

REDUCING POVERTY: ANALYSIS OF INTERNATIONAL EXPERIENCES**Baratova Madina Khasanovna**

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Annotation: This study examines international experiences in reducing poverty, focusing on strategies, policies, and programs implemented in various countries. It analyzes the effectiveness of different approaches, including social protection, employment promotion, education and healthcare investments, and targeted support for vulnerable populations. By reviewing global best practices, the research identifies lessons and recommendations that can be applied to enhance poverty reduction efforts in other socio-economic contexts.

Keywords: poverty reduction, social protection, international experience, employment, education, healthcare, vulnerable populations, sustainable development, socio-economic policies, best practices.

Introduction. When analyzing global trends and international experience, attention is primarily paid to perspectives and approaches concerning the level of poverty in the world and its dynamics. Significant progress has been achieved in reducing global poverty, especially since the second half of the 20th century and particularly from the early 2000s. Between 1990 and 2015, the share of the world population living in extreme poverty (with a daily income of less than \$1.90) decreased by more than half, largely due to economic growth in East Asia (especially China) and South Asia.

In 2000, one of the United Nations Millennium Development Goals set the target of halving poverty by 2015, and this goal was achieved ahead of schedule, primarily due to the rapid development of emerging economies. By 2015, the global population living on less than \$1.90 per day was approximately 10%, compared to over 35% in 1990. From 2015 to 2019, global poverty continued to decline slightly, reaching around 8–9%. However, during 2020–2021, this positive trend weakened due to the COVID-19 pandemic, the global economic crisis, subsequent inflation, and rising unemployment. It is estimated that during the first year of the pandemic, an additional 70 million people fell into poverty, marking the largest annual increase in decades. By 2022, the global extreme poverty rate was approximately 8.5%, representing roughly 700 million people. Nonetheless, these figures indicate that significant efforts are still required to achieve the goal of eradicating poverty by 2030 [1].

Examining the regional distribution of poverty, Sub-Saharan Africa and South Asia remain the poorest regions in the world. In Sub-Saharan Africa, more than 35% of the population lives in extreme poverty-around 400 million people-accounting for more than half of the world's most impoverished population. Poverty rates in South Asia are also high; by the end of 2019, the share of the population living in poverty was approximately 10.5% (increased in large countries like India due to revised assessments).

These two regions also lead in child poverty: nearly 90% of children living in extreme poverty globally are concentrated in Africa and South Asia. In contrast, East Asia and the Pacific region have seen a dramatic reduction in poverty over the last 40 years-for example, China lifted more than 800 million people out of poverty and officially declared the eradication of extreme poverty in 2020. In Europe and Central Asia (including the CIS countries), absolute poverty is relatively low, although issues of relative inequality persist.

United Nations and Sustainable Development Goals (SDGs): At the international level, anti-poverty policies are coordinated under the leadership of the United Nations. The first of the Sustainable Development Goals (SDGs), approved in 2015, aims to “end poverty in all its forms everywhere by 2030.” To achieve this ambitious objective, various programs and projects are implemented within the UN system: financial assistance (grants, concessional loans) to poor countries, technology and knowledge sharing, and humanitarian aid. The UN Development Programme (UNDP) serves as an advisor to each country on poverty reduction policies. Additionally, the principle of “leaving no one behind” is adopted within the UN framework, ensuring that special attention is paid to the most vulnerable groups so that reforms benefit every segment of society [2].

World Bank and International Financial Institutions: The primary mission of the World Bank Group is to eradicate global poverty and increase prosperity. It has set a goal of reducing the global share of extreme poverty to below 3% by 2030. The World Bank collects and analyzes poverty statistics for countries annually (through the Poverty and Inequality Platform). In combating poverty, the World Bank provides concessional loans (e.g., through the International Development Association – IDA), technical assistance, and expert advice to developing countries. National poverty reduction strategies developed with World Bank support have been implemented in many countries with positive outcomes.

Moreover, the International Monetary Fund (IMF) indirectly contributes to poverty reduction by promoting financial stability—for instance, preventing debt defaults and economic shocks in poor countries, which disproportionately affect vulnerable populations. Hence, the IMF emphasizes macroeconomic stability [3].

