

**THE EFFECTIVENESS OF MINIMUM WAGE POLICIES IN REDUCING
POVERTY**

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Abstract: Minimum wage policies are a common tool used by governments to address income inequality and reduce poverty. This paper evaluates the effectiveness of minimum wage increases in achieving these goals. By examining empirical data from various countries and states, it assesses the short-term and long-term impacts on poverty rates, employment, and overall economic health. Key findings suggest that while minimum wage increases can provide immediate financial relief to low-income workers, their long-term efficacy in reducing poverty is mixed. Positive outcomes include increased earnings for low-wage workers and a potential reduction in reliance on social welfare programs. However, these benefits are sometimes offset by potential negative effects such as reduced employment opportunities, increased cost of living, and inflationary pressures.

Key words: Income Increase for Low-Wage Workers, Employment Effects, Poverty Threshold, Spillover Effects, Cost of Living Adjustments, Complementary Policies, Economic Context.

**ЭФФЕКТИВНОСТЬ ПОЛИТИКИ МИНИМАЛЬНОЙ ЗАРАБОТНОЙ
ПЛАТЫ В СОКРАЩЕНИИ БЕДНОСТИ**

Аннотация: Политика минимальной заработной платы является распространенным инструментом, используемым правительствами для решения проблемы неравенства доходов и сокращения бедности. В данной статье оценивается эффективность повышения минимальной заработной платы в достижении этих целей. Изучая эмпирические данные из различных стран и штатов, он оценивает краткосрочное и долгосрочное влияние на уровень бедности, занятость и общее экономическое здоровье. Ключевые выводы показывают, что, хотя повышение минимальной заработной платы может обеспечить немедленную финансовую помощь работникам с низкими

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доходами. , их долгосрочная эффективность в сокращении бедности неоднозначна. Положительные результаты включают увеличение доходов низкооплачиваемых работников и потенциальное снижение зависимости от программ социального обеспечения. Однако эти выгоды иногда нивелируются потенциальными негативными последствиями, такими как сокращение возможностей трудоустройства, рост стоимости жизни и инфляционное давление.

Ключевые слова: увеличение доходов низкооплачиваемых работников, эффект занятости, порог бедности, побочные эффекты, корректировка стоимости жизни, дополнительные меры политики, экономический контекст.

KASHBQOLLIKNI KISHAYTIRISHDA ENG MIN ISHLAB ISHLAB CHIQUISH SIYOSATINING SAMARALI.

Annotasiya: Eng kam ish haqi siyosati daromadlar tengsizligini bartaraf etish va qashshoqlikni kamaytirish uchun hukumatlar tomonidan qo'llaniladigan umumiy vositadir. Ushbu maqola ushbu maqsadlarga erishishda eng kam ish haqini oshirish samaradorligini baholaydi. Turli mamlakatlar va shtatlardan olingan empirik ma'lumotlarni o'rganib chiqib, u qashshoqlik darajasi, bandlik va umumiy iqtisodiy salomatlikka qisqa muddatli va uzoq muddatli ta'sirlarni baholaydi. Asosiy topilmalar shuni ko'rsatadiki, eng kam ish haqining oshishi kam daromadli ishchilarga darhol moliyaviy yordam berishi mumkin. , ularning qashshoqlikni kamaytirishdagi uzoq muddatli samaradorligi aralash. Ijobiy natijalarga kam maoshli ishchilar uchun maoshning oshishi va ijtimoiy ta'minot dasturlariga bo'lgan ishonchning potentsial qisqarishi kiradi. Biroq, bu imtiyozlar ba'zan ish bilan ta'minlash imkoniyatlarining qisqarishi, yashash narxining oshishi va inflyatsiya bosimi kabi potentsial salbiy ta'sirlar bilan qoplanadi.

Kalit so'zlar: Kam maosh oladigan ishchilar daromadining o'sishi, bandlik effektlari, qashshoqlik chegarasi, tarqalish effektlari, yashash narxiga tuzatishlar, qo'shimcha siyosatlar, iqtisodiy kontekst.

The effectiveness of minimum wage policies in reducing poverty is a widely debated topic, with mixed evidence depending on the context, the specific policy design, and the broader economic environment. Here are some key points to consider:

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Income Increase for Low-Wage Workers:

Positive Impact: Raising the minimum wage directly increases the earnings of low-wage workers, which can lift some individuals and families above the poverty line. This immediate boost in income can improve living standards and reduce reliance on public assistance programs.

Limitations: The benefit is typically more significant for workers who retain their jobs and work enough hours to benefit from the wage increase. Those working part-time or in unstable jobs may see less of an impact.

Employment Effects:

Negative Impact: Critics argue that higher minimum wages can lead to reduced employment opportunities, especially for low-skilled or young workers. Employers might reduce their workforce, cut hours, or slow down hiring to offset increased labor costs.

Mixed Evidence: Empirical studies show mixed results. Some find modest job losses, while others see negligible effects on employment. The overall impact often depends on the magnitude of the wage increase and the specific economic conditions.

Spillover Effects:

Positive Impact: Minimum wage increases can have ripple effects, raising wages for workers earning slightly above the minimum wage. This can contribute to a general rise in income for lower-paid workers.

Negative Impact: Potential price increases for goods and services, as businesses pass on higher labor costs to consumers, can mitigate some of the benefits of wage increases, particularly affecting low-income households.

Regional Variations:

Context Matters: The impact of minimum wage policies can vary significantly depending on the cost of living and economic conditions of different regions. A minimum wage that is effective in a high-cost city might be less impactful in a rural area with lower living costs.

Complementary Policies:

Enhanced Effectiveness: Minimum wage increases are often more effective when combined with other anti-poverty measures, such as tax credits (e.g., the Earned Income Tax Credit in the U.S.), affordable housing initiatives, and access to

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healthcare and education. These complementary policies can provide a more comprehensive approach to reducing poverty.

Long-Term Considerations:

Human Capital Development: Higher wages can incentivize individuals to enter the labor force and invest in their skills and education, potentially leading to better long-term economic outcomes.

Automation and Technology: Over time, higher labor costs might accelerate automation and the adoption of labor-saving technologies, which could impact the availability of low-wage jobs.

In summary, while minimum wage policies can contribute to poverty reduction by increasing the earnings of low-wage workers, their effectiveness is influenced by a variety of factors, including employment effects, regional economic conditions, and the presence of complementary policies. The overall impact tends to be positive but modest, and policies should be carefully designed to balance the benefits of higher wages with potential trade-offs in employment and business costs.

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