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# THE PROBLEM OF POVERTY AND THE WAYS OF ITS SOLUTION IN THE MODERN WORLD

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**ABSTRACT:** This article raises questions: about the interpretation of the concept of poverty, the concept of studying and changing poverty, about the main groups of the poor and their signs, about the content and criteria of inequality.

**Keywords**: inequality, poverty, absolute and relative poverty, poverty line.

#### INTRODUCTION

The problem of poverty has been worrying human society for a long time. But, despite this, humanity has not managed to solve this problem. And, paradoxically, poverty continues to remain an integral feature of any society.

The fight against poverty and inequality is one of the main tasks of the socio-economic policy of each state. To date, there is no single methodology for solving this problem, since each case requires an individually innovative approach. Unequal access of members of society to any necessary resources, both material and non-material, is called social inequality. Unlike inequality, poverty does not characterize society as a whole, it concerns only a certain part of the population. The concept of poverty covers a fairly large or insignificant part of the population, depending on the economic development of the country.

Poverty is a "pronounced decline in well-being", that is, the economic condition of an individual or a group of individuals, in which they cannot meet a certain range of minimum needs necessary for living, maintaining and improving working capacity, as well as continuing and increasing the number of descendants.

Poverty is a relative and ambiguous concept and depends on the general standard of the level life in a given society (Gini coefficient, Tail index). The poor are a vulnerable stratum of society, which in some way slows down the development of the country; in other words in other words, these are those who do not have enough funds or whose consumption level is insufficient to put them above some kind of poverty coefficient. These people may not have a home, food or a decent state of health, which entails a change in the level of hypotrophy or literacy.

Poverty can be compared with a bottomless bottom that keeps pulling down. Poverty is not a



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vice, but this disadvantage hinders the development of countries, both developing and developed. Therefore, the great powers of the present world are fighting poverty and inequality, but what to do with undeveloped and developing countries? Because without reducing the level of poverty in the country, it is impossible to achieve any development and progress.

Poverty is not only a minimum income, but a special way and lifestyle that is passed down from generation to generation, norms of behavior, stereotypes of perception and a special psychology

Poverty is a consequence of diverse and interrelated causes, which are grouped into the following groups:

- economic (unemployment, economic inequality, including low wages,
- low labor productivity, uncompetitiveness of the industry);
- \* social and medical (disability, old age, high morbidity rate);
- \* demographic (single-parent families, a large number of dependents in the family, overpopulation);
- \* educational qualification (low level of education, insufficient professional training);
- \* political (military conflicts, forced migration);
- \* regional-geographical (uneven development of regions);
- \* religious-philosophical and psychological (asceticism as a way of life, foolishness)

According to experts of the international humanitarian organization Oxfam, the reasons for the growth

of poverty and social inequality in the world, since 2010, are as follows:

- \* tax evasion by wealthy people,
- \* reduction of workers' salaries,
- \* increasing the difference between the minimum and maximum wage levels.

understanding it poverty, can be divided into conditionally 3 subspecies: income-based. absolute. relative. multidimensional, which is called a numerical measurement poverty. For example, the US government in 2012 set the poverty line at \$23050 annual income for a family consisting of 4 people. But despite this, many people remained even beyond this line. Thus, it can be concluded that if there is a certain line or limit in poverty in the state, it does not insure either the state or the vulnerable segment of the population from poverty.

Absolute poverty means the dissatisfaction or partial satisfaction of primary needs (food, clothing and housing). Quantitative calculations of the poverty level began to be engaged in English scientists Charles Booth and Seebohm Rowntree, who introduced the concept of the poverty line (threshold), in 1890 years.

The poverty line is the minimum income required to purchase only vital food, clothing and accommodation. If the state sets the poverty line, it is nominal, whereas the real one is very different. And, those people who remain on the other side of the poverty line are in a state of "chronic poverty".

