

SOCIO-ECONOMIC CONDITIONS AS A TOOL FOR OVERCOMING POVERTY

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Abstract

Poverty as a multidimensional phenomenon is the result of an influence from many factors that lie in all social reproduction systems, on one hand. And otherwise it can be produced by the socio-psychological nature of people himself. This is not due to the fact that studying the factors of poverty that determine its development is not given much attention. At the best, most specialists are focused on assessing the quantitative assessment of poverty, and studying the economic behavior of households. Poverty has been inherent in any society, but the scale of manifestations and consequences differ at different stages of development. At the moment, it is obvious that the definition of measures and instruments of influence to reduce poverty should begin with an analysis and disclosure of the causes of its occurrence, and in our country-the reasons for its great increase. It is clear that there are many factors at work on reducing poverty as well as construction of comprehensive strategies to overcome this problem.

Keywords: problem of poverty, social stratification, socio-economic factors

I. Introduction

Today, a significant number of people on Earth live near the poverty line, which is manifested in an increase in social differentiation between the incomes of the poor and rich segments of the population (Table 1). An increase in poverty in the future may lead to destabilization of world economic development. Poverty remains a significant problem for the Russian Federation as well. Despite the wealth of natural resources, high intellectual and technical potential, and the active creation of new jobs, up to 1/5 of the population in Russia still lives in poverty, which hinders the further development of society [8, p. 9]. Thus, the direction of statistical accounting of the scale of poverty, control of its dynamics, as well as theoretical understanding of the causes and forms of poverty in order to develop adequate measures to overcome it is recognized as relevant today. In the scientific literature, poverty is understood as such conditions of a person's existence, which, firstly, are caused by a lack of finance and other material resources, and, secondly, do not allow them to lead a normal, full life [5, p. 265]. In other words, poverty is the inability to independently satisfy basic needs - food, housing, clothing, etc. With the transformation of society, the set of basic needs expanded (for example, education and health care were added to them), and the methodology for recording poverty changed accordingly. It is traditionally accepted to divide poverty into two types:

1. Absolute (extreme) - the need for resources that ensure the biological survival of a person becomes the main problem

2. Relative poverty - a comparative characteristic of living conditions in relation to the generally accepted standard of living standards. Relatively poor in the West can be considered people who have enough money to feed themselves, but not enough for education, cultural activities, etc. At the same time, in lagging countries such a person can be considered almost a middle class [1, p. 13]. The other two forms of poverty are stable and floating. The first is a systemic phenomenon, when poverty becomes the norm for several generations. From poor parents, life attitudes and values, possible problems with health, education and employment are transmitted to children [2, p. 41]. Floating poverty is due to the fact that the poor, through an incredible strain of internal forces, overcome poverty, becoming full members of society. Of course, personal qualities alone are not enough - to make such a leap, it is necessary to create social conditions conducive to overcoming poverty [7, p. 6]. Speaking about the scale of the spread of poverty, it must be emphasized that in the context of globalization, when the world space becomes economically unified, the deterioration in the standard of living can occur everywhere, anywhere in the world [1, p. 22]. According to the World Bank report (for 2018), 736 million people live in absolute poverty (with a daily income of less than \$1.9 per day). (about 12% of the world's population). 43% of people (3.4 billion) earn less than \$5.5 a day. The poorest countries on Earth are the Democratic Republic of the Congo (the absolute poverty rate is 77.1%) and Madagascar (77.6%) [7, p. 4–7]. In the Russian Federation, according to Rosstat data for 2020, about 20 million people (up to 15% of the population) live below the subsistence minimum (less than 11,329 rubles per month) [6]. Since 2015, there has been an annual increase in the number of the poor by 1 million people [3, p. 10]. The official subsistence level is in fact the poverty line. The economic stratification of the Russian population is uneven. Thus, in the central part, the poverty level is significantly lower than the level of some East Siberian regions, where this indicator reaches 40% [6]. Some researchers believe that the real level of poverty is significantly lower than the declared one, since official statistics do not take into account the “shadow” incomes of citizens, unofficially employed, etc. [8, p. 31].

