

## Education in Poverty Reduction: A Systematic Literature Review

Lifa Farida Panduwinata<sup>1</sup>, Waspodo Tjipto Subroto<sup>2</sup>, Norida Candra Sakti<sup>3</sup>

<sup>1-3</sup>) Faculty of Economics and Business, Universitas Negeri Surabaya, Indonesia

Correspondent: [lifapanduwinata@unesa.ac.id](mailto:lifapanduwinata@unesa.ac.id)\*

Submitted: 18 December 2024	Revised: 20 December 2024	Accepted: 22 December 2024
--------------------------------	------------------------------	-------------------------------

### Abstract

*Human resource development through education is frequently linked to the worldwide problem of poverty reduction. Education is essential in building human resources to improve skills and knowledge to get good job opportunities. This article analyses the existing literature on how education can reduce poverty. The Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) statement was used as the review methodology, and a systematic review of the Google Scholar database was carried out using Publish or Perish, which identified 99 relevant studies. In this review, education is usually evaluated from two aspects: the quality and the education level. The results of this review confirm the general conclusion that education is an essential tool for poverty reduction. Through education, people acquire knowledge and skills that can be used to get better jobs and ultimately reduce poverty. Some of the recommendations are more development research to improve the quality of education, and education policies must focus on long-term investments to overcome poverty.*

**Keywords:** *Systematic Literature Review, Education, Poverty, Poverty Reduction.*

## 1. INTRODUCTION

Poverty is one of the primary challenges in the 2030 Agenda for Sustainable Development (SDGs), adopted by the United Nations (UN) in 2015. The first goal of the SDGs, namely "ending poverty in all its forms everywhere" (de Jong & Vijge, 2021), reflects the global determination to address inequality and ensure equitable prosperity. Poverty is the lack of financial capacity for basic needs, including food and nonfood elements like living rent, clothes, education, health, transportation, and entertainment (Siwar et al., 2016). In addition, poverty impacts the poor's survival and threatens social relations, political participation, and economic stability globally (Mood & Jonsson, 2016). Focusing on poverty reduction is essential because it includes human rights and social justice as the basis for sustainable development.

Poverty alleviation efforts have long been a significant theme in socio-economic research in the global scope (Janjua & Kamal, 2014; Khan, 2015; Eryong & Xiuping, 2018; Zhang, 2020; Hofmarcher, 2021; Spada et al., 2023). Various global policies and approaches have been implemented to reduce poverty, one of the main instruments in poverty reduction

is economic growth (Amar & Anis, 2020; Ambarkhane, 2013; Ravallion & Chen, 2019). Poverty alleviation can also be done through increasing access to health (Chmielewska & Zegar, 2018; Syahid et al., 2021; UN, 2021; Wani, 2021) and community empowerment. More than that, education is a powerful way to escape poverty (Lenzi & Perucca, 2022; W. Liu et al., 2023; Spada et al., 2023). This is because the level of human welfare and quality of life can be measured using the Happiness Index, Human Poverty Index, and Human Development Index indicators (Senasu et al., 2019; Spada et al., 2020; Veenhoven, 2012) are all centered on and begin with education.

Human development is essential in poverty reduction efforts, where health, education, and decent living standards serve as critical indicators that influence well-being. The United Nations Human Development Report (HDR) states that quality education is crucial in building quality human resources (HR) to support economic growth. and reduce inequality (UNDP, 2022). Quality education can also improve cognitive skills, which are directly correlated with labor productivity and economic development in various countries (Hanushek & Woessmann, 2020), and improve job skills and competitiveness, which enable the workforce to gain a better position in the labor market.

Education has an important part in human growth by improving skills, knowledge, and critical thinking skills, which expand opportunities for better employment and income and strengthen the quality of life, which in turn can be used to reduce (Kuncara et al., 2021; Nasir et al., 2016; Tasleem, 2020). Research conducted by (Gao & Hao, 2018; Islam et al., 2017; J. Liu & Liu, 2017) shows that human capital can be seen from a person's level of education; low levels of education are the main factor causing someone to fall into poverty. Conversely, poverty reduction can be overcome through higher levels of education. (Khan, 2015). In many developing countries, support for quality education has begun to be implemented through school assistance programs, skills training, and scholarships specifically designed for people experiencing poverty (OECD, 2020). This policy has effectively reduced poverty rates by providing more significant opportunities for individuals to obtain decent work.

