

## **POVERTY AND ECONOMIC ENTREPRENEURIAL THINKING**

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**Abstract:** The article provides suggestions and recommendations for adapting the economic entrepreneurial thinking of young people to modern reforms, new economic entrepreneurial thinking, and the formation of economic entrepreneurial thinking in reducing the poor population in our country.

**Key words:** entrepreneurship, economic entrepreneurial thinking, poverty reduction, economic education, new economic environment, small business and private enterprise.

### **Introduction**

Poverty has historically served as a qualitative indicator reflecting the social condition of members of society. Therefore, existing theoretical approaches define poverty as a distinct economic category. The socio-economic consequences of poverty have a negative impact on societal development.

Poverty is a specific characteristic of the economic condition of an individual or a social group, which, due to objective and subjective factors, implies the inability to adequately satisfy a certain portion of the minimum essential needs required for human survival, the preservation of labor capacity, and reproduction within acceptable standards. As emphasized, poverty generates a number of negative processes in the socio-economic development of society.

### **Literature Review**

The essence and types of poverty, its evolutionary and theoretical concepts, as well as the problems of poverty reduction, have been the subject of scientific research by foreign economists such as A. Smith, D. Ricardo, A. Deaton, P. A. Samuelson, W. D. Nordhaus, C. Booth, F. von Hayek, P. J. Proudhon, and others.

In the CIS countries, issues related to the development of small business and entrepreneurship in reducing poverty have been reflected in the scientific works of economists such as A. A. Savichev, V. A. Rozhkovsky, A. V. Soy, Ye. L. Alexandrov, O. E. Alexandrova, Ye. S. Balabanova, Ye. I. Beglova, L. A. Elovikov, I. V. Shugaeva, A. A. Razumov, O. V. Selivanova, and L. A. Zubkevich.

In Uzbekistan, the general aspects of the role of entrepreneurship in the development of small business and poverty reduction have been scientifically substantiated in the works of S. S. G'ulomov, Yo. Abdullayev, B. Y. Khodiyev, M. S. Qosimova, S. K. Salayev, U. V. Gafurov, Sh. I. Mustafaulov, M. Z. Muxiddinova, M. X. G'aniyev, B. Pardayeva, and others.

### **Research Methodology**

To study the essence, types, and evolutionary-theoretical concepts of poverty, existing scientific research was reviewed, analyzed, and compared. Logical reasoning, scientific abstraction, data grouping, analysis and synthesis, as well as induction and deduction methods were widely applied.

### **Analysis and Results**

In order to reduce poverty, it is first necessary to adapt the economic entrepreneurial thinking of young people within the population to modern reforms. Paying special attention to youth in the development and implementation of social development policies and state programs, and creating opportunities for their active participation under market economy conditions, is a crucial factor in accelerating socio-economic development. Effectively addressing this task requires understanding and reconsidering the content and essence of all systems involved in educating young people in the spirit of entrepreneurship.

The emergence of problems related to new economic entrepreneurial thinking has led to the formation of poor population groups in our country. In other words, during the early years of independence, market-oriented thinking developed differently among various segments of society, which resulted in the emergence of social inequality.

In studying existing scientific research on developing the cognitive factor in reducing poverty through the development of small business, methods such as analysis and comparison of annual statistical reports of small business entities, logical reasoning, scientific abstraction, data grouping, analysis and synthesis, induction, and deduction were widely used.

Through socio-economic entrepreneurial thinking, understanding one's role in cooperative relations and developing principles and methods of activity are processes inherent to specific social groups and society as a whole. Understanding ongoing economic realities in terms of time and space requires the active participation of economic entities and a new way of thinking in initiative-taking. It is precisely the actions of economic entities that align with modern requirements that serve as an important condition for identifying effective solutions in implementing these processes. Economic thinking (through the assimilation of economic psychology) directly and indirectly shapes the moral norms of economic management. It also forms economic culture and constitutes an integral part of it.

At the same time, economic thinking manifests itself as a characteristic of human intellect—the ability to reflect on economic phenomena, comprehend their essence, assimilate them, and apply economic concepts, perceptions, theories, and laws to real-life situations, as well as to determine one's direction in economic life and competently organize economic activity.

Like any complex phenomenon, economic thinking is a multifaceted and comprehensive system. It is necessary to clearly define the distinction between the objects and subjects of economic thinking, as well as its broad scope at the individual, group, and societal levels.

Its characteristics encompass the interests of particular social groups and the unity of solutions to problems addressed by individuals. At the same time, these characteristics are unified by the commonality of activity conditions. Economic thinking forms specific features according to the age groups of its subjects. Youth represent a particularly active social group, whose thinking is more inclined toward changes occurring under conditions of societal reforms. The results of social research confirm that young people adapt more easily to market relations compared to older generations.

In our view, in order to eliminate poverty, it is necessary to shape the thinking of today's youth in the following directions:

- developing the ability to think in line with the levels of modern economic science and to effectively apply its achievements in practice.

