






## Motivators of work participation in economic development and life satisfaction of poor households: Evidence from Vietnam

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### ABSTRACT

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The aim of this study is to investigate the effects of the determinants of basic needs on the motivation of work participation in economic development and life satisfaction. In order to carry out this research, a detailed survey was conducted. Data were collected from 454 households in the city of Can Tho, Vietnam, and were analyzed using the partial least squares (PLS) technique. The findings indicated that the needs of existence, growth, relatedness, and association participation positively influenced work participation in economic development, while the needs for existence and growth positively affected life satisfaction. A significant relationship was also found between work participation in economic development and life satisfaction. The research scope was not limited to poor women but was extended to all residents living in poverty. These results are sources to gain a clear understanding of the desire of the poor for appropriate policies to be implemented for them to escape from poverty and enjoy a higher standard of living. This would help boost the local economy and achieve sustainable goals. The study extends the literature of life satisfaction with motivational theory by identifying factors that affects life satisfaction.

**Contribution/Originality:** The novelty of this research is that it extends the scarce amount of literature on life satisfaction in a developing country through investigating the relationships between the determinants of needs, work participation and life satisfaction. The results are useful for both academic and practical implementations.

### 1. INTRODUCTION

Poverty is a significant problem that poses certain challenges for most countries. In Vietnam, the government has to tackle different aspects to solve the issue of poverty, including management, implementation and evaluation. According to the Ministry of Labour, Invalids and Social Affairs (MOLISA), in 2018, 1.3 million households or 5.23% of the total number of households were living in financially disadvantaged conditions. In addition, more than 1.2 million households, or 4.95%, were living in near-poverty conditions. Can Tho city, which is seen as one of the city centers of Vietnam as well as the spearhead of the Mekong Delta in the Southwest, has attracted a lot of attention from the state. Therefore, improving the conditions of those living in poverty has become a critical part of its sustainable development policy. Despite receiving different forms of support from the local authorities and organizations, the city, with its high rate of poverty and income disparity, has yet to achieve financial efficiency. Its

efforts to escape from poverty are being hindered by inflation, multidimensional poverty, and the possibility of re-improvement.

The study of motivational theory is the key to understanding the economic development participation of those who are financially disadvantaged due to human behaviors, such as earning a living, to satisfy the various needs of individuals (Phu & Le, 2014). However, only a few studies in economic literature have investigated the relationship between the basic demands of the poor and the labor force. In fact, researchers have mainly focused on employee motivations in business. Zámečník (2014) investigated the individual factors that could be used to measure employee motivation according to their level of importance. In terms of the literature on human demands, Cinner and Pollnac (2004) indicated wealth as the most important socio-economic variable affecting how residents perceive the natural environment, and this is regarded as the root cause of recession. Upgrading the well-being of poor segments is parallel to conservation skills, which play an important role in resource management. Contributing to the research on this issue, Nghi, Chi, Ngan, Chien, and Tan (2016) explored the impact of projects in the area on the incomes of households, while Phu and Le (2014) did a study on poor women living in Can Tho city with regard to the motivation to participate in the labor force. Hence, the main purpose of this study was to explore the basic needs that stimulate the broad-scale involvement of all the poor locals in the economic development of a city from a developing context. However, previous papers failed to further investigate the influence of economic participation on their attitudes toward their lives. Cox (2012) explored the correlation between life satisfaction and twelve domains of specific satisfactions, among which social life and income are highly related to the life satisfaction of different types of residents globally. Therefore, in the current paper, an in-depth investigation was carried out into the emotional responses of those who were struggling with destitution. The second purpose of this study was to analyze the effects of both motivational factors and labor force participation on the life satisfaction of households in the city. Consequently, this research contributes significantly to the life motivators and satisfaction of people in living in poverty by providing local authorities and organizations with a general picture of poverty so that the appropriate policies can be implemented to promote the economy and upgrade the living standards of the residents in Can Tho city, which is also known as the center of the Southwest region of the whole country.

