
WAYS TO REDUCE POVERTY AND INCREASE POPULATION WELFARE IN UZBEKISTAN

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Our article examines the measures taken in our country to reduce poverty and improve the well-being of the population of the Republic of Uzbekistan, achieving results using foreign experience, improving living conditions by increasing the population's income, and eliminating employment problems

INTRODUCTION. As the Republic of Uzbekistan takes important steps towards its economic and social development, the issue of poverty reduction has been of great importance. In that regard, experiences as well as strategies of different countries and international organizations could be helpful for Uzbekistan's future plans.

For example, countries such as South Korea and Singapore succeeded at the poverty reduction by diversifying their economy. The same strategy is advised to Uzbekistan to ensure economic growth by developing the agriculture and services sector. Countries like Finland and Germany succeeded at their citizens by focusing on renewing the education and job education system, it is important to raise the education standards and prepare the young generation for their future job in our country as well.²¹

Brazil and Mexico reduced the poverty by establishing the social security programs, and Uzbekistan has been making significant efforts to apply the same strategy. Similar to USA and Europe's various programs related to the development of the small and medium businesses, Uzbekistan has also passed a resolution on "Join measures to improve the system of allocating financial assistance to attract the population to entrepreneurship and ensure employment" (PQ-64, 14.02.2025 year).

²¹ Yashil-iqtisodiyot-taraqqiyot.uz, <https://yashil-iqtisodiyot-taraqqiyot.uz> > article > view, <https://uza.uz> > posts > kambag'allikni qisqartirishda yangicha yondashuvlar

According to this resolution, system of interest free loans will be introduced instead of subsidies allocated to provide working capital and purchase equipment necessary for members of families included in the Social Protection Register and the Register for Poor Families to start their activities.²²

It is undeniable to say that, the formal visit of the President Shavkat Mirziyoyev to Malaysia on February 4-5th has been an important event for bilateral relations. Issues on comprehensive cooperation have been discussed during the negotiations.

Also, the improvement of cooperation on “Halal” standards, customs, education, healthcare, culture, forensics, diplomacy, “Smart” cities and the anti-corruption fields has also been agreed by two countries.

Malaysia is one of the countries renowned for its progresses on its economic growth and reduction of poverty. Practice of Malaysia on reduction of poverty is of great importance for Uzbekistan.

There are a number of similarities between Malaysia and Uzbekistan, such as geographical location, economic development, multiculturalism, emphasis on research and education, tourism development, economic cooperation, and cultural ties. These similarities can serve as a basis for further development of the cooperation between Malaysia and Uzbekistan.²³

Analysis of literature on the topic: In world literature, many scientists and researchers have expressed their opinions and conducted research on the problems of poverty reduction and increasing the social well-being of the population, as well as employment.

Indian economist and Nobel Prize laureate Amartya Sen emphasizes the need to consider poverty not only in terms of income, but also in terms of people's capabilities and quality of life. He developed the "capability approach".

Amartya Sen's Capabilities Approach is an important theory in economics, philosophy, and social justice. It focuses on capabilities and opportunities to assess an individual's true well-being and development. It is used in many areas, including social policy, economics, and development strategies. It is important in ensuring the true well-being of people.²⁴

American economist and development strategy expert Jeffrey Sachs emphasizes the importance of global cooperation and aid programs to reduce poverty. In his book "Another World," he examines various aspects of development.

Nobel Prize-winning economist Joseph Stiglitz has conducted extensive research on reducing economic inequality and poverty, emphasizing the importance of social and economic policy.

In many developed countries, In many developed countries, the right to unemployment benefits is linked to a desire to work and a minimum commitment to work, a profession or education.. In Slovakia, confirmation of willingness to work and an agreement to find suitable work are required only when applying for the highest level of support. The

²² O'zbekiston respublikasi Prezidentining “Aholini tadbirkorlikka jalb qilish va bandligini ta'minlash uchun moliyaviy yordamlar ajratish tizimini takomillashtirishga oid qo'shimcha chora-tadbirlar to'g'risida”gi Qarori,Pq-64-son,14.02.2025.

²³ Oliy Majlis Qonunchilik palatasi, parliament.gov.uz/oz/news/ozbekiston-malayziya-istiqbolli-hamkorlik,”O'zbekiston – Malayziya:istiqbolli hamkorlik yangi bosqichda”Sherzod Qulmatov,Oliy Majlis Qonunchilik palatasi deputati.08.02.2025y

²⁴ Wikipedia https://uz.wikipedia.org/wiki/Amartya_Sen

conditions for job seekers to accept a job offer vary from country to country. In the Czech Republic and Germany, job seekers must accept any job, even if it doesn't match their qualifications or is short-term, the main goal is to make the population more profitable and fight against dependency.

If the vocational training system is not successful, some countries take measures to ensure increased activity in the sector.²⁵

The PRC has been using several mechanisms to effectively implement the centralized strategy for poverty reduction and total poverty alleviation.

