



Article

Methodological Basis of Analyzing the Poverty Phenomenon and Its Causes

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Abstract: This article scientifically analyzes the theoretical and methodological foundations of the phenomenon of poverty, as well as the economic, social, demographic, and institutional factors that influence its occurrence. The research used methods of comparative analysis, systematic approach, statistical data generalization and analysis of scientific sources. The results showed that poverty is not only a lack of income, but also a complex socio-economic phenomenon, inextricably linked to education, health, employment, human capital and social protection. The article develops scientifically based recommendations for poverty reduction.

Keywords: poverty, income, social protection, employment, economic development, human capital, methodology, analysis.

1. Introduction

The Poverty is one of the most complex and multifaceted socio-economic problems on a global scale. Despite economic growth in the 21st century, a significant proportion of the world's population still does not achieve minimum living standards. Poverty, especially in developing countries, is closely linked not only to economic, but also to social, psychological and institutional problems[1].

Significant progress has been made in reducing extreme poverty over the past two decades: in the Asia and Pacific region, the proportion of people living in extreme poverty, with an average income below 2.15 PPP, fell from 21% in 2000 to an estimated 2.6% in 2022. Much of the observed decline is due to significant progress in China, Indonesia, Kyrgyzstan and Tajikistan, where poverty rates have fallen by 30 percentage points or more. Despite progress, extreme poverty is highest in India and Timor-Leste, where more than 10% of the population lives on less than 2.15 PPP dollars a day. Among low- and middle-income countries, poverty rates are lowest in Bhutan, China, Maldives, Malaysia, Mongolia, Thailand and Tonga, where less than 0.5% of the population lives in extreme poverty[2].

One of the most important factors influencing the emergence of poverty is unemployment and low income. The lack of stable jobs or decent wages for the population limits their ability to meet their basic needs. As a result, people cannot fully access food, education, and health services[3]. In modern societies, income inequality is one of the important factors of socio-economic development. Unequal income distribution can negatively affect economic growth, while also leading to social polarization and increased social stratification in society. At the same time, excessive social stratification leads to inefficient use of resources and exacerbates poverty.

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2. Methodology

This study used a comprehensive approach to analyze the phenomenon of poverty and its causes. The methodological basis of the study was systematic analysis, comparative analysis, statistical data generalization, and scientific literature review.

The study used official statistical data published by the World Bank, the United Nations Development Program (UNDP), the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), and the Statistical Agency of the Republic of Uzbekistan. In addition, scientific articles published in the Scopus and Web of Science databases in 2017–2025 were analyzed.

Descriptive analysis, comparative analysis, and content analysis were used to analyze the data. Factors affecting the level of poverty in different countries were compared and their economic, social and institutional aspects were assessed. Based on the results obtained, the main factors and effective policy measures that serve to reduce poverty were identified.

In order to ensure the reliability of the study, only official data from internationally recognized organizations and articles that have undergone scientific examination were used. This ensures the scientific validity and impartiality of the research results.

3. Results

In the first half of 2025, the unemployment rate in Uzbekistan decreased to 5.1 percent - the Ministry of Employment

The Ministry of Poverty Reduction and Employment reported that the unemployment rate decreased from 5.5% to 5.1% in 6 months. According to the results of June, more than 781.6 thousand unemployed citizens were registered in Uzbekistan. The number of working-age population amounted to 20.3 million people. Of these, 14.6 million people are employed[4].

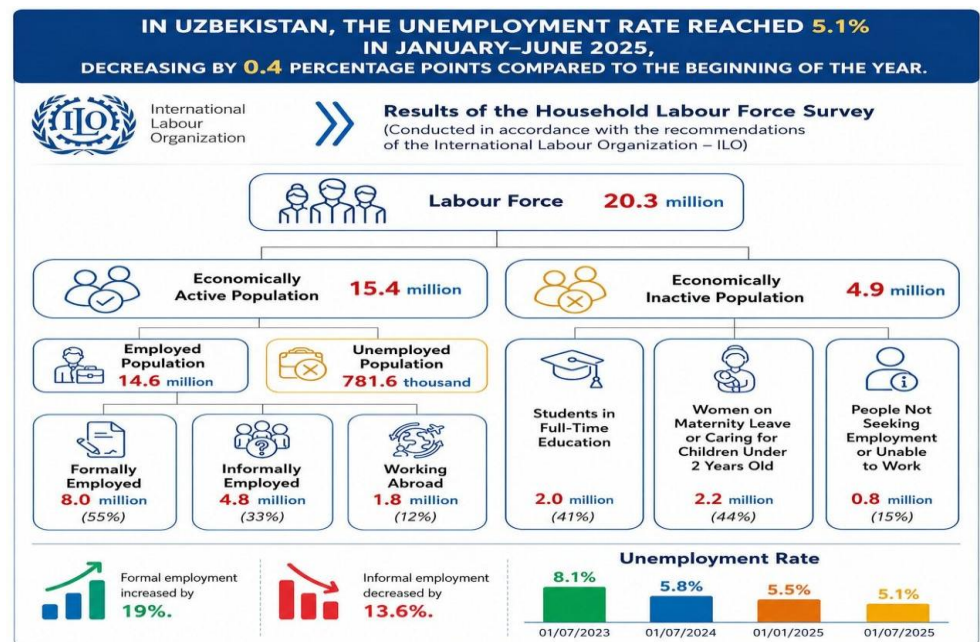
In January-June 2025, the number of working-age population amounted to 20.3 million people. Of these, 15.4 million are economically active, of which 14.6 million are employed[5].