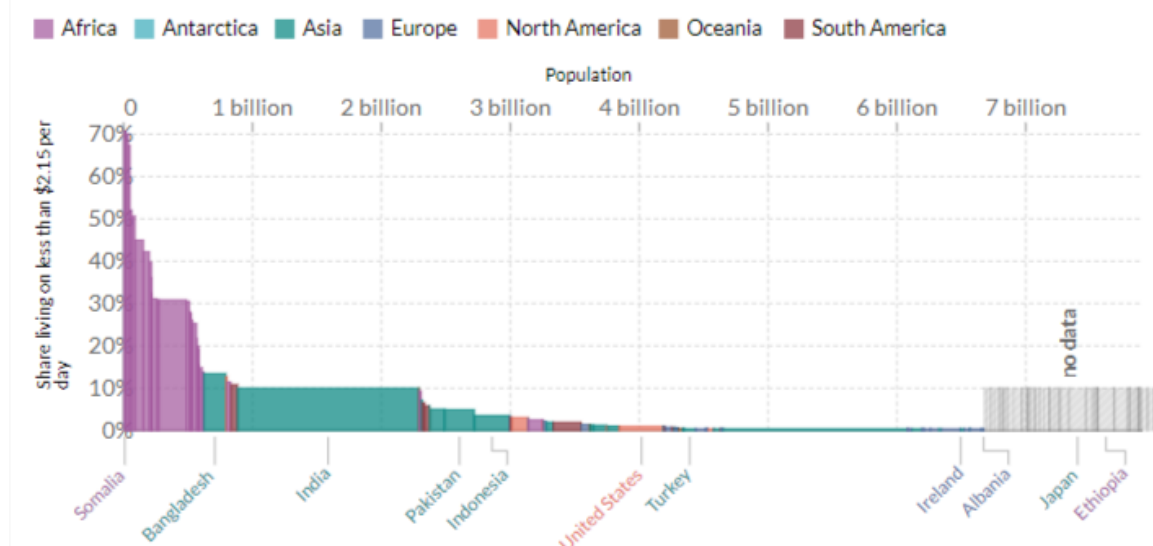
Table 1: Poverty estimates for reference year 2019, changes between September 2022 and March 2023 vintage by region and poverty lines

Region	Survey Coverage (%)	\$2.15 (2017 PPP)				\$3.65 (2017 PPP)				\$6.85 (2017 PPP)			
		Headcount ratio (%)		Number of poor (mil)		Headcount ratio (%)		Number of poor (mil)		Headcount ratio (%)		Number of poor (mil)	
		Mar 2023	Sep 2022	Mar 2023	Sep 2022	Mar 2023	Sep 2022	Mar 2023	Sep 2022	Mar 2023	Sep 2022	Mar 2023	Sep 2022
East Asia & Pacific	97.4	1.1	1.2	24	25	7.6	7.6	160	161	32.1	32.1	675	676
Europe & Central Asia	87.4	2.4	2.3	12	11	6.2	6.1	31	30	15	15	74	74
Latin America & Caribbean	86.7	4.3	4.3	28	28	10.6	10.6	68	68	28	28	180	179
Middle East & North Africa	48.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other High Income	82.3	0.6	0.6	7	7	0.8	0.8	9	9	1.4	1.3	15	15
South Asia	96.4	8.5	8.6	156	161	42	42.3	772	788	82.2	82.3	1508	1532
Sub-Saharan Africa	54.3	35.1	34.9	389	391	62.4	62.3	691	698	86.5	86.4	958	969
Eastern & Southern Africa	29.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Western & Central Africa	90.5	27.2	27.3	122	124	57.1	57.2	255	260	85.1	85.1	380	387
World	84.6	8.4	8.5	648	659	23.5	23.6	1803	1831	46.7	46.7	3590	3634

The study of what factors and cause for the development of poverty has not yet been given due attention. A socially organized cross-sectional survey is rare. Socially organized cross-sectional surveys are very rare. In general, one has to rely on the research of the World Bank. Research that has not been done in this area hinders the effectiveness of effective policy. The absence of such research is unnecessary for the development of effective policies. Experts, at best focus on the quantitative assessment of poverty and the study of the economic behavior in families. Poverty is seen as a result of the crisis situation in the economic system or other, distributive relations. All researchers in poverty issues, the latter is caused by an imperfection of economic, social or political systems (called as "structural reasons for poorness". Some experts (O. Lewis, B. Stapelton, J. William and others) consider poverty in the broad cultural-historical aspect as part of the culture that is determining its effectiveness by determining stereotypes and standard behavioral attitudes in different circumstances: not directly involving economic activity but determining its effectiveness. If a country has had low economic and high-growth rate for several decades, then poverty becomes part of the economic culture. It manifests itself as a specific norm of behavior, an individual institution. Poverty is a special form of social activity that has its own uniqueness. The institutional environment in such a country is developed and develops in such a way that poverty is part of its components.

