

### PRINCIPLES AND CRITERIA OF POVERTY ASSESSMENT

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### **Annotation**

This article covers issues such as the meaning of the concept of poverty, the principles and criteria of evaluating the theoretical views of foreign and domestic scientists, ways to reduce poverty in the country through the development of entrepreneurship and ensuring sustainable economic growth.

**Keywords.** Poverty, inequality, poverty, absolute and relative poverty, poverty line, consumption basket, minimum consumption expenditure, sustainable development, development rates.

Introduction. Poverty has existed as an economic phenomenon in the history of mankind. Poverty as an economic category is evaluated in different ways through existing theoretical concepts. The indicators of poverty of these concepts describe the negative trend in our country. The economic consequences of poverty have a negative impact on small businesses and various entrepreneurial activities. Such consequences are manifested in a decrease in the purchasing power of the population, a change in the composition of demand according to the low price segment, and in general, a negative impact on the business environment of small businesses and various entrepreneurial enterprises in the economy. Poverty is a characteristic of the economic situation of a person or a social group, in which they



cannot meet a certain range of minimum needs necessary for life, labor and reproduction<sup>1</sup>.

As for the concepts of poverty and poverty, it is worth noting that there is currently no universally accepted and unified definition of the concepts of poverty or poverty around the world. Each country defines poverty based on its own criteria.

According to the UN definition, poverty is a lack of income and resources necessary for a person's life, in addition to hunger and malnutrition, the presence of limitations in access to health, education or other basic services, housing It refers to the lack of space, dangerous natural and man-made environments and living in conditions of social inequality (from the UN High-level World Summit on Social Protection).<sup>2</sup>.

Poverty is the lack of choices and opportunities during a person's life, the presence of obstacles to full participation in society, in addition to feeding and clothing a family, getting an education or hospital treatment, working in a field or earning an income. It is manifested in the lack of opportunities for providing labor and limited access to credit. Also, poverty is the social marginalization, helplessness and helplessness of people, households and communities in the face of risks (from the "Poverty Measurement Guide" of the UN Economic Commission for Europe, 2017 New York, Geneva)<sup>3</sup>.

According to the latest research conducted by Oxford University experts, at least 26.5% (1.45 billion) live below the poverty line in 103 countries of the world, where 76% of the world's population (5.4 billion people) live. At the beginning of 2020, the concept of poverty was considered for the first time in the history of Uzbekistan by the President of the Republic of Uzbekistan Shavkat Mirziyoyev, and poverty reduction became the main priority of socio-economic policy.

<sup>1</sup> https://ru.wikipedia.org/wiki

https://kun.uz/uz/news/2021/01/02/kambagallik-va-qashshoqlik-ortasida-qanday-farq-mavjud
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methodology was proposed. According to it, it was known that in 2017, the poor stratum in Uzbekistan made up 11.9 percent, and in 2018 - 11.4 percent<sup>4</sup>.

Many measures aimed at reducing poverty have been implemented in recent years.

In particular, the Decree of the President of the Republic of Uzbekistan dated March 26, 2020 "On Measures to Fundamentally Update the State Policy on Economic Development and Poverty Reduction" No. Pf-5975 and in order to ensure the implementation of this decree On March 26, the President of the Republic of Uzbekistan "Ministry of Economic Development and Poverty Alleviation of the Republic of Uzbekistan

and the decision on organizing the activities of its system organizations" was adopted. According to the Decree of the President of the Republic of Uzbekistan dated April 8, 2022, PF-101- One of the objectives provided for in Decree no. halving poverty by achieving inclusive and sustainable economic growth. This task is reflected in the strategy for the development of New Uzbekistan in 2022-2026. Strengthening the social protection of citizens, reducing poverty are recognized as the priorities of the state policy, and providing the population with new jobs and a guaranteed source of income, qualified medical and educational services, and decent living conditions is qualitatively new. stepped up.<sup>5</sup>. In these documents, reducing poverty in the country by ensuring stable economic growth and developing entrepreneurship was raised to the level of state policy. But there are some theoretical, methodological and practical problems of the issue, which require the development of relevant conclusions and scientific recommendations after researching it. This aspect of the issue determines the relevance of this work.

Analysis of literature on the topic.

