

# SOCIO-ECONOMIC GEOGRAPHICAL FACTORS INFLUENCING THE LEVEL OF POVERTY

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## **Annotatsiya**

Мазкур мақолада камбағалликни келтириб чиқарувчи иқтисодий-географик омиллар ва уларнинг ўзига хос хусусиятлари ҳамда уларнинг камбағалликка таъсири ўрганилган.

**Калит сўзлар:** Камбағаллик, табиий-географик омиллар, ижтимоий-иқтисодий географик омиллар, инфляция, иқлим ўзгариши.

## **Аннотация**

В данной статье рассматриваются экономико-географические факторы, вызывающие бедность, их характеристики и влияние на бедность.

**Ключевые слова:** Бедность, природно-географические факторы, социально-экономические географические факторы, инфляция, изменение климата.

## **Abstract**

This article examines the economic-geographical factors that cause poverty and their characteristics and their impact on poverty.

**Key words:** Poverty, natural-geographic factors, social-economic geographic factors, inflation, climate change.

It is impossible to study the problem of poverty without identifying a number of factors that affect its origin and spread. Today there are many classifications of the causes of poverty. Some researchers distinguish between social, cultural, and political causes, while others identify primary and secondary causes.

It is known that the poverty level is the main indicator used in assessing the problem of poverty and in social programs aimed at reducing it. It represents the number of people with cash incomes below the subsistence level, determined on the basis of data on the distribution of the population by the level of per capita cash income. The subsistence minimum is an indicator of the volume and structure of consumption of the most important material goods and services at the minimum acceptable level, ensuring the conditions for maintaining the active physical condition of adults, the social and physical development of children and adolescents. The amount of the subsistence minimum at the regional level is determined by executive authorities, based on local consumption characteristics and resource capabilities [2]. The extreme poverty level is also used to characterize the scale of poverty - this is the share of the population with cash incomes below half the subsistence minimum.

Another criterion for assessing the level of poverty of the population is the poverty depth index, which is the distance at which the poor population is in relation to the poverty line.

With an increase in the distance below the poverty line at which the poor population is, the poverty depth index increases. It is believed that for a population whose per capita income slightly exceeds the subsistence minimum, the poverty depth index takes on a zero value [6].

A number of factors influence the high or low level of poverty in countries and their regions.

It is appropriate to study the factors influencing poverty into two main groups (10).

The first group includes geographical factors affecting poverty. In turn, they are divided into two groups: natural and socio-economic.

The second group includes non-geographical factors affecting poverty, including economic, political, socio-medical, education and skills, as well as religious-philosophical and psychological factors.

Among the factors affecting poverty, socio-economic geographical factors remain relevant today. Because these factors have a great impact on increasing or decreasing the level of poverty.

It is appropriate to study socio-economic geographical factors in turn into three subgroups.

Socio-economic geographical factors include disadvantage of economic-geographical location, bordering of settlements with high economic competence and rich areas, uneven distribution of resources, characteristics of consumption, differences between cities and villages, underdevelopment of industrial sectors, agriculture network problems, poor condition of transport infrastructure form the first subgroup and are of particular importance.

The second subgroup of demographic indicators includes the geographical distribution of the population, high natural population growth and rapid population growth, single-parent families with many children, families with a high dependency burden, an increase in the number of disabled people, and the development of false urbanization.

We can observe that the role of regional-geographical factors belonging to the third subgroup is increasing in recent years. This subgroup includes uneven development of productive forces, large differences in the economic potential of regions, depressed economic and mono-economic regions, subsidized regions with low economic potential, regions dependent on centralized supply of food and resources. Also, factors such as the state of economic development of regions also affect poverty.

In the first subgroup, the economic and geographical disadvantage of the regions has a significant negative impact on the level of poverty.

To describe the economic-geographical position of the region, its geographic location close to the main transport routes, fuel, raw material bases, industrial enterprises, agricultural facilities, and the centers of creation and distribution of

innovative technologies. , it is necessary to take into account that the economic-geographical position of the regions may change over time.

If the economic-geographic location of the region can be used, this situation will lead to a decrease in the level of poverty. Otherwise, the number of poor people will be high. Also, the economic competence of settlements is in rich and high regions, bordering capitals and big cities, and the level of sustainable development of regions also affects poverty. The reason is that if the economic competence of the region is high and it borders the capital and big cities, the residents of this region can be provided with work due to the proximity of these regions. This, in turn, increases the income of families and increases their financial capabilities.

