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## FACTORS CONTRIBUTING TO POVERTY AND WAYS TO COMBAT THEM

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**ANNOTATION:** *this article writes that the reduction in the poverty rate of the population will occur mainly in the form of quality of living standards of the population, which will affect the future level of socio-economic development of the society.*

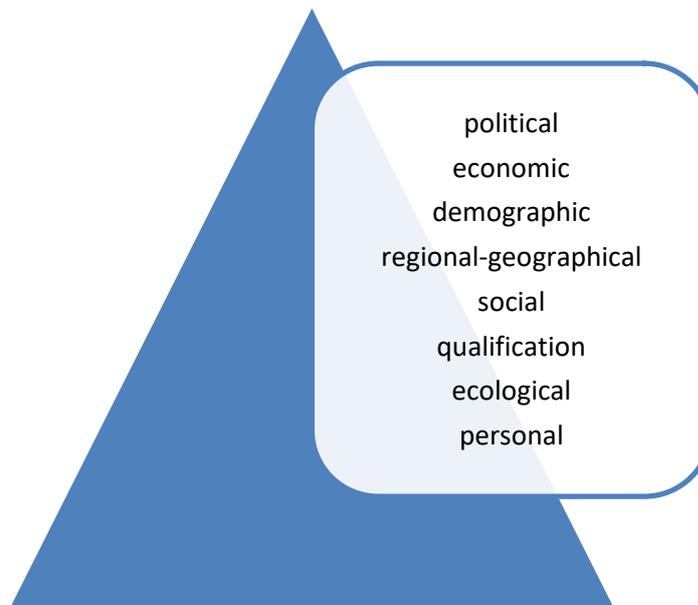
**KEYWORDS:** Poverty, society, development, political life, demography, income, social, security, citizenship, economic development, welfare.

Any society in socio-economic terms and society Poverty in life is a drastic cessation of socio-economic development is a threat to social security and limiting the needs of millions of citizens puts. Poverty as a part of society as a whole is the family, manifests itself in the maturity of the individual. In recent years The reduction in poverty is mainly due to society influencing the level of socio-economic development in the future in the form of quality of living standards is coming.

The first step is to identify the problem of poverty based on simple and almost clear factors. Second, it is important to study the causes of poverty, not its parameters. We can see that in every society there are factors that lead to poverty in one way or another. The causes of poverty may be completely different for each country. It should be noted that the common causes of poverty are not only external factors, but also factors that can affect a person. We think there are three possible perspectives on poverty. The first view is "social" - poor quality education, incomplete family, discrimination, low wages, high dependence on social protection. It is important to address the root causes of this situation at the governmental level, and in the process to address the root causes of poverty. Here, the government should develop clear social policies aimed at health care, primary education, social protection mechanisms for the poor, the address of social protection, the formation and promotion of entrepreneurial skills in the population. It is important to note that providing food and basic necessities to the poor is not the answer. Another view of the problem of poverty is a person's personal vices such as laziness, reluctance to work, alcoholism and drug addiction. Unfortunately, such cases occur in any country, regardless of the socio-economic development of society. The third view is that some countries have to



constantly fight poverty because of their geographical location and prone to climate disasters. Aholining turli guruhlari o'rtasida teng bo'lmagan daromadlar ko'lami va taqsimlanishining o'zgarishi, ayrim shaharlar (mamlakatlar) uchun xos bo'lgan omillarni aniqlash kambag'allikni kamaytirish bo'yicha maqsadli chora-tadbirlar ishlab chiqish masalaning hal etilishida muhim o'rin tutadi. Bundan kelib chiqadiki, davlat tomonidan ta'minlanishi mumkin bo'lgan hayot sifati nafaqat shaxsning, balki butun jamiyatning hayotini tavsiflaydi, u nafaqat ijtimoiy, balki mehnat, turmush va mehnat sharoitlari ustidan texnik nazoratni amalga oshirishi kerak.



**Figure 1. Factors contributing to poverty**

In Uzbekistan, in early 2020, at the initiative of the President, for the first time, the concept of poverty, the identification of poor families, their targeted support were identified as priorities for reform. Due to the lack of national criteria for determining poverty in the country, various methods, expert analysis and international measures are used to assess its level. It should be noted that the poverty rate found by the State Statistics Committee through household surveys is almost never used in practice. The poverty rate in Uzbekistan at the beginning of 2020 will be 13-15%, reaching 4-5 million people. population. That's nearly 1.0 million people affected by the coronavirus pandemic. increased per capita.

The main causes of poverty are forecasting and macroeconomics



According to a survey conducted by the research institute, the first place is occupied by relatively low family income (26.3%) and the presence of the unemployed (24.4%). In the second place are families with many children (14.9%), the elderly with limited economic activity, those in need of assistance (1.8%), families without a breadwinner (7.5%), families with chronic disabilities (10.1%). Currently, the number of poor families who have lost their breadwinners is 155.0 thousand, the number of low-income families with more than five children is 81.0 thousand, and the number of elderly people living alone is 16.0 thousand.

According to the survey, 33.0% of the poor receiving benefits and financial assistance, 14.6% of families with 2 children, 16.2% of families with 4 or more children, 10.3% of pensioners, families with disabilities and chronically ill 6.2 percent are families in labor migration abroad. In terms of employment, the share of able-bodied people in low-income families was 75.5%. It should be noted that the level of special education of these unemployed is relatively low. In the general survey, 97.0% of low-income families had secondary education and 1.4% had higher education. That is why it is important to train the unemployed from poor families and arouse their interest in entrepreneurship. According to the State Statistics Committee, the poverty rate in rural areas is higher than in urban areas, and the main focus in reducing poverty should be on improving the situation in the districts. According to the household survey, the difference between the regions in terms of poverty (excluding Tashkent) is more than 4 times (highest in the Republic of Karakalpakstan and lowest in Tashkent region).