II. Methods

Monitoring of poverty is the basis for monitoring the quality and standard living in population, identifying its most vulnerable categories exposed to the risks of social support; development of effective measures that increase income from work and social support for people with low labor potential and high demographic burden on working women. In order to solve a poverty problem and organize proper monitoring, options such as determining the poverty line, determining standards in terms of quality life and standardizations in relation to this level, taking into account the poverty line play an important role (fig.1). The choices and methods for establishing the poverty line, determining what is required to measure the poverty line, take into account it. An assessment of the living standard for Russians in terms of social policy, federal programs and economic program development; determining minimum wages at an official level. The budget is compiled by collecting data on consumer baskets, mandatory payment systems and wages that are compared to national monetary income. Accordingly, the poor include those whose incomes do not reach this poverty line, i.e., the subsistence minimum. Data on the number of the poor, on the characteristics of their



quality and standard of living, their groupings according to various criteria, etc. are tracked and published by the Federal State Statistics Service. Data are presented for the population as a whole, for its individual categories, for households and their various groups.

Figure 1: Share of population living in extreme poverty, 2021

The subculture of poverty as an economic category has shown that there are a number of issues about the possibilities for its possible presence. As a result, due to the heterogeneity of the poor group and the heterogeneity in this subcultural community, one cannot speak of a subculture that is poverty when its values are not accepted by all members from this subcultural community. As a result of this, the group of the poor as a socio-economic group is (by definition) relativistic due to its fact that only people who fit the standard for material wellbeing stand out from the rest of the population. The "weak point" of the subculture theory of poverty is also that it often turns out to be unclaimed in practice due to its limitations, which expresses in the ineffectiveness of measures and systems to eliminate the latter. This is reflected in the ineffectiveness of measures and systems to eliminate the latter. It is possible to reduce these limitations of the poverty subculture theory, supported by many researchers, in terms of this [1]:

1. The purpose of this is not to eliminate poverty by increasing the income level of the poor. It is necessary to change the poor, themselves or children.

2. The fact that there is a phenomenon of subculture of poverty is disputed. 2. The existence of the very phenomenon of subculture of poverty is questioned. At the same time, it is arguable that the attitudes and value of the poor are so different from people within one community as to create "subcultures" of poverty. It is impossible to plan your future with materials, material resources and financial stability without material resources and money.

3. A possible intergenerational transmission of poverty is criticized. 3. The possibility for intergenerational transmission in a generation is criticized. For example, parents rarely raise children in exact the same way as before. Their behavior and value are not "passed on intact" to next generation, producing a cycle of deprivation. Because the idea of a "cycle of deprivation" is too deterministic and ignores the fact that social and economic conditions change, as well as people's condition.

4. It is not possible to accept that the poor are a stereotype of people who are passive and apathetic in public life. In fact, one person will not have time for savings or other resources on his own after poverty.

5. It is not the poor that are responsible for reducing social security, in particular and for creating subcultures of poverty in general. But rather it is state and government that support dependency. 6. The reason for this was no one else but the people who were to blame for them.

III. Results

Many models and approaches to eradicating poverty in the world have been developed over the years (fig. 2). Some of these include improving education, access to healthcare, and job creation; boost economic growth through infrastructure development for rural areas. Other activities are aimed at strengthening the social protection of the population (including assistance programs), stimulating labor to create new enterprises, as well as expanding support programs. International organizations, governments and non-profit social initiatives also play a big role in helping to eliminate poverty through financial assistance to developing countries.