This study is pertinent to the literature review on education and poverty reduction. The ideas addressed in this paper will help policymakers and governments develop practical methods for reducing and eliminating poverty. The following part will offer the research methods for examining the relationship between education and poverty reduction. Next, the researcher will present the findings of previous research, using predetermined criteria, through a systematic review until a conclusion is reached on the relationship between education and poverty reduction.

## **2. METHOD**

This study is a Systematic Literature Review (SLR) study. SLR aims to synthesize and expand the collection of literature using the underlying methodology (qualitative or quantitative) (Suchek et al., 2021). The study examines the existing literature on the

relationship between education and poverty reduction. Researchers employed the PRISMA approach to retrieve, examine, abstract, and analyze Google Scholar publications. PRISMA, or Preferred Reporting Items for Systematic Reviews and Meta-Analyses, guides the review of all articles (Bigonnesse et al., 2018). This strategy allows for a systematic literature search on the topic under consideration (Syahid et al., 2021).

The researcher searched for previous articles using Publish or Perish with the source Google Scholar. Furthermore, the researcher determined the range of research years and keywords to be used. Here, the researcher used the keywords "Education" AND "Poverty" AND "Reduction" with a research range from 2014 to 2024.

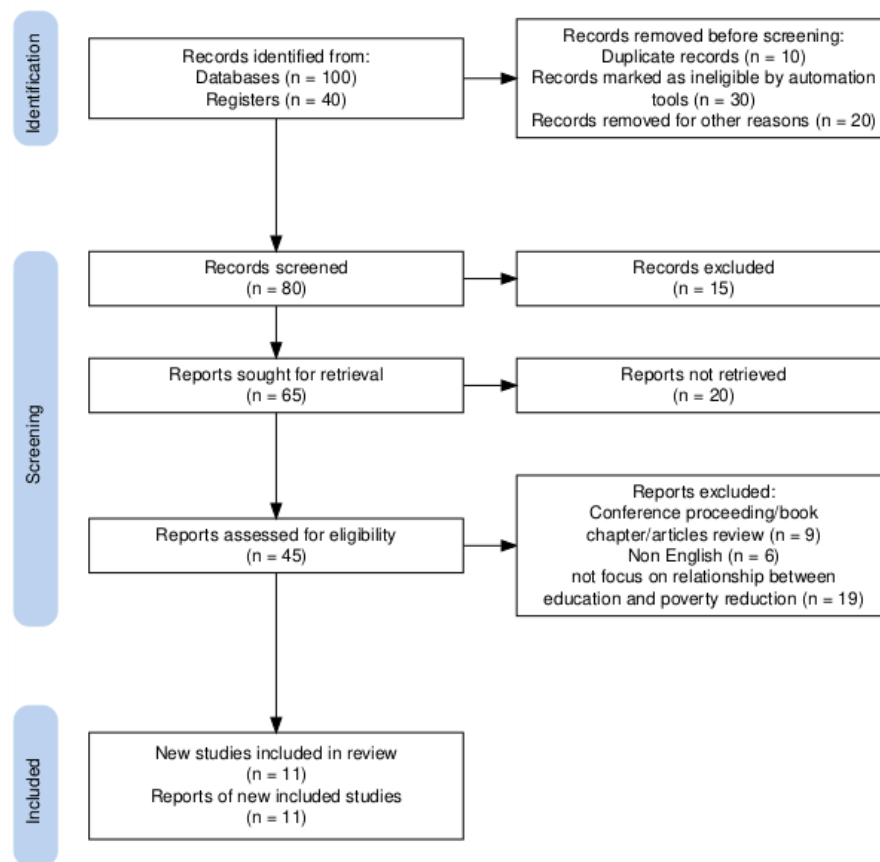
This study follows eligibility requirements, which include (i) only taking journal papers that are more thorough and contain more valid and reliable reports, and case studies that reflect contemporary phenomena in real-life contexts, (ii) only considering English-language publications to facilitate literature search and analysis (Syahid et al., 2021), and (iii) only taking publications that focus on the relationship between education and poverty reduction. These criteria are shown in Table 1.

