

# Democracy, Political Stability, and Level of Corruption to Cure Poverty in Asia

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**Abstract.** Poverty is a multi-dimensional and multi-structural issue and a major challenge for development in the 21st century. Poverty generally occurs in developing countries, but it is undeniable that poverty also exists in developed countries. As a result, countries in the Asian region cannot escape poverty. After passing the MDGs (Millennium Development Goals) and SDGs (Sustainable Development Goals) in 2017, the overall poverty rate in Asia was reduced by 29.1%. However, the presence of the Covid-19 pandemic has slightly hindered poverty reduction. The aim of this study is to find out how democracy, political stability and levels of corruption effect poverty allevation for 3 years observation study (2020-2022). Result shows, every democracy and political stability has negative effect and corruption has positive effect to poverty allevation.

**Keywords:** Poverty, Democracy, Political Stability, Corruption

## 1. Introduction

The extent of poverty makes poverty reduction a major challenge for development in the 21st century. The World Bank (World Bank) indicates poverty as living with income below USD\$1/day to USD\$2/day [1]. Furthermore, according to the World Bank more than 320 million people in the Asian Region live in extreme poverty. This means that hundreds of millions of people live on incomes below USD\$2/day. Poverty generally occurs in developing countries, but it cannot be denied that poverty can be found in developed countries [2]. The Asian region consists of developed countries (for example: Singapore, South Korea and Japan) and developing countries (for example: Indonesia, Timor Leste, China and Bangladesh). Reporting from the report of the Asian Development Bank in 2021 (ADB) at the Southeast Asia Development Symposium (SEADS), the Covid-19 pandemic caused countries in the Asian Region, especially Southeast Asia where as many as 4.7 million individuals entered extreme poverty and 9.63 million individuals became unemployed throughout 2021 [3].

The complex relationship between democracy, political stability, corruption, and poverty is a crucial factor in shaping the socio-economic conditions of nations worldwide. These factors are not separate occurrences but are deeply interconnected, with each having a significant impact on the others [4]. Democracy is frequently viewed as a foundation for political stability and economic growth due to its emphasis on public engagement, transparent government, and the preservation of rights [5][6]. Conversely, political stability and effective governance can nurture democratic institutions. However, the presence of corruption can act as

a destabilizing force, undermining democratic principles and exacerbating poverty [7] [8]. Exploration of the dynamic connections between democracy, political stability, corruption, and poverty, it becomes evident that understanding and addressing these linkages is crucial for nations aspiring to uplift their populations from the shackles of poverty [9] [10]. In order to establish tactics that leverage democracy and stability while combating corruption and pave the road for sustainable development and poverty reduction, policymakers and academics alike must disentangle the intricate web of effects. Conclusion: Democracy, political stability, and low levels of corruption can all help to reduce poverty.

Sen (1987) [11] finds that poverty reduction increases democracy and vice versa. With democracy, hunger and declining welfare as a dimension of poverty will be significantly reduced. Ildirar's research result shown (2015) [12], where corruption directly effects economic performance and low economic performance will lead to poverty. Shabbir et al., (2019) [13] in his study concluded that there is a positive relationship between poverty and corruption, so that poverty alleviation can be carried out with a corruption eradication strategy. Countries that lack democracy, experience political instability, and have high levels of corruption face challenges in reducing poverty. Against this backdrop, this study will concentrate on poverty reduction by examining the impact of enhancing democracy and reducing corruption levels in Asian region countries from 2020-2021 (last three years). The research aims to promote poverty alleviation and improve the well-being of both the economic and non-economic sectors in Asian region countries.

## **2. Research Issues**

This paper is conceptual study aimed discussion by how do intensification of democracy, political stability and levels of corruption effect poverty alleviation.

## **3. Theoretical Framework**

**Social-Democratic Theory:** This theory is a theory put forward by Karl Marx, through Windia (2015) [14] this theory illustrates that poverty is not an individual issue but rather a structural one. This theory emphasizes the importance of the government's structure and capacity to enhance the well-being of its citizens. The social-democratic theory aims to achieve equality in society, which can lead to independence and democracy in the country. By promoting freedom and equality, it is possible to improve people's welfare and reduce poverty in society..

