

Local Government Policy in Combating Extreme Poverty: A Systematic Literature Review

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Abstract: This study aims to review research related to local government policies in combating extreme poverty through a systematic literature review, evaluate the effectiveness of these policies in improving living conditions and identify factors that influence their success. This study utilizes the Scopus database and employs RStudio for data visualization to enhance the thoroughness of the literature analysis. The results of this study show the importance of local government policies in combating extreme poverty, emphasizing the need for a tailored approach. In addition, the study also emphasizes the shift from poverty alleviation to development inclusion, decentralization of power, climate change, and food security. Key issues include governance, gender inequality, rural areas, and health inequality. The results of this study provide guidance for policymakers in designing effective intervention programs. However, the study has limitations, including not covering all relevant policies and excluding inputs from stakeholders at the local level. Future research should explore the dynamics of city policies, local community perspectives, and long-term impacts.

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INTRODUCTION

Local government policies play a key role in combating extreme poverty (Schoburgh & Gatchair, 2016), with strategies ranging from social innovation to the implementation of specific poverty alleviation programs (Zhou et al., 2018). Unmet commitments from 193 governments to eradicate extreme poverty and end hunger by 2030 highlight the need for new commitments and practical actions at the local level to engage communities in the SDGs (Pawar, 2023). Local social innovation, as discussed by Sue Baines, emphasizes a critical evaluation of efforts to combat poverty and exclusion, suggesting that innovative local practices can make a significant contribution to these goals (Baines, 2022).

In Indonesia, the era of decentralization allows local governments to make policies based on people's aspirations, including fighting absolute and cultural poverty (Lawelai & Nurmandi, 2023). The Yogyakarta Special Region Government's policy on the treatment of homeless people and beggars is an example of a local initiative aimed at social reintegration and combating a culture of poverty (Kusuma & Octastefani, 2019). Similarly, in Italy, local governments have focused on ensuring minimum performance standards in poverty alleviation measures, with an integrated management approach identified as a strength in the fight against poverty (Arbolino et al., 2018; Jessoula, 2015). Analysis of extreme poverty reduction policy network through cultural approach in

Bandung Regency reveals the importance of considering cultural aspects and values in policy implementation and highlights seven dimensions that determine the effectiveness of a policy network (Hazanah et al., 2023).

Value for money approach used by Pasuruan Regency government (Anggriawan, 2022), to measure the performance of poverty reduction programs emphasizes the need for economic, efficient and effective strategies (Gurney et al., 2014). The failure of top-down approaches in Indonesia and the shift towards empowering rural communities through national programs supported by the World Bank illustrate the potential for community-level involvement in poverty reduction efforts (Roitman, 2016). The role of local government in the UK in alleviating poverty through the provision of local public services further underlines the importance of local initiatives (Bramley, 2018). Similarly, the introduction of requirements in cash transfers and in-kind poverty alleviation policies in Israel reflects a shift towards more targeted and conditional support mechanisms, highlighting the evolving nature of local government policies to combat extreme poverty (Benjamin et al., 2023).

The most effective local government policies in reducing extreme poverty levels involve a multifaceted approach (Cruz et al., 2015), that includes economic growth, human capital investment, resource redistribution, and targeted interventions in health and education. Research from Indonesia's South Sulawesi Province highlights the importance of private investment and capital expenditure by local governments in reducing poverty levels (Asmarianti & Sabrina, 2023), suggesting that policies that encourage investment can have a positive impact on economic growth and, consequently, on poverty reduction (Akhmad et al., 2022). Similarly in Central Java, policies that encourage regional economic growth, increase minimum wage levels, and improve the quality of human resources have been associated with reduced poverty rates (Sriyana, 2018).

Climate policy, while important for sustainable development, can inadvertently impact the poor by increasing energy and food prices (Dooley & Kartha, 2018). However, redistributing revenues from national carbon prices domestically as equivalent per capita climate dividends, combined with international climate finance, could compensate for those impacts and even reduce the number of poor people globally (Soergel et al., 2021). This shows the importance of carefully designed climate policies that consider their impact on the poor.

