

# Analysis of the poverty rate and its impact on the phenomenon of international asylum, the People's Republic of China, a case study for the period 2010-2023

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## Abstract

Poverty and international asylum are complicated issues that need a thorough examination of the social, political, and economic variables that influence them. Poverty is the most significant of these elements, and it ultimately causes economic instability. The purpose of this study is to use the standard program to examine the idea of poverty and how it affects the phenomena of international asylum in China from 2010 to 2023. Using (ARDL) model, the connection between the variables was examined. The study came to several results, one of which was that there was a long-term negative correlation between the number of foreign refugees and poverty rates. We can show that during the research period, poverty had an impact on asylum applicants in China. Additionally, the short-term analysis demonstrates that the research variables have a short-term inverse connection. The fact that the Chinese economy is the second largest in the world behind the US economy and has grown rapidly in recent years does not change this. Because it is possible to address the factors that contribute to the emergence of international asylum by lowering poverty rates and enhancing political, social, and economic conditions, as well as by achieving sustainable development in nations that export refugees, there is interest in studying the relationship between poverty and international asylum. Keywords: poverty, the Chinese economy, international asylum, and the ARDL model

**Keywords:** poverty rate, international asylum, Republic of China

## Introduction

Many developed and developing countries have been interested in adopting a strong strategy to combat and end poverty according to the World Bank's concept of "deprivation of human welfare". Poverty has many dimensions, including low incomes and inability to satisfy basic needs, as well as low levels of education, health, lack of access to safe and clean water, and conditions of excessive weakness in political participation. Many countries, especially developing and least developed countries, suffer from many political Sigmals such as lack of participation in decisions, weak democracy and freedom of expression, economic Sigmals such as economic stagnation, poverty and injustice in income distribution, and social Sigmals such as population growth in those countries. In such circumstances, it is necessary to know the causes and dimensions of poverty. The phenomenon of international asylum is one of the reasons that have not been researched in depth in most developing countries, although a significant number of studies have studied poverty and international asylum in them, but the relationship between them has not been addressed except by a few studies.

**Importance of the research:**

Stating the relationship between poverty and international asylum, which can help address the causes of international asylum, and improve the economic, social and political conditions to achieve sustainable development in refugee-exporting countries.

**Research Siglem:**

Reducing poverty is a goal that all countries, especially developing countries, seek to achieve as an effective means to achieve the ultimate goals of sustainable human development, from economic growth and well-being to raising levels of political participation and democracy, leading to achieving sustainable development. Over the past three decades, the Chinese economy has seen significant progress in lowering poverty rates; hence, the research challenge is to examine and quantify the short- and long-term effects of poverty rates on foreign asylum in the Chinese economy. The study Siglem may be summed up as following the correlation between poverty rates and how they affect foreign asylum in China from 2010 to 2023.

**Research Hypothesis:**

The research seeks to test a basic hypothesis, which is "Poverty rates adversely affect international asylum in the Chinese economy in the short and long term."

Research Methodology: The research attempted to combine two methods, the descriptive method and the standard quantitative method, by applying the (ARDL) model for estimation and conducting the necessary tests for analysis.

**Research Structure:** The research was divided into two main axes: -

The first axis: The theoretical and conceptual framework of the phenomenon of poverty and international asylum and its causes

The second axis: Analysis of the impact of the relationship between poverty rates and the rate of international asylum using the ARDL model in China for the period (2010-2023)

**Previous Studies:**

1- The study (Nyberg-Sorensen et. al., 2002) provided a general framework for the relationship between migration and development, and the importance of aid in areas producing migrants.

2- The study (Laban et. al., 2005) showed the living Siglems after migration and the common psychological disorders among Iraqi asylum seekers in the Netherlands, emphasizing the impact of asylum procedures on mental health.



