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CONCEPTUAL FRAMEWORK FOR STUDYING THE PROBLEM OF POVERTY

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Annotation. This article is devoted to one of the urgent socio-economic problems as the problem of poverty. Poverty has a negative impact on the economic development of countries. The article describes the social-darwinian, socially egalitarian or egalitarian, and statistical-sociological approaches to the study of poverty. Three stages of the evolution of solving the problem of poverty are highlighted. A comparative characteristic of the types of poverty is carried out: objective (absolute and relative) and subjective. The features of stable and floating poverty are highlighted. The characteristics of primary and secondary types of poverty are also given. The social, economic and regional types of poverty are considered. Methodological problems of poverty measurement are revealed. The issues of quantitative and qualitative assessment of poverty level are considered. The main criteria for determining the level of poverty have been studied. The economic characteristics of the scale, threshold and boundaries of poverty are given.

Keywords: inequality, poverty, need, insecurity, deprivation, living wage, the scale of poverty, the poverty threshold, the boundaries of poverty, the poverty index, absolute poverty, relative poverty, regional poverty.

Poverty is a complex socio-economic problem. Poverty is typical for both highly developed and underdeveloped countries. But the severity and depth of its manifestation in a particular country varies dramatically depending on the amount of accumulated national wealth and gross domestic product produced, the level of well-being and the qualitative composition of the population, the way material goods are distributed and social services are provided.

However, the causes of mass poverty in one era or another vary. In ancient times and in the Middle Ages, the main causes of mass poverty were crop failures, epidemics, natural disasters (earthquake, drought, flood, fires), as well as wars, shortcomings and errors in the management system of society. Nowadays, the problem of poverty is global. International and local wars, terrorism, hunger, drug addiction, organized crime, and environmental destruction do not cross national borders.

There are three stages in the evolution of solving the problem of poverty:

1. The concept of the subsistence minimum (late XIX century – early XX century).
2. The concept of relative poverty (deprivation) (60-80-ies of the XX century).
3. The concept of accumulated deprivation emerged as a result of the development and deepening of the concept of relative poverty.

In accordance with these concepts, the following types of poverty are distinguished in world science and practice:

• objective:
– absolute poverty, determined based on a comparison of per capita income and the minimum subsistence level (income poor);
– relative poverty, determined on the basis of per capita income and relative poverty line (poor by deprivation);
• subjective, determined based on the self-assessment of the interviewees.

The famous Russian sociologist L. A. Gordon distinguished three degrees of absolute poverty:
❖ poverty (the deepest (extreme) poverty) is the level of poverty of people living below the physiological minimum. This is a particularly dangerous condition, because it creates a feeling of

deep inferiority and deprivation, deprives people of the opportunity not only to live normally, but also causes a feeling of complete hopelessness;

❖ need (average poverty), which covers those groups of the population who have enough money for the simplest physiological needs, but who cannot meet even the most basic social needs. The upper limit of need is formed by the official subsistence minimum, calculated by the Ministry of Labor and actually being an indicator of the social minimum. People whose incomes are less than the official subsistence level, but more than half or two thirds of it, find themselves in need;

❖ insecurity (moderate poverty) is a standard of living in which basic needs, both physiological and social, are satisfied, but higher needs remain unmet. A living wage is provided here, but there is no prosperity.

In developed countries, the assessment of the absolute poverty line is less common. However, some of them have national poverty standards, which are mainly used to identify families in need of social benefits.

Relative poverty refers to the inability to maintain a decent standard of living accepted in a given society. Relative poverty shows how poor individuals are in comparison to other people. The theory of relative poverty (deprivation) solves the problem of poverty in terms of well-being.

The idea of relative poverty can be found in A. Smith, who understood basic necessities not only as goods that are necessary to maintain life, but also as something without which, according to the custom of the country, respectable people, even from the lower strata, cannot remain.

The founder of the relative concept of poverty is the English sociologist P. Townsend. He considered poverty as a condition in which, due to a lack of economic resources, it becomes impossible to lead a lifestyle that is habitual for most members of a given society.

