

POVERTY AND ITS EVOLUTIONARY-THEORETICAL CONCEPTS

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Abstract: The article presents a study and analysis of existing scientific research on the nature, types and theoretical concepts of poverty, and also provides proposals and recommendations for reducing the number of poor people.

Key words: The nature of poverty, income inequality, economic growth, absolute poverty criterion, poverty in the works of foreign and domestic scientists, poverty reduction, employment.

Introduction

Poverty has historically been an indicator reflecting the social status of members of society throughout human history. Therefore, existing theoretical concepts describe poverty as a distinct economic category. The socio-economic consequences of poverty negatively affect the development of society.

Poverty is a specific characteristic of the economic condition of an individual or social group, and due to both objective and subjective reasons, it means the inability to satisfy, within a required minimum range, certain essential needs necessary for living, maintaining work capacity, and reproduction. As noted, poverty gives rise to a number of negative processes in the socio-economic development of society.

Review of Literature on the Topic

Foreign economists such as A. Smith, D. Ricardo, A. DiTont, P. A. Samuelson, W. D. Nordhaus, J. But, F. von Hayek, P. J. Proudhon, and others have conducted scientific research on the essence of poverty, its types, evolutionary-theoretical concepts, and the issues related to poverty reduction.

In the scientific works of economists from the CIS countries, such as A. A. Savichev, V. A. Rojkovskiy, A. V. Soy, Ye. L. Aleksandrov, O. E. Aleksandrova, Ye. S. Balabanova, Ye. I. Beglova, L. A. Elovikov, I. V. Shugaeva, A. A. Razumov, O. V. Selivanova, L. A. Zubkevich, issues of developing small business and entrepreneurship in reducing poverty have been highlighted.

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

Research Methodology

In studying the essence, types, and evolutionary-theoretical concepts of poverty, extensive use was made of existing scientific research through analysis and comparison, logical reasoning, scientific abstraction, data classification, as well as the methods of analysis and synthesis, induction, and deduction.

Analysis and Results.

Poverty exists in almost all countries of the world. Depending on the level of development and the socio-economic policies being implemented, poverty takes various forms and manifestations. In other words, when income is distributed unevenly among the population in different countries, inequality arises.



Renowned economists Paul A. Samuelson and William D. Nordhaus, in their textbook, emphasized that the term “poverty” has different meanings for different people. They noted that, undoubtedly, poverty is a state in which people have low incomes, but it is very difficult to draw a clear line separating those who are poor from those who are not.

In particular, the relationship between income inequality, poverty, and economic growth has been studied in the works of many classical and neoclassical economists such as A. Smith, D. Ricardo, R. Solow, A. Sen, and A. DiTont. Additionally, Nobel laureates have conducted both theoretical and empirical research on this topic. They scientifically examined and theoretically demonstrated that “...based on the analysis of gross domestic consumption, technological development, labor productivity, population health, the tax base, and other factors, societies with lower levels of poverty tend to experience higher rates of economic growth...”.

The scientific approach to the study of poverty emerged when traditional societies were replaced by industrialized ones. Additionally, poverty became a significant issue associated with the processes of industrialization and social reforms.

The interpretation of the concept of “poverty” has undergone various changes over time. Its nature and causes have undoubtedly always been the focus of scholars’ attention. Sociologists often consider poverty as a natural phenomenon of social life. As a socio-economic phenomenon, poverty is directly linked to the level of a country’s economic development; therefore, its forms of manifestation vary across time and space. The processes through which poverty arises have created their own distinct historical patterns.

Poverty has existed since ancient times and, at present, affects certain segments of the population in countries around the world. More specifically, poverty manifests itself at different levels in different countries and remains widespread today.

In the history of economic thought, poverty has attracted the attention of many economists. In Asian, ancient, and feudal societies, the division between the rich and the poor was not strongly related to an individual’s personal abilities: the level of needs and their satisfaction depended on a person’s class and legal status. During those periods, different social groups had distinct lifestyles. Therefore, it was generally accepted that lower classes could not emulate the prestigious way of life of the upper classes.

It is evident that research conducted by sociologists, economists, and philosophers since ancient times has made invaluable contributions to addressing poverty-related issues. Early philosophers such as Confucius, Xenophon, Plato, and Aristotle studied the problem of unequal income distribution. They argued that, to maintain stability in society, class divisions and the allocation of privileges should be based on the principle of justice. For example, philosophers in ancient Greece were among the first to attempt to recognize a model of social stratification. In particular, it became commonly understood that “...Plato, in his work *The Republic* (428–347 BC), describes society as divided into two parts. One consists of the rich, and the other of the poor; they live together but often conspire against each other.”

