
Approaches to Ensuring the Welfare of the Population and Assessing Poverty

Karimov Shahbozxo'ja

Lecturer

Usmonov Elmurod

2-course master of economics speciality, Fergana state university

Abstract: The article is devoted to the analysis of the problem of poverty from the point of view of the methods and approaches used in the assessment of this social phenomenon in modern countries. The main approaches to the interpretation of the concept of "poverty", as well as some concepts that explain the complexity of measuring poverty as a social phenomenon, are considered.

Key words: poverty, standard of living, salary for living, deprivation, relative poverty, absolute rarity, poverty line, assessment methodology.

Introduction. One of the most controversial aspects of a market economy is the growing inequality in the income of members of society and the stratification of the population. This creates the problem of poverty. The relevance of this problem is expressed by President Sh.M.Mirziyoyev "...In the new year, the ultimate goal of economic reforms will be to reduce poverty and increase the welfare of the population. These strategic goals are achieved at the expense of high economic growth, which provides an equal opportunity for everyone" [1], he emphasized.

First of all, it is necessary to go to the difference between the concepts of "poverty", "poverty" and "low welfare" as an economic category. In our opinion, the concepts of "poverty" and "poverty" differ from each other.

Poverty is a characteristic of the economic state of a person or social group that is important for life, cannot meet the most necessary minimum needs, is able to work and cannot continue its offspring.

Absolute poverty is explained by the fact that the income of different groups of the population does not reach a certain minimum value, which is now officially considered the minimum wage.

Relative poverty, or, in Soviet terminology, relative poverty of workers, is understood to mean that the income of an individual or family is lower than the average income or expenses of a particular country. That is, people do not remain in famine, but live "below average", feeling deprived of many things.

The level of poverty is the ratio of the number of people to the entire population, per capita, with a low income to live life.

The bottom of pioneering is the level at which cabbag families fall even below the minimum income to live life.

The limit of poverty is the income of the corporal, which does not exceed 50% of the poverty line, that is, the minimum of consumption [4].

In 1990, World Bank experts proposed to measure the world's poor population, using the standards used in poor countries. Having studied the national level of poverty in 15 countries, they recalculated using exchange rates based on purchasing power (purchasing power; calculated on the basis of these prices around the world). This is how it is done in order to correctly compare the price of a set of goods and services in all countries. As a result, experts believe that in six of the studied poor countries, the poverty rate is about \$ 1 per person per day. This figure is regarded as the first international poverty line.

Since 1990, the World Bank's "poverty and gross welfare" reports are published every year. The last lecture was released in October 2018. The main indicator in it is that the international border of poverty is in the amount of \$ 1.9 per day per person. However, new definitions and sizes are being introduced on poverty. Including social poverty. This indicator combines the concept of absolute and relative poverty.

In addition, a multi-dimensional poverty indicator was introduced as poverty did not reflect the possibility of Public Utilities (water, electricity), health or education in terms of income levels. In accordance with this concept, the share of poor at the global level is approximately 50% higher compared to monetary poverty.

According to the World Bank, 736 million people (10% of the population) are in extreme poverty conditions (with less than \$ 1.9 per day of entry), while almost half of the world's population – 3.4 billion people – have less than \$ 5.5 per day of earnings. The poverty rate is highest in continental Africa, with the poorest countries on the planet being the Democratic Republic of the Congo (extreme poverty rate – 77.1 percent) and Madagascar (77.6 percent).

Russian economist scientists N E Tikhonova and M K Gorshkov conducted research on the causes of poverty in the population in Russia (Table 1).

Table 1. Dynamics of awareness (understanding) of the causes of poverty of Russians, % [2]

Causes of poverty	2005	2018	2020
Alcoholism, drug addiction	35	39	39
Disease, disability	37	40	35
Long-term unemployment	41	41	31
Laziness, inability to live	22	23	31
Problems in the family, misfortunes	25	31	29
Lack of public privilege (posobia) on social security	38	32	25
Non-payment of wages, delay of pension	47	19	24
Low (Bad) Education, low qualifications	23	21	19
Unwillingness to change the usual lifestyle	19	18	18
Lack of help (support) from relatives, friends, acquaintances	20	20	15
They have a low standard of living of their parents	20	19	13
Living in a poor area	17	17	12
The presence of a large number of dependencies	17	17	10
Bad luck	14	13	10
Charges of migrants and refugees	5	4	5

One of the most basic causes leading to poverty in Russia is alcoholism and drug addiction. This is seen as the most negative situation.