Despite targeted measures to increase the country's income, there are a number of issues that need to be addressed:

In this regard, it is necessary to develop a concept of gradual increase in income, which will ensure the discovery of optimal ways, taking into account the existing risks of income, which affect the level of consumer prices.

\* Increasing the income of the population remains a priority now and in the future. In this regard, it is necessary to gradually increase the population and, in the process, to prevent the negative impact of income on the overall level of consumer prices, to determine the optimal size of the risks in this regard. It should be noted that the growth of wages in



our country is not due to an increase in labor productivity, but in many respects to the mitigation of inflation.

\* in-depth study of the income structure of the population, statistical surveys, field surveys and the development of social protection and employment programs based on their results;

\* Despite significant changes in income and salary data in the open edition (three years ago, obtaining this information was a difficult task for the general public), income and expenditure of the population, income by social stratification of the population Involvement of non-governmental non-profit organizations in the organization of surveys, dissemination of survey results and analysis data to the general public;

\* Based on the current situation, take urgent measures to remove entrepreneurs from the shadow economy and create favorable conditions for them, strengthen the fight against crime and improve statistical accounting;

\* As in the developed countries of the world, it is necessary to increase the role and place of wages in the formation of income.

\* Reducing inter-regional income disparities through the development and implementation of a unified strategy for regional development;

Taking the necessary effective measures to address the above problems will help improve the living standards and overall income of the country's population.

Today, the Foundation provides financial assistance in the form of guarantees and compensation to financially support small businesses and entrepreneurs.

Last year alone, 20,258 small businesses and entrepreneurs received \$ 33.208 billion in loans from commercial banks. 6.993 billion soums in loans from the Fund UZS.

In turn, the analysis shows that in 2020:

- The Fund provided 4.172 billion soums to 5356 small businesses and entrepreneurs on loans provided by commercial banks. UZS, as a result of which the number of small businesses and entrepreneurs using the Fund's guarantee increased by 4.2 times compared to 2019;

- The number of small businesses and entrepreneurs that used the Fund's financial assistance in the form of compensation to cover interest expenses on loans from commercial banks reached 14,902 and amounted to 2.821 billion. UZS, as a result of which



the number of recipients of compensation increased by 4.4 times compared to 2019 and the amount of interest payments by 3.3 times.

In addition, in order to strengthen the social protection of the population and ensure the stability of the economy during the fight against the spread of coronavirus infection, the President of the Republic of Uzbekistan in 2020 PF-5969, PF-5978, PF-5986, PF-5996 In accordance with the decrees of the Fund, the Fund provided financial assistance on loans to about 6,000 small businesses and entrepreneurs.

Small business and private entrepreneurship are important factors in economic development, employment and income. Over the past two and a half years, more than 50 Presidential decrees and resolutions have been adopted to provide comprehensive support to the representatives of this sphere. In particular, the procedures for state registration of business activities, obtaining various permits and many other services have been simplified. To facilitate this, the Public Service Agency and its local centers have been established. The post of Business Ombudsman was introduced to protect the rights and legitimate interests of business entities.

Prime Minister's receptions have been set up in all regions to receive and resolve business complaints. The State Fund for Entrepreneurship Development under the Cabinet of Ministers has been established and allocated 200 billion soums and \$ 50 million.

The volume of loans provided by commercial banks to entrepreneurs has increased.

Such practical measures are bearing fruit. Small business provides about 60% of the country's GDP, a third of industrial output, 98% of agricultural output and half of investment. In many regions, small businesses account for 70-90 percent of exports.

In the first six months of this year, the number of business entities increased by 60,000.

At the meeting, it was noted that these indicators are the first results of the reforms, and the main focus was on solving the problems that still remain. The head of our state stressed that the governors of regions, districts, cities and their first deputies should work in a completely new way and spend 70% of their time on the development of entrepreneurship in the region.



Each oblast, district, and city khokims and their first deputies were tasked with introducing a new incentive system based on the number of newly established or revived small businesses and the number of jobs created in them.

It was noted that the viability of enterprises should be one of the main criteria in the assessment. In other words, if at least 50% of the established enterprises have been operating for the last 3 years, additional financial incentives will be provided to the governor and his first deputy for entrepreneurship, heads of regional branches of the Chamber of Commerce and Industry.

The Cabinet of Ministers, the Ministry of Justice, and the Ministry of Economy and Industry were instructed to introduce the new system. It was noted that the Republican Working Group, headed by the Minister of Economy and Industry, should develop proposals for the development of small businesses, based on the potential of each district. Based on these proposals, entrepreneurs will be assisted in all matters such as their implementation, credit, land and building allocation, and connection to infrastructure.

In conclusion, it is necessary to increase the activity of non-governmental organizations, as well as government agencies, on the basis of ongoing reforms to ensure employment in the country. The essence of the reforms in this area should be the legal guarantee of ways to create new jobs by improving entrepreneurship and making these jobs a source of income for the population. We present the following suggestions and recommendations aimed at overcoming the above problems.

1. To increase the effectiveness of additional benefits based on local and regional conditions in order to further expand the opportunities for self-employment of citizens.

2. Simplify the employment system by improving the employment legislation.

3. Introduce a system of measures to create specialized jobs to ensure the right of persons with disabilities to work

4. Each region has its own poverty profile, which requires the development of specific measures to study it. For example, the program of measures for the Republic of Karakalpakstan (low-income region) should be developed taking into account low-



income indicators. At the same time, the low economic development of the region, which is a risk factor for Karakalpakstan, the high share of the population under 16 years of age, the relatively high unemployment rate, and income instability can increase the effectiveness of measures.

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