



**FACTORS LEADING TO POVERTY AND THEIR
CLASSIFICATION**

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ABSTRACT	KEYWORDS
<p>This article scientifically analyzes the factors affecting the income and standard of living of the population, as well as the main causes of poverty. Based on global and national experience, the concept of poverty, its measurement criteria and classification are highlighted. Also, the formation of incomes of the population in Uzbekistan, inequality between them and socio-economic mechanisms for its reduction are considered. As a result of the study, proposals and conclusions were developed aimed at reducing poverty, increasing the standard of living of the population and ensuring sustainable economic growth.</p>	<p>Poverty, income, standard of living, income inequality, social policy, economic growth, low-income population, sources of income, social protection, welfare.</p>

Introduction

Globally, the level of profitability of the population is one of the main factors in the well-being of people, and in social policy it is important to steadily form income and reduce the level of differentiation. From this, it is important to research scientific problems, such as improving social areas and ensuring a reduction in the level of differentiation of wages and other income, by evenly dividing the gap between the different social strata of the population, to reduce the income gap.

The goal of the World Bank's anti-poverty project is, first, to make the poorer class less than 3% of the world's population by 2030, and secondly, to increase the incomes of the very poorer class of the population of each country.

The consequentiality of reforms in sectors and sectors during the period of economic reforms is reflected in the improvement of the lifestyle of the population. In solving these tasks, it is advisable to deepen research in such areas as improving the processes of structural transformation of the economy, improving the quality of life of the population on the basis of factors affecting the increase in the volume of national products and income, the productive use of resources, affecting the country's economic growth. The formation of income of the population – the real level of economic development of the state, as well as the level of social justice are clearly manifested. One of the important factors of a socially oriented society is the principles of Justice, which allow the development of existing

economic relations. At this point, it should be noted that special attention is paid to the tasks in this regard by the state and the government.

In the "Uzbekistan - 2030" strategy: "...obtaining a place among the countries whose income is above the average through sustainable economic growth, organizing a system of education, medicine and social protection that fully meets the requirements of the population and international standards, creating favorable environmental conditions for the population, establishing a fair and modern state in the public service, guaranteeing the sovereignty and security of the country¹" marked.

In the 2022-2026 Development Strategy, the 21st target of New Uzbekistan is:

"To ensure the rapid development of the national economy by providing high and stable rates of economic growth for the population in the coming years, to increase the gross domestic product per capita by 1.6 times, and by 2030, as the population and incomes grow, to raise the per capita GDP to 4,000 US dollars, thereby entering the group of 'upper middle-income countries.' Furthermore, it is planned to ensure a number of macroeconomic stabilizations and to gradually reduce the annual inflation rate to 5 percent by 2023²".

DISCUSSION AND RESULTS

Scientists believe that "the transition to the development of the economy on the basis of market relations in our Republic has exacerbated income inequality. It is necessary for the state to pay attention to this in the management and regulation of income, since the redistribution of property taking place in the process of privatization has created opportunities for certain groups of the population to extract income from property. Especially in the process of the initial accumulation of capital, a large number of abuses occur, and opportunities arise for the easy accumulation of income in the hands of certain classes."

"The poverty line for the Republic of Uzbekistan means living for less than \$ 3.2 per day, for example, a family of five people whose gross income is less than \$ 480 per month or 4.6 million can be considered poor. According to research, the consumer basket, in which 46 types of products and primary services are included in our country today, is calculated at around 650 thousand soums, and the lowest level of living is around 810 thousand soums."

However, the consumption basket may differ depending on age, gender, and seasonality.

In order to further clarify this concept, it can be expressed that the standard of living in a narrow sense refers to the fact that the consumer needs of the population are met, that consumption is provided with income and expenses, in a broad sense, the level of human development (health, opportunities to satisfy needs) and its living conditions (environmental, security concerns).

At the same time, it should be recognized that a decrease in the standard of living of the population occurs as a consequence of inequality in the use of material and intangible benefits and the distribution of income in the process of economic development of poverty as a socio-economic phenomenon. The level of poverty is expressed in the production capabilities of the country and in the lifestyle of the population, and as a social issue is manifested in almost all economic systems.

