

THE ESSENCE OF THE CONCEPT OF POVERTY

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Annotation. The article describes the essence of poverty, its causes, definition of poverty criteria, as well as ways to reduce poverty in our country in the context of a pandemic.

Keywords. Poverty, poverty reduction, poverty criterion, pandemic, poverty line.

Research by the World Bank shows that pandemic-related job losses around the world have hit the already poor and vulnerable hardest. At the same time, this pandemic has partially changed the state of global poverty by creating millions of "new poor".

The preliminary analysis included in the World Bank report shows that the new poor are some who live in cities, are better educated, and work in agriculture, making up fewer of those who lived in extreme poverty before COVID-19. These results are important for policies to improve the quality of life and reduce poverty. It shows how some countries can implement swift, flexible policies to overcome crises, protect the most vulnerable, and promote sustainable recovery.¹

In his address to the Oliy Majlis on December 29, 2020, the President of the Republic of Azerbaijan stated that the ultimate goal of economic reforms in the new year is to reduce poverty and increase the welfare of the population. It is planned to achieve these strategic goals at the expense of high economic growth that creates equal opportunities for all, and with this in mind, comprehensive work will be carried out in 2021.²

It is worth noting that currently there is no generally accepted and unified definition of the concept of poverty worldwide. Each country defines poverty based on its own poverty line.

In our opinion, the second approach is more inclusive of the concept of poverty. Because at present there is a segment of the population that cannot provide enough for their families by receiving low wages.

In addition, according to the methodology proposed by the World Bank as a result of research conducted in 115 countries in 2015, the poverty line for all countries according to purchasing power parity at 2011 prices is 1.9, and the poverty line is 1

¹ World Bank reference. Poverty and shared prosperity 2020: Reversals of fortune.
<https://www.worldbank.org/en/publication/poverty-and-shared-prosperity>

² Address of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev to the Oliy Majlis dated December 29, 2020.

based on the low, middle and high-income levels of the population of the countries. ,9; 3.2; It is recommended to set it at 5.5 and 21.7 USD.

Poverty assessment requires several well-defined skills and techniques. Poverty, in general, is a relative concept. Some consider themselves poor because they don't have rest in the most prestigious places abroad, while others are called poor because they don't have shelter and food for their saddles.

According to recognized views, poverty is determined by three levels: absolute poverty, relative poverty, and subjective poverty.

People living in absolute poverty can only meet the minimum needs that ensure biological survival. The extreme poverty line is set at \$1 per day based on the ability to purchase products, while the poverty line is set at \$1.9 per day. In the European Union, the relatively poor are those who earn less than 60% of the average salary in the country. A subjective assessment of poverty is people's own assessment of their material well-being. In short, poverty is the inability to provide a certain acceptable standard of living for a certain person

Uzbekistan is among the countries with average income according to the indicator of national income per capita (average of 1533 US dollars per person per year). \$3.2 per person per day is the average poverty line. For countries with higher than average national income, \$5.5 per person per day is the average poverty line.

According to the World Bank, 736 million people (10 percent of the population) live in extreme poverty (having an income of less than \$1.9 a day), and almost half of the world's population - 3.4 billion people - have an income of less than \$5.5 a day. The continent with the highest level of poverty is Africa, the poorest countries on the planet are the Democratic Republic of the Congo (extreme poverty level - 77.1 percent) and Madagascar (77.6 percent).

To sum up, reducing poverty depends not only on economic factors, but also on a person's inner spiritual worldview, and no reform can bring a person out of poverty if a person does not change his worldview.

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