## 2. LITERATURE REVIEW

### 2.1. Poor Households in Vietnam

The topic of poverty has been attracting the interest of authorities, economists and social researchers for centuries. Many researchers regard poverty as the lack of capabilities among individuals to achieve a basic level of well-being (Wagle, 2002). In general, studies on poverty have evaluated the subject on the basis of three aspects, namely economic well-being, capabilities, and social exclusion. Among these, economic well-being is the most popular dimension used to measure deprivation. According to the perspective of the government, the multidimensional standards of rural poverty apply to those who have an average income per capita that is less than or equal to 31 US dollars (USD) per month ( $1 \text{ USD} = 23.220 \text{ VN Dong (VND)}$ , May 18, 2020) or who have an average income of between 31 USD and 43 USD and lack more than three indicators of deficiency for access to basic social services. It has been confirmed that for the urban areas, those who are considered as living in poverty are those who have an average income per capita that is less than or equal to 39 USD per month or who have an average income of between 39 USD to 56 USD and lack more than three indicators of deficiency for access to basic social services.

The measurement of poverty involves two tasks: (i) identifying those who are poor, and (ii) putting the characteristics of poverty into a general indicator (Sen, 1976). With regard to economic well-being, poverty is defined in terms of absolute, relative, and subjective concepts (Wagle, 2002). First, absolute poverty is the most basic level and is indicated by the lack of basic means for existence. In this concept, poverty is seen as a state in which individuals lack the essential elements for survival. It targets the absolute economic well-being of the poor

and separates them from the distribution of social welfare. The level of poverty is evaluated based on the criteria for survival as the income needed to obtain the minimum amount of nutrition, goods or welfare (Hagenaars, 1991). The welfare of the individual is indicated by a more complicated form of consumption, which includes the consumption of goods such as food, clothing, and housing, as well as non-consumption goods such as recreation and leisure, which are also fundamental to human well-being. Poverty can be in the form of extreme poverty, where there is a lack of income for basic food needs, and overall poverty, where there is a lack of income to meet the need for both food and non-food items (Wagle, 2002). This means that the poverty line is the minimum level that reflects the extent of the poverty of a certain class of residents in a given period of time. Therefore, in the long-run, it changes with the evolution of the economy and social adaptation policies. Relative poverty is defined as individuals or groups who lack resources compared to others in society. It is a situation where part of the population is living below the mean or median income of a certain community due to a substantial disparity in resources or their unequal distribution in society. While absolute and relative poverty are measured in terms of income, consumption and welfare, the concept of subjective poverty is viewed in terms of different forms of the concept of poverty, including monetary and non-monetary. Researchers have explored the standards of subjective poverty by surveying the various characteristics of households.

In this study, the case of Can Tho city is evaluated to investigate poverty and related issues. Can Tho city, which is located in the Mekong Delta region, still has a high rate of poverty despite the assistance provided by the local authorities. At the beginning of 2018, there were 8,229 poor households (2.55%) and 11,440 nearly-poor households (3.54%) in the city. Each district has taken advantage of the various development policies to implement appropriate models to escape poverty; however, the number of poor households is still high, and there is still an uneven distribution of poverty in the remote areas. At the end of 2019, the city was able to solve the unemployment problem for 76,311 residents, achieving 152.6% of the plan with an increase of 26.6% compared to the previous year. The number of trained workers reached 73.5%, and the multidimensional poverty rate decreased to 0.66%. As a result, the government was able to help 2,550 households escape an indigent life, thereby lowering the number of poor households to 2,401, which is a reduction of 0.78% compared to the beginning of the year, thus completing 111.5% of the plan.

## 2.2. Conceptual Model and Hypothesis Development

The motivational theory is applied to identify human needs and to encourage working toward satisfying those needs. Because of complicated motivations, there is no simple answer that can solve the lack of incentive to work; therefore, various motivational theories have been proposed due to the abundance of motives. Dinibutun (2012) presented a framework for effective employee motivation based on a review of theories related to work motivation.

