

Causes and Solutions of Poverty in Uzbekistan

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Abstract: This article covers the problem of population poverty, which has been a "closed topic" in Uzbekistan for many years. Based on the study of the concept of "poverty", the criteria for defining it and the ways to reduce it have been thoroughly studied. Possibilities of using foreign experiences to reduce poverty in Uzbekistan are described. Additional comments and suggestions have been made on this topic.

Keywords: Poverty, GDP, population income, consumption basket, social policy, poverty line, foreign experience, "iron notebook".

In many countries, the definition of "poverty" is partly tied to the amount of calories consumed through food. However, while this idea may seem simple at first glance, once you start digging into the details, things can get more complicated in practice. For example, should non-food consumption such as electricity and clothing costs be taken into account? Or, is it possible to compare the level of poverty in two different countries? To answer your question, it is important to first understand the differences between the two methods used to measure poverty, the national and international methods. The Chinese philosopher Confucius, who lived in 551-471 BC, said that "If wealth is admired and poverty is despised, riots can occur." Poverty and destitution have been a "closed topic" in Uzbekistan for many years. Earlier, instead of this category, the concepts of "low income", "need", and "increasing the well-being of the population" were used. There was no mention of the minimum wage. In practice, this has had a negative impact on the lack of attention to existing problems and the quality of life of the population.

Most countries use their own definitions of poverty at the national level. The reason governments do this is because the meaning of the term varies greatly in different societies. But this is also due to the fact that material conditions are not the same in different countries. The cost of meeting the basic needs of people depends on many factors. For example, in some countries, it depends on the specific characteristics of the population's diet, social norms, and economic structure. National methods of estimating poverty in one country, designed for use in a specific context, are rarely used to directly compare situations in other countries. But sometimes it is useful to compare poverty levels in different countries. For example, to analyze what public policies are successfully used to reduce poverty in other parts of the world. To make such a comparison, in 1991, the World Bank developed the international poverty index, which is defined as the average level of poverty in the world's poorest countries. The International Poverty Rate has been revised several times since it was first published, and has changed as circumstances in a number of countries have changed and more information has become available. The last global poverty line was set at \$1.9 per person per day based on 2011 purchasing power parity (PPP) prices. I would like to make it clear that the international indicator of poverty does not replace similar indicators used by countries at the national level. Rather, it should be viewed as a specialized method for making international comparisons after adjusting for differences in the cost of living in each country. Statisticians call this adjustment the "Purchasing Power Parity Conversion." CPI-based exchange rates are calculated to ensure

that the same amount of goods and services are priced equally in all countries. At the same time, international indicators of poverty can provide useful information for determining the level of poverty in Uzbekistan. In particular, they show that poverty indicators are relatively moderate in most countries with income levels similar to Uzbekistan. Recent discussions of these issues in the mass media and social networks have shown that, according to many citizens, the level of poverty set at a level comparable to the average low-income countries is not high enough for Uzbekistan.

I believe that any national indicator of poverty should be calculated based on data based on the characteristics of local conditions. One common way to meet these requirements is called "basic needs cost accounting." The World Bank, together with the relevant ministries and agencies of Uzbekistan, has carried out a series of activities to collect the data necessary to test this method of calculating the poverty level. But if we apply the indicator to low-middle income countries (\$3.2 per person per day recalculated according to the IMF), according to our assessment based on the results of the survey mentioned above, in 2018 about 9% of citizens .5% could be classified as poor. Projections of poverty trends over the next two years showed that in early 2020, before the COVID-19 pandemic, the country's poverty rate had fallen to about 7.4 percent of the population.

However, due to the economic crisis caused by the pandemic, the country's poverty rate increased again, and in July, the number of poor people increased again, reaching 9.8 percent of the population. An additional 900,000 people joined the ranks of the poor. This was mainly caused by a decrease in the level of income from labor and a decrease in the volume of money transfers of labor migrants to their families in Uzbekistan.

Currently, the forecast for Uzbekistan remains positive, as it is among the 23 countries in the Eastern Europe and Central Asia region that the national economy in 2020 will be saved from recession and may even show growth at the level of 0.4-0.8 percent. will become one of the two countries.

Poverty is the lack of choices and opportunities during a person's life, the presence of barriers 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).

Let's say that one of my employees asks which one is poor. How do I comply with ethical privacy protocols? How can I help? In this way, I contribute to the unity and efficiency of my employees and at the same time to reduce poverty in my country. I think these are small steps, but they are very practical. These have worked in other countries.

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