In his time, Aristotle addressed the issue of social inequality and emphasized in his work *Politics* that the primary cause of the division of people into classes is the institution of private property, and that relative equality can only be achieved by its abolition. Aristotle also argued that society can be sustained only by a strong middle class. According to him, members of the middle class are capable of following the rational principle necessary to maintain social balance.

Hegel revealed various aspects of poverty and wealth. He viewed poverty as a social phenomenon that manifests both in the individual and society as a whole, introducing concepts such as the “poor class,” “poverty,” “impoverished masses,” and the “needy.” Moreover, he distinguished two dimensions of poverty: the first is objective, depending on existing conditions, and the second is subjective, encompassing the moral or ethical domain of the individual. The French scholar P. J. Proudhon (1809–1865) expressed interesting views on poverty. According to



him, poverty is a social phenomenon, and it can be distinguished into two types. He considered the first type as comparative or relative, and the second as absolute. Relative poverty results from the expansion of production and consumption. Proudhon emphasized that only the continuous increase in labor productivity can serve as a real factor in overcoming poverty. He tried to justify the second type of poverty as arising from improper distribution within society. Proudhon stressed the need for equal distribution of wealth, that is, the fair allocation of public property. He argued that every producer of material goods should have the right to receive wages proportional to their abilities. Accordingly, all work should be proportionally and fairly distributed based on the worker's capabilities. If employers fail to follow this principle, poverty will intensify.

The works of Ch. But and S. Rountree laid the foundation for academic research on poverty and directly influenced the policies of many countries. Poverty fundamentally manifests itself in indicators that describe the essence of a person's social life, such as fulfilling basic needs like clothing, food, and housing.

Ch. But defined the poor as those individuals who have a regular weekly income sufficient for family needs. According to him, anyone whose weekly income fell below the established standard belonged to the category of the very poor. From Ch. But's perspective, "the poor are those whose needs are not met according to the customary living standards of a given country." He analyzed poverty and attempted to determine its true criteria. According to his scientific viewpoint, the level of income must be considered to satisfy basic human needs and maintain a certain standard of living. The results of Ch. But's research confirm a specific relationship between poverty and the ability to meet minimal needs.

The French economist F. Le Pley studied poverty using the family budget as the basis for determining absolute poverty. An important aspect of this theory is that it takes into account the material resources necessary for a person's physical existence, with a large portion of expenditures allocated to food. Various social needs occupied only the smallest share of expenses in the family budget.

With the emergence of capitalist society, the contradiction between the legal equality of all citizens and the significant economic inequality intensified. Notably, from the earliest stages of capitalism, the fact that some members of society could not live at a certain standard of life began to be recognized as a form of social injustice.

The neoliberal thinker F. von Hayek, in studying "poverty," argued that this phenomenon is inevitable for human society and therefore must serve the public interest. Unlike many of his predecessors, Hayek justified poverty as a result of limiting state intervention and held individuals responsible for their own poverty, without taking into account that external factors could push a person into poverty.

Importantly, he noted that the expansion of extractive institutions in governance—that is, the exclusion of large segments of the population from decision-making, with policies determined only by a narrow elite prioritizing their own interests—creates the roots of social dissatisfaction, which ultimately contributes to the poverty of these excluded groups.

In our view, poverty is a condition of need that prevents an individual or family from meeting essential and vital requirements, reflecting a lack of sufficient living conditions and resources.

Insufficient attention to poverty remains one of the most pressing social problems in any society. In fact, while a country's economic goals may focus on stimulating growth, achieving macroeconomic balance, and ensuring the stable development of investment processes, social goals should primarily aim at ensuring employment, increasing population incomes, and reducing poverty.



There is no single definition of poverty in economic literature. For example, World Bank researchers define poverty as the inability to maintain a minimum standard of living. In turn, the British economist E. Tirllov emphasizes that poverty is not only characterized by low income and consumption levels, but often also by limited human development, particularly in access to education (or its absence) and quality medical services. Furthermore, E. Tirllov notes that the poor often experience feelings of weakness, vulnerability, and fear, as they live in more precarious and constrained conditions compared to wealthier citizens.

American economists M. P. Todaro and S. Smith, in their works, repeatedly emphasized the paramount importance of active policies aimed at reducing poverty, noting that such positive measures in developing countries can accelerate economic growth. Importantly, they provide several pieces of evidence to support their ideas. For example, the poor often cannot provide their children with quality education that would help them secure decent, well-paid jobs in the future. Thus, the economists highlight a direct linear relationship between poverty and birth rates in a country. Todaro and Smith also point out that, under current conditions, in the vast majority of poor countries, the wealthy segments of the population do not actively seek to increase their savings and capital in environments of widespread poverty. To address the problem of poverty effectively, it is necessary, in general, to expand domestic consumption, improve the quality of human capital, and enhance entrepreneurial activity within the country.