Abraham Maslow's (1928–1970) Theory Z is widely known for its hierarchy of needs model. It is one of the most important theories of business administration and is primarily applied in human resources and marketing management. According to Maslow (1943), there are five basic levels of human needs – physiological, safety, social, esteem, and self-actualization – which are arranged in a hierarchy of ascending importance. Human behaviors are affected by unsatisfied needs, and humans often want more. Once a demand is fulfilled, people's desires increase; they will not seek to fulfill higher-level needs until the basic ones, such as physiological and safety needs, have been satisfied. While constantly seeking to satisfy a series of needs, humans can accomplish a process of self-development. This model provides a helpful basis for studies on work motivation (Dinibutun, 2012).

However, Maslow's hierarchy of needs has certain limitations, such as distinguishing needs in the model. Consequently, the ERG (Existence - Relatedness - Growth) theory (Alderfer, 1969) successfully added to and modified Maslow's levels of needs. According to both theories, humans progress along the levels when the lower needs are fulfilled. The ERG theory differs from Maslow's model in that it is more continuous than the hierarchical series because more needs can be satisfied within the same period of time. Lower-level needs do not have to be

satisfied completely before a person moves on to the higher levels. This means that people can pay attention to other levels of needs if a certain need appears to be impossible to satisfy or is interrupted. This is the reason why humans tend to get closer to others or make efforts to achieve a better future life when their present life is difficult. Despite the problems of its general validity and determining which needs are the most important, the ERG theory is still preferred as it is more suitable for human research. Individuals rank these levels of needs differently based on their level of education, family background and cultural environment. Furthermore, Arnstein (1969) displayed an eight-step ladder of citizen participation, whereby people on the higher steps tend to have greater participation in decision making. This research was grounded on the academic foundation of the ERG theory and Arnstein's association participation, which suggests four factors that affect work participation in economic development and life satisfaction, namely existence needs, relatedness needs, growth needs, and association participation needs.

### 2.2.1. Life Satisfaction

There are different definitions for life satisfaction as it is a multidimensional concept. According to Andrews and Withey (2005), life satisfaction symbolizes an ultimate result of human experience, while Veenhoven (1996) defines life satisfaction as a reflective term of quality of life. People are more satisfied with their life when they have good physical and mental health, and other positive outcomes (Beutell, 2006). These good outcomes can be achieved by meeting people's needs and increase psychological well-being. Positive psychological well-being helps people overcome life challenges and increase life satisfaction. Life satisfaction increases when incomes increases; however, life satisfaction decreases as people age (Prasoon & Chaturvedi, 2016). Thus, as poor households can earn good incomes, they are highly likely to achieve life satisfaction.

### 2.2.2. Existence Needs

According to Alderfer (1969), existence needs are related to the physical requirements for human existence, which are a merger of the physiological and safety needs in Maslow's hierarchy. According to Maslow (1943), physiological needs include the basic need for food, water and accommodation, while safety needs refer to security and protection from threats or danger. Phu and Le (2014) explored the relationship between survival needs and the participation of poor women in the economic development of Can Tho. Therefore, this study proposes the following hypothesis:

*H1: Existence needs have a positive effect on participation in economic development.*

A psychological demand can lead to various positive results, such as emotional well-being (Taormina & Gao, 2013). In Maslow's theory, the satisfaction of critical needs is closely related to life satisfaction, where the more physiological, safety, belongingness, esteem and self-actualization needs are fulfilled, the higher the life satisfaction is. In addition, among the twelve proposed domain variables proposed by Cox (2012), basic items such as housing and food are strongly correlated with life satisfaction. Based on previous evidence, this study proposes another hypothesis for existence needs:

