



DETERMINANTS OF POVERTY IN SOME ARAB COUNTRIES WITH REFERENCE TO EGYPT IN PARTICULAR

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ABSTRACT

The current period has seen considerable interest in issues of poverty in the world. And every State can draw the correct and appropriate policies to combat poverty if it can identify the most important determinants (causes) of poverty and know how to evaluate these parameters in line with its potential. Therefore, this research tries to contribute to identifying the determinants of poverty in Egypt and most Arabian countries. For this was the problem of searching high unemployment and low level of services and lack of availability of a significant sector of the population of Egypt and most Arabian countries. The objective of this search is to try to identify the most important determinants of poverty in Arabian countries and the estimate the proportion of a specific effect of each of these determinants in the presence of differences in the incidence of poverty among them, and the possibilities of reducing poverty in these countries. Deliberately search to include the study of all the Arab states, including oil and non-oil. The study estimated poverty function by using some of the World Development Indicators contained in the report of the World Bank for the years 2007/2008, 2000/2001, the indicators are: proportion of population below national poverty line (dependent variable), and many of other indicators, which is be-

lieved it may affect the incidence of poverty in any country (independent variables), The study used cross-sectional time series data and the double logarithmic ordinary least squares OLS were used. The results of statistical analysis of the determinants of poverty is clear that the lack of services and facilities of state is the biggest factor influencing the increase in poverty in Arab countries. For Egypt, it was shown that the rate of poverty in Egypt more than their counterparts in the record level assumed by 13.58%, and approximately 8.20% of this difference in the poverty rate between Egypt and the standard record is due in the first place low ratio of value-added of industry from GDP, hence the clear trend State to pursue a policy focus on industry and trying to promote this sector so that the State of employment in this sector and thereby reduce unemployment and reduce poverty as well as state and to attract surplus labor and underemployment, seasonal in the agriculture sector, and should also increase the share of spending on education budget to combat poverty. The study then proceeded to try to reduce the poverty rate of study and upon which it became clear that the first solution, and fast to reduce poverty in less Arab countries is to try to influence countries to boost spending on education (% of GDP) and value added of industry (% of GDP). As for ways to reduce the poverty rate in poor Arab countries explained the study, said the first solution, and fast to reduce poverty is to raise the foreign direct investment (U.S. \$ million) (% of GDP) and expenditure on education (% of GDP). It is also for ways to reduce the poverty rate of the

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poorest Arab countries is to try to reduce the impact of inflation (annual %) and official development assistance and aid (U.S. \$ million) (% of GDP). With regard to Egypt, an attempt to influence an increase of foreign direct investment (U.S. \$ million) (% of GDP) affects about 10% reduction of the poverty rate in Egypt to about 15.6%, as well as when success in influencing this variable gain of up to about 30% of that current, the rate of poverty in Egypt to fall to about 13.9%. This refers to what has already

clarified that the record level assumed (average indicators in Jordan, Saudi Arabia and the UAE) is not a model and the optimal level for the Eradication of Poverty, that access does not mean that the poverty rate is zero, but it is a stage of the eradication of poverty. In other words, Egypt can achieve the goal of its goals on poverty: the reduction of poverty rate in the long-term strategic plans that have been able to improve the indicators mentioned above.