What is more, the borders of the regions with countries with developed economy and lack of labor resources also serve to improve the living conditions of the population. The reason is that unemployed people can go to work in these countries and have the opportunity to increase their income. An example of this is the less developed European countries such as Bulgaria, Moldova, Romania, and Albania. People living in the border regions with Kazakhstan, especially in the Tashkent region, where there is a need for labor migration in Uzbekistan, are taking advantage of this opportunity.

The effect of uneven distribution of resources on the development of poverty has been studied by scientists since ancient times. The state of providing the region with land, water, mineral raw materials, biological and recreational resources determines the level of this problem. A region that is resource-rich and well-endowed has a low rate of poverty.

It has been proven in practice that the disparity between cities and villages creates the problem of poverty. In many regions, large or medium-sized cities have a well-developed infrastructure, a large number of industrial and service facilities and, accordingly, a sufficient number of jobs, high wages and living standards, and a relatively small number of urban poor. is distinguished by On the contrary, the

lack or non-existence of such opportunities in rural areas leads to a large number of poor people. In many countries of the world, including Uzbekistan, the problem of poverty in rural areas is more acute than in urban areas. To be more specific, the poverty rate is lower in highly urbanized regions.

Industry occupies a very large place in the country's economy and population employment. The issue of developing industry and solving the problem of unemployment through it has been in the constant focus of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev.

It has been scientifically proven that the underdevelopment or non-existence of industrial sectors in the regions has a significant negative impact on poverty. Because industrial enterprises are the locomotive of the economy of any country or region. It is industrial enterprises that provide employment to the population and improve their living conditions. On the basis of diversification of industry, it will be possible to provide employment to many people, and it will be possible to completely eliminate the problem of poverty in the region.

It should be noted that Uzbekistan is located in the center of the Eurasian continent, far from the oceans, far from developed countries (EU countries, the USA and Canada, Japan, the Republic of Korea, Singapore, etc.), and industrial processing and production of finished products. No matter what raw materials or components are imported from foreign markets, logistics costs (for import and export) are high. Therefore, we should, first of all, pay attention to sectors based on the local raw material base on the one hand, and on the other hand, which are in high demand in the local market. Also, it will be necessary to develop innovative industries based on new advanced technologies, based on opportunities, and this will increase the number of jobs.

It is necessary to ensure a wider connection between industrial capacities and the internal needs of the national economy. In order to increase jobs and thereby reduce poverty, attracting both domestic and foreign investments for the development of industries such as housing complex, energy complex, textile

industry, building materials industry, electrical engineering, radio electronics, precision engineering, robotics it is necessary to do. However, solving the issues of support and development of industries with their own raw material base, which make the greatest contribution to creating added value and ensuring employment of the population, remains relevant today.

Agriculture is one of the main branches of our country's economy. The reason is that most of the country's population is employed in this field. Favorable natural and climatic conditions of Uzbekistan, selfless and hardworking people, well-thought-out strategy of our country in this regard serve the rapid development of the agricultural sector: the beautiful, tasty, ecologically clean fruits of our country are grown on our land, they are world famous. is very popular in the markets.

In the years of independence of Uzbekistan, large-scale changes and quality changes in agriculture, optimization of arable land and a comprehensive policy on zoning of agricultural crops were implemented not only to increase productivity, but also to increase production made it possible to significantly increase the level, and through this, the population's standard of living is being somewhat improved.

According to the Food and Agriculture Organization of the United Nations (FAO), more than three-quarters of the world's poor live in rural areas. Most of the population's income depends on agriculture. However, employment opportunities in rural areas are often unstable, informal, poorly paid and can even be dangerous.

Poverty and hunger cannot be eradicated until the disparity in opportunities and working conditions in rural areas is eliminated. FAO is working to create decent employment in agriculture and non-agriculture sectors, including supporting responsible investment in agriculture and food systems and through inclusive policy dialogue.