- 3- While the study (Toscani et. al., 2007) showed the necessity of knowing the health status of returnees to Kosovo and the impact of living conditions during the asylum period.
- 4- The study (Wang et. al., 2012) came to give us an assessment of poverty in China based on satellite images,
- 5- While (Paes-Sousa et. al., 2014) reviewed Brazil's program without extreme poverty.
- 6- The study (Chelsea, 2020) focused on the impact of international aid on poverty in sub-Saharan Africa.
- 7- Schockaert et al. (2020) shed light on the in-depth experiences of long-term asylum seekers from the Democratic Republic of the Congo in South Africa, and the complex asylum procedures and conditions.

The first axis: The conceptual framework of the phenomenon of poverty and international asylum and its causes

Poverty and international asylum are considered complex global issues that affect the lives of millions of people around the world, as these two topics are deeply intertwined, as poverty can be considered one of the main factors that push individuals and families to seek safe haven in other countries, and poverty in itself is a state of economic and social deprivation; Where individuals lack the resources necessary to meet their basic needs such as (food, shelter and health care). As for international asylum, it occurs when individuals or groups leave their countries as a result of persecution, armed conflicts or human rights violations. Refugees are considered one of the most vulnerable groups in society, as they face major challenges related to integration, obtaining basic services and excellence in host countries. The phenomenon of asylum is closely linked to poverty, as many refugees suffer from difficult economic conditions before and after leaving their countries. In addition, the communities that host refugees often face additional pressures on their economic resources, which leads to the exacerbation of poverty Siglems in them.

### **First: The concept of poverty and its causes**

Although poverty has been a cause and a motive for many social revolutions, major changes and political unrest, there has not yet been an agreement on a precise scientific concept of poverty, as some believe that the concept of poverty overlaps with the concepts of deprivation, inequality, exclusion, unemployment, marginalization and vulnerable groups in society. On this basis, the World Bank defines poverty as (the inability to achieve the minimum standard of living) (Jassim, 2021: 270)

It is also known as a state of material deprivation where a person lives below the subsistence level represented by malnutrition, which leads to a decrease in health levels and thus the spread of diseases and illnesses (Radi, 2012: 168). Based on the concepts that have been put forward, we can define the concept of poverty as a state in which the individual's standard of living is below the level that guarantees him a decent life, meaning what he obtains the individual in order to survive and in it the individual suffers from deprivation. When talking

about the causes of poverty, it must be noted that there are many factors and manifestations that cause poverty. These factors and causes may be either material economics, which are represented by low rates of growth, social and represented by economic deficiency, which is reflected in low incomes and thus the emergence of poverty, or social and represented by lack of education, which in turn leads to a decrease in skills and efficiency among individuals and thus their inability to find suitable work in light of their capabilities and thus unemployment occurs, which leads to a decrease in the income of individuals or their inability to create income, which in turn leads to the occurrence and spread of the phenomenon of poverty, or political reasons represented by governments following harsh policies towards some countries, which negatively affects their economies and then their deterioration and the spread of poverty. (Kazem, 2021: 594-595)

### **Second: The concept of international asylum and its causes**

Asylum in general means the migration, displacement or movement of an individual from one place to another in search of services, security and stability that were not available in the place of his origin. When talking about the concept of international asylum, we find many concepts that have discussed this concept. Accordingly, the concept of international asylum is known as that situation resulting from the migration of large numbers of citizens to a certain country and their displacement towards a country or countries, whether neighboring their country or far away, due to the dangers, lack of services and violations of freedom to which they are exposed in their country, which are in front of them by the ruling regime or due to the spread of armed groups and gangs in it due to the weakness of the state's centralization. (Ahmed, 2024: 53)

There are several reasons for seeking asylum, including political, economic, or social reasons, the most important of which is fear of being persecuted. A person who has been persecuted in the past can give convincing reasons to seek asylum because of that persecution and fear of it. The reason for being persecuted may be due to his affiliation with a political party or because of religion, as the reason for the difference in sects is the reason for being persecuted by other sects or because of the difference in nationality and other things. (Hamadi, 2022: 67) which ultimately leads to the lack of livelihood and decent living.

