



## THE PLACE AND ROLE OF INVESTMENTS IN POVERTY REDUCTION

Urazov Komil Bahromovich

Samarkand Institute of Economics and Service professor

Ergashev Olloyor

Graduate student of Samarkand Institute of Economics and Service

<https://doi.org/10.5281/zenodo.8035849>

**Abstract.** This article discusses the place and role of investments in reducing poverty, which is one of the global problems in the world. In addition, the importance of national and foreign investments in the development of the country's economy, the positive results that can be achieved by accelerating the flow of investments are analyzed.

**Keywords.** Poverty, poverty, poverty reduction, economic growth, investment, foreign investment.

The existence of significant poverty in a number of developing countries is one of the most important problems that need to be solved urgently because of its negative impact on human well-being. For this purpose, almost all countries of the world are doing practical work to prevent this process. One of them is attracting local and foreign investments. In general, the manifestation of poverty is manifested through the emergence of the following processes: insufficient food, lack of access to adequate shelter, lack of safe drinking water, low literacy, infants and mothers high level of education, high rates of unemployment, etc. It is no secret that poverty reduction can be achieved by increasing the income of the population and increasing the employment opportunities of the poor by increasing the attractiveness of investment.

To further reduce poverty in our country, it is appropriate to implement the following measures: implement economic and institutional reforms to increase and improve the efficiency of resource use; prioritizing the basic needs of the poor in the national development policy; promote microfinance programs to overcome barriers to innovation; entrepreneurship and small business; development and improvement of marketing systems to improve production; encouraging the private sector; and implementing affirmative action, such as targeted cash transfers, to ensure the social and economic benefits of poverty reduction initiatives.

Poverty is overcome by developing countries, including through sound economic and social policies, innovative and efficient use of resources, investments in technological development, good governance and political will, with visionary leadership to put the needs of the poor first. 'the difficulty they can have. In a number of countries, measures are already being implemented to combat extreme poverty and improve the living standards of poor communities. Policymakers can draw important lessons from these poverty reduction measures and replicate and scale them up in other regions. Some strategies that developing countries can use to reduce poverty and the number of poor people are:

Promotion of economic growth: Economic growth is important in enabling poor communities to use their resources to increase their production and income, thereby breaking out of the poverty trap and meeting their basic needs. However, for economic growth to be

effective in reducing poverty, it must be both inclusive and outpace population growth. The fact that agriculture is the dominant economic sector in most poor communities means that the fight against extreme poverty needs to focus on increasing agricultural production and productivity. including encouraging the adoption and use of additional inputs such as fertilizers and pesticides; the activation of land use through technological improvements, such as the use of irrigation, which hinders water agricultural production; and adopting post-harvest measures that reduce agricultural product losses. These measures are expensive and may not be suitable for poor households. Increasing their uptake will require affordable credit on flexible terms to suit the unique circumstances of the poor. How credit programs are designed is critical because it can have a significant impact on poverty reduction and livelihood outcomes. If designed well, these programs can stimulate economic growth and provide disadvantaged communities with access to financial capital to invest in income-generating activities. If poorly designed (for example, with high interest rates and short repayment terms), loan programs can not only be exclusionary and unfair, but the loan can be misappropriated. can turn the poor into debtors and put them in a more difficult economic situation.

Stimulating economic growth also requires public investment in infrastructure such as roads, electricity, schools, hospitals, and water and sewage systems. These investments are important for several reasons. Good roads reduce transportation costs and increase the ease of transportation of agricultural products to markets, facilitate access to agricultural products, and increase the profitability of income-generating enterprises. Providing electricity to impoverished areas not only improves living standards, but also encourages the establishment of small industries that process agricultural products and thus contribute to added value, contributing to the creation of necessary jobs. encourages. Providing safe, quality water for drinking and domestic use is critical to reducing costly water-borne illnesses, saving time spent fetching water, and using saved time and energy for more productive activities. In general, infrastructure investments make the rural economy more efficient, increase household incomes, contribute to meeting basic needs, and provide more savings for the future, putting the economy on a sustainable growth path.

A major challenge that developing countries face in providing the infrastructure they need is financing. Problems also affect economic growth to a certain extent. Several researchers on this issue advocate greater use of foreign aid to finance public infrastructure in poor developing countries. Developing countries are very poor and do not have the financial resources to provide the infrastructure needed to break out of the poverty trap and provide basic needs.

An important step in reducing poverty in developing countries is the implementation of economic and institutional reforms to attract investments, increase competitiveness, increase the efficiency of resource use, stimulate economic growth, and create conditions for job creation. If well designed and implemented, these reforms could play an important role in strengthening governance and reducing the widespread corruption and poor accountability that have led to the poor economic performance of a number of developing countries. The most effective way to reduce the level of poverty is to create ample opportunities for small business and private

entrepreneurship. For this, it would be appropriate if all the problems in the country's economy were eliminated.

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