
**ANALYSIS OF FOREIGN EXPERIENCES
IN POVERTY REDUCTION**

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Poverty is one of the universal issues that call for urgent solutions that are suited for specific socio economic circumstances. This paper looks at international efforts towards eradicating poverty across Brazil, Kenya, Bangladesh, China, and Canada. Conditional and unconditional approach such as cash transfers, microfinance, targeted or community driven policies are explored and this paper seeks to assess the relevance of all these strategies in poverty alleviation. It seeks to combine evidence and statistical information with a theoretical framework concerning the impact and consequences of these strategies.

INTRODUCTION. Poverty is not just the absence of income or resources but the deficiency of basic human rights, healthcare, education and other important aspects of life. In essence, poverty is a multifaceted issue. The operational definition of poverty has continued to evolve with society and economic development. In the medieval period, poverty was often viewed as a divine test or a moral failing. However, the Enlightenment era shifted perspectives, describing it to be a social problem, which demanded a systematic solution. According to the World Banks measurement, poverty extends to those who make below \$2.15 dollars a day, which is now the the set line for extreme poverty. In 2022, 9.2 percent of the global population was living below this threshold however, in the case of around 719 million people, they do. The intention of the UN is to address the unsustainable development goal of ending poverty in all forms all over the world. It is expected that by 2030, there will be significant integration of issues of tackling extreme of poverty with those of dealing with inequality, climatic changes and education. Poverty is not uniform and can be seen differently in various geographical locations. A more than 40% poverty rate can be seen in southern Africa when compared to India and China, which have drastically reduced their poverty rates over the past three decades through targeted interventions. This

article aims to look into the contexts of different countries across the globe in terms of their struggles against poverty and draw some comparisons.

Literature review

Economists, sociologists and policymakers have all done a considerable amount of work in learning about what exactly poverty is. Irrespective of its meaning being relevant around the world and to everyone, the definition of poverty has shifted throughout the years. In Amartya Sen's book, "Development as Freedom", he states that poverty ought to be understood on the basis of capability deprivation rather than thinking about it in terms of income alone. He further clarifies that, poverty disables people from the capacity to live in a value preferred way and touches upon salient features like education and political participation as motivators of poverty alleviation [1].

In his analysis, Townsend observed relative poverty and emphasized that self sufficiency for social participation must be a yardstick to determine poverty. A wide selection of academic literature exists which tries to address the issue of poverty[2]. Drege and Sachs argue in "The end of poverty" that in a few parts of the world poverty reduction should ideally only target factors such as geographical location, weak institutions and availability of markets[3]. There is also a move in the direction of the opposite view as expressed by Banerjee and Duflo in the "Poor economics", they seek ways of alleviating poverty through small interventions such as micro policies[4]. Lindert comprehensively elaborated on Brazil's Bolsa Família program and its effectiveness in minimizing inequality and poverty [5]. Haushofer and Shapiro reported that In Kenya unconditional cash transfers, such as those offered by the NGO GiveDirectly, have borne impressive results [6]. Microfinance model of Grameen Bank is still important for low income people in Bangladesh [7]. Also, China's approach to alleviate poverty in impoverished people concentrates on the means, including health systems and education, to eliminate bad poverty [8].

International organizations also engage in the debate over poverty. The World Bank has a more numerical approach, claiming that anyone earning less than \$2.15 a day is considered poor [9]. Yet, the shortcomings of this metric include the failure to comprehend a variety of factors, including social service provision and poverty. The United Nations Development Programme (UNDP) developed the Multidimensional Poverty Index (MPI) specifically for this purpose indicating that poverty cannot be looked at just in monetary terms as deprivation of education, health care and inadequate living is also poverty. In developing countries, where income or consumption metrics fail to reflect actual poverty, MPI offers a valuable approach[10]. This review illustrates that poverty is not a simple issue but rather a complex interaction of economic, social, and cultural elements. The insights gained from these definitions and frameworks lay the groundwork for examining global strategies aimed at alleviating poverty, as will be discussed in the following sections.

Research Methodology

This study adopts a qualitative approach, focusing on the analysis of secondary data sourced from global reports, peer-reviewed journals, and case studies. A comparative analysis is employed to evaluate the effectiveness of different poverty alleviation strategies across various countries.

Analysis and Results

The Bolsa Família program, initiated in Brazil in 2003, serves as a prime example of a conditional cash transfer (CCT) initiative. It aims to assist families living below the poverty line by providing financial support contingent upon their children attending school and receiving regular health check-ups. According to the World Bank, Bolsa Família has effectively decreased poverty rates from 9.7% in 2003 to 4.3% by 2013. The program's emphasis on investing in human capital, especially in education and healthcare, has significantly contributed to the country's long-term poverty reduction efforts.

GiveDirectly, an NGO in Kenya, has rolled out unconditional cash transfer programs that have significantly impacted low-income households. Unlike conditional cash transfers (CCTs), these programs allow recipients to spend the money as they wish. A randomized controlled trial by Haushofer and Shapiro found that households receiving these transfers saw a 34% increase in consumption and a 48% boost in psychological well-being. Furthermore, 60% of recipients invested the funds into their businesses, aiding in long-term poverty alleviation.

Founded in 1983, the Grameen Bank has transformed microfinance in Bangladesh by offering small loans to low-income individuals, especially women. As of 2022, 97% of borrowers were women, enhancing their economic participation. Research by Banerjee revealed that microfinance led to an average 20% increase in household income. However, concerns have been raised about the model's sustainability due to high interest rates and borrowers' limited financial literacy.

China's targeted poverty alleviation strategy encompasses a wide range of initiatives, including infrastructure development, education, healthcare, and support for rural industries. By 2020, this program had lifted over 100 million people out of extreme poverty. Investments in rural infrastructure, such as building roads and providing electricity, have enhanced access to markets and services. Educational programs ensured that rural students received quality education, while health initiatives aimed to improve maternal and child health.

Canada's strategy for reducing poverty focuses on engaging communities and using evidence to guide policy decisions. The Canada Child Benefit (CCB), introduced in 2016, significantly lowered child poverty rates, which fell from 11% in 2015 to 8.2% in 2019. By linking this program with healthcare and housing initiatives, a comprehensive approach to

tackling poverty was established. Research by Forget shows that guaranteed income pilot projects in Manitoba yielded long-term benefits, such as better health outcomes and decreased dependence on social services.

Conclusion

The various methods of poverty alleviation discussed in this article highlight the need for customized strategies that tackle specific socio-economic issues. While programs like Bolsa Família and targeted interventions in China have seen impressive success, their effectiveness is contingent on the local context. Lessons learned from global experiences are crucial for crafting effective poverty reduction policies.

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