**Poverty Alleviation:** Sen (1987) [11], argues that poverty is not only measured by economic inability but is effected by all aspects so that individuals find it difficult to fulfill their lives at the economic, social, health, and political levels. Disruption of most of the overall aspects caused by poverty, making poverty alleviation a major challenge for governments in all countries. Poverty is a multidimensional issue so that all countries in the world respond to this by making agreements by voicing the declarations of The Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs) [15]. The MDGs ended in 2015 and the SDGs are a follow-up program being carried out by the world for poverty alleviation. From this

movement, it can be concluded that poverty is a problem that is a burden to all countries in the world.

## 4. Discussion

### **Effect of Intensifying Democracy with Poverty Alleviation**

Dictatorship is an understanding in which a state government does not recognize the rights of its people so that absolute power belongs to the ruler of the state at that time. Dictatorship will give birth to authoritarian leaders [16]. Dictatorship in a country causes weakness or even no democratization. Dictatorship that gave birth to authoritarian leaders does not guarantee that the country can be free from poverty. In line with the above, there is research that supports the importance of democracy as a causal dimension in alleviating poverty so that it can improve the welfare of the people in the country [11] [17] [18] [19] [20]. In Nasution's latest research (2020)[20], increasing democracy itself can be done by increasing the good governance of a government. The intensification of democracy provides a platform for wider public participation in the process of policy formation. With the existence of a mechanism to express the aspirations and needs of the community, poverty alleviation policies become more responsive and inclusive. Active participation also increases government accountability to the community, so that poverty reduction programs are more focused and effective. Furthermore, it can be concluded that the greater the level of democracy, the lower the poverty rate in Asian countries. In the Asian region with a relatively low level of community participation is Myanmar. Low community participation here refers to the limited involvement of citizens in political and decision-making processes. Myanmar has experienced decades of military rule and authoritarian regimes that have hindered the development of societal participation. During this period, freedom of speech, assembly and participation in public policy was restricted, which has reduced the culture of civic participation. This can hinder public participation as citizens may feel less permitted to voice their opinions. These things show that the importance of intensifying democracy for the realization of poverty alleviation. This can hinder public participation as people may feel less permitted to voice their opinions. These things show that the importance of intensifying democracy for the realization of poverty alleviation. This can hinder public participation as people may feel less permitted to voice their opinions. These things show that the importance of intensifying democracy for the realization of poverty alleviation.

Intensifying democracy and poverty alleviation are two distinct yet interconnected concepts that can have significant effects on societies. Here is the analysis of the potential effects of combining these two goals:

### **Increased Citizen Participation and Empowerment:**

One of the most important aspects of improving democracy is expanding individuals' ability to participate in decision-making processes. It can lead to increased representation of underrepresented and economically disadvantaged groups when paired with measures to reduce poverty. These groups' interests and concerns can be better addressed by including them in policy debates and development, which might result in more effective solutions for reducing poverty.

**Targeted Policy Formulation:**

Intensified democracy allows for a broader range of voices to be heard in policy discussions. This can lead to the formulation of poverty alleviation policies that are more comprehensive, holistic, and targeted. Such policies would be informed by a deeper understanding of the challenges faced by impoverished communities and the potential solutions that could make a real difference in their lives.

**Transparency and Accountability:**

Strengthening democracy enables a wider range of voices to participate in policy discussions, resulting in the creation of more comprehensive, holistic, and targeted poverty reduction policies. These policies would be based on a deeper understanding of the challenges faced by impoverished communities and the potential solutions that could significantly improve their lives.

**Inclusive Economic Growth:**

In order to ensure that the advantages of economic development are dispersed more fairly across society, measures that foster inclusive economic growth can be the outcome of strengthening democracy. By focusing on creating job opportunities, encouraging entrepreneurship, and supporting small-scale enterprises that may really help underprivileged areas, poverty reduction programs can be included with such growth.