OECD and Developed Country Experience: In OECD member countries, absolute poverty is nearly nonexistent, but relative poverty and social inequality remain relevant challenges. OECD countries have implemented effective social policy instruments: income redistribution through fiscal policies (progressive taxes, subsidies for low-income households), and state social programs to combat unemployment and low income. For example, in many European countries, social benefits, child allowances, and tax credits have significantly reduced the share of people below the poverty line. The OECD has promoted the concept of “inclusive growth,” which emphasizes ensuring equal opportunities, providing universal access to education and healthcare, and fostering social inclusion.

Additionally, the experience of OECD countries highlights the important role of the private sector and civil society in poverty alleviation: charitable foundations, non-governmental organizations (NGOs), support for vulnerable groups, retraining programs, and social entrepreneurship play a significant role in reducing poverty [4].

Various international experiences can also be highlighted. Around the world, unique programs and reforms have been implemented to reduce poverty. For example, Brazil’s “Bolsa Família” program—through conditional cash transfers to low-income families (on the condition that children attend school and receive vaccinations)—has been highly effective in reducing poverty. In Bangladesh, the microcredit system (led by M. Yunus and the Grameen Bank) enabled millions of impoverished women to engage in entrepreneurship through small loans, promoting self-sufficiency [5].

Infrastructure improvement and resettlement programs in rural China have significantly improved the living conditions of poor populations in the most remote areas. Additionally, in several African countries, ongoing legal and land reforms (providing land ownership to farmers, supporting small-scale farms) have contributed to poverty reduction. These examples show that

each country applies different tools to combat poverty according to its specific context, and studying international best practices is crucial. For instance, Uzbekistan is carefully examining foreign experiences in its policies, drawing lessons from countries such as Malaysia, South Korea, and Turkey in implementing poverty reduction measures.

Of course, global anti-poverty efforts are not limited to economic measures alone. Broad issues such as the protection of human rights, peacekeeping, crisis prevention, and ensuring demographic stability also significantly affect population well-being. Armed conflicts and wars, for example, inevitably exacerbate poverty, as observed in recent years in Syria, the Middle East, and Afghanistan. Therefore, the UN and the international community also strive to create sustainable solutions to poverty by promoting peace and stability. Another important international principle is the concept of altruistic assistance and responsibility: developed and prosperous countries and populations are expected to take special responsibility in eradicating global poverty. For example, in Europe and other wealthy nations, a portion of taxpayers' contributions is directed as financial aid to developing countries (official development assistance – ODA). All of this demonstrates that reducing poverty is a global task that requires solidarity and cooperation [6].

Effective poverty reduction policies encompass several key areas, including inclusive economic growth, human capital development, strengthening social protection systems, and institutional development. The main components of poverty reduction policies and programs are as follows:

- **Economic growth and job creation:** The most long-term and effective way to reduce poverty is through sustainable economic growth that generates new jobs. As the economy grows annually and new sectors develop, employment increases, unemployment decreases, and incomes rise. Importantly, this growth must be inclusive-benefiting all segments of society. If wealth is concentrated in a narrow segment of the population, poverty cannot be eliminated. Governments therefore implement inclusive economic policies, support small businesses and private entrepreneurship, promote investment, and improve infrastructure. In Uzbekistan, economic liberalization since 2017, the liberalization of the currency market, tax reforms, and programs supporting entrepreneurship have contributed to increased household incomes and poverty reduction.
- **Infrastructure and rural development:** The most vulnerable populations often live in remote rural areas with poor infrastructure. Hence, substantial financial resources must be directed toward improving rural infrastructure-investments in roads, drinking water and electricity networks, schools, and hospitals. State and international funds are utilized for this purpose. Improved infrastructure connects rural populations to urban centers and facilitates integration into the market economy, creating conditions for production activities. In Uzbekistan, programs such as “Prosperous Village” and “Prosperous Mahalla” have connected thousands of villages to electricity, gas, and water networks, while roads have been repaired, improving living standards. Agricultural reforms (such as long-term land leases to farmers and enabling free sale of produce) are also key factors in reducing rural poverty.
- **Demography and family planning:** One cause of poverty is rapid population growth and a high proportion of dependent individuals. When the burden of dependents is high, family income is divided among many children and elderly members, reducing per capita income. Therefore, many countries address demographic factors in anti-poverty policies: promoting family planning, increasing access to contraceptives, and preventing early marriages. Additionally, social support programs for pensioners, people with disabilities, and families with children help reduce dependency. In Uzbekistan, programs such as “Support for Reproductive

Health,” employment initiatives for women under the “Women’s Register,” and assistance for persons with disabilities are aimed at these objectives.