### **Third: The phenomenon of poverty in China**

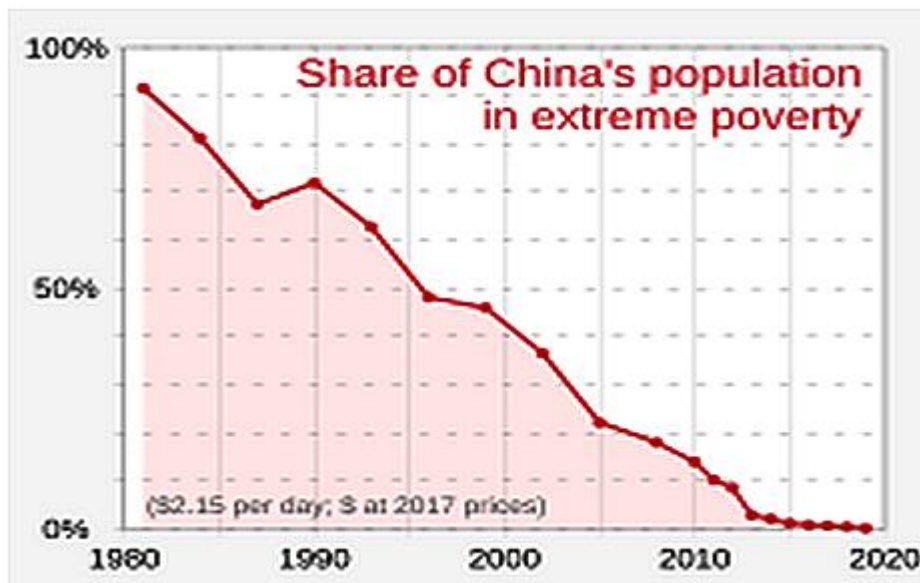
Poverty is a complex phenomenon in China due to a group of factors. The reasons for the high rates of poverty in China include: (Wikipedia: accessed on 11-2-2024)

- 1- Income inequality: Despite its rapid economic growth, China still suffers from a high level of income inequality, which leads to a large gap between the rich and the poor.
- 2- Rural poverty: The poverty rate in China is particularly high in rural areas, where many people depend on agriculture for their livelihoods. Many farmers lack access to modern technology, fertilizers, and other resources that could increase their productivity.

3- Lack of social safety nets: China has a relatively limited social safety net, meaning that many people who lose their jobs or are unable to work are unable to receive government support.

4- Corruption: Corruption is a major problem in China, and can exacerbate poverty by draining resources that could be used to help the poor.

5- Demographic changes: China's population is aging rapidly, meaning there are more elderly people who need support. We conclude from the above that poverty in China requires multiple strategies to address it, and the government has taken steps to reduce the phenomenon of poverty through programs such as the "Poverty Alleviation and Development" campaign, in supporting education, health and infrastructure, while facilitating access to basic services in rural areas. Efforts have focused on enhancing employment opportunities and achieving sustainable income for poor families through developing small businesses and providing soft loans. Figure (1) The proportion of the population living in extreme poverty from 1960-2020



Economic expansion has resulted in a significant increase in per capita income, which has helped pull people out of severe poverty. Between 1990 and 2000, China's per capita income rose from \$200 to \$1,000, a fivefold rise. China became a middle-income country when its per capita income increased at the same pace between 2000 and 2010, from \$1,000 to \$5,000. (Wikipedia, accessed 2-11-2024) To guarantee that every person has access to the necessities and chances for a respectable life, more effort must be done. The shift from poverty to prosperity is only one aspect of development. According to studies on the poverty trap, the impoverished deal with a number of issues that are made worse by poverty, including instability, corruption, property tutelage, and inadequate policy execution.