FAO influences global, regional and national processes on key issues such as youth employment, migration, child labour, jobs that maintain or restore environmental quality, working conditions and the availability of data and

evidence. FAO actively supports governments in developing policies, strategies and programs for decent employment in rural areas, with a focus on vulnerable population groups, particularly youth, women, migrants and children. To achieve this goal, FAO works with other UN agencies, civil society, producer organizations, academia and the private sector. Therefore, poverty can be reduced through the development of agriculture in the regions, effective use of modern technologies, implementation of "Smart agriculture" and "Sustainable agriculture". Without doubt, it is necessary to take into account problems such as drought and soil degradation caused by climate change.

Free economic zones have a great role in reducing poverty by providing employment to the population. Today, more than 4,000 free economic zones (400 free trade zones, as many research and production parks, more than 300 export-production parks, 100 zones of special direction) are operating in the world.

A free economic zone is a specially designated area with clearly defined administrative borders and a separate legal order, which is created in Uzbekistan in order to attract domestic and foreign capital, promising technology and management experience for the rapid socio-economic development of regions.

In recent years, considerable work has been carried out in Uzbekistan to liberalize and modernize the economy, to produce competitive products and to employ the unemployed population.

Particular importance was paid to ensuring the rights and legal interests of investors, and ensuring the investment attractiveness of our country in all aspects.

It is evident that the activities of free economic zones (FEZ) are important in attracting investments, creating a favorable environment and conditions for investors. Based on world experience, establishment of FEZ was started in Uzbekistan during the years of independence. Countries such as Italy, China, Egypt, Croatia, UAE, South Korea, Serbia, Colombia are the leaders in the number of FEZs in the world.

It is known that in 1996, the Law "On Free Economic Zones" was adopted in Uzbekistan. This law defined the status of free economic zones, the order of organization, the guarantee of the rights and interests of legal entities, customs, currency, tax procedures and other important regulations in these zones [1].

On December 2, 2008, the Decree of the President of the Republic of Uzbekistan on the establishment of the free economic zone of the Navoi region was adopted, and it went down in history as the first FEZ established in our country. With this document, separate customs and tax regimes, a simplified procedure for the entry, stay and exit of non-resident citizens of the Republic of Uzbekistan, as well as obtaining permits for the implementation of labor activities, were introduced in the territory of the FEZ.

Later, "Angren" and "Jizzakh" special industrial zones were established. Free economic zones make a significant contribution to attracting foreign investments in the regions, increasing their export capacity, and providing employment to the people there, and raising their lifestyle.

In order to create the necessary conditions for this sector, 24 free economic zones and more than 400 small industrial zones were established in recent years, more than 15 trillion soums were allocated to their infrastructure.

SEZs established in our republic can be divided into 4 groups based on their scope of activity. These are industries, pharmaceuticals, agriculture and tourism.

In our country, several billion dollars of financial resources have been allocated to turn industries such as textiles, chemistry, building materials, leather, pharmaceuticals, electrical engineering into "drivers".

As a result, in recent years, the number of industrial enterprises has increased 4 times to over 100,000, and the volume of production has increased by 2 times.

This has a positive effect on the development of these regions. In particular, new industries such as construction materials, automobile industry, food industry, which did not exist before, have appeared in many regions.



Large-scale metal processing projects are being implemented in Samarkand, Syrdarya, Namangan and other regions.

In the last three years, the volume of production in the chemical industry has increased by 1.5 times, and exports by 2 times.

Textile and tailoring enterprises are of great importance in providing employment to the population, especially in ensuring the employment of women.

According to the results of the research, the lack of infrastructure development in the regions also affects the level of poverty. For example, poorly developed or non-existent roads, telecommunication networks, sewage facilities, gas, water and electricity supply, schools, kindergartens and medical facilities have a significant negative impact. This can lead to slower output growth, less productive employment, lower investment, fewer jobs, lower living standards and increased poverty.

The condition of the transport infrastructure has a special effect on poverty. As we know, transport is important for the economic and social development of regions and helps countries to regional and global cooperation and support the economy.

Historically, the development of the country's transport sector has been an indicator of its economic prosperity and success.

Small business is of great importance in reducing poverty and developing the economy of regions. Small business and private entrepreneurship are especially important in the development of industry, agriculture, trade and services. Due to the ability to quickly change his field of activity and specialization, he has the opportunity to actively absorb science and technology innovations. Small business and private entrepreneurship contribute to the development of a competitive environment, thereby reducing the degree of monopolization of the economy, and it is one of the main directions of the formation of owners. Its small size is the reason for its popularity, and therefore this form of entrepreneurship comes in handy when creating new jobs.

