

MAJOR FACTORS CAUSING POVERTY UNDER MODERN CONDITIONS

Ruslan M. Kliuchnyk, Alfred Nobel University, Dnipro (Ukraine)

E-mail: nobelpolis@duan.edu.ua

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The article attempts to generalize some interpretations of the phenomenon of poverty in Economics. We proceed from the fact that this problem, in addition to its economic dimension, has political, social, legal, historical, cultural and other dimensions. In modern science, there is a pluralism of approaches to the classification of the causes of poverty, depending on the scientific approach, the worldview of the researcher, the purpose of the publication, etc.

Addressing the public, the authors of a recent Scottish survey identify, for example, the following causes of poverty: 1) being born into poverty; 2) suffering through domestic abuse which leads to living in poverty due to the person not being in control of his or her income; 3) someone losing their employment, which is more of an issue at the moment due to the current COVID-19 crisis; 4) losing everything due to a partner gambling away the family income and savings; 5) being pressurised into supporting others due to emotional ties, leading to debt or increased debt and potentially the loss of their home.

From the scientific point of view, one can distinguish, for example, the economic, political and social causes of poverty. We have introduced our own classification of the causes of poverty, highlighting natural and geographical, historical, hereditary, personal and psychological and, finally, economic factors themselves. It has been proven that poverty can be inherited as well as be the result of certain historical events, e.g. wars or revolutions. Natural factors also influence the level of poverty. We concluded that unemployment, low wages or social benefits, corruption, discrimination, unprofitability of an enterprise or industry, inflation are the economic factors of poverty. However, almost all of them also go beyond the economy itself and have political, social, legal, psychological and other components. According to some researchers, poverty is determined even by the type of housing in which a family lives.

In addition to the relatively predictable factors, there are a large number of events that occur suddenly. We cannot predict these factors but they also affect the level of poverty, reducing the income of a population or a family and increasing the number of poor people. The COVID-19 pandemic is one of the factors that increased the number of the poor dramatically. Due to the disease itself and the quarantine restrictions, a large number of branches of national economies were obliged temporarily to suspend operations, and great damage was caused, in particular, to the retail trade, education, and the service sector.

Of course, the main factor in the sudden impoverishment of the Ukrainian population is the large-scale invasion by Russia in February 2022. This open military attack has caused the deaths of thousands of civilians and military personnel, the destruction of infrastructure, and the departure of millions of Ukrainians abroad and to other regions of the country. We believe that the post-war restoration of Ukraine is possible only with the comprehensive support of the world community, primarily the developed countries of the West.

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