In Tanzania, the success of poverty alleviation efforts depends largely on the devolution of power and resources to local governments and the establishment of accountability mechanisms (Loureiro, 2020). This shows that empowering local government structures is essential for effective poverty alleviation. In addition, in rural areas, access to credit facilities and agricultural inputs through savings and loan associations has been identified as a key factor in reducing poverty among farmers (Liviga, 2017). The strategies of European cities in poverty reduction emphasize the role of horizontal networks and partnerships with non-profit organizations, highlighting the importance of multi-actor efforts in addressing urban poverty (Boisseuil, 2019).

In addition, policies aimed at reducing corruption and increasing public health spending are essential for economic development and getting out of the poverty trap in less developed countries (Christiaensen & Todo, 2014). Thus, effective local government policies to reduce extreme poverty include promoting economic growth, improving the quality of human capital, implementing equitable climate policies, empowering local governments, facilitating access to credit, engaging in multi-actor partnerships, and tackling corruption and public health (Akimoto, 2021; Tegegne & Tegegne, 2015; Zhou et al., 2018).

In the current context of urban development, the urgency to examine local government policies in addressing extreme poverty is very clear. This problem directly impacts millions of people around the world, and local government approaches can be a decisive factor in mitigating its impact. A systematic review of the literature is necessary to understand the effectiveness of various strategies applied in various geographical and social contexts. This research provides the basis for detailed, evidence-based policy evaluations for policymakers and practitioners working to improve the well-being of vulnerable communities. Understanding the role of local governments in tackling extreme poverty through a systematic analysis of the literature will provide deeper insights into what has worked and what hasn't, with important practical implications for combating extreme poverty and building more inclusive and sustainable societies.

The purpose of this study is to analyze local government policies in combating extreme poverty. Conducting a systematic literature review to identify trends, patterns, and strategies in different fields and countries. This research evaluates the effectiveness of these policies in reducing extreme poverty and improving the living conditions of marginalized communities. It also analyzes the factors that influence the success or failure of these policies and provides insights into the social, economic, and political context. In addition, this study also seeks to provide policy recommendations to assist local governments and stakeholders in designing and implementing more effective and sustainable policies to reduce extreme poverty.

RESEARCH METHOD

This study uses a systematic literature review to analyze research on local government policies in combating extreme poverty. The definition of a systematic literature review is at the core of this article, as we seek to identify, evaluate and interpret relevant research to answer the research questions (Amjad et al., 2023). We collected studies from the Scopus database using the search keywords (TITLE-ABS-KEY ("local government") AND TITLE-ABS-KEY (policy OR policies OR innovation) AND TITLE-ABS-KEY ("extreme poverty" OR "poverty")) AND PUBYEAR > 1993 AND PUBYEAR < 2024 AND (LIMIT-TO (SRCTYPE, "j")) AND (LIMIT-TO (LANGUAGE, "English")). The Scopus database is widely used in literature review research in various fields (Lawelai et al., 2023). It helps in analyzing trends, identifying influential authors, institutions and countries, and exploring the evolution of research (Anand et al., 2020).

The Scopus database files were exported in CSV format and imported into RStudio software for visualization during the systematic literature review. This is in accordance

with the commonly used methodology for data collection and analysis. Visualization techniques are useful data extraction and synthesis tools. By using RStudio for visualization, researchers can improve the understanding of the collected literature, thus enabling a more comprehensive analysis of the data extracted from the Scopus database.

This research was designed as a systematic literature review according to the PRISMA statement (Sarkis-Onofre et al., 2021). Only documents that have gone through the peer-review process are included in this search. Documents had to be published in journal type and English language, with a publication limit of the last 30 years (from January 1, 1994, to December 31, 2023).

