



FOREIGN EXPERIENCE OF IDENTIFYING THE SOCIALLY NEEDY STRUCTURES OF THE POPULATION

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Article history:	Abstract:
Received: 11 th December 2022 Accepted: 10 th January 2023 Published: 17 th February 2023	The article analyzes the scientific and theoretical views on the need, essence, stages of development of the definition of poverty, the methodology for determining the socially needy segments of the population, studied foreign experience on this issue, made a comparative comparison and assessed the impact of the Covid-19 pandemic on the standard of living of the population.

Keywords: low-income, poor, extreme poverty, costumer basket, minimum consumer spending

In world practice, when determining the socially needy segments of the population, in most cases they are suitable from the point of view of the level of economic development of the country. According to the World Bank Group, the economic crisis caused by the Covid-19 pandemic resulted in "711 million people (10 percent of the world's population) living in poverty with a daily income of \$1.90 in 2021"¹. By 2030, "...the number of poor people is expected to increase further from 68 million to 132 million due to various economic risks and climate change in the global economy"².

This circumstance necessitates the creation of a source of income in developing countries by improving the system of social protection for the needy segments of the population and providing them with permanent jobs.

At the beginning of the 18th - the middle of the 20th centuries, a number of scientific approaches were formed in the economic literature devoted to the concept of poverty, the causes and consequences of its occurrence. In the 60s of the XX century, an important step was taken towards the definition of poverty, when they tried to determine the level of poverty in the country, taking into account the prices of basic products necessary for human life, and the costs of their purchase, corresponding to the income of an average family. In the 1970s, the practice of recognizing the poor in the event that family incomes were insufficient for the consumption of primary goods and services was formed in society, and in subsequent years a number of representatives of scientific schools improved the concept of poverty, the definition of poverty criteria and the identification of areas for reduction (Table 1).

Table 1
The concept of poverty and its evolution as an economic category³

Scientific Schools	Epoch	Approach
Mercantalism (T. Man)	Late 15th century – 18th century	It is understood that wealth will make a people as rich as poverty and need will make it smart and hardworking.
Early classical school (W. Petty P. Buagilber)	Late 17th century - early 18th century	The salary of employees should be determined by the minimum cost of accommodation.
Physiocrats (F. Quesnay)	Mid 18th century	Efficient labor and fertile land were considered the source of national wealth, and it was argued that a fair share of the income should be with the landowners.
Classical (A. Smith, T.R. Malthus D. Ricardo, G. Spencer)	Late 18th century - early 19th century	It was believed that an increase in the number of population and workers would cause an increase in the number of poor people.

¹ The World Bank // <https://www.worldbank.org/en/topic/poverty>. Accessed Jan. 13, 2022.

² На основе данных Всемирного банка // <https://www.worldbank.org/en/topic/poverty/overview#1>

³ Author's development.



Marxist School of Economics (K.Marx, E. Reclus)	Late 19th century - early 20th century	People who served to increase the wealth of the owners, and at home satisfy only vital needs, were considered poor.
Marginalism (B.-Bawerk)	XIX -XX century	It is substantiated that the welfare of the population is determined by the level of satisfaction of their personal needs.
Institutionalism (Le Play Frederic C. Booth, S. Rowntree)	Late 19th century - early 20th century	The state of poverty was analyzed, assessed on the basis of statistical figures and development trends were outlined.
Keynesianism (J.M. Keynes)	The end of the XIX century - the beginning of the second half 20th century	During the crisis, it was proposed to reduce taxes for the poor, and vice versa for the rich to increase.
Neoliberal (L. Erhard)	1930s	It was scientifically substantiated that property and non-state structures have a leading place in changing the level of poverty in the country.
Neoclassical synthesis (P.E. Samuelson, A. Sen, P. Townsend, C.Joseph)	XX - XXI centuries	It has been proved that it is important to ensure the employment of the population and their social protection.
Neo-institutionalism (J.M. Buchanan J.R. Hicks)	60-70 years of XX century	Economic processes are conditioned by the development of industry, the growing importance of technocracy, it is determined by the social life of society.