Chronically poor people are people who have always been poor, are and will be poor. But, what is even more terrible, these people are not trying to change their lives, they seem to be reading books about doing business and psychology of success, but do not make attempts to change their lives radically.

Relative poverty implies a person's poverty compared to other people in a given

society. This is the difference between absolute and relative poverty. That is, to the first these are essential goods and services, and the second group includes people who are provided with vital items and services, but cannot maintain the "standard" adopted in their society.



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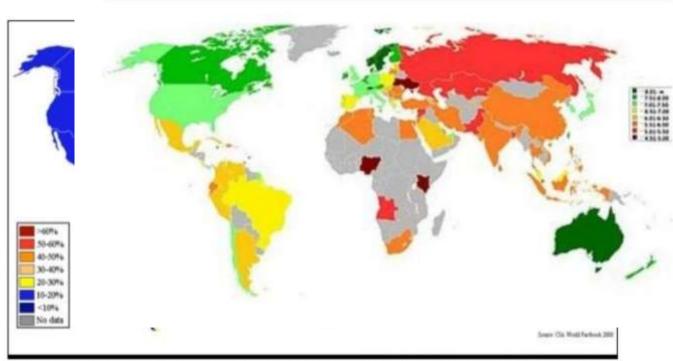
The UN applies the term "least developed countries" to poor territories, because many respondents are ashamed to recognize themselves as poor. According to the UN, in 2019, the list of "Least Developed Countries" includes 47 countries, including Tajikistan, Afghanistan, Moldova and Ukraine. This status is awarded based on three criteria:

- \* Index of economic vulnerability of the state;
- The level of income of the population or GDP

or produced by households over a certain period of time.

Assessment of the real quality of life or the quality of life index - links the results of research according to the subjective assessment of life in countries with objective determinants of the quality of life in these countries.

The Human Development Index was calculated in 2013 (from the Economic Intelligence Unit) and includes 80 countries, with Switzerland,



Удельный вес населения с доходами ниже национальной черты бедности (по данным ЦРУ, на 2008 год).

per capita for the last three years;

\* Assessment of the real quality of life.

The index of economic vulnerability or the index of weakness of the state (Failed States Index) – a complex indicator that characterizes the ability (inability) of the authorities of a particular country control the integrity of its territory, as well as the demographic, political and economic situation in the country.

The level of income of the population or GDP per capita over the past three years is the amount of money and material goods received

Australia and Norway leading the way.

According to the World Bank, Uzbekistan is included in the group of countries with an average level of national income per capita (\$ 1,533 per person per year). According to the Focus report Economics in 2018, Uzbekistan ranked 8th in the list of the poorest countries in the world (Tajikistan ranked 4th).

Extreme poverty continues to be an important global problem – poverty when a person lives on \$1.9 a day or less.

Poverty is a condition below the poverty level, which allows you to remain only within the



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framework of biologically acceptable norms, or in other words, a severe shortage of basic human needs (food, drinking water, sanitation, health, housing, education and information). In addition , the national poverty line is also calculated. The national poverty line refers to income below the subsistence minimum. The subsistence minimum is a value sufficient to ensure the normal

functioning of the human body and the preservation of its health, a set of food products, as well as the minimum set of non-food goods and services necessary to meet the basic social and cultural needs of the individual.

And here the most interesting thing begins. There has never been an approved subsistence minimum in Uzbekistan. The fact is that the authorities in our country diligently avoided using the words "poverty" and "poverty" in their vocabulary, and used the terms "poor" and "low-income". The calculation, and even more so the approval of the subsistence minimum, will entail the obligation of the state

to expand social support for the population. The subsistence minimum is a cost estimate of the consumer basket, which includes minimum sets of food, non-food products and services necessary to preserve human health and ensure his vital activity, as well as mandatory payments and fees. Or does the living wage set the line beyond which a person it will not be able to meet the most necessary needs, for which poverty turns into poverty.