**Table 1.** Article selection criteria.

Criteria	Qualification	Exclusion
Type of Literature	Articles from journals that provide case studies	Articles review, book chapters, and proceedings from conferences
Language	English	Non-English
Study focus	Education and Poverty Reduction	Lack of Education/Poverty Reduction
Access	Open access	Paid

**Source:** *Data Processed, 2024*

A systematic review combining qualitative, quantitative, and mixed methods provides a detailed assessment of papers using different research approaches (Jackson et al., 2019). This systematic review is based on the Google Scholar database through publish or parish, conducted in September 2024. Here, the researcher used the keywords "Education" AND "Poverty" AND "Reduction" and obtained 140 articles, which were then identified. During the identification process, ten duplicate articles had to be removed, thirty were removed automatically because they were inaccessible and twenty were removed for other reasons. In the screening stage, the researcher also rejected sixty-nine articles that did not meet the predetermined criteria. Eleven articles could be used in this study after strict screening. The PRISMA flowchart is shown in the following figure:



Source: Data Processed, 2024

### 3. RESULTS AND DISCUSSION

#### RESULTS

In this section, the research findings will be presented, summarized in table 2 below:

Table 2. Paper Title, Result, and Setting Research

No.	Study ref	Paper title	Result	Setting
1.	T Hofmarcher (2021)	The effect of education on poverty: A European perspective	The findings revealed that an extra year of schooling lowered the likelihood of someone slipping into poverty and social exclusion by 29%. Education also reduced perceptions of economic pressure by 17%.	European
2.	Majumder & Biswas (2017)	The role of education in poverty alleviation: Evidence from Bangladesh	Households with educated heads of household are more likely to be above the poverty line. The presence of a family member with higher	Bangladesh

			education also reduces the chances of the household falling into poverty.	
3.	Yuping Yang; Xiaodong Guo (2020)	Universal basic education and the vulnerability to poverty: evidence from compulsory education in rural China	<ul style="list-style-type: none"> <li>○ Compulsory education greatly lowers poverty rates.</li> <li>○ It considerably reduces vulnerability to structural poverty rather than transitory hardship.</li> <li>○ Poverty vulnerability decreases by 2–5% after the implementation of compulsory education.</li> </ul>	China
4.	Weilin Liu; Jingdong Li; Rong Zhao (2023)	The effects of rural education on poverty in China: a spatial econometric perspective	Primary and lower secondary education significantly reduce poverty in rural areas, while upper secondary education has a lower impact.	China
5.	Pervez Zamurrad Janju and Usman Ahmed Kamal (2014)	The role of education and health in poverty alleviation a cross-country analysis	The results show that improvements in education and health are negatively related to poverty rates, meaning that improvements in these two sectors are correlated with poverty reduction. Education has a more substantial impact on poverty reduction than health.	Developing countries
6.	Anthony Abaidoo (2021)	The nexus between education and poverty reduction in Ghana from 2013 to 2017	Education has a significant negative relationship to poverty. Household heads with tertiary education have fewer poverty-stricken households than those with just primary education.	Ghana
7.	A. Spada; M. Fiore; A. Galati (2023)	The impact of education and culture on poverty reduction: Evidence from panel data of European countries	Improvements in education and culture have an essential impact on poverty reduction. and supporting sustainable development in Europe.	European
8.	Muhammad Nasir; Maqsood Alam; Muhammad Tayyab Alam (2016)	Role of education in poverty alleviation in Pakistan	<ul style="list-style-type: none"> <li>○ Families with educated heads of household are less likely to live in poverty (mean score 3.82 &gt; 3.0).</li> <li>○ Providing education to children from low-income families is the most effective way to alleviate</li> </ul>	Pakistan

			<p>poverty (mean score 3.62 &gt; 3.0).</p> <ul style="list-style-type: none"> <li>○ General education focusing only on theory is ineffective in alleviating poverty because it prepares students for office jobs unavailable to all graduates.</li> <li>○ Technical and vocational education is more effective than general education in increasing employment opportunities (mean score 3.68 &gt; 3.0).</li> <li>○ Technical training at the secondary education level is necessary to overcome poverty (mean score 3.70 &gt; 3.0).</li> </ul>	
9.	Tommy Kuncara; Didin Mukodim; Waseso Segoro (2021)	The Effect of Health, Education, Capital, Technology, Inflation, And Gross of Regional Domestic Products on Poverty Level in North Maluku Province	<ul style="list-style-type: none"> <li>○ Expected years of schooling do not affect poverty levels.</li> <li>○ Average years of schooling can significantly reduce poverty. Higher education enables people to obtain better jobs and entrepreneurial opportunities.</li> </ul>	Maluku Province, Indonesia
10.	Md Qamruzzaman, Salma Karim & Sylvia Kor (2023)	Does environmental degradation matter for poverty? Clarifying the nexus between FDI, environmental degradation, renewable energy, education, and poverty in Morocco and Tunisia	Education contributes positively to poverty reduction. A 10% increase in government spending on education reduces poverty by 1.261% in Morocco and 0.889% in Tunisia.	Morocco and Tunisia
11.	Zerish Tasleem (2024)	Does education eliminate the rural poverty in Pakistan?	<ul style="list-style-type: none"> <li>○ Quality of education has a significant impact on reducing rural poverty (<math>\beta=0.082</math>, <math>t=2.056</math>, <math>p=0.040</math>).</li> <li>○ Higher teacher education significantly impacts poverty reduction (<math>\beta=0.097</math>, <math>t=2.094</math>, <math>p=0.037</math>).</li> </ul>	Pakistan