Development can be seen as a process of moving from a self-reinforcing equilibrium (poverty trap) to another equilibrium characterized by wealth and modernity, which we can call the "Great Leap Forward." Enrolling in education, moving to a safe city, and buying health insurance, you can only escape poverty by creating the basic requirements for wealth first. If

the poor were able to afford it, they would have obtained the basic requirements for a better life long ago. Achieving these basic requirements is not the solution to poverty; rather, the difficulty of achieving them is the problem itself. (Ang, 2016: 49)

#### Fourth: International Asylum in China

China is a signatory to the 1951 UN Refugee Convention, but it has a cautious policy toward receiving refugees. Most refugees in China are from North Korea, who cross the border to escape difficult economic and political conditions. However, China tends to return these refugees to their country under agreements with North Korea.

China is not a major destination for refugees compared to Western countries, as it has strict policies toward refugees and immigration. A limited number of refugees are accepted, often from nearby areas, and most live in border cities.

China has strict policies regarding refugee rights, with permanent residency only granted in special humanitarian cases and under the supervision of international organizations. Refugees who are accepted live in limited conditions and are not allowed to fully integrate into society, limiting their opportunities for education, work, and health care.

China cooperates with international organizations such as the United Nations High Commissioner for Refugees to provide humanitarian support, but prefers to manage refugee affairs internally without significant outside interference. Recently, China has responded to calls for international support for refugees by providing financial and humanitarian assistance to countries that host large numbers of refugees.

#### Fifth: Poverty and international asylum

After we previously discussed the concept of poverty and its causes and the concept of international asylum and its causes briefly, we will discuss in this paragraph the impact of poverty on international asylum. When talking about international asylum, we find that the main motive for asylum is poverty, as the lack of job opportunities or the inability to find work leads to putting society in a state of chaos. Consequently, individuals, driven by this, resort to immigration and asylum to countries, whether far or near, in search of job opportunities, services, security, stability, and other things. This negatively affects the countries receiving them, as we find that the asylum of a large number of individuals to a country leads to negative effects in it due to the inability of resources to meet all the needs of new individuals. Consequently, the pressure on the resources in that country to meet the requirements will increase, and due to the limited resources, it is almost a crisis that the country is exposed to.

Poverty and international asylum in China is a complex and diverse phenomenon, and includes several reasons:

- Security: Individuals seek asylum in other countries to escape poverty or economic deprivation.



- Ethnic or religious discrimination: Poverty increases individuals' exposure to discrimination or persecution.

- Job opportunities: Individuals who suffer from unemployment and thus poverty see asylum as an opportunity to improve their living conditions.

It can be said that the relationship between poverty and asylum is that poverty can be a major driver of migration and asylum, in order to improve the economic situation, which declines as a result of poverty and as a result leads to social, economic and political unrest, which may lead to an increase in the phenomenon of asylum.

We conclude from the above that poverty and asylum in China are a challenge that requires comprehensive measures from the government and the international community to reduce them. This shows the negative effects of asylum on countries. Accordingly, poverty is the primary cause of asylum and represents a threat to the stability of the receiving country. On this basis, many seminars and dialogues are held on combating poverty and reducing asylum by providing proposals, assistance and even loans to countries suffering from poverty and instability in order to improve the internal situation of the country and then achieve stability and improve the standard of living for individuals.