It follows that the minimum wage, pensions and benefits should exceed the level of the subsistence minimum, or at least be equal in amount. At the same time, the basic calculated value remains the same -223,000 soums, which cannot claim the subsistence minimum.

Instead of the minimum wage, the minimum wage was introduced - 679 330 soums. Is it possible that almost 680 thousand soums is the value of the subsistence minimum at the present time?

On July 22, 2019, at a press conference, the Minister of Economy and Industry Botir Khodjayev said that the consumer basket has already been formed. However, it will be possible to implement it only in a year or one and a half: the testing process is underway. The minister announced the approximate cost of the consumer basket of 650 thousand soums (\$ 69), and the size of the subsistence minimum - 800 thousand soums (\$ 85). Such results appeared as a result of test studies in the Tashkent and Ferghana regions.

The cost of living is a very important indicator. On its basis, the minimum wage, pensions and benefits are established, republican and regional budgets are calculated, social programs are developed.

According to the State Statistics Committee for January-June 2019, the total income per capita reached 4.6 million soums or per month the income per person amounted to 767 thousand soums. The State Statistics Committee reports that the share of the low-income population in the republic in 2018 decreased to 11.4 percent. At the same time, the main statistical body does not specify who belongs to the "low-income population": beggars, poor or actually low-income citizens.



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About 16 percent of Uzbekistan's population

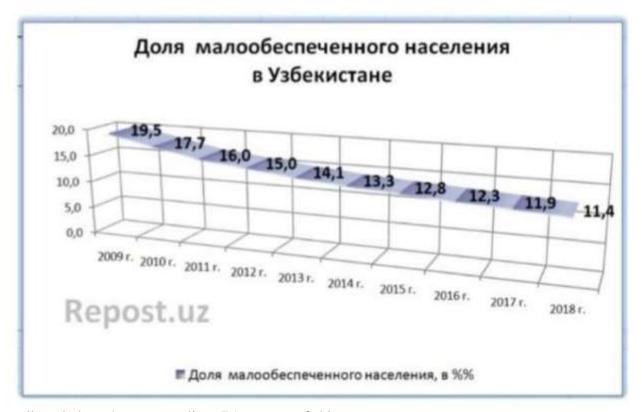
differences between rural and urban areas remain large. High unemployment and low

Средние зарплаты и размер прожиточного минимума в странах СНГ (2018 год), в долларах за месяц

Страна	Среднемесячная номинальная начисленная зарплата*	Прожиточный минимум средний на душу населения			
Россия	695	160**			
Казахстан	471	79			
Беларусь	470	106			
Молдова	408	114 130			
Армения	357				
Украина	328	66			
Азербайджан	318	102			
Киргизия	236	68			
Узбекистан	226				
Таджикистан	133				

курс даллара среднегодовой

<sup>\*\*-</sup> на II квартал 2019 года установлен прожиточный минимум 171 доллар. В РФ MPOT и прожиточный минимум в 2019 году приравняли по величине.



lives below the poverty line, 75 percent of this population lives in rural areas. One of the most difficult problems facing the country is the lack of employment opportunities, while the

Wages are the reason for mass labor migration to Russia and Kazakhstan. From 2010 to 2012,



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remittances account for 12 to 15 percent of the country's GDP.

In the field of public administration, further reforms are still required to improve the decision-making system taking into account all segments of the population, increase transparency and openness of State bodies. Other urgent tasks are

raising public awareness of human rights principles and ensuring their

observance, ensuring access to justice for socially vulnerable groups of the population, as well as promoting gender equality.

Uzbekistan is facing a number of

The Universal Declaration of Human Rights establishes that everyone has the right to such the standard of living that is necessary to maintain the health and well-being of himself and his family, including food, clothing, housing, medical care and necessary social services, the right to security in case of unemployment, illness, disability, widowhood, old age or other loss of livelihood due to circumstances beyond his control.

It is also necessary to review the existing system of employment and the allocation of benefits to unemployed citizens. Currently, the unemployment rate in the country is 9.1 percent.