- **Targeted social protection programs:** The fastest way to reduce poverty is through direct financial support and social benefits. Almost all countries provide low-income families with financial assistance from the state budget. Such benefits are usually targeted at children in low-income families, unemployed individuals, persons with disabilities, and households that have lost their sole breadwinner. Social benefits increase the income of families living below the poverty line, helping them escape poverty. Targeting is critical-aid must reach those who truly need it. In Uzbekistan, the “Unified Social Protection Registry” was introduced in 2021, registering all families eligible for social benefits nationwide in a single database. At the local level (through the Mahalla institutions), poverty identification and monitoring have also been strengthened. By presidential initiative, from 2024, Uzbekistan will integrate poverty reduction policies with the social protection system, implementing support through “Human” Centers. In this system, information about each family in need will be collected, and individualized work will be carried out (rehabilitation, counseling, material assistance, etc.), enhancing the effectiveness of targeted assistance and reducing abuse.

- **Tax policy and income redistribution:** A significant portion of state revenue comes from taxes. Tax policy can influence inequality and poverty. For instance, progressive income taxation-levying proportionally higher taxes on high-income individuals and directing these funds to social programs-promotes social justice. In some countries, robust social policies require relatively high tax rates (e.g., Scandinavian countries fund comprehensive social systems through high taxes). In Uzbekistan, recent tax reforms have unified the personal income tax rate at 12% (previously progressive), which provides some incentive but limits the use of tax instruments in poverty reduction. Therefore, the government primarily relies on other sources (such as external loans or grants) to finance anti-poverty programs. In the future, as the economy grows and the tax base expands, the state will be able to increase social spending and fund programs for the poor.

- **Monitoring and accountability:** To ensure the effectiveness of any poverty reduction program or policy, it is crucial to monitor implementation and evaluate results. This involves regular household budget surveys and living standard analyses. Since 2021, Uzbekistan’s State Statistics Committee, in collaboration with the World Bank, has conducted sample household surveys quarterly, collecting income and consumption data. Annual poverty statistics are calculated based on this data. Additionally, an electronic Poverty Monitoring Platform is planned within the e-government framework, collecting real-time data on social benefit recipients, job seekers, and participants in vocational training programs. These data inform policy decisions. Government agencies and local authorities are held accountable through specific indicators-for example, evaluating how much poverty has decreased in each district or how many families have exited the “Iron Register” each year. This accountability system encourages responsible implementation and ensures efficient use of resources.

Education, healthcare, and employment play a crucial role in reducing poverty. Education, in particular, is often referred to as the key to breaking the cycle of poverty. There is a direct and strong link between education and poverty: if children from poor families cannot access complete and quality education, they are more likely to remain low-income and vulnerable in the future; conversely, obtaining a full education provides a child with the opportunity to secure higher-paying employment and improve their standard of living. For this reason, education is often called the “force that ends poverty.”



UNESCO analyses indicate that if all children acquire basic literacy skills, as many as 171 million people worldwide could be lifted out of poverty. Furthermore, if every young adult completes secondary education, the global poverty rate could be reduced by half. In other words, education acts as a poverty-breaking factor and a social elevator. Through education, individuals gain the knowledge and skills necessary to sustain themselves and take an active role in society [7].

The likelihood of escaping poverty is significantly higher for individuals who complete school compared to those who drop out. For example, research shows that maternal literacy dramatically improves children's survival rates: a child whose mother has completed secondary education has a 31% higher chance of surviving to age five compared to a child whose mother is illiterate. Therefore, governments place great emphasis on improving education quality, ensuring that all children attend school, and particularly focusing on keeping girls from rural and low-income families in school as part of broader anti-poverty strategies.

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