



**FACTORS CAUSING POVERTY AND MECHANISMS OF THEIR REDUCTION**

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<b>ABSTRACT</b>	<b>KEYWORDS</b>
<p>Today, it is necessary to deepen research on the factors causing poverty in our country and their causes. This article is based on the research status of the theory of the formation of poverty and tries to propose it together with practical experience. It is based on analytical guidelines that reveal the internal logical connections between the various factors that cause poverty. At the same time, the current state of research on the mechanism of poverty reduction is revealed.</p>	<p>Poverty, economic changes, population welfare, social capital, rule of law, entrepreneurship, development, progress.</p>

**INTRODUCTION**

Poverty is a long-standing problem that has accompanied the development of human society. Since the 20th century, the world's science and technology and economy have experienced unprecedented development, production and living conditions have gradually improved, the scale of poverty has continued, and plans to reduce problems in this regard have begun to be developed. However, the problem of poverty has not been eliminated, different classes and social differences between countries are increasing, and the gap between the rich and the poor is emerging. As this trend continues, poverty around the world is still a very serious and growing issue, becoming increasingly visible social and economic problems and even a source of social contradictions and unrest. Many economists and scientists in our country and abroad look at poverty from different angles. Despite the targeted measures implemented in our country to increase the income of the population, there are a number of problems that need to be solved:

In this regard, it is necessary to develop a concept of consistent increase of incomes, which ensures finding optimal ways, taking into account the existing risks of incomes affecting the level of consumer prices,

\* currently and in the future, increasing the income of the population remains a priority. In this regard, it is necessary to consistently increase the income of the population and in this process to prevent the negative impact of income on the general level of consumer prices, to determine the acceptable dimensions of risks in this regard. It should be said that the growth of wages in our country is not due to the increase of labor productivity indicators, but in many ways it is happening in parallel with the mitigation of the inflationary effect.

\* in-depth study of the income structure of the population, statistical observations, conducting questionnaires on the spot and developing social protection and bandliu programs based on their results;

\* despite significant changes in the open publication of income and salary data (three years ago, obtaining this data was a difficult task for the general public), income and expenditure of the population, income by social stratification of the population it is desirable to involve non-governmental non-commercial organizations in the organization of questionnaires, to convey the results of the questionnaire and analysis data to the general public;

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

\* reduction of differences in interregional population incomes by developing and implementing a unified strategy for regional development;

Taking the necessary effective measures to solve the above problems will serve to increase the standard of living and general income of the country's population.

Today, the Fund provides financial assistance in the form of guarantees and compensation for the purpose of financial support to small businesses and entrepreneurs.

33,208 billion received from commercial banks of 20,258 small businesses and entrepreneurial entities during the past year alone. 6.993 billion by the Fund for soum loans. received financial obligations in the amount of soums.

In turn, the results of the analysis show that in 2020:

- 4.172 bln. guaranty obligations in the amount of soums were received, as a result of which the number of small businesses and business entities using the guarantee of the Fund increased by 4.2 times compared to 2019;
- the number of small businesses and entrepreneurs who used the financial assistance of the Fund in the form of compensation to cover the interest expenses on loans from commercial banks reached 14,902, and the Fund provided 2.821 bln. took obligations for the compensation of interest expenses in the amount of soums, as a result, compared to 2019, the number of compensation recipients increased by 4.4 times and the amount of interest expenses to be paid increased by 3.3 times.

In addition, in order to strengthen the social protection of the population during the fight against the spread of the coronavirus infection and to ensure the stability of the economic sectors, the President of the Republic of Uzbekistan of 2020 No. PF-5969, PF-5978, PF-5986, PF-5996 in accordance with the decrees, the Fund provided financial support for the loans of about 6 thousand small businesses and entrepreneurs.

Small business and private entrepreneurship is an important factor in the development of the economy, increasing the employment and income of the population. More than fifty presidential decrees and decisions were adopted in the last two and a half years in order to support the representatives of this field from all sides. In particular, the procedures for state registration of business activities, obtaining various permits and many other services have been simplified. In order to facilitate this, the State Services Agency and its local centers were established. The position of business ombudsman (business ombudsman) has been introduced.

Reception offices of the Prime Minister were established in all regions, which receive and help resolve businessmen's appeals. Under the Cabinet of Ministers, the activity of the State Fund for the Support of the Development of Entrepreneurship was launched, and 200 billion soums and 50 million dollars were allocated to it.

The volume of loans granted by commercial banks to entrepreneurs has increased. Such practical measures are paying off. Small business provides almost 60% of the country's gross domestic product, one-third of the volume of industrial products, 98% of agricultural products, and half of investments. In many regions, 70-90 percent of exports fall on small businesses.

In 6 months of this year, the number of business entities increased by 60 thousand. At the meeting, it was noted that these indicators are the initial results of the reforms, and the main attention was focused on solving the problems still encountered. The head of our state emphasized that regional, district, city mayors and their first deputies should work in a completely new way and spend 70% of their time on developing entrepreneurship in the region.

The task of implementing a new incentive system was to assess the activities of the mayors of each region, district and city and their first deputies based on the number of newly established or revived small enterprises and the number of jobs created in them.

It was determined that the viability indicator of enterprises should be one of the main criteria in the assessment. That is, if at least 50 percent of the enterprises being established work for the next 3 years, additional financial incentives are provided for the mayor and his first deputy for entrepreneurship, heads of regional departments of the Chamber of Commerce and Industry.

The Cabinet of Ministers, the Ministry of Justice, the Ministry of Economy and Industry were instructed to implement this new system. It was noted that the Republican working group headed by the Minister of Economy and Industry needs to develop proposals for small business development based on the potential of each district. On the basis of these proposals, entrepreneurs will be assisted in all matters such as their implementation, credit, allocation of land and buildings, connection to infrastructure.

In conclusion, it should be said that it is appropriate to increase the activity of non-governmental organizations as well as state organizations on the basis of the reforms aimed at ensuring the employment of the population in the country. Creation of new jobs by improving business activities and legal guarantee of ways to achieve these jobs as a source of income for the population should form the essence of the reforms being carried out in this regard. We present the following suggestions and recommendations aimed at eliminating the above-mentioned problems.

1. To increase the effectiveness of additional benefits based on local and regional conditions in order to further expand the opportunities of citizens in self-employment.
2. Simplification of the legislative system related to providing employment to the population by improving it.
3. Introduction of a system of measures to create specially specialized jobs in order to ensure the right to work of persons with disabilities
4. Each region has specific poverty profiles that require the development of specific measures to study it. For example, the program of measures for the Republic of Karakalpakstan (a region with a high level of poverty) should be developed taking into account low-income indicators. In this case, the low economic development of the region, the large share of the population under 16 years old, the relatively high level of unemployment, the instability of incomes, which are considered as risk factors for Karakalpakstan, can increase the effectiveness of measures.

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