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POVERTY ALLEVIATION TECHNIQUES IN LEAST DEVELOPING COUNTRIES

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Abstract

The paper studies various approaches to defining poverty as an economic category that affects the scale of poverty. It also considers countries in which poverty is one of the most pronounced problems. These are the so-called "third world" or developing countries. The article also reflects the general economic problems of poor countries, traces the evolution of directions of economic thought related to increasing the level of welfare and reducing poverty in developing countries; the experience of implementing economic policy in relation to poverty reduction in countries of various socio-economic types is analyzed.

Keywords: poverty, poverty reduction (elimination), theoretical approaches, macroeconomic theory, economic policy, World Bank, developing countries.

INTRODUCTION

Poverty is the very question that researchers have been trying to answer for years.

The phenomenon of "poverty" is studied by scientists - economists, very deeply and diversely in Western literature, and in recent years in the domestic one. Interest in this phenomenon increased in the last third of the 20th century in connection with the study of the problem of the quality of life.

After all, such a phenomenon, in spite of everything, continues to exist. Moreover, in recent years this problem has acquired a global scale, possibly due to the lack of rational approaches to overcoming poverty.

In studies of the causes of poverty, most often, the period from the 18th to the first half of the 20th century is distinguished, associated with the names of famous researchers such as A. Smith, D. Riccardo, T. Malthus, G. Spencer, J. Proudhon, E. Reclus , K. Marx, C. Booth and S. Rowntree and the modern view of the problem of poverty in the XX century (F.A. Hayek, P. Townsend and others).

Researchers of the 18th century, such as Riccardo, Smith, Malthus, who studied this problem, believed that poverty is an inevitable consequence of industrial development.

With regard to, directly, poverty in developing countries, then, first of all, it is necessary to define such a concept as the "third world".

The term "third world" (proposed by the French demographer Alfred Sui) arose at the stage of active confrontation between two systems: capitalist and socialist. The states that remained aloof from direct participation in this struggle began to be called the "third world".

The countries of the "third world" occupy a special place in the world economy. For a huge period of time, these countries were not given enough attention to solve the existing problems there, since at one time they were only former colonies.

The countries of the "third world" usually include the former colonial and dependent countries of Asia, Africa and Latin America. These countries have become politically

independent, but entangled in networks of economic dependence, tied to the foreign capitalist economy, its industrial, scientific and technical base.

A characteristic feature of the economies of all Third World countries is their inconsistency in the development of sectors of the national economy, which is explained by the fact that they did not go through the successive phases of economic development, as developed countries did before.

As is already known, in the Third World countries, the bulk of the poor reign in rural areas due to the insufficient level of industry.

The lack of funds for food, for satisfying natural needs makes such countries especially "miserable" in comparison with prosperous countries.

What should be done in order to eradicate poverty forever?

Over the years, economists have tried to come up with various methods and techniques to overcome this problem. First of all, one of the examples of overcoming poverty can be considered the works of A. Smith and J. Proudhon. Their main idea was that poverty can only be overcome through work.

Research by scientists from the University of Vermont

Poverty is a global problem that affects all of humanity. Despite the fact that most of the poor are Third World countries, developed countries should provide them with direct assistance. Many different rational approaches are needed to overcome poverty. Most of the population of these countries falls asleep from hunger, while some even die of hunger.

In order to, to some extent, end the existing situation, developed countries need to unite to find the most successful way out of this situation. After all, only by joint efforts it will be possible to achieve something.

World Bank study.

World Bank experts analyzed labor productivity (output per unit of labor input) in 29 developed and 74 developing countries from 1981 to 2018 and found that although the gap between labor productivity in developed and developing countries has gradually narrowed, it remains huge. On average, one worker in 60% of developing countries produces in the same time less than 1/5 of what a worker in developed economies produces. And if before the financial crisis the difference was decreasing, now it is growing again. At the same time, it is this gap that determines 2/3 of income inequality in the world, writes the World Bank and warns that it will take centuries to reduce it at least by half.

Theory

In 1990, for the first time, in light of the negative consequences of macroeconomic events in developing countries, the World Bank identified poverty as the main problem of world development. The 1990 World Development Report proposed a strategy consistent with the principles of the Washington Consensus to stimulate economic openness and investment, which in turn should promote labor-intensive economic growth.

As a result, by 2000 the World Bank had developed a comprehensive strategy, the task of which was to implement a number of missions: the formation of the main goals of the development of the world community and the expansion of institutional procedures in the field of socio-economic development, in particular the elimination of poverty.

Thus, the Millennium Declaration, adopted in 2000, formulated eight international development goals, in which the central place was given to reducing poverty by half by 2015, since poverty indicators are closely related to other global problems: malnutrition, high mortality, lack of primary education, limited access to water and sanitation, while the goal that completes the concept of this program was the formation of a global partnership, which as a result implied "improving the terms of trade and achieving low debt levels for developing countries, which will create acceptable economic conditions for them" [2.

