

## POVERTY'S THE FOUNDATION AND ITS EVOLUTIONARY-THEORETICAL CONCEPTS

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### Abstracts

The essence of the idea of poverty is described in this article. Poverty's evolutionary meanings are also investigated. The article includes several accounts of poverty as well as the author's theoretical approaches to poverty. Furthermore, several techniques to poverty reduction were examined, and suggestions were produced based on the findings to assure the population's employment. The major purpose of these proposals is to enhance the level of life of our republic's inhabitants in the future.

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### Introduction.

Poverty has existed as an economic phenomenon throughout human history. Poverty as an economic category is evaluated differently through existing theoretical concepts. The poverty indicators of these concepts describe the negative trend in our country. The economic consequences of poverty have a negative impact on small businesses and entrepreneurship. Such consequences are manifested in a decrease in the purchasing power of the population, a change in the composition of demand towards the lower price segment, and in general, a negative impact on the business environment of small businesses and various entrepreneurial enterprises in the economy.

Poverty is a characteristic feature of the economic status of a person or social group, and means the inability to meet a certain range of minimum needs necessary for a person's life, maintaining the ability to work and reproduction. Therefore, poverty creates a number of negative processes in society and economy. Poverty causes an increase in fertility due to a number of objective and subjective reasons.

The interpretation of the concept of "poverty" has undergone various changes. Its nature and causes, undoubtedly, have always occupied a place in the center of attention of scientists. Sociologists often consider poverty as a natural phenomenon of the social life of a society. Poverty as a socio-economic phenomenon is directly related to the level of economic development of the country, therefore, the forms of its manifestation differ in time and space. The processes of emergence of poverty have created a unique history.

In the history of economic studies, poverty has attracted the attention of a number of economists. In Asian, ancient and feudal societies, the division into rich and poor did not depend so much on individual ability: the level of needs and their satisfaction depended on the individual's class and legal status. Because in those times, different social groups had different lifestyles. Therefore, it was accepted as a normal standard of living that the lower classes could not follow the prestigious lifestyle of the

upper classes.

### Materials and methods

Since ancient times, sociologists, economists and philosophers have made invaluable contributions to the solution of poverty problems. Initially, the problem of uneven distribution of income was studied in the works of ancient philosophers: Confucius, Xenophon, Plato, Aristotle. They expressed the opinion that in order to maintain stability in society, it is necessary to divide into classes and be based on the principle of justice in the distribution of benefits [1, 11 p.]. For example, ancient Greek philosophers were the first to try to recognize the model of social stratification. For example, "...Plato in his work "The State" (428-347 BC) shows the classification of society into two parts. One part consists of the rich, and the other part consists of the poor, and they live together and plot against each other" [2, 843 p.].

Hegel explained the different characteristics of poverty and wealth. Hegel, seeing poverty as a social phenomenon acting as a certain state of the individual and society as a whole, put forward the concepts of "poor class", "poverty", "impoverished masses", and "need". He also distinguished two sides of poverty. The first is objective and depends on the existing conditions, while the second is subjective and covers the sphere of the moral subject [3, 530 p.].

French scientist P.J. Proudhon (1809-1865) expressed interesting thoughts about poverty. In his opinion, poverty was a social blessing. P.J. Proudhon distinguished two types of poverty. He considered the first to be comparative or relative, and the second to be absolute. Relative poverty is the result of expansion of production and consumption [4, 29 p.]. He believed that only a continuous increase in labor productivity would open real prospects for overcoming poverty.

In particular, the works of Ch. Booth and S. Rowntree have laid the groundwork for academic research on poverty knowledge and have directly influenced policy in many countries. The basis of poverty was a person's attitude to social life, that is, satisfaction of the most basic needs such as clothing, food, housing [5, 844 p.].

Ch. Booth called the poor people who had a regular weekly income for the family and was considered sufficient. Those whose weekly income was less than the prescribed amount, according to Ch. Booth, belonged to the very poor. From Ch. Booth's point of view, "the poor are those whose needs are not met according to the standard of living in a certain country" [4].

P. Townsend attached great importance to relative poverty. The main argument used by P. Townsend was that the elimination of absolute poverty would occur with social assistance to the poor in England, whose standard of living was no better in the 1950s and 1960s than in the 1940s compared to the average in society [6].

American economist J. Stiglitz, winner of the Nobel Prize, believes that "poverty as a factor "contributes" to the decline of vertical mobility, especially in the long term, and reduces the labor productivity of the entire population" [8, p. 161].

