

## POVERTY AS A GLOBAL PROBLEM

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**Annotation:** Poverty remains one of the most pressing global challenges of the 21st century, affecting all aspects of societal development. This article explores the root causes and manifestations of poverty, its implications for sustainable development, and the most effective international strategies for combating it. Particular attention is given to social programs, infrastructure development, and support for small and medium-sized enterprises as key pillars of a comprehensive approach. The article also highlights the role of international organizations and the importance of investment in human capital.

**Keywords:** poverty, social protection, human capital, inequality, sustainable development, international experience, small business, global challenges.

Poverty is a global issue whose resolution affects the well-being of millions of people. According to the World Bank, in 2023 about 8.4% of the world's population lived on less than \$2.15 per day — the international extreme poverty line. Contemporary challenges such as pandemics, armed conflicts, inflationary crises, and climate disasters have intensified poverty and require a rethinking of global strategies to address it.

Poverty is a multidimensional phenomenon. Researchers identify several interrelated categories of causes:

- **Economic:** unemployment, unequal income distribution, low labor productivity, labor market instability.
- **Social and health-related:** poor health conditions, high child mortality, inadequate social protection systems.
- **Educational:** low literacy rates, poor access to educational resources, insufficient vocational training.
- **Political and institutional:** weak governance, corruption, armed conflicts.
- **Regional:** underdeveloped infrastructure in rural and remote areas, unregulated urbanization, migration.

According to the United Nations Development Programme (UNDP), poverty in many developing countries is intergenerational — passed from parents to children — creating persistent cycles of inequality.

**Social Programs:** Many countries implement social support programs as a primary tool against poverty, such as:

- **Direct cash transfers,** e.g., Brazil's *Bolsa Família* and Mexico's *Oportunidades*, which target low-income families.

- **Subsidies for utilities and food**, widely practiced in India, Egypt, and other developing economies.

- **Basic income experiments**, introduced in Finland, Canada, and certain pilot regions.

**Investment in Human Capital:** Education and healthcare are recognized as sustainable tools for poverty reduction. According to UNESCO, one additional year of education increases an individual's income by approximately 10%. Strengthening public health systems reduces household expenditures and prevents “medical impoverishment.”

**Infrastructure Measures:** Improving access to transportation, electricity, water, and the internet increases mobility and access to labor and educational markets. In Africa, infrastructure projects — such as road construction — have boosted local employment rates by 15–20% in target regions.

**Support for Small and Medium Enterprises (SMEs):** Encouraging entrepreneurship leads to job creation and local economic growth. Examples include:

- **Microfinance programs**, such as Grameen Bank in Bangladesh;
- **Entrepreneurship education and training;**
- **Business incubators and tax incentives.**

According to the International Labour Organization (ILO), SMEs provide up to 70% of employment in emerging economies. International institutions, including the World Bank, UNDP, UNICEF, and the World Food Programme, implement large-scale anti-poverty initiatives. Their support includes:

- Grant funding and technical assistance,
- Cross-border sustainable development programs,
- Institutional capacity-building in developing regions.

Nonprofit organizations and global foundations also play a critical role in improving education, healthcare, food security, and women's rights. The Bill & Melinda Gates Foundation, for example, funds poverty alleviation programs in Africa and South Asia.

Poverty is not only an economic issue, but also one of social justice, access to opportunities, and long-term development. Global experience proves that the most effective strategies are those that combine short-term social support with long-term investments in human capital and entrepreneurship. Achieving the Sustainable Development Goals — particularly the goal of eradicating extreme poverty — requires coordinated efforts among governments, international organizations, private sector actors, and civil society. Only through such collective action can we not only reduce poverty but also build an inclusive, just society where everyone has the chance to live with dignity.

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