*H2: Existence needs have a positive effect on life satisfaction.*

### 2.2.3. Relatedness Needs

Relatedness needs refer to the interactive relationships between individuals, including the need to interact with others (social needs) and the partial need to be evaluated and respected (external esteem needs) (Alderfer, 1969). In this case, the esteem of others has to do with reputation, status, identification, attention and assessment (Dinibutun, 2012; Maslow, 1943). Social needs involve the need for affection, a sense of belonging, involvement in public activities, friendships, and the giving and receiving of love. Although Phu and Le (2014) rejected the effect of relatedness needs on the participation of female employees in economic development, this study re-examined this relationship among the residents in the city. Similarly, a connection was found between relatedness needs and some

variables of life satisfaction, such as social life, family, friends and romance in the research conducted by Cox (2012) or the related investigation by Taormina and Gao (2013). In view of this, the hypotheses below were developed:

*H3: Relatedness needs have a positive effect on participation in economic development.*

*H4: Relatedness needs have a positive effect on life satisfaction.*

#### 2.2.4. Growth Needs

Growth needs, which are required for the internal development of every individual, consist of self-actualization needs and internal esteem needs (Alderfer, 1969). Self-esteem refers to the desire for confidence, strength, independence, and accomplishment (Dinibutun, 2012; Maslow, 1943). Self-actualization needs signify the self-fulfillment of individuals based on their own potential to be what they want to be. Similar to social needs, growth needs were discussed not only by Phu and Le (2014) in terms of their relationship with participation in economic development, but also in the studies by Cox (2012) and Taormina and Gao (2013) in terms of the relationship with life satisfaction. Items such as self, morals, intelligence and appearance clearly reflect the relationship with life satisfaction. Consequently, the following hypotheses are presented:

*H5: Growth needs have a positive effect on participation in economic development.*

*H6: Growth needs have a positive effect on life satisfaction.*

#### 2.2.5. Need for Association Participation

The Africans have a proverb that says, "If you want to go fast, go alone. If you want to go far, go together". As Arnstein (1969) stated, citizen participation is just like eating spinach because it is good and does not go against any principles. Joining associations is considered as a ladder with eight steps, comprised of manipulation, therapy, informing, consultation, placation, partnership, delegated power and citizen control. In many cases, a community can carry out activities to meet its basic needs with the help of groups outside the community. The theory also emphasizes that an assessment of the degree of community participation or community mobilization should be based on political, socio-economic and cultural contexts.

Many researchers have applied this theory to real life socio-economic development projects in the community. Association participation is used not only in socio-economic development programs, but also as one of the tools for evaluating the participation of poor households in the economic development of Can Tho. Association participation plays an important role in the implementation of policies for escaping poverty because people will only comply fully with those policies when they are given the opportunity to contribute their opinions to solve the problems that are directly affecting their lives. Therefore, residents can both promote self-control and resolve the issues in their own communities. The participation of the locals will be more effective if there is harmony between individual needs, motives, and awareness, and the policies, habits, and customs in the community. In addition to people's occupation and gender, the lack of transparency in policy making, the lack of interest in disadvantaged groups, and community lifestyles are seen as factors that affect the association participation of residents. From the above discussion, the following hypotheses are presented:

*H7: The need for association participation has a positive effect on participation in economic development.*

*H8: The need for association participation has a positive effect on life satisfaction.*

#### 2.2.6. Work Participation in Economic Development

Stimulating poor households to follow agricultural and non-agricultural activities by improving their access to education, vocational training, rural credit and infrastructure seems to be critical for escaping from poverty. The factors that need to be considered in specific conditions in Vietnam, and Can Tho in particular, are closely related to the characteristics of individuals and families and the socio-economic status of poor households. Khoi (2015) explored the four main factors that positively influence the income of families, namely association participation, the

number of earning activities, loan status, and government support; the two factors that have a negative effect are the number of family members and the average age. In addition, several studies have been conducted to identify the motivational determinants of the participation of the residents of Can Tho in the labor force (Nghì et al., 2016; Phu & Le, 2014). In the investigation by Cox (2012), economic involvement is also related to life satisfaction in terms of possessions or income. Life satisfaction refers to the sectors of cognitive judgment or is conceptualized as a general assessment of the quality life of a private citizen based on his own criteria (Diener, Emmons, Larsen, & Griffin, 1985). Hence, this study posits that:

