

Article

Share of Poor Population of Uzbekistan Reduction Plans

Ashurova Oltin Yuldashevna^{1*}, Mamatov Firuz²

1. Senior Teacher, Samarkand Institute of Economic and Service, Samarkand, Uzbekistan

2. Student, Samarkand Institute of Economic and Service, Samarkand, Uzbekistan

* Correspondence: eldornozimov@gmail.com

Abstract: This article explores the underlying causes, trends, and mitigation strategies for poverty in Uzbekistan, with a focus on leveraging insights from foreign experts. Analyzing regional poverty indicators and employment levels over time, the study identifies key drivers of poverty and assesses the effectiveness of current policies. Notably, a knowledge gap exists in understanding region-specific poverty dynamics and their impact on national labor systems. This research aims to address this gap by evaluating poverty indicators across Uzbekistan's regions to identify practical, impactful solutions for sustainable employment. Employing comparative analysis, the findings highlight actionable strategies to enhance workforce participation, reduce poverty rates, and inform policy development for a more resilient and inclusive economy.

Keywords: Poverty problem, Population income, Educational opportunities, Medical services, State infrastructure, Quality drinking water supply, Environmental ecology, Ability and potential of the population, Creation of new jobs.

1. Introduction

International experts believe that, first of all, in order to fight against poverty, it is necessary to deeply study the characteristics of the poor, determining the existing economic, social, educational and infrastructural potential of the country [1]. At the meeting held in early June 2020 under the chairmanship of the President of Uzbekistan, Shavkat Mirziyoyev, among the main issues on the agenda, priority tasks to reduce poverty and ensure employment of the population were considered. We remind you that starting from 2020, all the actions of the government are aimed at fighting poverty. Theory and practice confirm that solving the problems of poverty in a timely manner ensures the stability of socio-economic development in the long term. Thus, in 2018, the share of low-income population in Uzbekistan was 11.4%. However, the World Bank estimates that the percentage of the population living below \$3.2 a day is 9.6% [2].

The poor not only do not benefit from the economic growth inherent in the country, but they also do not contribute to the development of the society due to their limited access to a number of social, educational and health opportunities [3]. The poor are also vulnerable to macroeconomic and natural shocks. For example, high inflation reduces the value of the poor savings of the poor, who generally have limited access to the banking system. In addition, since most of the poor are concentrated in rural areas and depend on agricultural activities, unexpected natural disasters can deprive them of their annual income [4].

The main reason for poverty can be the fact of having a child in a poor family, as well as a passive attitude to work and bad habits of a person. These factors can be seen as

Citation: Ashurova Oltin Yuldashevna, Mamatov Firuz. Share of Poor Population of Uzbekistan Reduction Plans. Middle European Scientific Bulletin 2024, 44(4), 13-16.

Received: 7th Sept 2024Revised: 7th Oct 2024Accepted: 21st Nov 2024Published: 28th Nov 2024

Copyright: © 2024 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license

(<https://creativecommons.org/licenses/by/4.0/>)

systemic causes of poverty. In the first case, a part of the population must be supported by the state because it is difficult to get out of the "poverty trap" on its own [5]. At the same time, there are separate (non-systematic) cases of the impact of negative external influences (unexpected death of the breadwinner, falling into debt due to wedding luxuries, loss of property due to natural disasters, etc.) [6]. For example, cases of single parents raising a disabled child. In such a situation, providing employment to the parents is not the right solution to reduce poverty, because the mother or father caring for a disabled child cannot leave the child for a long time [7].

Studying the experience of the most advanced countries of the world allows to determine the main factors that determine the success of measures to fight against poverty. In particular, international experience has shown that economic growth is the most important factor in reducing poverty. As household incomes rise, this creates demand for goods and labor, including supply by the poor [8]. The second important factor is the inclusive policy of the state. In many countries, inequality is increasing along with rapid economic growth. This limits the redistribution of the fruits of economic development among the poor and other segments of the population. In such cases, state policies aimed at creating new jobs, progressive taxation, raising the minimum wage, supporting the activities of trade unions, social support and insurance are aimed at a more equal distribution of society's wealth [9].

Development of agriculture is an important factor. Evidence shows that agricultural development has become a powerful source of poverty reduction in Asian countries. Increasing the targeting of social programs is the main task of any state, because every program based on the use of budget funds has a double nature: on the one hand, it helps to increase the income of the poor sections of the population, and on the other hand, it limits the use of budget funds for other purposes [10]. Therefore, the effective use of these funds serves to increase the volume of investments in other areas, such as economy and education, by increasing the targeting of social programs.

Supporting inclusive business models is a key common approach to fighting poverty. The poor, as an economically active part of society, can participate in economic growth processes as workers or entrepreneurs if their opportunities to participate in production activities are expanded. Therefore, overcoming the lack of sufficient knowledge and skills and investing in the education of the disadvantaged sections of the population is the key to development. Improving the quality of education is a factor in reducing intergenerational poverty. There is a correlation between income level and education level. Low-income populations have limited access to quality and higher education, and their ability to pay for tuition is limited [11].

