

# Population Employment through the Reduction of Poverty (On the Example of the Republic of Uzbekistan)

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**Abstract:** This article raised the issues of maintaining employment, as well as creating new jobs as a result of the loss of income for some families in the current pandemic environment. In the case of poverty reduction a study of the development of employment in small and private entrepreneurship in the country shows that this is very important, and measures should be developed in this regard can have a sufficient value in the development of industry and the role of small and private enterprises in socio-economic complex. Theoretically, the issues of reducing poverty through the development of entrepreneurship in the regions were studied.

**Keywords:** Family income, jobs, standard of living, real money income, growth of purchasing power, national consumer norm, micro-cluster, growth of unemployment.

## INTRODUCTION

In a short period of time, the global prevalence of coronavirus disease (COVID-19) has negatively affected the economic and social situation in almost all States, and the scale of its impact continues.

The introduction of strict quarantine measures on a global scale, including in Uzbekistan, leads, first of all, to a decrease in economic activity and income of the population.

The current situation in the world has presented humanity with two problems. Their decision is dictated by the time itself, that it is necessary to take prompt measures for izlash. This is primarily related to human health, and the second is directly related to family income, with the rocking of your finances.

In the current context of the pandemic, some families have lost their source of income. Quarantine restrictions cross raised the question about the satisfaction of the primary needs of families requiring social protection. As in a number of other countries, temporary job cuts have also affected the standard of living of the population in need of social assistance, which has been living in our country for some time. According to preliminary estimates, the pandemic in our country may affect the incomes of about 450 thousand families.

## MATERIAL AND METHODS

Especially in the second quarter of this year, the economic situation in all countries of the world deteriorated sharply. The decline in gross domestic product in developed countries was 10-20 per cent, while in developing countries it was 7-15 per cent.

Uzbekistan's economy, which is actively involved in the processes of international economic integration, also suffers from global economic problems. Uzbekistan's gross domestic product increased by 0.2 percent after 6 months of avoiding decisive and practical measures taken against the crisis.

People employed in trade and services have temporarily lost their jobs, and the import of more than 200,000 of our compatriots from abroad has increased the number of unemployed.

In such a difficult situation, the issue of social and material support for the population, especially its low-income strata, is at the center of the state's attention at the first level.

### Percentage of low-income population in the Republic of Uzbekistan

(based on household monitoring data)

Years	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019

Percentage of low-income population (in %)	19,5	17,7	16,0	15,0	14,1	13,3	12,8	12,3	11,9	11,4	11,0
<i>* As recommended by the world Bank the deficit indicator is calculated based on 2100 kcal per day</i>											

The share of the poor population was 11.0% as of 2019 or decreased by 56.4% compared to 2009.<sup>1</sup>

It is necessary to pay attention to reducing poverty, improving the standard of living of the population and reducing unemployment as the most important priorities of the country's socio-economic development. In addition to the relevant government agencies that create employment opportunities in Bunda, it is important to implement active and effective policies that increase the responsibility of citizens, take into account the personal conditions of each person, support those who cannot help themselves, and attract public and private sector resources to these goals.

It is also necessary to develop professional work as one of the most effective forms of increasing the income of the family budget of citizens. The Bund should facilitate the use of financial resources for the purchase of modern machinery, equipment, raw materials, search for customers for the purpose of marketing and organizing the production of products of its own production, and promote cooperation with other economic entities in the production of products that are in high demand on the market.

It will also be useful to take measures aimed at expanding the system of vocational training, retraining and advanced training of persons in need of employment, creating optimal conditions that take into account the needs of the market.

## RESULTS AND ITS DISCUSSION

It is necessary to increase the real monetary income and purchasing power of the population, to do this, it is necessary to increase wages, pensions, scholarships and social benefits in an amount exceeding the level of inflation.

It is desirable to create micro-cluster structures with targeted, effective use of concessional loans to the population and farms, which are allocated to extract from poverty the layer of the population living in a state of poverty or on its borders.

To do this, it is necessary to build greenhouses, create structures that connect those who receive preferential loans in the field of animal husbandry, and those who grow products on the farm, with organizations that provide seedlings, livestock, their food, provide services, and promote the development of entrepreneurial skills.

Poverty is inherent in any economic system. But its sharpness differs significantly depending on the volume of output and accumulated wealth, the country's production potential, the well-being of the people, and ways of distribution. Therefore, each state has its own national standard of consumption, that is, the subsistence minimum, which is tied to production opportunities, the wealth of the nation, traditions, mentality (identity), and so on. They add people who don't have these standards to the poor. In world practice, the following methods of assessing poverty are known:

- statistics: that is, when the population's income is distributed per capita, the lowest 10-20% of the population is included in the poor;

- normative (according to the norms of food and other goods and services of the minimum consumer basket), that is, based on the minimum consumer basket;

- the method of deprivation consists in the most important products and the inability to saturate the trays;

- heuristic - an assessment of whether the standard of living is adequate or not, based on public opinion or the views of the respondent; stratification - this includes the poor, people with disabilities (the elderly, the disabled, single-parent and large families, orphans, the unemployed, the needy, etc.)