*H9: Work participation in economic development has a positive effect on life satisfaction.*

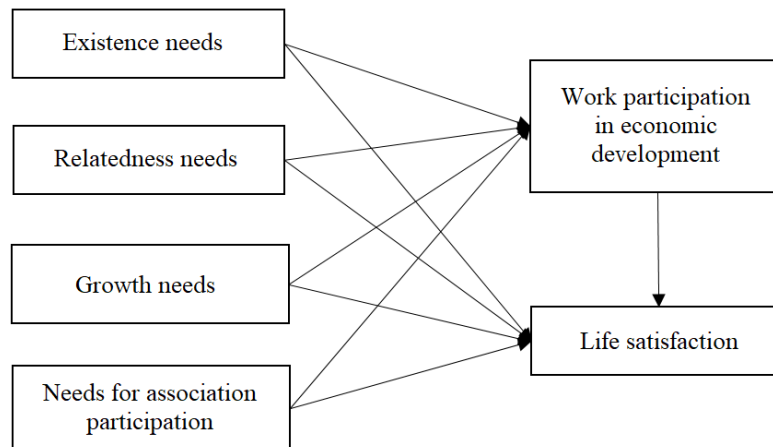


Figure 1. Proposed theoretical research model.

Figure 1 illustrates the relationships between existence needs, relatedness needs, growth needs, needs for association participation, work participation in economic development, and life satisfaction.

### 3. METHOD

#### 3.1. Measurement of Constructs

A survey instrument was designed to investigate basic personal information, human needs (existence needs, relatedness needs, growth needs and the need for association participation), participation in economic development and life satisfaction. To ensure the validity of the research content, the items used in the survey were obtained from previous related studies and adapted for this research. For instance, the items for association participation were obtained from Arnstein (1969), while those for life satisfaction were derived from Diener et al. (1985). All items in the questionnaire were measured on a five-point Likert scale.

#### 3.2. Data Collection and the Sample

According to Tho (2013) and Hair, Black, Babin, and Anderson (2010), the calculation of the size of a research sample is as follows:

$$n \geq 100 + 5 * p \text{ (} p = \text{the number of independent variables)}$$

This study uses a total of 21 items belonging to four main independent factors, and therefore a minimum of 205 respondents was required. A simple random sampling method was used, whereby members of poor households in Can Tho were interviewed. Questionnaires were distributed to 454 families in nine districts of the city, including Ninh Kieu, Cai Rang, Binh Thuy, Phong Dien, O Mon, Thoi Lai, Vinh Thanh, and Co Do, with 85 communes and wards, with about 50 respondents from each district.

### 3.3. Analysis

Certain software and statistical techniques were utilized in this research to explore the relationship between the factors. First, computers were used to code the questionnaires, extract the required information and check for errors. Then, the reliability of the questionnaire was tested using the Cronbach's alpha technique. Other techniques, such as exploratory factor analysis (EFA) and multivariate regression analysis, were applied to test the hypotheses. According to Hair et al. (2010), the EFA can be used to extract a set of observed variables and fit them into a smaller set of variables so that they are more meaningful but still contain most of the information in the initial variables. In evaluating the value of the scales, an exploratory factor analysis method simplifies the observed variables. In addition, a multivariate regression analysis is a statistical technique that helps to explain the relationship between the dependent and independent variables. Hence, to test the proposed model, this study applied the partial least squares (PLS) technique of structural equation modelling using SmartPLS version 3.0. This technique was selected due to the small sample size and the exploratory nature of this research (Hair, Ringle, & Sarstedt, 2011). Based on the results, this research was able to explain the relationship between basic needs, participation in economic development, and life satisfaction.