In the book "Poverty in Great Britain" (1979), he gave a generalized definition of relative poverty: "Individuals, families, and social groups of the population can be considered poor if they do not have the resources to participate in public life, maintain the necessary diet, living conditions, work, and recreation that are common or at least widely accepted in the society in which they live. Their resources are significantly lower than what the average individual or average family has, as a result of which they are excluded from their usual lifestyle, generally accepted behaviors, habits and types of activities."

P. Townsend introduced the concept of multidimensional deprivation, which he understood as "the state of an observed and provable disadvantage of an individual, family or group against the background of a community, society or nation as a whole." Along with material deprivation, which includes such indicators as nutrition, clothing, housing conditions, durable goods, place and state of the living environment, working conditions and nature, he also used indicators of social deprivation, including the nature of employment, leisure activities, education, etc. To determine the size of poverty, an assessment of the population is used based on three main criteria: income and property, education and self-determination. The "poor" can be considered the part of the population that practically lacks all three of the above parameters. This group can be characterized as hopelessly poor, because they have virtually no way to get out of this state on their own, and the only way to help them is through government subsidies to maintain a physiological minimum of consumption.

In the concept of relative poverty, a certain ratio between the lowest incomes and the size of the average (median) income is taken as the boundary of poverty. The median income value is the income that equal numbers of the population receive less and more than.

In world practice, relative poverty is characterized by an income not exceeding 40-60% of the national income. Consequently, the poverty line is determined by identifying families whose equivalent per capita income does not exceed 40% (extreme poverty) or 60% of the average income calculated for all families.

In Europe, two main approaches are usually used to measure the relative level of poverty:

− according to the OECD methodology, a person with an income of less than 60% of the national median income is considered poor;

− according to the methodology of the European Statistical Agency, a person with incomes of less than 50% of the average per capita income in a country is considered poor. It is believed that a person with this level of income is at potential risk of poverty.

The boundaries of absolute and relative poverty do not coincide. Absolute poverty can be eliminated in a society, but relative poverty will always remain, due to the fact that inequality is an indispensable attribute of stratified societies. Relative poverty persists and even increases when the living standards of all social strata rise.

Subjective poverty is determined based on the population's own assessments of their financial situation, their ability to make ends meet, pay for housing, medicines, education, etc.

According to this methodology, the poor include those citizens who subjectively, according to personal socio-psychological feelings, consider themselves poor. As a rule, the subjective level of poverty exceeds the official one, which contributes to an increase in social tension.

L. A. Belyaeva and L. A. Gordon define subjective poverty as a condition in which groups of the population subjectively consider themselves poor, regardless of the absolute value of their income and consumption.

In addition to absolute, relative, and subjective poverty, foreign researchers distinguish between primary and secondary poverty. In addition to absolute, relative, and subjective poverty, foreign researchers distinguish between primary and secondary poverty. Secondary poverty characterizes families where the basic necessities of life are not being met due to an unreasonable waste of funds.

Experts also suggest distinguishing between two forms of poverty: sustainable and floating. Sustainable poverty is due to the fact that poverty, as a rule, reproduces poverty, and floating poverty is due to the fact that the poor, making efforts, leave their circle and, adapting to new conditions, acquire a better standard of living.

In addition, social, economic, and regional poverty are highlighted. Social poverty is the poverty of people who are unable to work and have little ability to work, the disabled, the sick, the physically and psychologically unstable, etc. Economic poverty occurs when full-fledged workers find themselves in a situation in which they cannot provide the standard of well-being accepted at a given time and in a given society. Regional poverty characterizes the distribution of poverty across different geographical areas, it identifies the points of greatest concentration of poverty and determines its causes and consequences. In some areas of the earth, poverty accumulates from generation to generation and becomes a chronic phenomenon. These regions are classified as "third world" countries, which are economically undeveloped areas.

