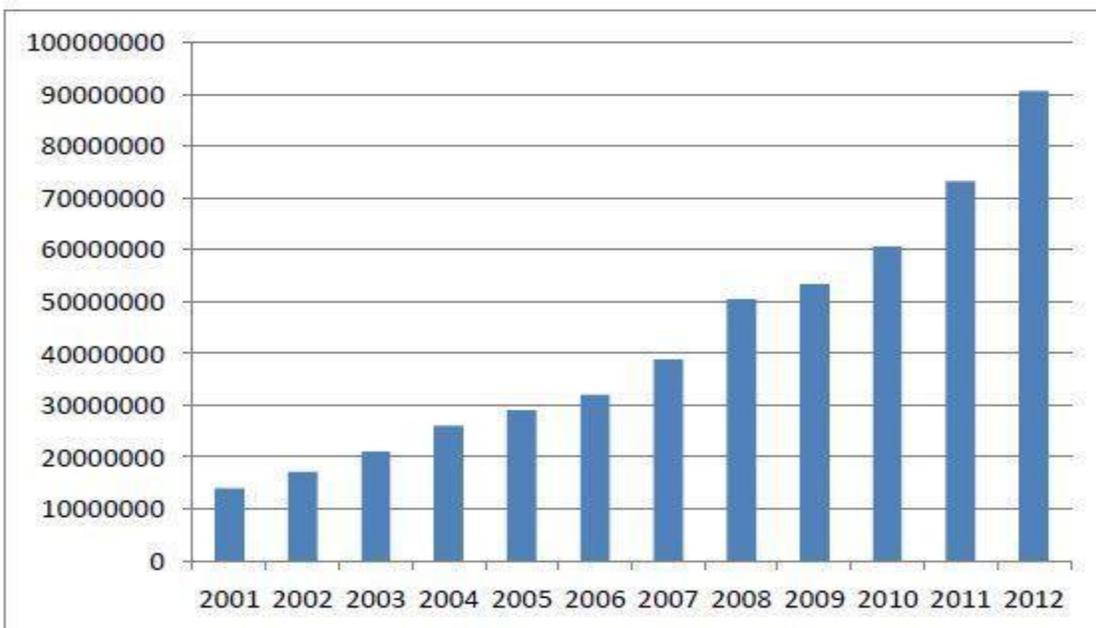
Due to the outcomes of research, the below graph shows the trend of change of poverty line based on 50 percentage median for the households of Guilan-Iran.

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Figure 1: Poverty Line based on fifty percentages of the median costs for the households of Guilan
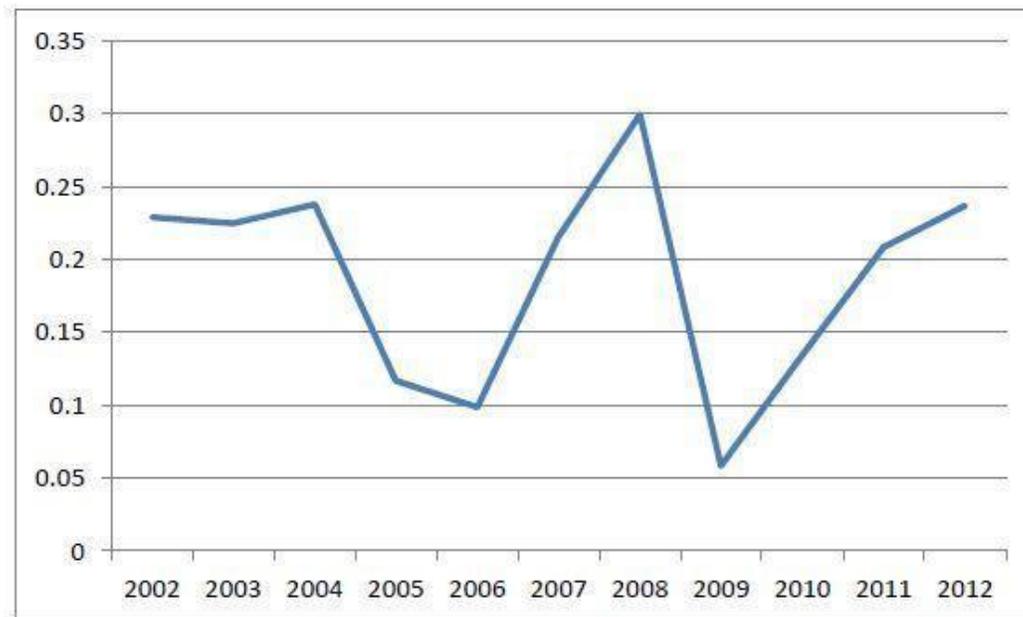*Source: Iran Central Bank, compiled by researcher*

As the graph above shows, the poverty line has increased based on fifty percentages of the median costs for the households of Guilan year by year. It was17933017 Rails and 13951171 Rails in 2001 and 2012, respectively. It means that it goes up more than six times during the period of the study.

The following graph shows the trend of change of poverty line based on sixty six percentages of median costs for the households of Guilan.

Figure 2: Poverty Line due to sixty six percentages of median costs for the households of Guilan
Source: Iran Central Bank, compiled by researcher

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The annual growth rates for life expenditures for Iranian people illustrate in the following graph due to methods which explained as before:

Source: Iran Central Bank, compiled by researcher

As the graph shows the annual growth rates for life expenditures for Iranian people has fluctuation. Hence, it generally is so important to do some appreciated policies which provide these incomes for people.

Conclusion

The research evaluated the poverty line in Guilan province for urban households covering time series data in 2001 to 2012. The research findings shows a household in the cities of Guilan should have 10583739 and 68591706 Rails due to poverty line based on the approaches of 50% and 66% median of costs to afford the least of his wants in 2001 and 2012, respectively. The study offers the requirement knowledge for economic policy makers in Guilan province and also enables them to discover finest policy in order to develop the economic situation and reach development of economic.

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