Неравномерность распределения доходов населения по 10-процентным группам населения Республики Узбекистан, в %%										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	
1 дециль	2,9	3,0	3,1	3,2	3,4	3,7	3,8	3,9	3,9	
II дециль	4,8	4,9	5,0	5,0	5,1	5,3	5,4	5,5	5,4	
III дециль	6,0	6,1	6,1	6,0	6,0	6,3	6,4	6,4	6,4	
IV дециль	6,9	7,0	7,0	7,0	7,0	7,2	7,3	7,2	7,3	
V дециль	7,9	7,8	7,9	7,9	7,7	8,0	8,1	8,1	8,1	
VI дециль	9,1	9,0	8,9	9,0	8,8	9,0	9,1	9,1	9,1	
VII дециль	10,5	10,4	10,2	10,3	10,2	10,0	10,2	10,2	10,3	
VIII дециль	12,2	12,2	12,2	11,9	11,9	11,4	11,5	11,6	11,7	
IX дециль	14,9	14,9	15,1	14,4	13,8	13,5	13,8	13,9	14,1	
Х дециль	24,8	24,7	24,5	25,3	26,2	25,6	24,4	24,1	23,7	
Коэффициент дифференциации населения по 10- процентным группам	8,5	8,2	8,0	7,9	7,8	7,0	6,4	6,2	6,1	

Данные Госкомстата Республики Узбекистан

environmental problems, which are exacerbated by the geography and climate of the country, its rapidly growing population and the types of economic activities carried out in it that harm its fragile ecosystem. The task of ensuring public access to drinking water against the backdrop of the Aral Sea disaster with its socio-economic and environmental consequences and negative impact on the health and livelihoods of the local population is urgent. The Minister of Employment and Labor Relations Sherzod Kudbiev admitted that unemployment benefits in Uzbekistan does not fulfill an economic function: "Who applies for unemployment benefits?

We can say that no one. Because unemployment benefits do not carry a functional or economic burden ..... Now very rarely receive 70 percent of the previous salary, but mostly receive one



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"minimum wage" ... Very rarely anyone goes for this money.

Unemployment benefits do not fulfill their economic function." Therefore, the Ministry 's intentions to the transfer of some functions of labor bodies to private employment agencies, and the increase in the amount of unemployment benefits to the level of the minimum wage have good prospects.

But fighting poverty does not mean pouring money into the problem at all. Poverty has a multifaceted nature and causes. It cannot be defeated by simply increasing benefits, creating jobs, providing access to loans for business or improving housing conditions.

"Reducing poverty does not mean increasing wages or benefits."

Unemployment, low level of education, disability, poor health, belonging to

for a minority of a particular ethnic group, living in a remote or poor community are factors and should be taken into account when fighting poverty.

At the moment, the international poverty line is set at the PPP level of \$ 1.9

per day, these people receive such a low income that they are unable to reach even a critical minimum even in nutrition. The three poorest countries in the world are the Democratic Republic of the Congo, Liberia and Burundi is below this very line.

Today, about 1.4 billion people live in absolute poverty, or about one in five people in the world - most of them are citizens of middle-income countries. Even in a number of rich countries, such as the United States and Japan, one in six people live in relative poverty. We are offered to put up with poverty, as we put up with natural disasters, but if it is possible to change this situation, thanks to human intervention. A significant reduction in absolute poverty requires economic development, which China has demonstrated to us in recent years.

Countries with high levels of stratification of the population in terms of income and poverty can significantly reduce inequality and poverty through government intervention. In order to allow poor and underprivileged people to get out of poverty through their own efforts, we it is necessary to level the conditions for children by improving the educational system and welfare; expand access to jobs and prevent a situation where the rich and influential will manipulate the markets. The modern world produces enough material benefits to overcome absolute poverty.

The current situation of social tension, poverty, corruption and hunger can

be eliminated only by the joint efforts of the entire world community.

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