**Source:** Data Processed, 2024

Table 2 above shows demographics and research results extracted from 11 articles that meet the criteria previously determined by the researcher. This study found that eight

studies were conducted on the Asian continent, two in Europe and one in Africa. This study also found that education can be used as an indicator of reducing poverty, both in terms of educational quality and level.

## DISCUSSION

This review investigates and assesses the relationship between education and poverty reduction. Tasleem (2020) provides essential insights through their study, which interprets education as very important in reducing poverty levels in rural Pakistan, especially related to the quality of education. This study explains that quality education can increase employment opportunities and individual productivity through increased skills. However, rural Pakistan's education quality still needs to improve due to a lack of supervision, limited resources, and poor management. Furthermore, Tasleem (2020) found that infrastructure, technology, and teacher education affect education quality. Trained and educated teachers can provide better education and help students acquire the skills needed to enter the job market. In addition, adequate schools and access to educational technology can provide a conducive learning environment, increase accessibility, and improve the overall quality of education.

On the other hand, Kuncara et al. (2021) provide insight that higher education levels open access to better jobs and reduce dependence on social assistance. Furthermore, Abaidoo (2021) found comparable findings, finding that Ghanaian household heads with a college education had a lower chance of falling into poverty than those with only primary education, as well as in Bangladesh (Majumder & Biswas, 2017). The same thing also happened in the European continent, where higher levels of education can reduce the risk of poverty (Gardiner & Hajek, 2024) by increasing access and quality of education (Spada et al., 2023). The study's findings also demonstrated that a year more schooling can lower a person's risk of experiencing economic difficulty, social isolation, and poverty (Hofmarcher, 2021).

Higher education levels in China did not significantly reduce poverty (Liu et al., 2023). Rural poverty can be decreased in part through primary and secondary education (Liu et al., 2023). Zuo et al. (2023) also found similar research results where compulsory education can reduce relative poverty by 6-8%. The impact of primary education is felt more strongly in rural areas than urban areas and is more significant for women than men in breaking the chain of intergenerational poverty. Similarly, research (Yang & Guo, 2020) mandatory education can help close the gap between urban and rural areas and dramatically lower vulnerability to poverty. Furthermore, literacy and vocational training are essential to ending poverty (Nasir et al., 2016). Vocational education might produce a workforce ready to work and support entrepreneurship, reducing unemployment and poverty rates.

In addition, a systematic review of this study revealed that countries that invest efficiently in education show better results in poverty reduction (Janjua & Kamal, 2014). Research conducted by Qamruzzaman et al. (2023) shows that a 10% increase in government



spending on education reduces poverty by 1.261% in Morocco and 0.889% in Tunisia. This is because education directly impacts reducing poverty through the opportunity for an educated person to get better job opportunities, which will ultimately increase their income. Furthermore, both short-term and long-term effects of education are evident, reflecting the gradual impact of educational investment in poverty reduction.

#### 4. CONCLUSION

This study examines the impact of education on poverty reduction in various nations, emphasizing educational quality, higher education levels, elementary and vocational education, and government investment in education. Education has an indirect impact on reducing poverty levels through improving skills, which can increase opportunities for getting better jobs.