**Table 1.** Evaluation measurement models.

Construct	Items	Factor loading	Cronbach's alpha	CR	AVE
Existence needs (EXI)	Having enough food to eat	0.748	0.774	0.855	0.597
	Living in a solid house, protected from rain or wind	0.727			
	Having a stable income	0.842			
	Having savings for unexpected difficulties	0.768			
Relatedness needs (REL)	My neighbors are friendly and sociable	0.743	0.759	0.845	0.577
	My neighbors usually help me	0.787			
	My family has united with others to stimulate economic activity and escape poverty	0.771			
	My neighbors believe in my family	0.737			
Growth needs (GRO)	My family is satisfied with their current jobs	0.825	0.851	0.899	0.691
	My family is satisfied with the income level from their current jobs	0.803			
	Current jobs bring my family opportunities to rise and develop	0.845			
	My family loves life and their current jobs	0.850			
Needs for association participation (AP)	My family is involved in a farmers' association and other associations	0.858	0.773	0.856	0.600
	My family often participates in regular local meetings	0.695			
	My family feels proud to be able to earn for self-spending	0.679			
	My family feels proud to be members of local associations	0.849			
Life satisfaction (LS)	My life is almost like my ideal	0.755	0.830	0.880	0.595
	My living conditions are wonderful	0.761			
	I am satisfied with my life	0.813			
	I have achieved important things in life	0.750			
	If restarted, I would choose the same life	0.776			
Economic development participation (EDP)	My family receives support from local government for economic activities	0.791	0.883	0.911	0.632
	My family economy is influenced by local government	0.816			
	My family receives good care from local government	0.738			
	My family receives full information about models of household economy from local government	0.812			
	My family is invited to participate in typical household economic development models	0.839			
	The local government always encourages my family in economic development participation	0.769			

Note: CR = Composite reliability, AVE = Average variance extracted.

#### 4. FINDINGS

This study measured the reliability and validity of the constructs. The composite reliability (CR) is a preferable alternative to the Cronbach's alpha as a test in a reflective model (Garson, 2016) as it is considered as an indicator of the internal reliability. As illustrated in Table 1, all the constructs had a CR higher than 0.7, so they qualified in terms of the rule of thumb, as stated by Hair, Hult, Ringle, and Sarstedt (2013). Additionally, the convergence validity of the latent variables was evaluated based on the outer loading and average variance extracted (AVE). Hair et al. (2010) suggested 0.6 as the minimum loading of items, so the reliability of the items of all the factors shown in Table 1 is acceptable. According to Fornell and Larcker (1981), the AVE should be more than or equal to 0.5 to be significant, which means that a certain variable should be removed from a model if its AVE value is less than 0.5. In this research, the AVE values of all the constructs were greater than 0.5, so the study was able to satisfy the convergence value.

Two techniques were used in this study to evaluate the discriminant validity of the constructs: (1) the cross-loading indicators were explored to ensure that every opposing construct was not above any indicator load (Hair, Sarstedt, Ringle, & Mena, 2012); and (2) the intercorrelations between the constructs were determined by the square root of the AVE of a single construct (see Table 2). Both analyses proved the discriminant validity of all the constructs.

Table 2 indicates that the residents living in poverty had four great needs, namely existence needs (mean = 3.5301), relatedness needs (mean = 3.9394), growth needs (mean = 3.5050), and the need for association participation (mean = 3.4124). These poor people were not only willing to be involved in the labor force (mean = 3.5448), but also had a high level of satisfaction with their existing lives (mean = 3.1507).

Table 2. Discriminant validity coefficients.

Variable	Mean	SD	GRO	LS	AP	REL	EDP	EXI
GRO	3.505	0.846	0.831					
LS	3.150	0.833	0.575	0.771				
AP	3.412	1.005	0.575	0.450	0.775			
REL	3.939	0.716	0.445	0.368	0.582	0.760		
EDP	3.544	0.883	0.533	0.538	0.659	0.545	0.795	
EXI	3.530	0.811	0.606	0.641	0.541	0.480	0.523	0.772

Note: Diagonals (in bold) represent square root of the AVE.