- developing rational business management, expanding entrepreneurial activity, and independently implementing one's own business initiatives;
- understanding economic laws and regulatory legal documents related to profit-oriented activities and using them effectively in practice;
- educating young people to participate actively and creatively in strengthening the financial and economic capacity of the state.

The formation of such economic thinking among members of society, especially young people, creates reliable conditions for a successful transition from one level of economic development to a significantly higher one and for reducing poverty. This is because economic entrepreneurial thinking and practical business activity are closely interrelated. Naturally, this interconnection is complex. Economic entrepreneurial thinking is based on economic knowledge and must be reliable, objectively reflecting the processes occurring in economic and social life. Educating and shaping young people on the basis of economic entrepreneurial thinking requires the existence of diverse forms of activity. In addition to socio-economic knowledge, professional skills, competencies, and abilities, young people also need certain opportunities and favorable conditions.

Together, these factors form a kind of closed circle: modern, advanced thinking is required to change economic conditions, while economic conditions cannot be transformed without widely recognized economic thinking.

In Uzbekistan, a distinctive feature of improving young people's economic and entrepreneurial literacy and forming professional skills and practical competencies is that their interests are fully protected within the existing legislative and executive governance system. This, in turn:

On the one hand, leads to increased economic literacy among young people and a growing interest in entrepreneurial activity. This is because individuals engaged in entrepreneurship often achieve a high social status, which does not leave young people indifferent, and entrepreneurs are perceived by them as modern-day heroes.

On the other hand, ensuring the active participation of young people in economic relations is a fundamental principle of efficient labor resource utilization under market economy conditions. Only in this way do young people become visibly involved in implementing reforms and introducing innovations in society.

From a third perspective, entrepreneurial potential among young people increases, and among those engaged in business, a stronger sense of national identity, spirituality, and self-awareness emerges. This is because all their lawful actions directly serve the interests of society. Consequently, young people assume additional responsibility and motivation to acquire knowledge, experience, and a culture characteristic of an entrepreneurial personality.

Furthermore, under reform conditions, forming and expanding a new type of economic entrepreneurial thinking among young people contributes to reducing poverty among members of society. Moreover, this issue has been elevated to the level of state policy in the country.

Expanding a new economic entrepreneurial mindset among young people as a factor in reducing and eliminating poverty is associated with addressing the following key objectives:

- transitioning to economic thinking based on an understanding of modern economic principles and conducting effective practical activities aimed at economic growth;
- developing personal qualities and behavioral traits that enable rapid decision-making in economic relations;

- participating in economic development processes with a strong sense of patriotism and making a positive and valuable contribution to the advancement of the national economy.

In our view, Uzbekistan needs to develop a model for expanding a new type of economic entrepreneurial thinking. It is incorrect to assume that an optimal model of modern economic thinking will form and expand automatically if left unattended. A careless approach can seriously hinder the development of economic entrepreneurial thinking. Therefore, under current economic conditions, it is critically important to first ensure a high level of economic literacy based on deep economic knowledge and practical application skills among managerial personnel, as well as among all employees involved in modern production processes. In this regard, it is especially appropriate to significantly enhance the role of economic education and modern economic thinking among young people.

At the same time, economic knowledge and awareness alone may only make economic actors theoretically informed. To form modern economic thinking, diverse forms of production and service activities are required.

For this purpose, in addition to knowledge, skills, and competencies that constitute the cultural and economic level of economic entities, a certain economic environment must also be created. This results in a mutually interdependent circular process: the formation and expansion of modern economic thinking generate a new economic environment, which in turn further promotes the development of economic thinking.

### **Conclusions and Recommendations**

A new type of economic thinking fosters among young people a responsible attitude toward work, the ability to think at the state level, and the capacity to socially evaluate both economic processes and their own personal activities. It leads to a reduction in poverty and serves as a barrier to its persistence. In this context, the following measures should be implemented:

First, in order to develop economic preparedness, business management skills, and frugality among members of society, especially young people, it is advisable to create opportunities for early and active involvement of youth in real economic activities through schools, extracurricular institutions, production sectors, and entrepreneurial fields. This, in turn, creates conditions that help protect young people from dependency and passivity.

Second, it is necessary to eliminate problems related to human resources. This means that key and decisive positions within the management system should be occupied by highly qualified personnel who think in modern terms and are capable of harmonizing their personal interests with the interests of the state and society. Preventing outdated modes of thinking among certain managerial staff within the local governance system is one of the most urgent challenges of the present time.

Third, it is essential to ensure the comprehensive development and effective implementation of laws, decrees, and resolutions related to the development of small business and private entrepreneurship, as well as to cultivate a culture of living under the rule of law, as practiced in legally developed states. This can be achieved through education and by improving economic literacy.

Fourth, in order to reduce and eliminate poverty, it is advisable to improve the system of regulation and support for small business and private entrepreneurship by the state and non-

governmental organizations, drawing on advanced best practices from developed and developing countries. This process should be continuous and systematic.

In conclusion, today in Uzbekistan, expanding the economic entrepreneurial thinking of young people is the main factor in reducing poverty. This is because the greater the economic knowledge and potential of young people within the population structure, the stronger the foundation will be for ensuring the prosperity and well-being of society in the future.

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