You can find a way out of any difficult situation. It all depends on the right approach. To intelligently solve a problem, you must first be able to admit that it exists.

For several decades, the economically unfavorable state of the country was associated with the difficulties of the transition period. We are so clinging to the conviction that happiness can be achieved not through material well-being, but through spiritual maturity, as a result of which both the state and society found themselves in a maelstrom of problems. Finally, they realized the truth: without elementary living conditions, a person will not achieve not only happiness, but even just calmness.

Thanks to the policy of openness over the past four years, the truth has surfaced and we began to look it in the eye. With the establishment of an effective mechanism of dialogue with the people, it became clear how ordinary people actually live, what pain points exist in the regions.

According to the results of the study, it turned out that in the regions, especially in rural areas, most of the population does not have a source of sufficient income. As in other states, in our country there is a stratum of the poor. They make up about 12-15 percent. This is approximately four to five million people. As the President noted at the beginning of last year, the daily income of this category of our compatriots does not exceed 10-13 thousand soums.

So what should you do? The answer to this question was clearly and understandably formulated by the head of state himself, noting that poverty reduction does not mean an increase in salaries or benefits, the issuance of loans to everyone. To do this, first of all, it is necessary to educate the population in professions, increase their financial literacy, awaken a sense of entrepreneurship in people, improve infrastructure, educate their children, provide high-quality treatment, and introduce a system of targeted payment of benefits.

The poor are not benefiting from accelerated economic growth. Consequently, the participation of society in various spheres and industries is limited.

Therefore, in our society, in order to reduce poverty, it is necessary to increase the role of women and youth, first of all to provide them with qualifications and provide employment.

The approach and the chosen path of the head of state are as follows: it is important to create a system for the employment of those in need of employment by visiting them at home. So the new system will reach families where women and young people in need of support live.

It is not the diploma that is important, but the qualifications

In a competitive environment, there is a great need for workers and specialists with the necessary competence. Despite this, economic, legal and labor relations are rapidly developing in the world. New industries are emerging. In such conditions, the opportunities to receive a good income without higher education, through self-employment, increase.

In developing countries, the prevailing trend is the presence of an excessive amount of labor force, lack of financial and material resources. This means the feasibility of developing areas in which labor resources are required. These include agriculture, food and light industry, as well as types of high-tech production - installation, assembly, production of computers, office equipment, production of some types of electrical appliances, electrical products. In this sense, it is advisable for the Cabinet of Ministers to adopt a wide-ranging program for the development of industries requiring labor with high added value.

The development of infrastructure necessary for agriculture also contributes to poverty reduction. For example, a promising project in South Korea called "Striving for a New Village" has been successfully implemented for a long time in the countries of Africa and Southeast Asia. Thanks to it, it is possible to attract internal technologies from leading enterprises and territories, to create special industrial zones in the regions.

"You can't feed a bird from your hands"

Poverty cannot be reduced by giving money to people. This can be achieved through the development of entrepreneurship, education and health care. On the one hand, economic growth reduces poverty, and on the other, an increase in poverty reduces economic growth. If people have limited opportunities to use education and health care, they gradually become poor, and demand in the economy decreases. In turn, the economy cannot meet its needs for highly qualified personnel. As a result, growth is reduced.

Despite this, in 2020, at the height of the pandemic, social support was provided to all segments of the population. For example, if at the beginning of 2020 material assistance was provided to 552 thousand families every month, in June this figure was 774 thousand, in July - 876 thousand families. By the end of the year, the number of families receiving social benefits reached 1.2 million.

In Uzbekistan, the issue of poverty reduction has been elevated to the rank of state policy. The implementation of the outlined good goals will create a solid foundation not only for improving the well-being of compatriots, but also for the entry of our country into a number of developed countries of the world.

CONCLUSIONS

Poverty in developing countries is an important global problem, the solution of which requires, first of all, the establishment of its causes. An analysis of different approaches and the real state of affairs indicates that the following reasons lie at the root of poverty in developing countries.

1. Institutional barriers - excessive concentration of land in the hands of a few, injustice of the tax system, corruption, etc.

2. High rates of population growth and unemployment. High birth rates are considered by some politicians to be the main cause of poverty in developing countries. It is difficult to agree with this, because, other things being equal, this creates potential opportunities for

enhancing economic development in the future when young people reach working age and receive an appropriate education.

All these and other causes of poverty in developing countries are pulling them into a vicious circle of poverty, the content of which is that colonialism and neo-colonialism inhibit economic growth and per capita production, which reduces the possibility of savings and accumulation. Therefore, the growth of labor productivity is constrained.

Strong government policies can help break the vicious circle of poverty.

The problems are further complicated by the fact that developed countries impede government regulation in developing countries and implement a policy of their structural adjustment in the world economy.

Development finance by international organizations aims to address the consequences of socio-economic problems, including poverty, but not their causes, and such assistance is limited and temporary.

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