¹ O'zbekiston Respublikasi Prezidentining 2023 yil 11 sentabrdagi "«O'zbekiston — 2030» strategiyasi to'g'risida"gi PF-158-son Farmoni, Qonunchilik ma'lumotlari milliy bazasi, 12.09.2023 y., 06/23/158/0694-son; 29.12.2023 y., 06/23/214/0984-son.

² O'zbekiston Respublikasi Prezidentining "2022 — 2026-yillarga mo'ljallangan Yangi O'zbekistonning Taraqqiyot strategiyasi to'g'risida"gi Farmoni, 28.01.2022 yildagi PF-60-son.

In world practice, the amount of their income is used to assess the standard of living and quality of life of the population. These earnings are used to cover current expenses or to accumulate cash. Current expenses include expenses for food, clothing, accommodation, utilities, home furnishings, health care, transportation, communications, education, culture, physical education and sports, recreation and Tourism, other services and favors.

On the example of Uzbekistan, the main natural resources characterizing the territory, as well as the attention directed by the government to this territory (investments, infrastructure, etc.k.) are considered to be decisive factors in the formation of income and the origin of differences between regions in this regard.

As you know, the change in the form of ownership has led to a structural change in the forms of economic management and monetary income, as a result of which, at an absolute level, the composition of population income increases several times, money income changes, at which point the change in population income in our country was analyzed (Table 1).

From Table 1, it can be seen that the new structural change of the national economy will affect the direct change of the composition of income as well, including the total income of the population in 2023 of 728826.1 billion. 764574.0 crore in the reporting year. increased to, or increased to 126.3%. The total per capita income was 110.0%, up from 20,638.7,000 in 2024.

Table 1 The rate of change in total and real per capita income in the Republic of Uzbekistan in 2020-2024

Indicators	2020 y.	2021 y.	2022 y.	2023 y.	2024 y.
Total income of the population, billion soums	420338,3	515660,7	633567,4	728826,1	764574,0
Compared to last year, in %	113,5	125,1	122,0	115,1	126,3
Total income per capita, thousand soums	10734,3	13416,8	15948,3	18201,2	20638,7
Compared to last year, in %	98,6	110,7	107,3	102,4	109,9
Real total income of the population, billion soums	367456,6	468448,4	568527,8	662749,9	746463,6
Compared to last year, in %	100,5	112,9	109,5	104,6	114,3
Real gross income per capita, thousand soums	10734,3	13416,8	15948,3	18201,2	21634,1
Compared to last year, in %	98,6	110,7	107,3	102,4	116,5

It should be noted that the standard of living is not real income at all, the increase in income by organizing real income per capita provides stable economic growth, social well-being is achieved as a result of an increase in the hard abilities of the population. "Standard of living: – in a narrow sense refers to the fact that the consumer needs of the population are met, that consumption is provided with income and expenses; in a broad sense refers to the level of human development (health, opportunities to satisfy needs) and its living conditions.

In the following years, the increase in the non-governmental sector increased the share of market revenues in total income by more than five times, as evidenced by the fact that in the non-governmental

sector, services in relation to production become a profitable sector for the population. These shifts in the structure of income are associated with changes in ownership and the development of business activities, affecting income in two directions – the first is entrepreneurship, the second is income from property. The support of business by the state will be able to develop at the expense of its own internal resources, which has caused the increase in the indicators of entrepreneurial income in the gross income of the population.

Achieving economic growth in the conditions of modernization of the economy leads to the end of the problem of poverty, expressed in the production capabilities of the country and in the way of life of the population, which, as a social issue, manifests itself in almost all economic systems. The development of economic development requires a productive use of the natural and economic potential and capabilities of the regions, conducting systematic work on the study of population income stratification, an in-depth study of the factors affecting it.

As the president of the Republic of Uzbekistan pointed out the importance of this issue at the right time: “it is no secret that in the regions, especially in the villages, the majority of the population does not have a sufficient source of income. As in any country, we also have disadvantaged groups of the population. According to various estimates, they account for approximately 12–15%. The discussion here is not about small numbers, but about the 4-5 million representatives of our population. This means that their daily income does not exceed 10–13 thousand soums. Or a family can have both a car and a pet, but if a person is seriously ill, at least 70% of the family's income goes to treat him. Can we say that such a family is well-off? As president, I am tormented every day by the question of what is happening to our people's vital needs, such as eating, treating, educating, dressing their children. Poverty reduction means to awaken the entrepreneurial spirit in the population, to fully realize the internal strength and potential of a person, to implement a comprehensive economic, social policy to create new jobs³”.

