

THE CONCEPT OF POVERTY AND ITS ASSESSMENT CRITERIA

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Annotation: The article reveals the essence of the concepts of poverty and deprivation, analyzes the functioning of the social protection system in the countries of the world during the period of historical development.

Keywords: Poverty, social protection, assistance, program, social insurance, social system.

It is known that the level of development of society is usually determined by the state's attitude to the elderly, children, disabled people in society, their standard of living, in other words, to all categories of people in need of social protection.

Assistance to the socially vulnerable, that is, the elderly, the disabled, the lonely, the helpless and other categories of the population, is evidence of the high spirituality and culture of the society. From historical development, it is known that assistance, sympathy and donations to relatives have long been characteristic of the peoples of different countries.

There is no single definition of the word "poverty". While some understand poverty as the unavailability of primary human needs, others – the lack of freedom of choice or living on less than \$ 1.9 a day (World Bank), and others – the network of a continuing circle of interacting social, educational, and health barriers that harm human participation in the socio-economic life of society (UNDP). Conducting a poverty assessment requires a number of well-defined skills and methods.

At the international level, joining forces in the fight against poverty was voiced in the UN Millennium Declaration in 2000, when the Millennium Development Goals were adopted, one of which was to halve the proportion of the world's population with an income of no more than \$ 1.25 a day by 2015. Developed countries have begun allocating \$ 15 billion annually to the poorest countries for basic social services and have opened their markets to import their products.

The fight against poverty, one of the central items on the global agenda of the last decade, has become even more relevant this year. The "International Day for the Eradication of Poverty", which has been celebrated annually since 1993 on October 17, was overshadowed by the World Bank's report on the situation of poverty in the world released in September, addressing the upcoming annual meeting of the leaders of the world's leading economies of the Group of Twenty in November, at which this issue will be the focus of attention. In this document, the World Bank drew attention to the fact that this year, due to the pandemic, poverty began to regain its position lost earlier thanks to many years of efforts to combat it. The fight against poverty is becoming an increasingly acute problem for the whole world due to the consequences of the pandemic, while remaining very important for Uzbekistan. That is why, in his speech at the 75th session of the United Nations General Assembly, President of the Republic of Uzbekistan Shavkat Mirziyoyev proposed to identify the problems of poverty eradication and the fight against poverty as one of the main topics of the upcoming session of the UN General Assembly, as well as to hold a Global Summit dedicated to these issues.

It should be noted that for the first time in the history of Uzbekistan, the issue of poverty was raised on January 24, 2020 in the Address of the President of the Republic of Uzbekistan to the Oliy Majlis, and this topic became the main agenda of socio-economic policy.

There are two indicators that are used to measure a person's level of well-being at a particular time: *income per capita* or consumer *spending per capita*. In practice, it is recommended to use the second indicator due to the fact that income is more volatile than consumption. Some sources of income are difficult to identify, and the probability of providing false information about income is higher. However, using information on consumption expenditures as an indicator of well-being, some adjustments should be made to this indicator to take into account price changes over time, price differences between individual countries, household goods consumed (including food), the cost of public goods and services received by the household (free or subsidized health care, school lunches, public education).

Therefore, to determine who is poor and who is not poor, based on knowledge about consumption (income), you should choose a threshold *level of poverty*, which is usually called the "poverty line". This is quite a difficult task, since there is no consensus on the definition of poverty, nor on what will serve as a threshold for the definition of poverty. The most commonly used definitions of the poverty line are as follows [1].

- *Nutrition-based poverty line*. Poverty takes certain forms, and one of these forms is hunger. In this case, well-being will be measured as the daily caloric intake per capita and compared to the daily minimum energy requirement for this category of people. The Food and Agriculture Organization of the United Nations defines a minimum level of an average of 1,800 kilocalories per day, with needs adjusted for the age, gender and activity level of the person.

- *International poverty line*. This poverty line is used by the World Bank for international comparisons. It was set at \$ 1 per day, measured in dollars at purchasing power parity, for the extreme poverty line indicator, and at \$ 2 per day for the poverty line indicator. These poverty lines were recently raised to \$ 1.25 per day and \$ 2.5 per day, respectively. The reason for this was the fact that this particular poverty line is currently used by the 15 poorest countries in the world.

- *Relative poverty line*. Poverty is not only an absolute concept, but also a relative one. People may well feel poor when comparing their consumption with others in the corresponding control group. This is the concept of relative deprivation – people attach value to their income or consumption relative to the average in their country or community [2].

- *Subjective poverty line*. It can be said that poverty is not only an absolute or relative standard, but also a perception. In this case, the question is asked to households: "What expenses do you consider absolutely minimal?". And this is compared to their actual expenses.

As for measuring the level of poverty in Uzbekistan, only the first two methods are used here. The results of the nutrition-based method show that the poverty rate in the republic is 11.4%.

In recent years, significant progress has been made in creating publicly available large databases that can be used to study the problem of poverty. They allow us to characterize poverty and test many hypotheses about the factors of poverty, as well as the impact of specific programs and policy reforms on poverty. For example, by comparing the characteristics of poor and non-poor people or households, it is possible to make a qualitative diagnosis of poverty and determine the specific

parameters of assistance in combating poverty [3]. As a rule, information on the following areas is used for diagnostics:

- * Characteristics of family members: age, gender, ethnicity, education, and health status.
- * Demographic characteristics of the household: the gender of the head of the family, the size and the ratio of dependents (the number of children and the elderly per the number of adults of working age).
- * Property: land, livestock, tools, and social capital.
- * Types of activity: sector of activity, sold crops, type of employment.
- * Location: rural/urban, region, district.
- * Access to public services: electricity, running water, medical facilities, schools, social assistance programs.
- * Access to the market and private services: distance to the market, road infrastructure, access to financial services.

Recommendations to combat poverty should be based on the characteristics of poor households, existing barriers and priorities for development, as well as on the possibilities of macroeconomic and micro-level policies.

References

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