The methodological basis of the research is to reduce the level of poverty through entrepreneurship and increase the efficiency of the population's income. In the process of analysis, comparison and systematic analysis methods were used

### Analysis and results

The state of entrepreneurship was assessed through the observation method and appropriate conclusions were formed through abstract-logical thinking.

The efforts of the world community to find ways to solve this problem are very clear, because it takes place in the conditions of stable socio-economic development of countries, unity and well-being of peoples. This predetermines the task of the present work, which is to study foreign and domestic

experience in combating poverty in order to prevent poverty and possibly reduce it.

The problem of poverty in Russia has been increasingly studied by local economists since the last quarter of the 20th century. At the initial stage of transformational reforms, neoliberal reformers, being supporters of market freedoms, did not attach much importance to institutional measures to prevent the impoverishment of the country's population in their theoretical constructions. By themselves, ill-conceived economic reforms have led to a dramatic increase in low-income people.

One of the founders of the system of modern approaches to the problem of poverty is the well-known English sociologist S. Rountree, whose work in the XIX-XX centuries later studied such a multifaceted phenomenon and created its basis. These studies formed a system of basic concepts such as studying poverty based on basic needs, interpreting poverty as a lack of resources necessary for living, defining the poverty line, and others (Table 1).

In particular, Uzbek economists K.S.Saidov and M.Mukhammedov note that "the category of poverty is a specific state of lack of material security of people, in which the income of one person or family does not allow to ensure the level of socially necessary consumption for life activities." According to them, poverty is inherent in every economic system, and it can get worse.

Economist Sh. Musafakulov explains his approach to poverty and emphasizes that "poverty" is an indicator of the economic condition of a person or social groups who do not have the opportunity to meet the minimum needs necessary to get married, maintain the ability to work, and continue the continuity of generations [6]. The state of poverty indicates that it is not possible to compensate for the lack of resources for a long time, either with previous savings or with funds accumulated at the expense of temporary savings from the purchase of expensive goods.

**Table 1. Description of the concept of poverty in the works of foreign and domestic scientists**

<b>The concept of poverty</b>	
Pierre-Joseph Proudhon	"...in the state of civilization, a person gets by labor what is necessary, neither more nor less, to maintain his body and develop his soul. This strict mutual limitation of our production and consumption I call poverty..." (Poverty as an Economic Principle (1908))
Peter Townsend	"If individuals, families and population groups do not have enough resources to provide the types of food that are common in the society in which they live, as well as the conditions of life, work and recreation, then they can be considered in a state of poverty. Their resources are far below the average for an individual or a family, and in fact such a society is excluded from ordinary relations, customs and activities" (Poverty in Great Britain (1979)).
S.N. Bykova, V.P. Lubin	"Poverty is a relative concept. It is not the absence of income, but the insufficient value of income compared to the income of other members of society" (Russian and Italian Poverty (1993))
S.S. Yaroshenko	"Poverty is a condition of a person, a social group, a country characterized by the absence or lack of resources necessary to maintain generally accepted living conditions" (Poverty in the Gender Exclusion Mode (2010)).
Modern economic dictionary	"Poverty is an extreme lack of property values, goods, money available for normal life and life activities for an individual, family, region, state" <i>Sovremennyy ekonomicheskii slovar</i> . URL: <a href="http://www.consultant.ru/document/cons_doc_LAW_67315/">http://www.consultant.ru/document/cons_doc_LAW_67315/</a> )
Wikipedia - a free encyclopedia	"Poverty is a feature of the economic status of an individual or a social group, and it is the inability to meet a certain range of minimum needs necessary to maintain life, work ability and offspring in society" ( <a href="https://ru.wikipedia.org/wiki/Bednost">https://ru.wikipedia.org/wiki/Bednost</a> )

## Conclusions and suggestions

Poverty is a concept that refers to a person's difficulties, which does not allow him to meet even the minimum requirements for existence. Poverty not only means lack of income, but also lack of courage,

powerlessness and high economic insecurity. The various resources belonging to the individuals or families that make up the society are far below the average, and in fact, poverty occurs when such a society is excluded from normal relationships, life traditions and activities. In our opinion, poverty can be classified into the following levels and measures can be taken to lift the population out of poverty according to the levels:

- ✓ a very low level of stability of the population's financial situation.
- ✓ medium-low level of stability of the population's financial situation.
- ✓ the lowest level of stability of the population's financial situation.
- ✓ the crisis level of the stability of the population's financial situation.

Based on the above recommendations, if we analyze the stability of the financial situation of the population in the section of these levels and ensure the employment of the population based on the appropriate measures in time, we will bring great benefits to the country's economy. Thus, increasing the number of business entities and constantly monitoring the employment of the population will serve to improve the country's economy in the future.

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