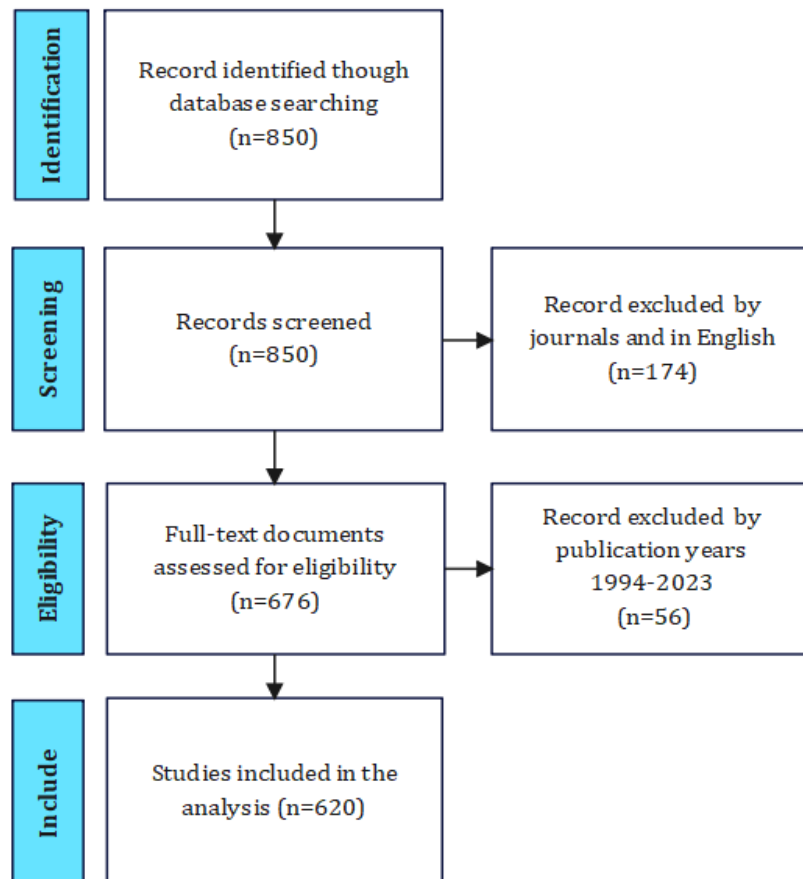


Figure 1. PRISMA chart modified illustrates the article selection process in systematic reviews.

RESULTS AND DISCUSSION

The analyzed data spans from 1994 to 2023, containing 620 documents from 429 sources, including journals, books, and other sources. The average age of the documents is 9.85 years, which shows the continuity of the topic. The data shows a steady growth in literature related to the topic, with an average citation rate of 19.2. The data also shows 1658 author collaborations, with 18.39% of these being international collaborations. Most documents are articles, mainly from primary research or literature reviews. Other types include conference papers, letters, and reviews. Key terms used in the documents, such as Keyword Plus and Author Keywords, provide insight into the dominant trends in literature. This information helps researchers understand the landscape of relevant

literature and identify directions for further research. The data also provides information on key terms used in documents, which allows researchers to identify directions for further research.



Figure 2. Main Information About Data

Figure 2 above provides an overview of research trends related to local government policies to combat extreme poverty. The annual growth rate reflects growing interest in the issue and highlights the importance for local governments to pay attention to the issue. Research in this area has had a significant impact on academic literature and shows that other researchers recognize and implement local government policies. This international collaboration involves researchers from different countries and highlights the complexity of the problem of extreme poverty that transcends national borders. The most common types of documents in this area are articles that present primary research or an in-depth literature review. However, other types of articles, such as reviews and conference papers, reflect the diversity of methodological approaches and publications used to report research results.