The main indicators of poverty are determined by the formula proposed by James Foster (James Foster), Joel Grier (Joel Greer) and Eric Torbeke (Eric Thorbecke).

$$P_a = \frac{1}{H} \sum_{h=1}^q \left(\frac{Z_h - Y_h}{Y_h} \right)^a$$

Here:

P_a is the level (indicator) of total poverty; a is the parameter indicating which poverty indicator is talking about; Z_h is the level of poverty that depends on the composition of H of a separate household; Y_h is the level of income of H households received separately; q is the number of poor households; H is the total number of households.

Based on the formula of Foster – Griera – Torbeckes, the main indicators of poverty are determined.

- Poverty coefficient and poverty rate ($a = 0$);
- Poverty depth index ($a = 1$);
- Poverty is serious (acute) League Index ($a = 2$).

Poverty coefficient (the share of the number of poor households in the total number of households).

$$P_0 = \frac{1}{H} \sum_{h=1}^q \left(\frac{Z_h - Y_h}{Y_h} \right)^0$$

The poverty coefficient only characterizes the degree of prevalence of poverty and does not allow us to determine whether the income of poor households is below the poverty line.

Poverty depth index:

$$P_1 = \frac{1}{H} \sum_{h=1}^q \left(\frac{Z_h - Y_h}{Y_h} \right)^1$$

The poverty depth index allows you to determine how low the income of low-income households is compared to the limit of low-income.

Poverty serious (acute) league index:

$$P_2 = \frac{1}{H} \sum_{h=1}^q \left(\frac{Z_h - Y_h}{Y_h} \right)^2$$

Indian economist, Nobel Prize laureate in economics of 1998 Amartia Kumar Sen proposed an index that is a synthetic indicator of poverty, which embodies three factors. As these factors, the prevalence of poverty, the material shortage of poor people and their stratification in terms of income are taken. It is calculated by the following formula.

$$S = L \left(N + \frac{d}{P} G_p \right)$$

Where: s -sen index; L – the proportion of the poor population; N – the ratio of the average income deficit (deficit) to the poverty line; d – the average income of poor households; P – the poverty line; G_p – the Djini coefficient (index) for poor households. "According to preliminary estimates, 12-15 percent or 4-5 million of our population are poor. This means that their one-day income does not exceed 10-13 thousand rubles. Or there may be both a car and a pet in one family, but if a person is seriously ill, at least 70% of the family's income will go to treat him. So can such a family be called self-sufficient? As president, I am tormented every day by the question of what are the vital needs of our people, such as nutrition, treatment, education, dressing of their children," [3] – emphasizes Shavkat Mirziyoyev. Based on the opinions and opinions expressed

above, we have developed the following scientific proposals and practical recommendations of a recommendation nature to reduce poverty in the country.

- to determine the level of poverty, in addition to a number of indicators such as the per capita share of national income, income and expenses of the population, it is necessary to include other indicators related to the level of Housing and other material assets of the population, the cost of living, natural income, measures aimed at supporting the social sphere by the state.

Conclusion. For this, it is necessary to develop or improve the methodology of determining the level of poverty, which takes into account national characteristics;

- a sharp fight against drunkenness, drug addiction, gambling, human trafficking, which leads to poverty;
- The health of the population is the wealth of society. Therefore, providing quality and affordable medical services to the population, helping people with disabilities to find a suitable job for them, providing benefits;
- targeted support of the population in need of social protection for economic protection of the population;
- development of distance (online) education to increase the level of informativeness (especially higher education) of the population, to improve the level of professional qualifications;
- to increase the entrepreneurial ability of the population, to strengthen responsibility for the effective use of the available opportunities of the population (suppose the land of the farm in rural areas);

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