#### 5. REFERENCES

- Abaidoo, A. (2021). The nexus between education and poverty reduction in Ghana from 2013 to 2017. *Cogent Social Sciences*, 7(1). <https://doi.org/10.1080/23311886.2021.1986933>
- Amar, S., & Anis, A. (2020). Exploring the Link between Income Inequality, Poverty Reduction and Economic Growth: An ASEAN Perspective. In *International Journal of Innovation, Creativity and Change*. [www.ijicc.net](http://www.ijicc.net) (Vol. 11, Issue 2). [www.ijicc.net](http://www.ijicc.net)
- Ambarkhane, D. (2013). Growth and Poverty Reduction as Complimentary Processes An Approach to Inclusive Growth. *Journal of Commerce and Management Thought*, 4(4), 904–921. <https://www.proquest.com/scholarly-journals/growth-poverty-reduction-as-complimentary/docview/1521704735/se-2?accountid=139588>
- Bigonnesse, C., Mahmood, A., Chaudhury, H., Mortenson, W. Ben, Miller, W. C., & Martin Ginis, K. A. (2018). The role of neighborhood physical environment on mobility and social participation among people using mobility assistive technology. *Disability & Society*, 33(6), 866–893. <https://doi.org/10.1080/09687599.2018.1453783>
- Chmielewska, B., & Zegar, J. S. (2018). Changes In Rural Poverty After Poland's Accession to The European Union. *Journal of Agribusiness and Rural Development*, 50(4). <https://doi.org/10.17306/J.JARD.2018.00442>
- de Jong, E., & Vijge, M. J. (2021). From Millennium to Sustainable Development Goals: Evolving discourses and their reflection in policy coherence for development. *Earth System Governance*, 7, 100087. <https://doi.org/https://doi.org/10.1016/j.esg.2020.100087>
- Eryong, X., & Xiuping, Z. (2018). Education and anti-poverty: Policy theory and strategy of poverty alleviation through education in China. *Educational Philosophy and Theory*. <https://doi.org/10.1080/00131857.2018.1438889>
- Gao, W., & Hao, W. (2018). How much does education play a role in lifting villagers out of poverty and being rich: A Survey research on the relationship between education levels and poverty alleviation of villagers in national poor counties along the silk road. *Education & Economy*, 25–32.



- Gardiner, R., & Hajek, P. (2024). The Role of R&D Intensity and Education in a Model of Inequality, Growth and Risk of Poverty: Evidence from Europe. *Journal of the Knowledge Economy*, 15(1), 1845–1870. <https://doi.org/10.1007/s13132-023-01169-0>
- Hanushek, E. A., & Woessmann, L. (2020). The Economic Impacts of Learning Losses.
- Hofmarcher, T. (2021). The effect of education on poverty: A European perspective. *Economics of Education Review*, 83(May), 102124. <https://doi.org/10.1016/j.econedurev.2021.102124>
- Islam, D., Sayeed, J., & Hossain, N. (2017). On Determinants of Poverty and Inequality in Bangladesh. *Journal of Poverty*, 21(4), 352–371. <https://doi.org/10.1080/10875549.2016.1204646>
- Jackson, D., Davison, I., Adams, R., Edordu, A., & Picton, A. (2019). A systematic review of supervisory relationships in general practitioner training. *Medical Education*, 53(9), 874–885. <https://doi.org/10.1111/medu.13897>
- Janjua, P. Z., & Kamal, U. A. (2014). The role of education and health in poverty alleviation a cross country analysis. *British Journal* .... <http://research.europeanlibrarypress.com/id/eprint/1223/>
- Khan, M. T. (2015). Role of education in poverty reduction (A literature review). *International Journal of Information, Business and Management*, 7(3), 124.
- Kuncara, T., Mukodim, D., & Segoro, W. (2021). The Effect Of Health, Education, Capital, Technology, Inflation, And Gross Of Regional Domestic Products On Poverty Level In North Maluku Province. In *International Journal of Science*. <http://ijstm.inarah.co.id>
- Lenzi, C., & Perucca, G. (2022). No Place for Poor Men: On the Asymmetric Effect of Urbanization on Life Satisfaction. *Social Indicators Research*, 164(1), 165–187. <https://doi.org/10.1007/s11205-022-02946-1>
- Liu, J., & Liu, W. (2017). Rural education and poverty reduction in western China: Empirical analysis based on the survey data of 14 poor villages in Gansu Province. *Education and Economics*, 1.
- Liu, W., Li, J., & Zhao, R. (2023). The effects of rural education on poverty in China: a spatial econometric perspective. *Journal of the Asia Pacific Economy*, 28(1), 176–198. <https://doi.org/10.1080/13547860.2021.1877240>
- Majumder, S., & Biswas, S. C. (2017). The role of education in poverty alleviation: Evidence from Bangladesh. *Journal of Economics and Sustainable Development*, 8(20), 151–160.
- Mood, C., & Jonsson, J. O. (2016). The Social Consequences of Poverty: An Empirical Test on Longitudinal Data. *Social Indicators Research*, 127(2), 633–652. <https://doi.org/10.1007/s11205-015-0983-9>
- Nasir, M., Maqsood Alam, & Muhammad Tayyab Alam. (2016). Role of education in poverty alleviation in Pakistan. *Journal of Research in Social Sciences*, 4(2), 52.
- OECD. (2020). Education at a Glance 2020. OECD. <https://doi.org/10.1787/69096873-en>
- Qamruzzaman, M., Karim, S., & Kor, S. (2023). Does environmental degradation matter for poverty? Clarifying the nexus between FDI, environmental degradation, renewable