The nature of poverty as a socio-economic phenomenon and its underlying causes were studied by classical political economists such as A. Smith, D. Ricardo, and T. Malthus. Following the dominant social-Darwinist model of the time, they associated the emergence of poverty in industrial society with an individual's inability to succeed in the struggle for survival. Notably, the liberal idea that poverty plays a positive role in personal development and is necessary for the public good was later continued in the works of F. Hayek and A. Sen. Unlike neoliberals, who advocate limiting state participation in reducing poverty, other representatives of Western economic thought—such as J. M. Keynes, J. Stiglitz, and P. Townsend—emphasize the necessity for the state to develop and implement effective social programs aimed at supporting the economically disadvantaged segments of the population.

P. Townsend placed significant emphasis on relative poverty. His main argument was that the elimination of absolute poverty required providing social assistance to the poor in England, whose living standards in the 1950s and 1960s were not better than those of the 1940s relative to the average societal standard. In other words, those individuals who remained below the average income level continued to be classified as poor. The relative approach provides a framework for understanding what constitutes basic needs, and the specific composition of these needs reflects the level of socio-economic development. Consequently, poverty began to reappear even in developed countries.

According to Nobel laureate and American economist J. Stiglitz, “poverty, as a factor, contributes to a decline in vertical mobility, particularly over the long term, and reduces the overall productivity of the population.” However, the international community's efforts to find solutions to this problem are quite evident, as sustainable socio-economic development, social cohesion, and the well-being of populations depend on it. This defines the purpose of the present study: to examine both foreign and domestic experiences in combating poverty in order to prevent and, if possible, reduce it.

In Russia, the issue of poverty began to be increasingly studied by local economists from the last quarter of the 20th century. During the initial phase of transformational reforms,



neoliberal reformers, as proponents of market freedoms, did not give significant importance to institutional measures aimed at preventing the impoverishment of the population in their theoretical frameworks. Consequently, poorly designed economic reforms led to a sharp increase in the number of low-income individuals. Most Russian researchers, including O. Belokrilova, T. Zaslavskaya, N. Volgin, A. Maksmutov, and N. Rimashevskaya, focused on the specific characteristics and types of poverty. They also advocated for the implementation of state policies to increase population incomes and proposed measures to provide social protection for the most vulnerable groups.

Foreign and local scholars have interpreted the concept of poverty differently in their works, providing definitions based on their respective scientific approaches (Table 1).

Table-1

The Description of the Concept of Poverty in the Works of Foreign and Local Scholars

	Kambag'alliktushunchasi
Pierre-Joseph Proudhon	"...In a civilized state, a person earns by labor what is necessary to sustain the body and develop the spirit—not more, not less. I call this strict mutual limitation of our production and consumption poverty..." (Poverty as an Economic Principle, 1908).
Peter Townsend	"If individuals, families, or social groups do not have sufficient resources to secure the types of food commonly available in their society, as well as the conditions necessary for life, work, and leisure, they can be considered to be in a state of poverty. Their resources are significantly below the average compared to those of an individual or family, and in reality, such a society is excluded from ordinary relations, everyday traditions, and activities." (Poverty in the United Kingdom, 1979).
S.N. Bikova, V.P. Lyubin	"Poverty is a relative concept. It is not the absence of income, but rather the inadequacy of income compared to that of other members of society." (Poverty in Russia and Italy, 1993)
S.S. Yaroshenko	"Poverty is the condition characterized by the lack or insufficiency of resources necessary for an individual, social group, or country to maintain generally accepted living standards." (Poverty under the Gender Exclusion Regime, 2010).
SH.I. Mustafaqulov	"Poverty is an economic condition of an individual or social group that lacks the means to satisfy the minimum needs necessary for living, maintaining working capacity, and ensuring the continuity of generations."
M.X. Ganiyev	"Poverty is a product of income inequality in a market economy and the relationships associated with social, economic, medical, ecological, and demographic processes, characterized by the insufficient provision of essential goods necessary for the minimal consumption of individuals."