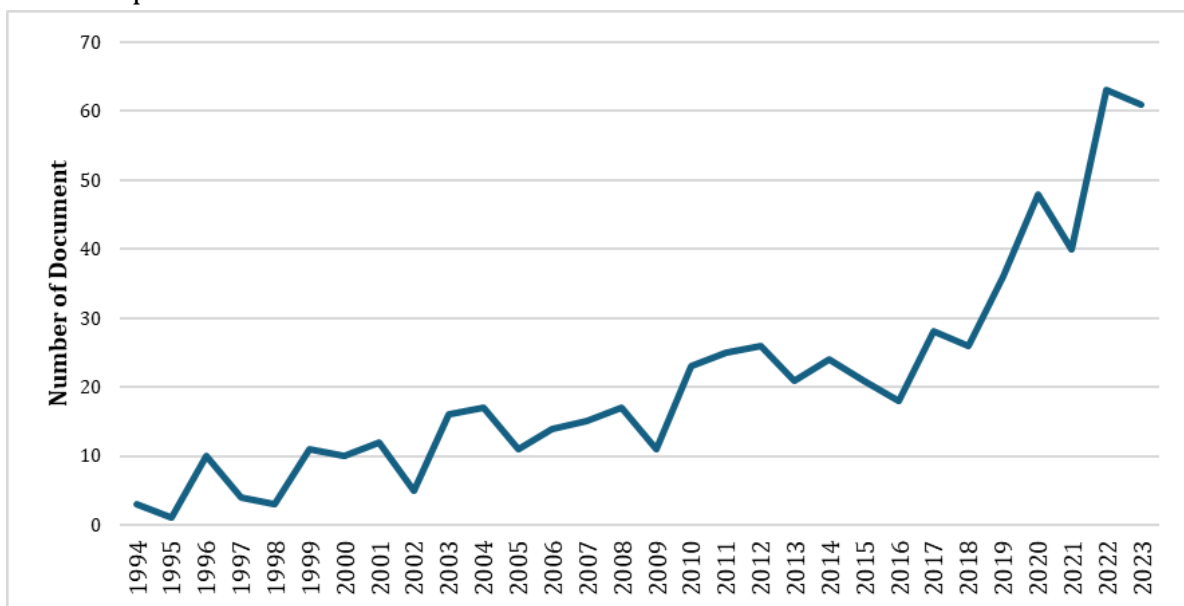


Figure 3. Publication Trends from Scopus Database 1994-2023

Based on research trends sourced from the Scopus database from 1994 to 2023 as shown in Figure 3, there has been a significant increase in the publication of local government policy documents in combating extreme poverty. The most significant growth trend occurred after 2010, when the number of publications increased substantially and peaked in 2022 with 63 documents. This increase reflects the growing interest and research focus on local government policies in addressing extreme poverty, which may be due to the increasing awareness of the complexity of the poverty problem and the role of local governments in formulating effective solutions. Economic growth, social change, and global pressures such as climate change and humanitarian crises may also be driving this interest. The growth trend remains strong even during the COVID-19 pandemic, with a further increase in publications in 2021 and 2022, demonstrating the resilience and relevance of local government policy research in the context of the global crisis.