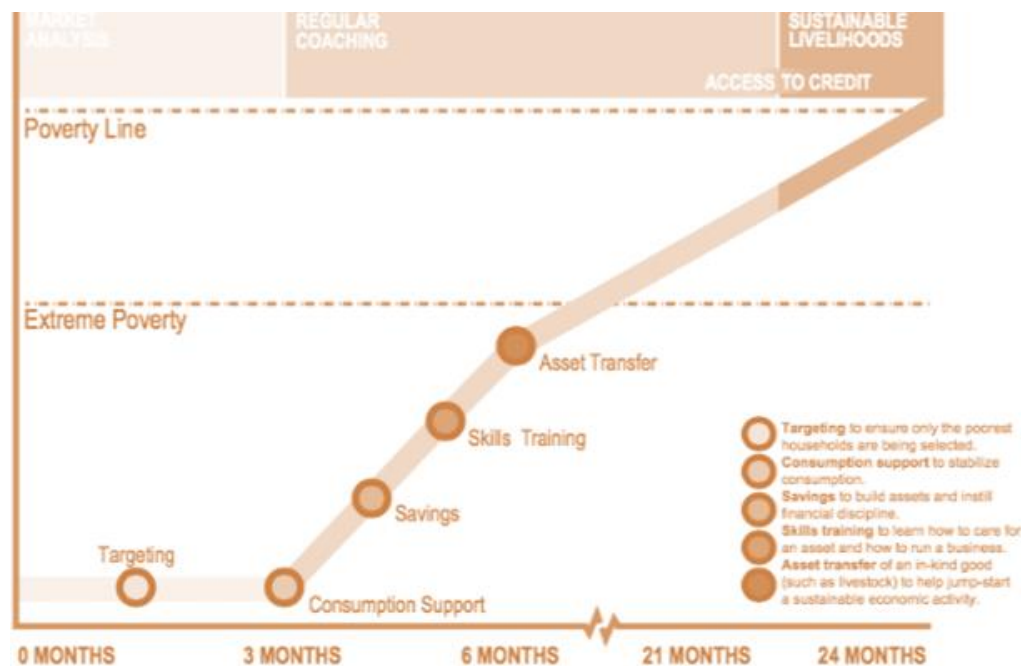


Figure 2: The Graduation Model of ending extreme poverty

A number of scientists, in their scientific works, distinguishes a variety of levels that characterize the quality of life of the population [2]. These levels include: incomes of the population; the cost of living; consumption of the population; the main integral indicators of the life of the population; provision and coverage of the population with infrastructure facilities and technical means of the sectoral social sphere; demographic parameters. The standard of living of the population of Russia is determined by the following main indicators: the volume of gross domestic product per capita; the volume of production of essential goods; inflation rate; unemployment rate; the value of real income per capita, etc. The wealth of the population is the amount of money and material goods received or produced by households over a certain period of time. The level of consumption of the population directly depends on the level of income. It is important for the state to ensure that the level of income, as well as the standard of living of the entire population of the country, is approximately at the same level, and there is no poverty. This position is shared by a number of countries, including Norway, Finland, Denmark and other countries. In them, the level of stratification among the incomes of the population is insignificant [3]. However, there are also countries in which one can observe the stratification in terms of the level of income of the population, which ultimately leads to poverty of the population. In the European Union, poverty is defined as the lack of sufficient resources to maintain a generally accepted standard of living in society. For example, in Finland the poverty threshold is measured more accurately in relation to the level of the minimum budget, taking into account the criteria of absolute poverty, this approach allows to identify the part of the population whose income is below the level of the minimum budget. The results showed that there are significantly fewer people living in Finland below the minimum budget poverty line than those living below the relative poverty line. According to the information provided, the subsistence level of persons living alone is 600-669 euros per month, regardless of age and housing costs. Housing costs are 156 euros, while renting an apartment costs an average of 388-540 euros. Students (24.9%), lone guardians (20%), unemployed (16.6%) and living alone (16.1%) were among the most vulnerable citizens with incomes below the minimum budget poverty threshold. Despite the enormous scientific and industrial growth that accompanied society in the 20th century, the social

difference in today's society is only growing. Moreover, social division is becoming more complicated in absolutely all countries of the world, including developed countries. In the most common language, the poor are getting poorer, and the rich are getting richer [3]. Let's go back to the problem of poverty in Russia. Rosstat recorded an increase in poverty in the Russian Federation. The degree of poverty in the Russian Federation, after increasing the subsistence minimum more than the stagnation of the economy in the second quarter of 2019, amounted to 12.7% compared to 12.5% a year ago. According to the correlation, the coefficient decreased by 1.6% from the initial quarter [4]. The number of Russian residents with cash incomes below the subsistence level in the second quarter of 2019 amounted to 18.6 million people, or 12.7% of the total population. Thus, the poverty rate in Russia increased by 0.2% in annual terms. This is due to the fact that the cost of living in the second quarter of 2019 increased by 7.1% compared to the same period in 2018, and also amounted to 11,185 rubles, while the stagnation of the economy in annual turnover was 5.6%. In 2020, the authorities are thinking about abolishing the income tax for the poor and introducing a deduction for all workers. We can talk not only about the abolition of personal income tax for the poor (whose income is about 10 thousand rubles), but also the introduction of a deduction of 1.5 of the subsistence minimum for everyone. At the same time, the personal income tax rate may increase from 13% to 16%. "If we talk about tax cuts for very low wages, it is very indirectly related to the poor, but of course, any tax cut is always welcomed by everyone. But in this case, if we are talking about the fight against poverty, today I would see more effective subsidizing tools based on per capita income in the family and, accordingly, the allocation of appropriate subsidies on this basis," said Aleksey, Chairman of the Accounts Chamber, about this project. Kudrin.