Table (1) Poverty rates and refugee numbers in China for the period 2010-2023

% Refugee numbers growth	% Poverty rate	Year
-0.33	17	<b>2010</b>
3.00	24.8	<b>2011</b>
0.03	24.6	<b>2012</b>
0.30	27.9	<b>2013</b>
-3.21	31.9	<b>2014</b>
0.00	34.1	<b>2015</b>
5.38	37.7	<b>2016</b>
1.41	42.1	<b>2017</b>
0.01	47.1	<b>2018</b>
-5.71	54	<b>2019</b>
0.01	58.7	<b>2020</b>
0.01	62.3	<b>2021</b>
-99.89	63.1	<b>2022</b>
-7.50	65	<b>2023</b>

We note from Table 1 that poverty rates during the study period were constantly increasing. As for asylum, it is consistent with the Chinese policy of not granting asylum. The rates were low and fluctuating, except for 2011 and 2016, when they were high compared to the rest of the years. This increase was not the result of China taking new legislative or political steps seeking to increase the reception of refugees. Rather, its policies towards asylum issues remained the same, with a few exceptions for special cases related to neighboring countries such as Myanmar and North Korea during the above period. As for the relationship between

poverty and international asylum in China, it did not take the same path. This means that asylum is affected by other indicators of sustainable development, social, political and environmental, more than economic indicators. The second axis: Analysis of the relationship between poverty rates and refugee rates using the autoregressive model of distributed lag in China for the period (2010-2023)

### First: Research variables and functional description

In order to test the research hypothesis and achieve its objectives, the independent variable poverty rates and the dependent variable refugee numbers were identified as follows:-

Po poverty rates are an independent variable

Re refugee rates are a dependent variable

According to the theoretical framework of the research, it is assumed to test the following functional relationship

$$Re = a - b Po + ui$$

Where (Po) refers to poverty rates, while (Re) refers to refugee rates. The data were converted to quarterly because the research period was short and not sufficient to conduct modern standard methods.

Second: Test results

Unit root test

Table (1) Unit Root Test (PP)

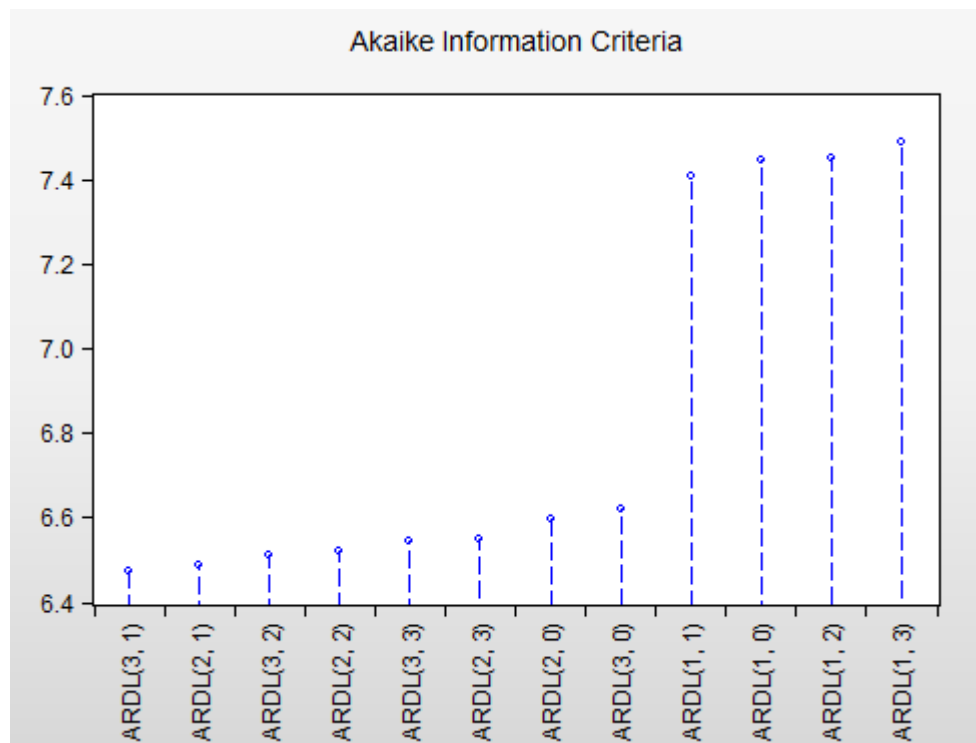
UROOT (PP)			
Null Hypothesis: the variable has a unit root			
At Level			
		RE	PO
.Cons	t	-2.2485	-0.8277
	Sig.	0.1924	0.8027
		n0	n0
Cons. & Trend	t	-2.5793	-1.4917
	Sig.	0.2911	0.8199
		n0	n0
Without Constant & Trend	t	-2.11	4.7998
	Sig.	0.0347	1
		**	n0
At First Difference			
		d(RE)	d(PO)
.Cons	t	-2.8828	-2.8687