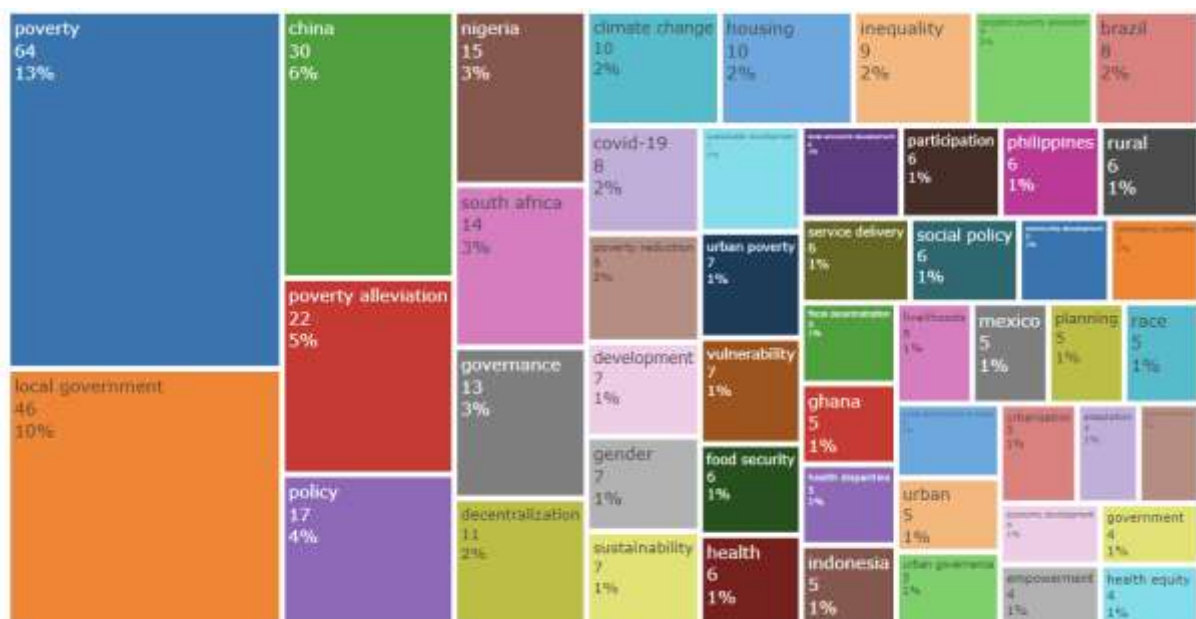


Figure 4. Plotly Treemap Research Keywords

The occurrence of keywords highlights different relevant aspects in the context of local government policies in the fight against extreme poverty. With the highest frequency, “poverty” was the focus, indicating the urgency and complexity of our issues. This highlights the need for local governments to take strong action to address this issue. The high frequency of “local governance” and “policy” reflects the vital role of local governments in formulating and implementing poverty reduction strategies. In fact, “poverty alleviation” and “development” became an integral part of the discussion, emphasizing that local government efforts are about short-term responses and long-term development.

The high frequency of keywords such as “China” and “Nigeria” suggests that the experiences of these countries through their successful poverty alleviation initiatives can provide valuable insights for local government policy research. Similarly, “South Africa” and “Brazil” highlight the diversity of geographic and social contexts in which these policies are implemented. In addition, themes such as “climate change”, “inequality” and

“food” highlight the importance of a holistic approach to combating extreme poverty that considers complex challenges such as climate change and social inequality.

When it comes to local government policy in addressing extreme poverty, it is essential to pay attention to how different local contexts influence policy design and implementation. A successful approach requires a deep understanding of the local reality and the involvement of local communities and other stakeholders. In addition, research should also integrate lessons learned from the experiences of countries such as China and Nigeria, considering the unique challenges different communities face in urban and rural contexts. Research can thus provide valuable insights for developing effective and sustainable policies to combat extreme poverty at the local level.