**Social Safety Nets:**

A democratic system that prioritizes citizen participation can enable the establishment and sustainability of strong social safety nets. When combined with poverty reduction efforts, these safety nets can serve as a buffer for vulnerable populations during economic downturns, natural disasters, or other crises, preventing them from sinking further into poverty.

**Educational and Healthcare Reforms:**

Poverty frequently limits access to quality education and healthcare. A strengthened democratic environment can encourage discussions and reforms in these areas, resulting in policies that enhance educational opportunities and healthcare access for everyone. This can help break the cycle of poverty by providing individuals with the resources they need to improve their lives.

**Effect of Intensifying Political Stability with Poverty Alleviation**

Political stability is built on the historical change of power in a country, the success of government institutions in improving the welfare of its people, and mitigating threats in the form of terrorism, coups, and so on [21][22]. Political stability is an important prerequisite for poverty alleviation. Political conflict and regime change can undermine the implementation of poverty reduction programs and investments in development. Political stability creates an environment conducive to sustainable economic growth, which in turn contributes to poverty reduction. The prolonged conflict and changes in the political regime in the country have contributed to social and economic problems, including high poverty. Afghanistan has gone through a series of political regime changes, including the rule of the Taliban and the change in power after the military intervention. These changes are often accompanied by economic and social disruption and uncertainty, which can affect people's incomes and well-being. The conflict and political instability in Afghanistan have caused millions of people to become refugees or flee their homes. This has an impact on their jobs, education and well-being. Many of those displaced live in

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The intersection of enhancing political stability and reducing poverty can have significant impacts on a society. The following is an analysis of how these two concepts intersect and affect one another.

**Enhanced Investment and Economic Growth:**

Strengthening political stability frequently draws foreign direct investment and stimulates domestic economic growth. When poverty reduction initiatives are combined with this stability, the resulting economic advancement can generate more employment opportunities, raise incomes, and enhance living conditions for individuals living in poverty.

**Sustained Poverty Alleviation Efforts:**

A stable political climate creates a favorable setting for executing long-term poverty reduction strategies. Unstable political environments can disrupt poverty reduction programs, making it challenging to maintain consistency in policy implementation and resource allocation. In a stable political environment, poverty reduction initiatives can be implemented consistently over time, resulting in more significant and sustainable impacts.

**Social Services and Infrastructure Development:**

Political stability frequently facilitates improved planning and execution of social services and infrastructure projects. These enhancements can directly benefit impoverished communities by providing access to clean water, sanitation facilities, healthcare, education, and transportation, thereby enhancing their overall quality of life.

**Reduced Vulnerability to Conflicts:**

Political instability and poverty are closely linked, with one often exacerbating the other. By strengthening political stability and reducing the likelihood of conflicts, societies can create an environment where poverty reduction efforts are less likely to be disrupted by violence or civil unrest. This can lead to more effective and consistent poverty reduction initiatives.

**The Influence of Intensifying Corruption Level Reduction with Poverty Alleviation**

According to Transparency International, corruption reduces public trust, undermines democracy, impedes economic development, clarifies inequality that leads to poverty. Countries that are full of criminal acts of corruption are usually included in the category of poor countries [23]. This means that the level of corruption in a country is causally related to the level of poverty, so that improvement needs to be done. Eradicating corruption is one dimension of poverty alleviation which leads to justice and social welfare [24]. High levels of corruption can hinder the effectiveness of poverty reduction programs. Funds that should be used for basic services and infrastructure can be misused or eroded by corrupt practices. Tackling corruption firmly is essential to ensure that public funds are properly used to tackle poverty and improve people's welfare. Furthermore, it can be concluded that the greater the level of corruption, the

greater the poverty rate in Asian countries. 2020-2022 The KPK stated that there was manipulation of receiving performance allowances from Rp. 1.3 billion to Rp. 29 billion at this ministry which caused a state loss of Rp. 27 billion [25], [26] (CNBC-Emerson). This trio of corrupt politicians-businessmen-rulers caused losses not only on the financial side but ecologically Indonesia is detrimental to the welfare and prosperity of its people so that corruption is still a problem that must be eradicated to eradicate poverty. Furthermore, it can be concluded that the greater the level of corruption, the greater the poverty rate in Asian countries.