- economic - this is the category of the poor, the state defines through the resources of opportunity directed to help their material well-being.

The fight against poverty in developed countries with a high standard of living and social guarantees is carried out by providing basic minimum incomes (wages and pensions) sufficient for the consumption of endoses operating in society. In addition, in these countries, targeted social assistance is provided to those who suffer from hypertension worse than others. This also applies to those who find themselves in an extreme life situation. While the income of the majority of the population in developing countries is extremely low, the main way to support millions of poor people is to distribute social assistance, including assistance in food, medicine, utilities, education and other areas.

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The poverty indicator cannot fully shed light on the current situation. It does not reflect the degree to which members of society are stratified in terms of income ownership. In this case, it is recommended to use the Gini coefficient widely. The Gini coefficient was developed in 1912 by the Italian statistician Corrado Gini, which is often referred to as the "population income concentration index" or "equity index" and indicates an uneven distribution of income between different segments of the population. The coefficient ranges between 0 (or 0%) and 1 (or 100%), where 0 represents absolute equality and 1 represents absolute inequality. The line of absolute equality is not found in life: some people become richer, others-poorer. Therefore, their income is not proportional to their position in society.

In our opinion, the most important aspect to pay attention to in this place is the level of people's economic thinking. People should have a desire to improve and develop their lives. They should feel protected and not be afraid that their property will be destroyed or taken away by officials or businessmen close to the government. They must have institutions that ensure that their voices are always heard by the authorities, not just when the election campaign begins. It is necessary to give people the opportunity to provide them with a decent place of work, to have housing, to be able to freely use medical and other similar social services.

In the fight against poverty, it is important to study the experience of countries around the world and use it widely in practice. In particular, the use of Chinese experience in developing programs to combat poverty in Uzbekistan has a positive effect. Today, China has done a great job in eradicating poverty. According to the world Bank, 850 million people have been driven below the poverty line in China to date. If in 1981 the poverty rate in China was 88%, in 2019 this figure was 0.7%. This indicator fully corresponds to the level of poverty in developed countries. In particular, the poverty rate is 1% in the United States, 0.61% in Sweden, 0.19% in Germany, and 1.5% in Italy.

Measures to combat poverty in China differ in the following aspects:

1. The specified social protection measures are sent to the exact address;
2. Support in all aspects of research work to ensure food security, provide local markets with high-quality food products;
3. An approach to fighting poverty based on the characteristics of each territory;
4. The social policy implemented in China is aimed at reaching the interests of various segments of the population. The realization of decent work, and especially the labor potential of young people, is the basis of anti-poverty policies in China, especially if they are aimed at improving the quality of appropriate social services for the elderly population. At the same time, the main focus is on teaching the profession to young people, that is, they strictly adhere to the teachings of Confucius that "you should give people a fishing rod and teach them to fish.";
5. To bring industrial production into rural areas with the aim of reducing poverty in rural areas, to establish cooperative relationships between producers of agricultural products;
6. Wide use of the practice of creating special economic zones for the purpose of socio-economic development of territories, increasing employment and income of the population;
7. Establish strict control over the expenditure of any funds directed to social programs.

## CONCLUSION

**Instead of concluding**, we want to emphasize that the most correct way to combat poverty in our country is to change the economic thinking of citizens. Since the economic mentality and economic education of citizens do not change, it is very difficult for us to get out of the poverty trap.

Due to the economic crisis caused by the coronavirus pandemic, many international financial institutions predict that the world economy will shrink by -5.2% by the end of 2020. In this regard, the initial forecast of economic growth in Uzbekistan was reduced from 5.6% to 1.5-2%. In order to mitigate the negative effects of the introduced quarantine, the health care system and social support of the population, along with the budget deficit, public debt is growing in countries around the world. Simultaneously with these processes, there is a decrease in international trade turnover and an increase in unemployment in the economy. In general, the recovery of the world economy remains dependent on the exit from the pandemic and the situation that follows.

For Uzbekistan, in particular, there are different views and conflicting approaches to determining the number and status of the poor on the basis of the concept of absolute poverty. For example, based on official sources, the number of poor is estimated at 13-15% of the total population. But it is clear from the population's self-assessment that the facts are not clear and transparent. That is, some categories of the population consider themselves poor in terms of material security, while others do not consider themselves poor in terms of the same material well-being. Therefore, the poverty situation in Uzbekistan is multifaceted and the scale of its spread is perceived differently. This is due to the lack of a clear policy definition as well as a mechanism to combat it due to different approaches to the problem.

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