IV. Discussion

I. Subsection One

The usual model of fighting poverty includes a large set of strategies and activities aimed at improving the quality of life of people AND eliminating economic inequality. Key approaches to fighting poverty include [5]:

1. Education is an important component of increasing the level of employment and income. The main factors to reduce poverty are investment in education and affordable quality of education.
2. Stimulating economic growth and creating jobs can help reduce unemployment and raise the income level of the population.
3. Increasing social protection: support is provided to the poor. There are also benefits, health insurance and social assistance.
4. Investments in infrastructure contribute not only to the development of the region, but also to improving the quality of life of the population. An example is the construction of roads, water supply.
5. Financial and technical support for entrepreneurs - small business contributes to the creation of new jobs, as well as the development of the economy.
6. Statement of gender equality: A defining precondition for poverty reduction is that women have more equal opportunities to participate in the economy and education.
7. Agricultural support: Building infrastructure in rural areas helps reduce migration and creates new business opportunities.

Anti-poverty tactics involve an integrated approach between both government, international organizations and civil society to achieve meaningful momentum.

Most often, women who find themselves with children without material support from their spouses can be primarily attributed to the poor. A unique phenomenon of the "working poor" has emerged in the Russian economy. Employed citizens who perform their labor functions in the

workplace receive such low wages that they can be interpreted as "working poor" [1]. So, poverty is a socio-economic phenomenon in which an individual or social group cannot satisfy the minimum needs necessary for life. Any country can become poor or rich. There are a number of countries that have historically been within the poverty line. Here we are talking mainly about African countries, such as the Congo, Zimbabwe, Mali and others. In these countries, the poverty level of the population, according to statistical reports, is in the range of 55–65%. Poverty has two aspects: economic (associated with the level of the individual's well-being, expressed in the presence of a minimum amount of liquid values) and social (a special way of life, its style and norms of people's behavior). Note that poverty looks different in different countries of the world: 1) China is one of the most developed countries in the world. Poverty accounts for 65% of the country's population; 2) The US is about 16% poor of the total population. In America, there is the concept of "a poor working person." Poverty is always associated with unemployment. A person who has found a job cannot be poor by definition; 3) Japan is the third power in the world in terms of economic power, but every year the level of poverty in the country is growing. The main reason is unemployment. Every sixth Japanese is considered poor. Today, one of the leaders in terms of the level and quality of life are such countries as Norway, Australia, Sweden [4]. In many countries of the world, the main directions for reducing income inequality and poverty levels are (fig. 3):

- development of programs to promote employment of the population;
- improvement of social and housing conditions;
- Stabilization and improvement of the minimum wage and social benefits, etc.