- energy, education, and poverty in Morocco and Tunisia. *Environmental Science and Pollution Research*, 52872–52894. <https://doi.org/10.1007/s11356-023-25954-1>
- Ravallion, M., & Chen, S. (2019). Global poverty measurement when relative income matters. *Journal of Public Economics*, 177, 104046. <https://doi.org/10.1016/j.jpubeco.2019.07.005>
- Senasu, K., Sakworawich, A., & Russ-Eft, D. F. (2019). Developing Thai Happiness Index. *Social Indicators Research*, 146(3), 425–448. <https://doi.org/10.1007/s11205-019-02136-6>
- Siwar, C., Ahmed, F., Bashawir, A., & Mia, Md. S. (2016). Urbanization and Urban Poverty in Malaysia: Consequences and Vulnerability. *Journal of Applied Sciences*, 16(4), 154–160. <https://doi.org/10.3923/jas.2016.154.160>
- Spada, A., Fiore, M., & Galati, A. (2023). The Impact of Education and Culture on Poverty Reduction: Evidence from Panel Data of European Countries. *Social Indicators Research*, 0123456789. <https://doi.org/10.1007/s11205-023-03155-0>
- Spada, A., Rana, R. L., & Fiore, M. (2020). Investigating the evocative link among wine consumption, Human Development Index and geographical region. *Studies in Agricultural Economics*, 122(2), 66–76. <https://doi.org/10.7896/j.2047>
- Suchek, N., Fernandes, C. I., Kraus, S., Filser, M., & Sjögrén, H. (2021). Innovation and the circular economy: A systematic literature review. *Business Strategy and the Environment*, 30(8), 3686–3702. <https://doi.org/10.1002/bse.2834>
- Syahid, A. M., Faathirah, J., Muhammad Zukri bin Tuan Sembok, T. A., Hussein Onn, T., Pahat, B., & Freelance Researcher, M. (2021). Social Capital in Poverty Reduction: A Systematic Literature Review. In *Turkish Journal of Computer and Mathematics Education* (Vol. 12, Issue 2).
- Tasleem, Z. (2020). Does education eliminate the rural poverty in Pakistan? *Competitive Social Science Research Journal*, 1(3), 21–31.
- UN. (2021). *Reconsidering rural development: World Social Report 2021*. United Nations.
- United Nations Development Program (UNDP). (2022). *Human Development Report 2022: Uncertain Times, Unsettled Lives – Shaping Our Future in a Transforming World*.
- Veenhoven, R. (2012). Cross-national differences in happiness: Cultural measurement bias or effect of culture? *International Journal of Wellbeing*, 2(4), 333–353. <https://doi.org/10.5502/ijw.v2.i4.4>
- Wani, N. (2021). An Empirical Investigation of the Effects of Health and Education on Income Distribution and Poverty in SAARC Countries. *Kardan Journal of Economics and Management Sciences*. <https://doi.org/10.31841/KJEMS.2021.97>
- Yang, Y., & Guo, X. (2020). Universal basic education and the vulnerability to poverty: evidence from compulsory education in rural China. *Journal of the Asia Pacific Economy*, 25(4), 611–633. <https://doi.org/10.1080/13547860.2019.1699495>
- Zhang, L. (2020). Overview of the poverty-alleviation by supporting education in China. *Sci Insight Edu Front*. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3689386](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3689386)
- Zuo, H., Li, S., Ge, Z., & Chen, J. (2023). The impact of education on relative poverty and its intergenerational transmission —— Causal identification based on the Compulsory Education Law. *China Economic Review*, 82(August), 102071. <https://doi.org/10.1016/j.chieco.2023.102071>