The main goal of the State Program adopted by the Government of the Republic of Kazakhstan in 2018 was to promote productive employment of the population and attract citizens to entrepreneurship.

Several national projects and their objectives include training personnel in vocational and technical education, taking into account the needs of the labor market; introducing short-term vocational training for skills and abilities required in the labor market; expanding and guaranteeing microcredit in remote rural areas, small towns and settlements, providing state grants for the implementation of new business ideas, increasing the mobility of labor resources, and developing a single digital platform to promote employment.²⁶

In the words of President Sh.M. Mirziyoyev, in any country, "the development of specific levers and mechanisms for poverty reduction, the development and implementation of criteria and assessment methods for determining the level of poverty, taking into account foreign experience, and the development and implementation of minimum standards and regulatory frameworks for social security" are among the urgent tasks that cannot be postponed.

Consequently, economic expert O. Hakimov emphasizes that "the factors that cause poverty hinder the development of human potential in the country, the development of productive forces, and the economic activity of the population."

Research methodology: This article uses the scientific abstraction method of improving the well-being of the population and scientifically studying employment using foreign experience in poverty reduction, horizontal and vertical analysis methods of empirical research methods based on an analytical database of the current situation, observation and econometric modeling methods. In particular, the article uses structural, functional, logical, statistical, mathematical comparative analysis, monographic observations, and synthesis methods.

Analysis and results: Currently, a large-scale poverty reduction program is being prepared and international experience in poverty eradication is being actively studied in our country. Also, data on poverty are needed to properly assess the situation. The government is conducting comprehensive research, and practical results are being achieved in developing a national methodology for determining poverty and its boundaries, taking into account the best international practices.

²⁵ Xushvaqov A. "Kambag'allikni qisqartirishda xorij tajribasi va undan samarali foydalanish yo'llari", Evraziyskiy jurnal prava, <https://in-academy.uz/index.php/EJLFAS/article/view/16563>

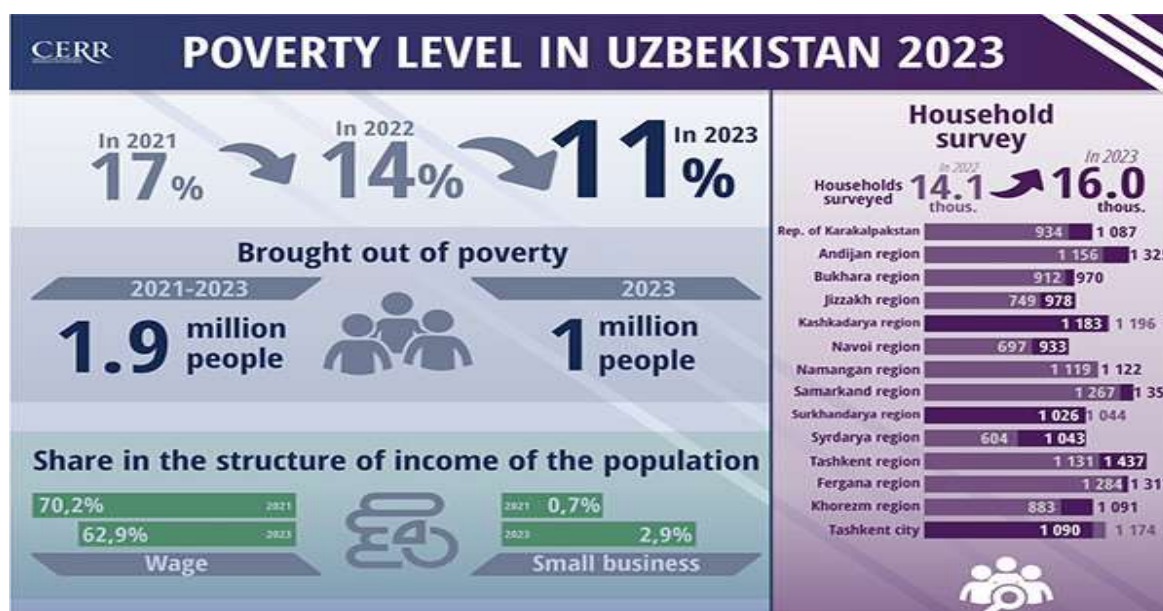
²⁶ Qozog'iston Respublikasi Hukumatining 2018 yil 13 noyabrda "2017-2021 yillarda "Enbek" unumli bandlik va ommaviy tadbirkorlikni rivojlantirish davlat dasturini tasdiqlash to'g'risida"gi 746-sonli qarori, URL: <https://primerminester.kz>.

According to the State Statistics Committee, as of September 7, 2021, the permanent population in our country was 35,000,219 people. 31,1% of the permanent population of the republic, are under working age, 58.0% are working age, and 10.9% are over working age.