Next, the structural model was evaluated. The accuracy of the results was based on the explained variance. Specifically, the model was able to explain 50.8% and 49.9% of the variance of economic development participation and life satisfaction, respectively. In addition to the  $R^2$  index, another tool built by Stone (1974) and Geisser (1975), was used to evaluate the predictive relevance measure to investigate the model fit. Hence, the model was able to estimate the clear indicators of the latent constructs. Stone-Geisser's  $Q^2$  cross-validated redundancy value was determined to measure the predictive relevance with regard to a blindfolding process demonstrated by the PLS. As stated by Chin (2010), the predictive relevance of a model is satisfactory as long as the  $Q^2$  value is higher than zero. In this study, the cross-validated redundancies of participation in economic development and life satisfaction were 0.298 and 0.276, respectively. As these values are greater than zero, it means that the research model has an acceptable fit and high predictive relevance.

The non-parametric technique of Wetzels, Odekerken-Schröder, and Van Oppen (2009) was applied with 1,000 replications to examine the structural model. Table 3 shows the results of the structural model that was analyzed by the PLS procedure. As illustrated, all the relationships were significant, with the exception of hypotheses H4 and H8. Consequently, H1, H2, H3, H5, H6, H7 and H9 are supported, while H4 and H8 are not supported. On the other hand, the effect size ( $f^2$  or  $f$  squared) was used to measure the strength of the influence of the basic needs on participation in economic development and life satisfaction Hair et al. (2013). Association participation had the



greatest effect on participation in economic development ( $f^2 = 0.167$ ), followed by relatedness needs ( $f^2 = 0.044$ ), growth needs ( $f^2 = 0.022$ ) and existence needs ( $f^2 = 0.02$ ). In terms of life satisfaction, existence needs ( $f^2 = 0.186$ ) had a greater effect than growth needs ( $f^2 = 0.061$ ).

**Table 3.** Path coefficients and hypothesis testing.

Hypothesis	Relationship	Path coefficient	Effect size	Decision
H1	EXI → EDP	0.132*	0.020	Supported
H2	EXI → LS	0.413**	0.186	Supported
H3	REL → EDP	0.187**	0.044	Supported
H4	REL → LS	-0.046	0.002	Not supported
H5	GRO → EDP	0.141*	0.022	Supported
H6	GRO → LS	0.239**	0.061	Supported
H7	AP → EDP	0.398**	0.167	Supported
H8	AP → LS	-0.052	0.002	Not supported
H9	EDP → LS	0.254**	0.063	Supported

Note: \*  $p < 0.01$ , \*\*  $p < 0.001$ .

## 5. DISCUSSION

Participation in economic development is widely known as an exclusive way for residents to escape the conditions of poverty and upgrade their living standards in cities or metropolises, especially in developing countries. The government and local authorities are making efforts to motivate poor families to be involved in the economy; therefore, it is essential that the literature on poverty explores these drivers as well as their impact on labor force participation. This study found that all the factors, including existence needs, relatedness needs, growth needs and the need for association participation, had a positive effect on economic participation, which, in turn, had a positive influence on life satisfaction.

The results support the confirmatory evidence of the positive impact of existence needs, relatedness needs, growth needs and the need for association participation on participation in economic development. The positive effect of existence needs on economic involvement is in agreement with the finding of [Phu and Le \(2014\)](#). However, [Phu and Le \(2014\)](#) rejected the effects of relatedness needs and growth needs on labor force participation since the existence needs of the residents had not been satisfied, and the poor mostly earned a living to pay for food and accommodation, which is why the locals still prioritized sources of financial support for rebuilding their houses, having meals and settling their debts rather than for self-development activities. Nonetheless, the current study explored the direct relationship between the motivation for participation and existence, relatedness and growth needs, and even the newly-proposed variable of association participation, which means that the motivational forces leading to the economic involvement of the poor were having ties with their neighbors, bettering themselves, and connecting with the community. This phenomenon is in agreement with the theory of [Maslow \(1943\)](#), which stated that higher-level needs will be targeted when people's existence needs are satisfied. In the current study, local families participated in economic activities not only for their survival needs, but also for the higher needs of connection and self-development leading to their escape from poverty and helping others to escape the deprivation together. It was concluded that the living standards of the poor had improved significantly compared to when the research by [Phu and Le \(2014\)](#) was conducted. Among the higher needs, the involvement in associations had the greatest impact on helping local people to connect with the government and attract the attention of political-social organizations, which motivate involvement in economic development to erase poverty. In terms of relatedness needs, the residents were aware of the need to relate with the authorities, scientists, manufacturers and consumers. The more people connect, the more opportunities are available for them to access the capital to renovate, restructure, expand, and invest in equipment to escape from poverty.