	Sig.	0.0545	0.0561
		*	*
Cons. & Trend	t	-2.8087	-2.8106
	Sig.	0.2011	0.2003
		n0	n0
No Constant & Trend	t	-2.9291	-1.8764
	Sig.	0.0042	0.0583
		***	*

The table showed that the researchers according analysis results by EViews 9. After conducting the unit root test for the research variables and through Table (1), it becomes clear to us that the variable RE stabilized at the level while the variable PO stabilized at the first difference. We go and determine the optimal slowdown period as follows: -

Figure (1) Determining the slowdown period



From Figure (1), it is clear to us that the optimal slowdown period for the model is Lag 3.

## 2- ARDL model for contiguration

Table (2) Results of the ARDL model for cointegration

Var.	.Coef	STD	t	Sig.*
RE(-1)	1.358415	0.144481	9.402026	0.0000
RE(-2)	-0.450565	0.243766	-1.848349	0.0714
RE(-3)	-0.235957	0.152085	-1.551477	0.1281
PO	-5.577958	1.935984	-2.881200	0.0062
PO(-1)	-5.815362	1.960540	-2.966205	0.0049
C	3.233091	3.162821	1.022218	0.3124
<b>R2</b>	0.94	<b>Adjusted R2</b>		0.93
<b>F</b>	140.07	<b>DW TEST</b>		2.05

The outcomes of the autoregressive model for distributed lag are displayed in Table (2). In both the short and long term, we observe that the connection between PO and RE is inverse, indicating that the variable PO has a negative impact on the variable RE. With an explanatory power  $R^2$  of 94%, the estimated model's independent variable accounts for 94% of the changes in the dependent variable, with the remaining 6% coming from factors not included in the model. The model is significant at the 5% level, as indicated by the computed value of F (140.07) and the Adjusted  $R^2$  value of 0.93. The alternative hypothesis is accepted, whereas the null hypothesis is rejected.

### 3 - Bounds Test

Table (3) Bounds Test

Test Stat.	Value	K
<b>F</b>	<b>15.08323</b>	<b>1</b>
<b>Sig.</b>	<b>I0 Bound</b>	<b>I1 Bound</b>
<b>%5</b>	<b>4.94</b>	<b>5.73</b>

Table (3) which shows the results of the boundary test, we find that the calculated value of (Fs) was (15.08323) which is greater than the minimum and maximum values at a significance level of 5%. Accordingly, the impact of poverty rates on the number of refugees has an impact in the long term.