Statistical data show that the population growth observed in Uzbekistan in 2017-2023 is mainly due to the active growth of the 25-29 and 30-34 age groups in the total population.

Based on the World Bank recommendation, the average minimum calorie requirement for one person in Uzbekistan until June 1, 2021 was set at 2,100 kilocalories per day.

Food consumption expenditures have been compared with the poverty line. The revised World Bank methodology is used to determine the poverty line in Uzbekistan, taking into account data from household budget surveys.²⁷



Per capita income

Source: Ministry of Poverty Reduction and Employment.

The main part of the population's income is made up of wages, old-age pensions and social assistance, and income from agriculture. Compared to 2022, total income from pensions and social benefits increased by an average of 12%, and income from agriculture by 6%. Income from small businesses increased by an average of 1.7 times.

It is worth noting that, according to the results of the analysis, over the past three years, the share of wages in the population's income has decreased from 70.2% to 62.7%, and the share of income from small businesses has increased from 0.7% to 2.9%.

Poverty assessment in Uzbekistan has been carried out continuously since 2020 and is a source of important information on the standard of living, conditions and quality of life of the population, as well as the only source of information for assessing the level of monetary poverty in the country.

²⁷ Stat.uz, <https://stat.uz> > ... > Qo'mita yangiliklari > 2020
<https://kun.uz> > news > 2020/03/03 > jahon-banki-kambag'allik

One of the promising areas in the field of poverty measurement in the Republic of Uzbekistan is the introduction of the calculation of a multidimensional poverty index into national statistical practice.²⁸

Undoubtedly, the poverty rate is one of the main indicators assessing the socio-economic situation in the regions. The ranking of regions by poverty and the ranking of the standard of living of the population largely coincide.

The national goals of sustainable development include reducing the poverty rate by half the national average by 2030 and eradicating extreme poverty.

Conclusion and recommendations: Together with experts from the World Bank and the UNDP, the draft of "Poverty Reduction Strategy in Uzbekistan for 2021-2030" was developed and submitted for public discussion.

In 2021, in order to provide poor and unemployed citizens with a permanent source of income and increase their labor activity, the system of vocational and entrepreneurship training will be fully implemented, and the scope of citizens involved in training will be expanded. A number of practical measures will be developed for these purposes. In particular, it implies:

- Training 70 thousand unemployed citizens in 40 types of professions;
- Training 39.6 thousand unemployed citizens in entrepreneurial skills;
- Training 50 thousand citizens in foreign languages for organized labor migration;
- The Employment Assistance Fund will cover the education costs of citizens included in the "Iron Notebook", "Women's Notebook", and "Youth Notebook", and the "Entrepreneurship Development Agency (Fund)" will cover the education costs of youth and women.

However, in today's era of increasing external debts and budget deficits, the increasing number of poor and backward people is likely to destabilize the country. For this reason, at the government level, providing maximum support to every citizen, especially those in need of financial assistance, remains a priority. In particular, initiatives such as providing them with jobs or training in entrepreneurship are among these. However, the lack of growth in the economy can lead to a decrease in wages and living standards. The aim is to provide subsidies for the purchase of necessary labor tools for citizens included in the list of those in need of financial assistance to engage in farming, to ensure employment of the unemployed, and to increase access to various grants, benefits, and other payments.

In addition, the scope of work on providing housing for needy families is being expanded.

Time will show to what extent these efforts will pay off and what results will be achieved in reducing poverty in the future.

By international standards, the poverty rate in Uzbekistan decreased by 2 times - to 17 percent - in 2015-2022. According to the World Bank, growing economic inequality has

²⁸ <https://uzbekembassy.com.my> > innovatsion_hududlar_ta,2023 yil yakunlari bo'yicha O'zbekiston Respublikasida kambag'allik ko'rsatkichlarini baholash (+infografika)

slowed the pace of poverty reduction. The income of the richest citizens has grown 5 times faster than that of the poorest strata of the population.

Currently, in our republic, the experience of China and Malaysia is being effectively used to reduce poverty.

In this regard, the most effective way to improve primary education, prepare the young population for a profession, and create opportunities for them to become self-employed and engage in entrepreneurship, is to use the experience of China.

In order to reduce poverty in our republic, the formation of labor resources and employment of the population, as well as increasing the employment rate, requires the implementation of a number of things, in particular:

- searching for opportunities to create additional jobs in industrial enterprises and organizations in our republic;

- increasing the competitiveness of our country's labor force, training highly qualified specialists in modern professions, and finding opportunities for them to freely and independently choose jobs;

- increasing the level of orientation of the labor market towards social protection;

- improving organizational, economic and legal mechanisms for ensuring effective employment of the economically active population, etc.

Despite the fact that great opportunities have been created for the development of entrepreneurship in our republic and the main focus is on strengthening relations with foreign countries, there are a number of shortcomings. By eliminating these shortcomings, economic growth and a significant reduction in poverty can be achieved.

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