Regional poverty exists within countries, including in our country. The highest level of poverty is observed in Karakalpakstan, Syrdarya and Khorezm regions.[1]

Among the main methods of measuring poverty are:

− establishment of the subsistence minimum (minimum consumer basket). The method is based on the concept of absolute poverty;

− the deprivation method, according to which citizens are considered poor whose consumption does not meet the standard accepted in society, who do not have access to a certain set of goods and services. The social norm of housing designates a lower threshold aimed at the poor, or at least at the lower middle class. In Russia, the standard for housing is set at 18 sq/m per person, in Europe - 30 sq/m, and in our country for 1 person - a total area of at least 16 sq/m[2] .Those living in communal

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[1] https://www.gazeta.uz/ru/2023/07/27/poverty/

[2] https://lex.uz/docs/106134?ONDATE=30.08.2024

apartments (regardless of the number of meters occupied) belong to the poor, as their quality of life suffers.;

− the social policy method, which takes the minimum pension amount as the official poverty line, is used, for example, in the UK and Sweden;

− a method of social inequality in which poverty lines are determined relative to the median (or average) level of economic well-being.

The scale of poverty refers to the proportion of the country's population living near the official poverty line. For the first time, the poverty threshold was set by English sociologists Ch. Booth and S. Rowntree in the 90s of the XIX century. The simplest way to measure poverty is by monetary calculation.

The statistical poverty line is a threshold separating the poor from the non-poor. It depends on the economic level of a country's development: in developed countries the threshold is higher, in undeveloped countries it is lower. The poverty line can be monetary (for example, a certain level of income) and non-monetary (for example, a certain level of literacy).

The monetary threshold (line) of poverty is the amount of money officially set as the minimum income that allows an individual or family to purchase food, clothing, and housing.

It should be noted that not only in different countries, but in the same country, the poverty threshold is calculated differently. It all depends on the purposes for which this is done: for statistical purposes, for social security agencies, etc.

The poverty threshold is calculated using the following methods:

o   statistically, when they take either the first 10-20% of the income distribution group, or data from those with incomes below the average level;

o   normative, when standards are used to calculate the minimum consumer basket necessary for life, including goods and services produced on a large scale and at the most favorable prices.;

o   self-assessments, when using data from special population surveys.

Calculations of the poverty threshold in dollar terms have been used since 1964. The UN used the poverty threshold to compare poverty levels.

-   in advanced industrial countries the equivalent of US$14.40 per day per person at PPP in 1985 prices;

-   for the former Eastern European socialist countries and CIS countries as an average per capita income not exceeding 4 US dollars per day (PPP in 1990 prices)[3]. The poverty line in our country is set at $3.2[4] per person per day. All indicators are calculated using currency purchasing power parity.

The international poverty line has been revised several times as more information becomes available to reflect changing situations in a number of countries.

There are many causes of poverty, which are grouped into groups:

•   economic (unemployment, low wages, low labor productivity, uncompetitiveness of the industry);

•   social and medical (disability, old age, high morbidity rate);

•   demographic (single-parent families, a large number of dependents in the family);

•   educational qualifications (low level of education, insufficient professional training);

•   political (military conflicts, forced migration);

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[3] Батракова Л. Г. Основные концепции оценки бедности населения. Ярославский педагогический вестник – 2011 – № 3 – Том I. 117-121С

[4] https://www.gazeta.uz/

- regional-geographical (uneven development of regions);
- religious, philosophical and psychological (asceticism as a way of life, foolishness).[5]

Poverty limits the normal development of the economy, creating a vicious circle: low purchasing power of society contributes to low demand for goods and services, which reduces domestic market, returns to the low purchasing power of the population.

Among the methodological problems in measuring poverty, the following should be highlighted:

1) there is no single indicator (income or expenditure) on the basis of which a household should be classified as poor. In world practice, preference is given to monthly expenses.

2) Comparability of indicators for different households is complicated by the fact that income and expenses are affected by differences in the size and composition of households;

3) The length of stay in poverty and consideration of the temporal aspect are important points of the analysis: over what period of time is it more correct to consider the proportion of the poor population (during the year, during the quarter, over five years, ten years);

4) There are different methods for calculating the number of poor, the criteria for calculating them and determining the poverty line.

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