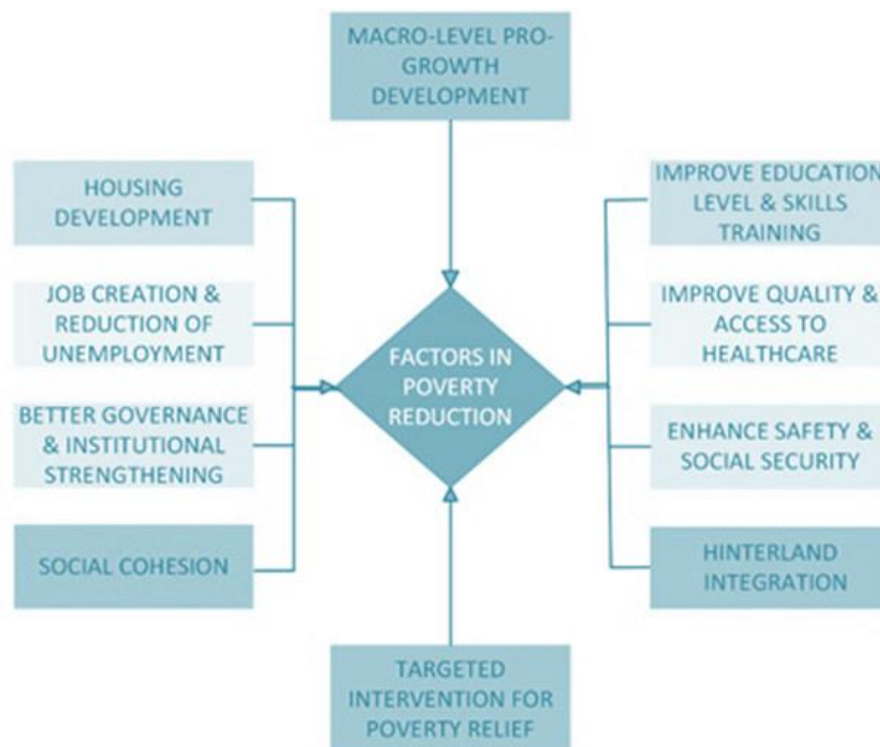


Figure 3: Poverty Reduction

II. Subsection Two

The consequence of poverty, in the first place, is the disunity of the population into separate economic groups. There is a loss of common values and interests, a significant part of people are

deprived of the opportunity to participate in the political and public life of the country. At the same time, we note that the attitude towards poverty has changed over the past hundred years. So, L.A. Zubkevich in his work "The influence of poverty as a social phenomenon on the worldview of people in modern conditions of social development (social-philosophical analysis)" notes that if at the beginning of the 20th century dissatisfaction with the position of the peasantry and the working class led to the October Revolution of 1917, today, in general, society is more tolerant of differentiation in terms of welfare [4]. As the level of poverty grows, the level of social tension also grows: the catastrophic situation pushes people to commit crimes and anti-government actions. However, even if the poor do not commit offenses, society still gradually stagnates: the higher the risk of an increase in the level of absolute poverty, the higher the risk of involvement in this process of more affluent strata of society [5]. The specificity of poverty that has developed in the Russian Federation is a consequence of the low level of wages (primarily in the public sector) and social benefits. So, if in Europe up to 60% of social assistance is distributed, then in Russia this figure does not exceed 20% [7]. Thus, the specificity of Russian poverty is characterized by the term "market poverty" - that is, associated with the position of the able-bodied population in the labor market. Market poverty is associated with low wages, lack of career prospects, inability to maintain full employment, which leads to an increase in unemployment and the shadow sector of the economy. In this context, the concept of poverty can also be defined as the inability to work. The decrease in the income of the population and the increase in social differentiation lead to an increase in labor migration. According to estimates, up to 11 million citizens of the Russian Federation lived and worked abroad in 2019. This is 7-8% of the total population, many of them are in demand and highly qualified specialists. The outflow of labor reserves leads to the decline of science and education, and the general decline in living standards leads to a demographic crisis and economic regression. The problem of reducing the level of poverty is complex and requires the efforts of all public spheres. In world practice, in general, there are two main approaches to overcoming poverty:

1. In developed countries, measures are taken to support the level of the minimum income of the population, which ensures the satisfaction of basic needs.

2. In developing countries, social policy is primarily focused on helping the most economically vulnerable categories of citizens, in comparison with the rest [7]. State support for the poor segments of the population reduces the level of poverty, but does not completely solve the problem. Moreover, the amount of social benefits in developed countries is so high that it leads to an increase in the unemployed: the able-bodied population refuses to work, relying on government assistance. Thus, social policy in the field of poverty reduction should be aimed at stimulating the economic activity of the population, and not at turning them into dependents. More important is the increase in wages and pensions, as the demand for paid medical and educational services, as well as for consumer goods, increases, so does their price. It is necessary to involve the population in labor activity, to support active and talented youth from economically underdeveloped regions, to promote the employment of people with disabilities. The private sector should also play its role in this policy by organizing charity events, helping orphanages, and so on. Thus, the problem of poverty today is global. Not only the state is interested in its resolution, but also the economically active population. The threat of impoverishment today hangs over well-to-do categories of citizens. Poverty affects not only representatives of the "lumpen-proletariat", but also scientists, low-skilled workers, and teachers. Poverty is not only an economically determined phenomenon, it is, according to L.A. Zubkevich, "lifestyle, psychological type of personality". Effective statistical monitoring of the level of poverty, stimulation of social policy, organization of preventive educational activities on how to get out of a difficult life situation - these are promising areas that contribute to overcoming poverty and social differentiation.

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