<sup>&</sup>lt;sup>4</sup> https://www.uzanalytics.com/iqtisodiet/10177/

<sup>5</sup> https://lex.uz/ru/docs/5841077



The study of the causes of poverty and its place in society is divided into the period from the 18th century to the first half of the 20th century, classical economists A. Smith, D. Rirakdo, T. Malthus, G. Spencer, J. Proudhon, E. Reclus and also modern economists Rowntree, F.Q. It was studied by Hayek, P. Townsend and others. Classic the relative nature of the connection between poverty and social standards is revealed in the work of economist A. Smith. In the 19th century, by calculating the poverty line based on the family budget, it was proposed to introduce the criterion of absolute poverty, to connect the criteria for determining poverty with the level of income, and to meet the needs of a person related to maintaining a certain level of work ability and health.[9]

For the post-socialist society of Central and Eastern European countries, the emergence of such a unique and at the same time mass phenomenon of poverty of a significant part of the working population. The development of such a special concept allows for a scientifically based formulation. In the explanatory dictionary of the Uzbek language, the word "poor" has been recorded as meaning a lack of things necessary for a vital livelihood, poverty or living in need. [1] In general, recognizing that the Uzbek language is a rich language, the word poverty can be expressed with several words. For example, with words such as helpless, poor, stranger, poor, needy, poor, underprivileged, in need of social protection is expressed. The above words are different from each other, and each of them has its own application.

# Research methodology.

In the conditions of the innovative economy, by studying the problems existing in every family, the methods of determining, analyzing and synthesizing, analyzing and synthesizing the ways of reducing the level of poverty in our country were used.

ANALYSIS AND RESULTS. It is known that in the background of slowing economic growth in our country, ensuring that the level of poverty does not increase becomes an important and urgent task. In our republic, tasks such as using effective means of reducing poverty, determining the parameters of their analysis,

<sup>&</sup>lt;sup>6</sup> А.Мадвалиев Ўзбек тилининг изоҳли луғати.Тошкент. (2006-2008)



are among the main directions of the state policy on poverty elimination. According to the decision No. 544 of the Cabinet of Ministers of the Republic of Uzbekistan dated August 27, 2021 "On the implementation of the procedure for calculating the value of minimum consumption expenses" in 2021, 10.6 thousand households in all regions of the republic based on the results of the observation conducted between 30 percent of households with the lowest expenditure (income) were selected among the families. - it is calculated that the minimum consumption expenditure for food goods and services is 498 thousand sums per person per month. It is known that according to the survey conducted among 5.4 thousand households in 2020, the preliminary estimated minimum consumption expenses amounted to 440 thousand sums at the prices of 2021, and last year announced in May.In world experience, it is common to use the minimum consumption expenditure indicator as a poverty line, and from this indicator:

- Determination of the target group of the population in need of material and other social assistance of the state;
- Use in determining the country's poverty line and taking into account the real consumption characteristics and requirements of the population in the target group;
- Effectiveness of tasks and measures set in strategies and programs to combat poverty
- Use in determining the country's poverty line and taking into account the real consumption characteristics and requirements of the population in the target group;
- Increasing the effectiveness and targeting of tasks and measures set in the anti-poverty strategies and programs, as well as their continuous monitoring;
- It is used as a criterion for determining the minimum amount of pensions and allowances, as well as for providing other types of financial assistance to poor families.<sup>7</sup>.

## Conclusions and suggestions.

In short, the policy aimed at eliminating poverty in each country is to ensure the well-being of the population by reducing poverty. the work carried out in the field of expanding the environment, social protection of different classes of the population will give results in the way of reducing poverty. As a result of the implemented reforms, certain achievements have been made in reducing the level of poverty in our country. In particular, the level of corruption in admission to higher education institutions has decreased, and a number of large infrastructures for providing the population with drinking water, natural gas, and electricity projects are being implemented, improving access to medical services for all

https://kommers.uz/ozbekistonda-kambagallik-chegarasi-belgilandi



segments of the population, as well as ensuring gender equality are significant positive results.

In addition, it is possible to take measures to lift the population out of poverty by classifying poverty into the following levels:

- a very low level of stability of the population's financial situation.
- medium-low level of stability of the population's financial situation.
- the lowest level of stability of the population's financial situation.
- the crisis level of the stability of the financial situation of the population. Based on the above classifications, if we analyze the stability of the population's financial situation in the section of these levels and ensure the employment of the population based on timely measures, we will bring great benefit to the country's economy. Thus, increasing the number of business entities and constantly monitoring the employment of the population will serve to improve the country's economy in the future.

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