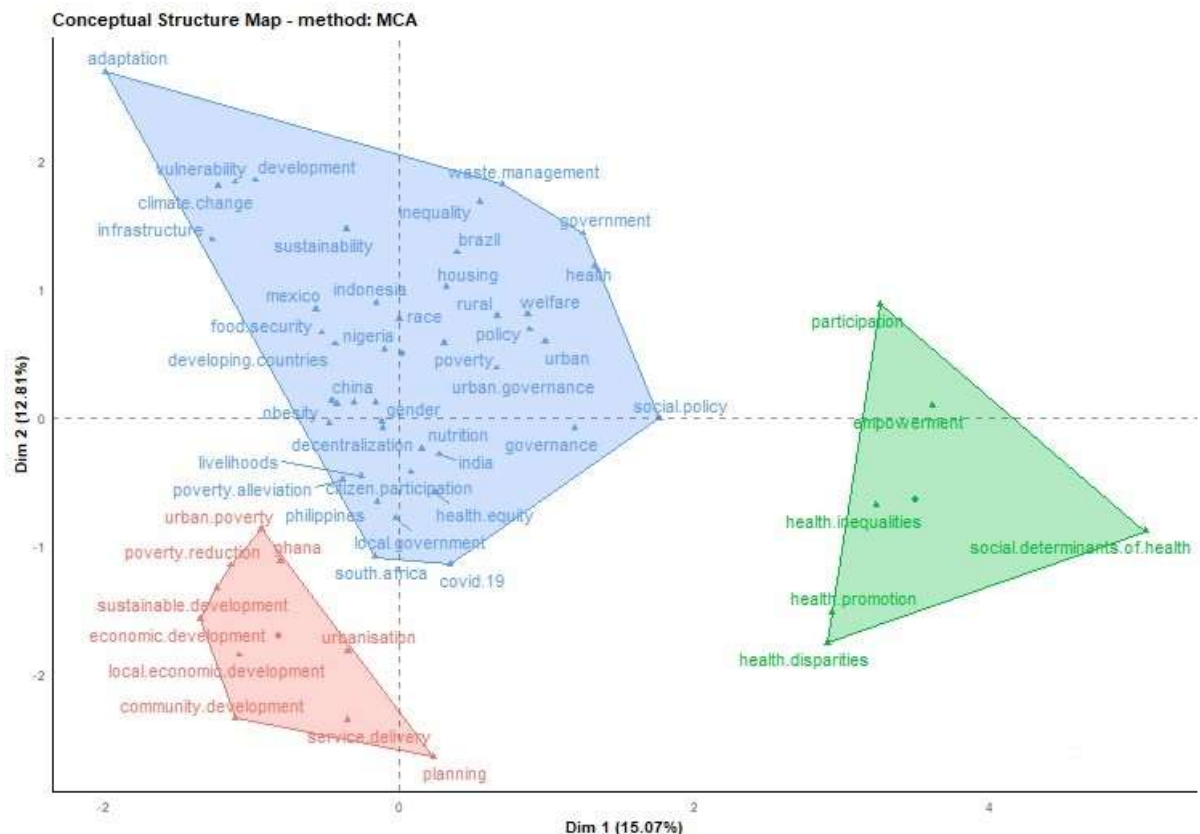


Figure 5. Conceptual Structure Map

Figure 5 shows a map of the conceptual structure of cluster 1, which is related to research on local government policies in addressing extreme poverty. Keywords are grouped into groups related to social and development issues such as poverty, poverty alleviation, poverty alleviation targets, and inequality. Keywords related to government policies, such as local government, politics, governance, and governance, indicate that this study focuses on analyzing local government policies in the context of extreme poverty reduction. Other social and development dimensions such as health, gender, sustainability, and cities reflect the complexity of the problem of extreme poverty and the importance of a holistic approach. Keywords such as “climate change” and “adaptation” indicate that the study considers the impacts of climate change and adaptation efforts in the context of alleviating extreme poverty.

Furthermore, cluster 2 is related to research on local government policies to combat extreme poverty. The keywords in this cluster tend to cluster around economic and urban development, as well as efforts to improve social conditions at the local level. Keywords that emerged included “poverty reduction”, “sustainable development”, “urban poverty”, and “local economic development”, focusing on specific efforts to reduce poverty and promote sustainable economic development. Keywords such as “service provision”, “community development” and “planning” indicate interest in local government efforts to provide basic services and develop communities holistically. Keywords related to urban aspects, such as “urbanization” and “Ghana”, indicate the unique challenges and opportunities in cities and urban areas in the context of reducing extreme poverty.

Finally, in cluster 3 which is related to research on local government policies in overcoming extreme poverty. Keywords are grouped into groups related to health issues and social inequalities that contribute to extreme poverty. Key keywords include “health disparities”, “social determinants of health”, “health inequalities”, and “health promotion”, suggesting that the focus of the study was on analyzing inequalities of health access and outcomes as well as the social factors contributing to these inequalities at the local level. Keywords such as “participation” and “empowerment” highlight the importance of community participation and individual empowerment in designing and implementing health policies aimed at reducing extreme poverty. This figure provides a basis for understanding the relationship between factors in formulating effective policies to combat extreme poverty at the local level.

The thematic development from 1994 to 2023 reflects a shift in focus and priorities in local government policies aimed at addressing extreme poverty. Initially, from 1994-2003, the focus was on local poverty issues faced by local governments, with an emphasis on poverty reduction efforts at the local level. Attention during this period may be related to efforts to improve the well-being of local communities through economic and social empowerment programs.