One of the founders of the modern system of approaches to the problem of poverty is rightfully the renowned English sociologist S. Rowntree, whose work in the 19th–20th centuries laid the foundation for later studies of this multifaceted phenomenon. In the 20th century, the issue of poverty was further developed in the works of A. Atkinson, M. Orshansky, P. Townsend, D. Runciman, A. Sen, and other authors. These studies focused on examining poverty based on basic needs, interpreting it as the lack of resources necessary for living, defining the poverty line,



and developing a range of related key concepts. These specialists proposed and practically tested a number of poverty indicators.

According to the American anthropologist O. Lewis, the creator of the concept of the “culture of poverty,” “poverty is a subculture whose values, norms, and rules differ from those of the broader society. It is a chronic condition transmitted from generation to generation, which deprives people of the opportunity to overcome poverty. The subculture of poverty is a product of hopelessness and destitution.”

According to Russian economist Ye. Y. Ageyev, “the poor do not take any obligations upon themselves; they mainly rely on the charitable assistance of society.” Ye. S. Balabanova notes that “the main external manifestation (attribute) of poverty is the orientation toward dependence in worldview, where social factors are directed toward the relations of socio-economic dependence.”

Economists I. P. Kovaleva and S. A. Mikhaylovskaya argue that “poverty refers to the economic condition of an individual or group of people who are unable to meet a range of needs necessary to sustain life.” According to official data from sociologists of the Russian Academy of Sciences, a poor person is someone whose level of income does not allow them to have a certain amount of physiologically necessary life benefits, i.e., minimal goods and services to maintain the essential, albeit uncertain, quality of life. Such a person naturally encounters difficulties in any situation. While the individual wishes to overcome these difficulties, they are unable to do so. The only way to cope with such hardships is to be literate, patient, and think optimistically.

In the research and scientific studies of Uzbek economists such as Q. X. Abdurakhmonov, Sh. R. Kholmuminov, R. F. Djumanova, N. M. Ibragimova, M. Z. Mukhitdinova, B. Pardayeva, K. S. Saidov, P. Z. Khashimov, and Sh. I. Mustafaqulov, issues related to poverty have been studied as a distinct and significant problem. In particular, K. S. Saidov and M. M. Mukhammadov note that “the category of poverty is a specific condition of material insufficiency, where the income of an individual or a family does not allow them to meet the socially necessary level of consumption required for life activities.” According to them, poverty is characteristic of any economic system and may intensify. The worsening of poverty negatively affects the volume of produced goods and accumulated wealth, the production capacity of the country, the well-being of the population, and the methods of distribution.

Economist Sh. Mustafaqulov expressed his approach to poverty, emphasizing that “poverty is an indicator of the economic condition of an individual or social group that lacks the ability to meet the minimum needs necessary for living, maintaining work capacity, and ensuring the continuity of generations.” The state of poverty reflects a long-term insufficiency of resources, which cannot be compensated either by previous savings or by temporarily postponing the purchase of expensive goods.

Conclusions and Recommendations.

As a result of the research, it can be concluded that the economic essence of the concept of “poverty” refers to a socio-economic process in which an individual’s material, financial, and spiritual minimum needs are not met. This situation arises from insufficient income and leads to helplessness, weakness, and high economic insecurity. Poverty occurs when members of society are excluded from ordinary social relations, everyday traditions, and economic activities. In cases where the volume of resources available to individuals or families is significantly below the average, and they are effectively isolated from common social interactions, customs, and productive activities, poverty manifests itself.

The state consistently establishes its regulatory and reforming control over the issue of poverty. This reflects a positive approach toward the poor from the perspective of various models and approaches to society. In other words, through the oversight of both governmental and non-governmental institutions, it is necessary to provide social protection for the poor.



Different perspectives on poverty are largely shaped by historical legacies and allow for the observation of the stages through which this phenomenon is currently understood in society. Accordingly, in the modern era, distinctions between working and non-working poor, or between deserving and undeserving poor, have been formed under the influence of prevailing ideas about poverty.

According to economists, one of the most effective ways to eliminate poverty is to increase the level of employment. The goal of engaging the population in work and creating decent, high-income job opportunities is implemented in a way specific to the policy of each state. Within the framework of such a policy, it is necessary to create conditions and conveniences for entrepreneurship in both urban and rural areas, as well as a favorable environment for doing business.

In conclusion, poverty is one of the social ills that negatively affects the development of society. Along with its adverse aspects, poverty gives rise to numerous problems that hinder the progress and prosperity of the nation. These include: first, it poses a serious obstacle to the stable economic growth of the state; second, it leads to an increase in social tensions within society; third, it intensifies migration processes; fourth, it negatively impacts the standard of living of the population; fifth, it contributes to a decline in the quality of education and healthcare services; and sixth, it creates conditions for a rise in criminal activity.

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