The share of small business entities in total employment in Uzbekistan in 2023 was 74.1%. This indicator shows that the importance of small business in providing employment to the population in Uzbekistan is increasing.

- Demographic indicators and the lifestyle and condition of the population belonging to the second subgroup are of particular importance. For example, reduced working capacity due to factors such as poor health, chronic illness or disability increases the risk of falling into poverty, thereby reducing the likelihood of earning a normal income and limiting economic independence. Psychological diseases or disorders (apathy, depression, etc.) also have a significant impact on economic activity.

- Access to education and vocational skills has a significant impact on the poverty rate. According to the World Bank, the development of education contributes to economic growth, an increase in the volume of national production and introduced innovations, and the formation of social responsibility. Groups at risk of falling into poverty are always found among illiterate population groups who do not have higher education, do not have the required specializations and qualifications.

- Undoubtedly, unemployment is the main factor in the formation of poverty both in the region and in the country as a whole. Unemployment stimulates the development of crime, the scale of hidden employment and informal work, which, as a rule, leads to a violation of statistical data on the real state of living of the population.

- Our state should maintain economic stability, increase the size of GDP, ensure employment and income of the population, and most importantly, alleviate the budget deficit by exporting the products produced in the industrial and agricultural sectors in the enterprises operating in the regions, and thereby increase the employment of the population and improve their living conditions. is one of the most important tasks in the day.

- We would like to make the following suggestions for the implementation of

these works:

- diversification of industry and agriculture and thereby launching new industries;
- the construction industry is one of the areas with great opportunities for maintaining economic stability, and the full implementation of foreign experience in the further development of this area;
- to increase the production of import-substituting products, to increase the number of new jobs and to develop the "import-free economy" system;
- development of measures for effective use of farms and people's homesteads, systematic organization of crop planting, and increase in the volume of production, and increase the volume of preferential loans to them;
- using all available opportunities to increase exports while fully satisfying domestic demand in our country and moving to the principle "Each enterprise must export its products";
- to increase the volume of production by 10 times, paying great attention to sectors such as beekeeping, ostrich breeding, and cocoon breeding, to fully utilize the opportunities of forestry;
- to further encourage full transition to drip irrigation and other innovative systems in agriculture to save water;
- further development of both domestic and international tourism in compliance with quarantine rules;
- to increase the share of services in the gross domestic product by attracting foreign investments in the development of all service areas, including insurance, consulting, engineering, auditing, evaluation services;
- the implementation of the Islamic financial system and thereby increasing business entities and new jobs;
- providing comprehensive support to small business entities and increasing their share in the gross domestic product from 74% to 80-85%;

- to increase the number of free economic zones (currently 24 are operating) to 50 in order to increase economic stability. Effective use of existing economic opportunities and resources through the establishment of free economic zones, especially in the fields of education, medicine, logistics, and service provision;

- attracting unemployed citizens to temporary or permanent activities in areas of high demand during the crisis;

- development of a system of social security guarantees, including unemployment insurance and workers' compensation;

- allocating interest-free loans to the organization of activities for remote work;

- development of employment mechanisms for graduates of higher education institutions;

- revitalizing promotional activities and providing them with business consulting services in order to form entrepreneurial skills among the population;

- formation of entrepreneurship skills and stimulation of social innovations in order to reduce the level of poverty among the population. Expanding propaganda for the development and implementation of entrepreneurship lessons and social innovations for the population through mass media (television, radio, official Internet publications, official channels on social networks);

- further development of measures aimed at providing employment, education, vocational training, career orientation of our women and thereby increasing their financial capabilities;

As a result of these measures, we will maintain economic stability, provide employment to millions of our citizens, increase their income, and drastically reduce the level of poverty.

In addition, tax and credit holidays for business entities, tax incentives, cancellation of rent payments for state property for a certain period, moratorium on tax and other inspections until the end of the year, and tax debts for enterprises that

are in a difficult economic situation. important measures such as suspension of penalty calculation for

In conclusion, it should be noted that the scientific study of the economic and geographical factors that have a negative impact on poverty and the practical application of its results are of great importance in the comprehensive fight against poverty and the elimination of poverty. Moreover, identifying and analyzing economic-geographical factors and their impact on the level of poverty will serve to eliminate this problem.

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