With regard to emotional behavior, the study confirms the relationship between existence needs and growth needs, and also between participation in financial development and life satisfaction. Coincidentally, existence needs and growth needs both had direct and indirect relationships through participation in the economy. These correlations support the conclusion of Taormina and Gao (2013) that the satisfaction of basic needs can positively lead to someone's well-being. Obviously, poor households are needy in some respect, but they just wished for a simple life; therefore, they felt that it would be enough if they could fulfil their survival needs, including food and housing, and their growth needs, such as intelligence and morals, and thus felt happy with what they had. Furthermore, developmental needs, which are related to personal capabilities and achievements, can bring about a positive attitude through economic participation. When people who are living in deprivation can equip themselves with knowledge, awareness, and even the desire to make an effort, they will be willing to be involved in the economy to bring about a change in their fortunes and reach a higher standard of living by escaping from poverty, which will lead to comfort and satisfaction.

The outcome indicates that there are no significant relationships between association participation and relatedness needs with life satisfaction. In other words, the impact on the satisfaction variable was negated in terms of association participation and relatedness needs. Nevertheless, in terms of correlations with economic participation, these needs still had an indirect influence on life satisfaction through economic involvement. The poor had yet to be happy with their communication and exchanges with others; however, they perceived that they needed to interact and relate with the outside world if they hoped to attain a higher standard of living. The more people connect with their community and social organizations, the greater the probability that they will be able to escape poverty and be satisfied with their lives. Consequently, both these needs play a certain role in the improvement of lives.

## 6. CONCLUSION

The study investigated the relationship between the determinants of basic needs, work participation in economic development and life satisfaction. Although the need for association participation and relatedness did not have a positive effect on life satisfaction, the other type of needs had a significant effect on work participation in economic development and life satisfaction. The results of the research have achieved a lot, both theoretically and practically. Firstly, it explored the drivers of basic needs as well as their impact on the economic participation of poor households. The results contribute to an understanding of the psychological behavior of the poor that drives them to join the labor force to escape from deprivation. Once they know the importance of connectedness, it is suggested that the local authorities motivate residents by forming solidarity units, praising those who have succeeded in poverty eradication, and rewarding them with plants and animal feed. Additionally, the study investigated the positive relationship between basic needs as well as economic involvement with life satisfaction. The factors that motivate participation in the labor force were also taken into consideration in terms of positive attitudes toward life because of their indirect consequences through economic participation. With both the direct and indirect effects of existence and growth needs on life satisfaction, the earnings needed to live a normal life and engage in self-development in terms of awareness and capability of escaping from poverty were strongly highlighted. In this situation, the government plays an important role in implementing long-term strategies to solve unemployment and build a knowledge-based economy rather than provide financial support, because as the saying goes, "Give a man a fish, and he will eat for a day; teach a man to fish, and he will eat for a lifetime".

However, there are still certain limitations, which need to be solved in further research. First of all, this research only focused on the direct relationship between the independent and dependent variables, without any comparison of the magnitude of the indirect influences between the factors. Furthermore, no intermediate factors were mentioned in this investigation. As a result, future research should exploit this sector and explore the mediators that can adjust the existing correlations in the research model. Finally, the conclusion was general as the

study considered the participation in economic development regardless of the various occupations. The core competencies of the city were not taken into consideration for relevant solutions. Therefore, further studies should be based on the advantages of ecotourism and agricultural activities to understand the basic needs of humans as well as provide practical recommendations.

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