According to the results of June, more than 781.6 thousand unemployed citizens were registered in Uzbekistan. The unemployment rate fell from 5.5 percent to 5.1 percent in six months (5.8 percent last year, 8.1 percent two years ago)[6].

More than 8 million people (55 percent of the employed population) are officially employed, while 4.8 million (33 percent) work in the informal sector. Another 1.8 million Uzbeks (12 percent) work abroad. The ministry notes that the number of official jobs has increased by 19 percent, while informal employment hasn decreased by 13.6 percent[7].

Figure 1.

Key Labor Market and Unemployment Indicators in Uzbekistan (January–June 2025)



Among the economically inactive population, 2.2 million people (44 percent of the total) are on maternity leave. More than 2 million Uzbeks are studying in higher education institutions. In addition, 0.8 million people, or 15 percent, do not want to work or do not have the opportunity to immediately find a job[8].

Over the past seven years, the share of informal employment has decreased from 60 percent (7.9 million people) to 38 percent (5.4 million people). At the same time, the share of the hidden sector in agriculture has reached 60 percent, and in the construction sector - 41 percent[9].

According to Obid Khakimov, Deputy Advisor to the President on Economic Policy Issues, Director of the Center for Economic Research and Development, in 18 percent of cases, entrepreneurs continue to pay wages in the "envelope" method.

Among the main reasons for the existence of the hidden economy mentioned by entrepreneurs are low costs (49 percent of respondents noted this), ease of hiring and firing procedures (36 percent), the ability to attract seasonal workers (33 percent), and the absence of tax obligations (13 percent)[10].

4. Discussion

The results of this study show that one of the most important factors causing poverty is unemployment. Low employment levels lead to a decrease in incomes, a deterioration in the quality of life, and a limitation in the ability to meet basic needs. In particular, long-term unemployment reduces the economic activity of citizens and increases the risk of poverty transmission from generation to generation[11].

The analysis shows that the lack of jobs, the imbalance between the demand for qualified specialists in the labor market and the available labor force are among the main causes of unemployment. In addition, the mismatch of professional skills with the requirements of the modern labor market also contributes to the high level of unemployment. As a result, many

families do not have a stable source of income and are at risk of poverty[12-13].

Studies by the World Bank and the International Labor Organization (ILO) also confirm the strong link between unemployment and poverty. According to the research, creating new jobs, developing vocational training programs, supporting youth and women's employment, and encouraging small businesses and entrepreneurship are among the most effective ways to reduce poverty[14].

Unemployment can also be reduced by improving the state's employment policy, expanding retraining programs for professions that are in high demand in the labor market, and supporting the private sector. These measures will help increase incomes, strengthen economic stability, and significantly reduce poverty[15].

5. Conclusions

This study identified unemployment as one of the main factors in the emergence of poverty. The analysis showed that the lack of stable jobs, imbalances in the labor market, and inadequate professional qualifications limit the income of the population and increase the risk of poverty. Unemployment also creates not only economic but also social problems, negatively affecting the standard of living and well-being of the population.

The results of the study showed that ensuring employment, developing human capital, and improving the labor market should be priority areas for poverty reduction.

Recommendations

- Further expansion of state programs aimed at creating new and stable jobs.
- Development of vocational training and retraining programs to increase the employment of youth and women.
- Increase new jobs by supporting small businesses and private entrepreneurship.
- Widely introduce advanced training courses in professions that are in high demand in the labor market.
- Strengthen social support mechanisms for low-income families and improve the targeted social assistance system.
- Regularly improve state policy on employment and poverty reduction based on international experience.

The implementation of these proposals will serve to reduce unemployment, increase population incomes, and ultimately reduce poverty.

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