The transition to the development of the economy on the basis of market relations in our republic has exacerbated income inequality. It is necessary for the state to pay attention to this in the management and regulation of income, since the redistribution of property taking place in the process of privatization has created opportunities for certain groups of the population to extract income from property. Especially in the process of the initial accumulation of capital, a large number of abuses occur, and opportunities arise for the easy accumulation of income in the hands of certain classes.

“Recent theories have emerged that reveal a positive correlation between income inequality and economic growth, and according to these theories, large investments require a large share of funds, and since the efficiency of saving funds is high among the rich layer of the population, it is better to accumulate wealth among them in the hands of a small part of the population, so they can make large It is important to note that there is a positive relationship between technological development and economic growth. In this regard, there is historical evidence that more technological inventions were made during periods of high income inequality, and these periods are also characterized by an increase in investment and, therefore, an increase in economic growth is expected⁴”.

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³ O‘zbekiston Respublikasi Prezidenti Sh.M. Mirziyoevning 2020 yil 24 yanvardagi Oliy Majlisga Murojaatnomasi. “Xalq so‘zi” gazetasi, 2020 yil 25 yanvar, № 19

⁴ Zayniev F.N. Aholi daromadlari tengsizligining nazariy asoslari //Iqtisodiyot va innovatsion texnologiyalar, 2022. – №5. – B. 101.

result of an increase in the hard abilities of the population. "Standard of living: - in a narrow sense, the satisfaction of the consumer needs of the population, the provision of consumption with income and expenses; in a broad sense, refers to the degree of human development (health, possibilities of meeting needs) and its living conditions⁵. The monetary income of the population in the country, on the one hand, provides stable economic growth, and on the other, forms the financial basis for ensuring social well-being as a result of an increase in the hard abilities of the population. As a result of the measures taken to ensure a decent standard of living for people, to support them socially, per capita income, wages and pensions are also visible in a proportional change, in which the socio - economic classification of reducing the gap between the incomes of the population was grouped in the table below (table 2).

Table 2 Socio-economic classification of reducing the gap between household incomes

Impact on income stratification	Efficiency of sustainable economic growth
GDP growth in the country	Improvement of the quality of life of the population
Socio-economic mechanisms affecting the reduction of the gap between the income of the population and its stabilization	Factors that influence the population to have a guaranteed source of income in conditions of increased income
Reducing the gap between incomes of different social strata is an equal distribution of income among different social strata.	Setting measures to improve the standard and quality of living of the population, increase income and increase purchasing power
Reducing the gap between social sectors and wages and other incomes	Improving the living standards of the population, ensuring the growth of their incomes and purchasing power

In modern conditions, the socio-economic concept arises from the need to increase the well-being of the people, to prevent the growth of poverty and underserved. Therefore, the purpose of the reforms in the republic lies in Zamiri to carry out a flexible policy on the income of the population. It seeks to increase wages at each stage of market reforms, apply maximum taxation policies depending on the amount of income, strong social protection and increase the amount of transfer payments to low-income residents.

The Uzbekistan – 2030 strategy defines" to take a place among countries whose income is above the average through sustainable economic growth, to organize a system of education, medicine and social protection that fully meets population requirements and international standards, to create favorable environmental conditions for the population, to establish a fair and modern state in the public service, to guarantee the sovereignty.

⁵ Rustamov N.I., Aholi turmush darajasi va o'zbekistonda uni oshirish imkoniyatlari //Iqtisodiyot va innovatsion texnologiyalar, 2015. – № 5.

Conclusion

In conclusion, it should be noted the two-way effect of distribution relations in the income generation of the population. It represents the constant growth of income for those who are engaged in labor, the achievement of well-being as a result of the distribution of social efficiency, and vice versa, the increase in poverty. The poorer category of the population is not only deprived of the opportunity to benefit from rapid economic growth, but also cannot contribute to development due to the limited ability to participate in various areas of society.

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