### 4 - Testing the Siglem of autocorrelation and heterogeneity of variance

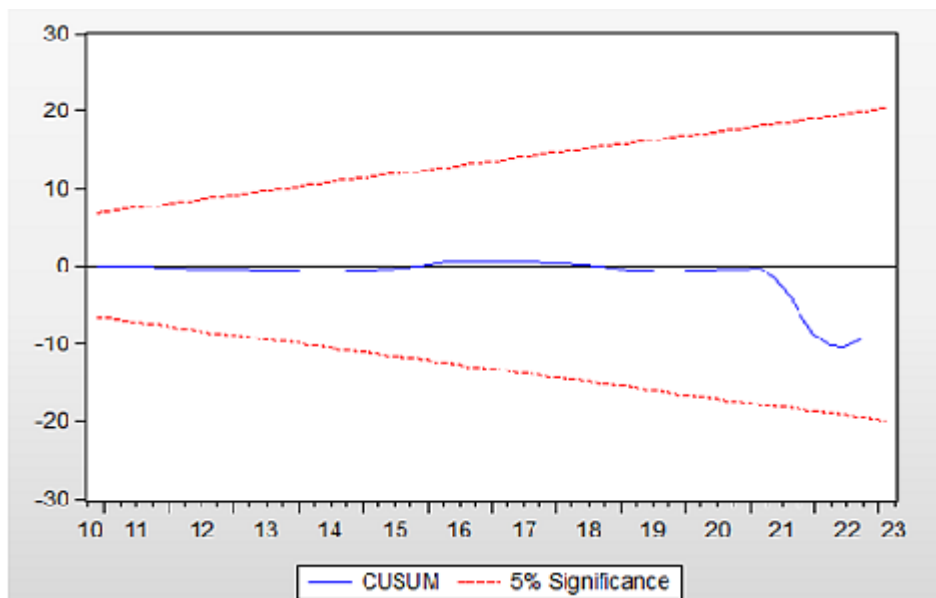
Table (4) Serial correlation test and heterogeneity of variance

<b>Breusch-Godfrey Serial Correlation LM Test</b>			
F- statistic	0.334673	Prop . F	0.7175
Obs*R2	0.787099	Sig. Chi-Square	0.6747

Heteroskedasticity Test: ARCH			
F	2.654439	Sig. F	0.0608
Obs*R2	7.331630	Sig. Chi-Square	0.0620

From Table (4) and after conducting the Breusch-Godfrey Serial Correlation LM Test, it is clear to us that the model is sound and free from the Siglem of autocorrelation, as the Chi-Square value is not significant at the 5% level. It is also clear that the model is free from the Siglem of heterogeneity of variance, according to the Heteroskedasticity Test: ARCH, which was also not significant at the 5% level.

Figure (2) The stability test



From Figure (2), it is clear to us that the model is stable, as the graph falls within the upper and lower limits.

## 5 - Estimation of the Error Correction Model ECM

Table (5) Error Correction Model

ECM				
Variable	.Coef	STD	t	Sig.
D(RE(-1))	0.686522	0.118540	5.791502	0.0000
D(RE(-2))	0.235957	0.152085	1.551477	0.1281
D(PO)	5.577958	1.935984	2.881200	0.0062
CointEq(-1)	-0.328107	0.059841	-5.482939	0.0000
ECM				
Variable	.Coef	STD	t	Sig.
PO	-0.723557	0.183456	-3.944034	0.0003
C	9.853775	9.310172	1.058388	0.2958

Table (5) shows the error correction model. The error correction parameter is positive and significant at 5%, which means that the adaptation rate is high in the short term. While the function estimates in the long term, the PO parameter is significant at the 5% level, meaning that there is a greater effect in the long term, which matches the research hypothesis.

## **Conclusions**

- Through the results of the standard analysis, it was found that there is a long-term inverse relationship between the poverty rate and the international asylum rate in China during the research period.
- Poverty is a major driver of asylum, as individuals seek better job opportunities to improve their living conditions outside their country.
- The poverty rate varies within China from one region to another, as poverty rates increase more in rural areas than in urban areas, which leads to pressure on urban areas as a result of internal migration.
- Social, economic and political policies play an important role in reducing poverty and international asylum rates.

## **Recommendations**

- Encouraging local and international investments in poor and rural areas to stimulate economic growth. Supporting small and medium enterprises to increase economic opportunities by creating job opportunities.
- Strengthening international cooperation to address refugee issues in general and working to develop joint international strategies to address the causes of asylum.
- Raising the economic and social living standards of the poor and refugees in China, which achieves sustainable development and social justice.
- Partnership between the public and private sectors to provide job opportunities and training, which enhances economic growth and reduces poverty, achieving sustainable development.

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