The relationship between intensifying corruption reduction efforts and poverty alleviation is complex and significant. Here is an analysis of how intensifying corruption reduction efforts and poverty alleviation intersect and influence each other:

**Increased Trust in Institutions:**

Addressing corruption fosters trust in governmental institutions. When citizens believe that their leaders are acting in their best interests, they are more likely to participate in poverty alleviation efforts and collaborate with authorities. This can lead to better engagement, more accurate data collection, and increased effectiveness of poverty reduction programs.

**Attracting Investment:**

A reduction in corruption enhances a country's attractiveness to foreign and domestic investors. Economic growth resulting from increased investment can create jobs and stimulate economic activities that directly benefit impoverished communities. Moreover, a transparent and corruption-free business environment can lead to sustainable job creation.

**Policy Implementation and Monitoring:**

Corruption can hinder the effective implementation and monitoring of poverty alleviation programs. When corruption is minimized, it becomes easier to track the progress of such programs, identify shortcomings, and make necessary adjustments to ensure their success.

**Challenges in Implementation:**

While reducing corruption is crucial, it is a complex task that requires systemic changes. Efforts to combat corruption might face resistance from vested interests and individuals benefiting from corrupt practices. Additionally, implementing anti-corruption measures can be resource-intensive and require significant political will.

**Sustainability of Efforts:**

Sustaining the reduction in corruption over the long term is crucial. Achieving short-term gains in reducing corruption might not have a lasting impact on poverty alleviation if corrupt practices return in the future. Consistent vigilance and ongoing efforts are necessary to maintain progress.

## 5. Conclusion

This research concludes that the variables of intensification of democracy, political stability and the level of corruption affect poverty alleviation in countries in the Asian region, where the intensification of democracy and political stability affect them negatively, while the level of

corruption positively influences poverty alleviation efforts in countries in the Asian region. The results of this study are expected to contribute to the governments of countries in the Asian Region to alleviate poverty. Increasing public participation in policy-making processes, creating sustainable political stability, and reducing levels of corruption are important steps in creating an environment that supports inclusive growth and poverty reduction. In facing this challenge, collaboration between government, civil society, and international institutions can play a role in forming a better future for the countries of the Asian Region and their citizens. In the intricate tapestry of global development, the threads of democracy, political stability, corruption, and poverty are woven together, creating a complex fabric that shapes the destinies of nations and their citizens. The relationships between these factors are not linear but rather multi-dimensional, demonstrating the power they wield collectively in determining the socio-economic well-being of societies.

The legal system presents a promising approach to reducing poverty. Democratic institutions that are inclusive can help marginalized groups participate and address inequalities that often lead to poverty. Political stability is a fundamental factor for economic growth, ensuring that policies and investments continue to uplift societies. A stable political environment attracts foreign investment, promotes trade, and provides the necessary conditions for economic progress and poverty reduction. However, corruption has a detrimental effect on poverty reduction efforts. It erodes democratic institutions and diverts resources from essential services that are crucial for reducing poverty. Corruption undermines trust in governance, perpetuates inequality, and creates an environment where the most vulnerable are further marginalized. Therefore, fighting corruption is a critical element of any strategy aimed at promoting democracy and reducing poverty.

To achieve prosperity, it is crucial to understand that different factors are interconnected and cannot be addressed in isolation. Effective policies require a comprehensive understanding of how these factors relate to each other. Promoting democracy must be accompanied by efforts to increase political stability and eliminate corruption. Similarly, anti-corruption initiatives must align with broader goals of building democratic institutions and ensuring political stability.

In essence, reducing poverty is not a straightforward process but a complex journey that requires a joint effort to strengthen democracy, promote political stability, and combat corruption. Countries that can balance these factors are more likely to achieve sustainable development, creating a future where poverty is a thing of the past and replaced by shared prosperity and human flourishing.

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