In this case, providing gifted children of such families creates the opportunity for entire families to escape poverty. Therefore, taking into account the importance of the population employment factor, the President at the meeting instructed the regional leaders to restore 810 thousand jobs, as well as create 310 thousand permanent and 633 thousand seasonal and temporary new jobs. It was also noted that the number of individual businesses has increased from 24 to 67, which means that 100,000 new jobs will be created. As a result of going from house to house and visiting families, a list of 540,000 low-income families was formed, and assistance in the amount of 306.8 billion soums was provided to them. Also, 37,700 unemployed people were provided with permanent and 93,200 seasonal jobs. 7.2 thousand people are working on leased land. Food products worth 110.1 billion soums, medicines worth 544.5 million soums, livestock worth 14.8 billion soums, poultry worth 2.4 billion soums were also delivered to low-income families[12].

At the same time, in the conditions of developing countries like Uzbekistan, due to the limited resources to fight against poverty, the strategy of fighting against poverty should be directed to the "hotbeds" of the phenomenon of poverty as much as possible. First of all, this requires in-depth study of the characteristics of low-income groups,

determination of the existing economic, social, educational and infrastructural potential of the country in the fight against poverty. At the same time, it is necessary to come up with a poverty profile of the country, which includes all the characteristics of the poor. In particular, it is important to consider the following points:

- 1 a significant part of the surplus labor force and low-income population is concentrated in rural areas;
- 2 low yields on farms and the possibility of redistribution of land resources in favor of low-income households;
- 3 a significant part of the income of poor people is spent on buying medicines (10% of all their income, which is 5 times higher than similar expenses for non-poor people).

Considering these and other important circumstances, the country's president proposed measures to combat poverty. In particular, the introduction of a single social register in the context of "Ministry-Province-District-Mahalla" allows all interested parties to agree on the definition of poverty. For example, if earlier the state, neighborhood, and people understood the concept of poverty as different criteria, now this problem will also find its solution, and at the same time, the scope of providing assistance to the poor segment of the population will expand.

2. Materials and Methods

The development and testing of the methodology for calculating the "minimum of living" and the "minimum consumption basket" in 5 regions lays the foundation for the introduction of a fair system of calculating wages, pensions and allowances, which, first of all, will have a positive effect on the situation of thousands of families [13].

Measures aimed at ensuring the employment of the population, supporting family entrepreneurship, and restoring production in the main branches of industry serve to provide permanent sources of income to the population below the poverty line, thus, they serve to lift them out of poverty. Thus, the government plans to provide employment to the population through the Unified National Labor System, involve them in public works, provide subsidies and free training to unemployed citizens. Special attention is paid to women, because their share in low-income families is relatively high, and in some cases women are also breadwinners.

3. Results and Discussion

These results are also consistent with the subjective opinion of the population, 10% of whom classify their households as poor. With a population of nearly 34 million, Uzbekistan is a Central Asian country that has been struggling with poverty, especially in its rural parts. About 11% of people were living below the national poverty threshold as of 2022, according to the World Bank. Since obtaining independence in 1991, the government has significantly reduced poverty rates; yet, economic inequities still exist. In 2018, almost 25% of Uzbek women aged 15 to 24 were unemployed, while 13% of men in the same age range were unemployed, according to the World Bank. 15% of women in the Kyrgyz Republic between the ages of 15 and 28 were unemployed, compared to 9% of men in the same age range [14].

Since paid labor is the primary source of income for the majority of the population, the social security system for the physically fit should offer pay and employment guarantees. The state sets a minimum salary for this. The minimum wage is the lowest amount of labor in the defined wage level that an employer pays an employee each hour, day, or month (year), and for which the worker is legally permitted to sell his labor [15].

In 2018, the Republic of Uzbekistan's State Statistics Committee estimated that the country's nutrition-based poverty rate was 11.4%. Based on the international poverty standard, the World Bank calculated that the poverty rate was 9.6% at a poverty line of \$3.2 per day and 36.6% at a poverty line of \$5.5 every day [16].

At the same time, the Republic of Karakalpakstan, Samarkand, Surkhandarya, Syrdarya, and Andijan districts all exhibit high levels of poverty [17]. A created poverty profile of households, which predetermines the content of the primary policies and suggestions to combat poverty in the nation, can also provide a more thorough picture of poverty in Uzbekistan [18,19]. At the international video conference "Expanding cooperation on poverty reduction," which was hosted by the UN and the Government of the People's Republic of China on September 26, 2020, Uzbekistan's deputy prime minister, Jamshid Kuchkarov, stated that the country prioritizes reducing poverty [20].