The above data of the analytical table indicate that in different eras and spaces, different scientific schools have taken different approaches to highlighting the concept of poverty, the causes and factors of its occurrence, the determining criteria and socio-economic consequences, but the general conclusion was the same. That is, poverty is the absence of proper living conditions, profitable jobs and private property. The results of the study indicate that when studying the concept of "poverty", the main attention is paid to determining the vital needs of the population with reference to a certain factor. That is, in the definitions given by foreign and domestic scientists-economists, the concepts of "low-income", "poor", "poor" population were approached solely from the point of view of meeting the vital needs of a person and the income received.

In our opinion, while highlighting the essence of the concepts of "low-income", "poor", "poor" impoverished population, it is advisable, along with the cost of the means of subsistence necessary for reproduction, to take into account the costs necessary for the development of his spiritual world and participation in the process of expanded reproduction.

Based on the foregoing, the author believes that poverty is a condition in which the standard of living of the population does not exceed the established subsistence level; poverty is a state in which a person

does not have sufficient means to meet physical, material, spiritual, social needs; beggar (poor) - a state in which only the physiological needs of a person are satisfied.

In world practice, the following approaches are used to determine the poverty line:

the first approach, based on a consumer basket of goods and services, guarantees a minimum standard of living to meet the physical and social needs of a person;

the second approach is determined based on the average per capita income in the country.

World experience shows that when defining poverty, countries use the consumer basket, subsistence minimum and minimum consumer spending, based on the lifestyle of the population and the level of socio-economic development.

The subsistence minimum is the minimum set of services necessary to ensure the normal functioning of the human body, ensure its health with food and meet its socio-cultural needs.

The minimum consumption expenditure is the value of the minimum expenditure on basic goods and services needed by households for a healthy lifestyle.

Consumer basket - represents the cost of food, non-food products and services necessary for the reproduction of the labor force in the period under



review (month, quarter, year), on average, by one person or family.

At the beginning of the 21st century, based on the level of economic development of countries, the consumer basket included 300 types of consumer goods

and services in the USA, 350 in Great Britain, 470 in Germany, 350 in England, 156 in Russia⁴.

Our research shows that in developed countries, food accounts for about 20 percent of the consumer basket, and in developing countries - 50 percent (table 2).

Table 2
Structure of the consumer basket of countries (in percent)⁵

		The Republic of Kazakhstan	Russian Federation	Germany	USA
Food	Consumer goods and soft drinks	55,0	50,0	10,0	13,0
	Alcohol and tobacco, communication and education			7,0	7,6
Non-food items	Clothing and footwear	25,0	25,0	5,0	3,0
	Home stuff			5,0	3,3
	Other products			7,0	3,0
Services	Housing services, water, electricity, gas and other services	20,0	25,0	32,0	36,1
	Transport			13,0	5,9
	Fuel				4,0
	Goods delivery				6,4
	Leisure, entertainment and cultural services			11,0	3,9
	Restaurants and hotels			5,0	7,0
	Healthcare			5,0	7,1

The poverty level in Uzbekistan is calculated in accordance with the Decree of the Cabinet of Ministers of the Republic of Uzbekistan dated August 27, 2021 No. 544 "On the introduction of the Procedure for calculating the cost of minimum consumer spending". In the structure of minimum consumer spending, the share of food is 69 percent, other goods and services - 31 percent.

Based on the above specifics of Uzbekistan, according to the author, it is advisable to develop in the republic a consumer basket enriched with food and services aimed at improving the well-being of the population, taking into account international social security requirements. The analysis shows that the consumer basket serves as the basis for determining the size of material needs, such as the minimum wage, pensions and benefits, basic social benefits, scholarships. In turn, when dividing the socially needy segments of the population into

different groups, it is necessary to introduce a consumer basket based on the real socio-economic situation in the country⁶.

The proposed consumer basket includes essential goods and services such as food, non-food items (clothing, shoes, medicines, household and household goods) and services (utilities, safe water supply, sanitation, delivery and catering, communication services, health, education and culture).

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⁵ Lisa Ivanova. Consumer basket: features of formation and filling. <https://vc.ru/finance/110332-potrebitelskaya-korzina-osobennosti-formirovaniya-i-napolneniya>

⁶ The State Statistics Committee has calculated the minimum consumer spending for 2022. <https://review.uz/oz/post/goskomstat-rasschital-minimalny-obem-rasxodov-v-mesyac-na-2022-god>



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