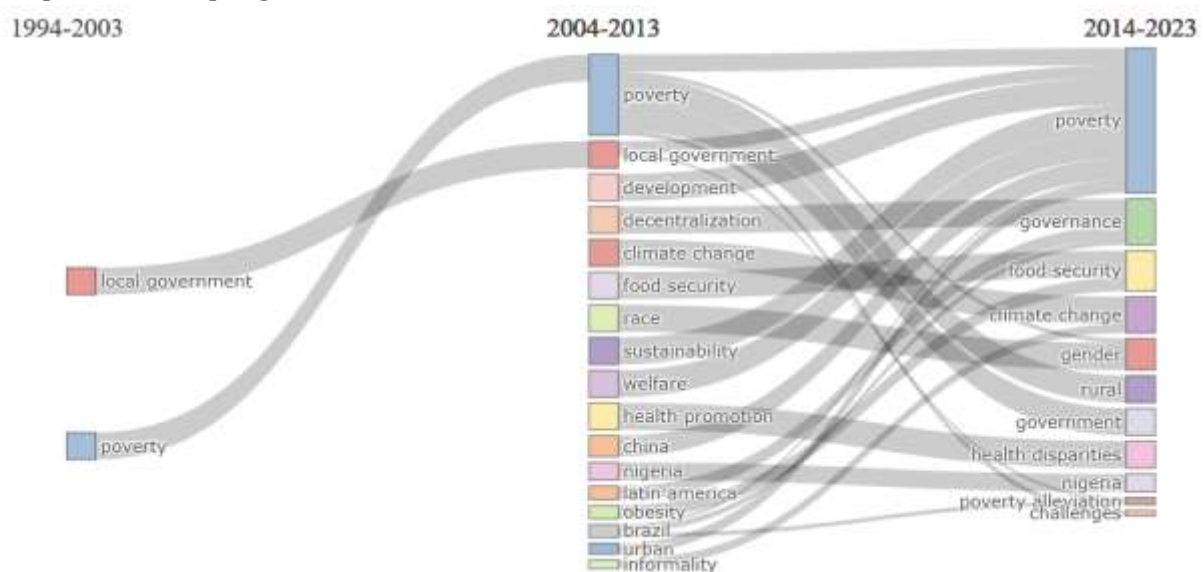


Figure 6. Sankey Diagram of Thematic Evolution

In the following period, from 2004 to 2023, emerging themes show the widening scope of local government policies. In addition to still paying attention to poverty, they also began to consider issues such as development, decentralization of power, climate change, food security, race, sustainability, well-being, health promotion and relations with countries such as China, Nigeria, and Latin America. This shows that local governments are beginning to realize the complexity of the poverty problem and are developing more holistic and integrated policies to address extreme poverty.

The 2014-2023 period highlights specific issues such as governance, gender inequality, rural areas, and health inequalities. The focus on Nigeria, in particular, reflects awareness of the country's specific poverty problems, while the emphasis on climate change mitigation reflects recognition of the significant impact of environmental change on poverty. These thematic developments show that local government policies have evolved from a narrow focus on local poverty to a more holistic and diverse approach that covers a wide range of social, economic, and environmental issues related to extreme poverty. These changes reflect a better understanding of the complexity of poverty and efforts to create more effective and sustainable policies to address the problem.

CONCLUSION

This study highlights the growing literature on local government policies in combating extreme poverty and the importance of this issue on the global agenda. The study emphasizes the role of local governments in formulating practical solutions to address poverty. The complex challenges faced by local communities highlight the need for locally tailored approaches. Experiences from various countries provide valuable insights into urban and rural issues in poverty policy. Thematic developments show a shift in focus from poverty alleviation to development inclusion, decentralization of power, climate change, and food security. Key issues include governance, gender inequality, rural areas, and health inequalities. This reflects a better understanding of the complexity of poverty and efforts to create more holistic, effective, and sustainable policies to combat extreme poverty at the local and global levels.

This study provides a comprehensive understanding of the evolution of local government policies to combat extreme poverty, focusing on the shift from poverty reduction to holistic development. It offers valuable guidance for policymakers in designing effective intervention programs and adapting to similar situations. However, the study has limitations, such as not covering all relevant local government policies and not including direct input from local-level stakeholders. Future research should explore the dynamics of municipal policy in the context of extreme poverty, focusing on emerging issues like technology and globalization. More detailed longitudinal studies can help understand the long-term impacts of implemented policies. Additionally, future research should pay more attention to local community perspectives and expand its geographic scope to provide a more comprehensive picture of challenges and solutions to combat extreme poverty at regional and global levels.

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