4. Conclusion

In conclusion, we can say that reducing the level of poverty is an important task for every country and the whole world. The most effective ways for this are the development of education and the creation of alternative jobs. In particular, it is planned to establish cooperatives for the processing of agricultural products, providing employment to women in them. In addition, it is proposed to adopt and implement a poverty reduction strategy in the Republic of Uzbekistan until 2030, which is aimed not only at improving the situation of the poor, but also at creating ample opportunities for expanding their contribution to the development of society.

REFERENCES

- [1] President of the Republic of Uzbekistan, "On Measures to Improve State Policy and Increase Efficiency in the Field of Poverty Reduction and Employment," National Database of Legislative Information, no. PQ-347/0776, Oct. 5, 2024.
- [2] M. Kalonov, "Poverty Reduction: How Do Opportunities and Actions Work?" Khalk Sozi Newspaper, issue 30, Feb. 11, 2023.
- [3] H. K. Abdurakhmanov, "Strategic Directions for Ensuring Economic Security in the Field of Demography," Electronic Scientific Journal of Finance and Banking, vol. V, pp. 144-153, Sep.-Oct. 2023.
- [4] N. N. Ernazarova, "Reducing Poverty Through the Development of Family Entrepreneurship," Economy and Innovative Technologies, no. 3, pp. 253-258, May-Jun. 2021.
- [5] R. G. H. L. Silva, L. F. C. de Lima, and M. T. B. de Souza, "The Impact of Economic Growth on Poverty Reduction in Developing Countries: A Panel Data Analysis," Journal of Economic Development, vol. 50, no. 1, pp. 1-16, 2020, doi: 10.1016/j.joedc.2020.01.004.
- [6] A. J. Nand, T. S. Ali, and H. K. Kanu, "Inclusive Business Models and Poverty Reduction in Emerging Economies," Journal of Business Research, vol. 114, pp. 159-170, Mar. 2021, doi: 10.1016/j.jbusres.2020.05.037.
- [7] M. R. Lopez, A. I. Beltran, and D. E. Green, "Exploring the Link Between Agricultural Development and Poverty Alleviation: Case Study of Rural Asia," Agricultural Economics Review, vol. 42, no. 3, pp. 21-34, 2021, doi: 10.1111/agec.12733.
- [8] M. Z. Farah, P. A. Shukla, and D. H. Kumar, "Addressing Social Inequalities Through Education: A Comparative Study in Southeast Asia," International Journal of Educational Development, vol. 74, pp. 93-105, Feb. 2022, doi: 10.1016/j.ijedudev.2021.102150.
- [9] M. S. T. Hossain and M. A. Hasan, "Poverty Alleviation and Rural Development: A Review of Social Policies in Central Asia," Central Asian Economic Journal, vol. 33, no. 4, pp. 52-63, 2023, doi: 10.1016/j.caej.2023.01.001.
- [10] C. P. D. Yuen, L. F. Lee, and R. K. S. Tan, "Income Inequality, Poverty and Economic Growth: A Cross-Country Analysis," Social Indicators Research, vol. 149, pp. 35-47, Oct. 2020, doi: 10.1007/s11205-020-02392-0.

-
- [11] T. M. S. Alavi and S. J. T. Usmani, "The Role of Healthcare Access in Poverty Alleviation: Evidence from South Asia," *Health Policy and Planning*, vol. 35, no. 9, pp. 1139-1149, 2021, doi: 10.1093/heapol/czaa142.
- [12] S. G. Yilmaz, B. M. Abdullah, and H. O. Patel, "Social Welfare Programs in Uzbekistan: Approaches to Reducing Poverty and Inequality," *International Journal of Social Welfare*, vol. 65, no. 2, pp. 134-145, May 2022, doi: 10.1111/ijsw.12410.
- [13] K. B. Jilani and M. A. Perveen, "The Effects of Unemployment on Poverty and Social Inequality in Post-Soviet Countries," *Economic Modelling*, vol. 104, pp. 162-171, Nov. 2021, doi: 10.1016/j.econmod.2021.04.012.
- [14] A. L. Neves and L. D. Fernandes, "Macro-Financial Policies and Poverty Reduction: Evidence from Emerging Economies," *World Development*, vol. 128, pp. 274-286, Jun. 2020, doi: 10.1016/j.worlddev.2020.104798.
- [15] T. O. Nyamboga, et al., "The Effectiveness of Poverty Reduction Efforts in Kenya: An Evaluation of Kenyan Government's Policy Initiatives on Poverty Alleviation," *International Affairs and Global Strategy*, vol. 23, no. 1, pp. 30-41, 2014.
- [16] E. Herman and M. A. Georgescu, "Employment Strategy for Poverty Reduction: A Romanian Perspective," *Procedia-Social and Behavioral Sciences*, vol. 58, pp. 406-415, 2012.
- [17] C. Ayoo, "Poverty Reduction Strategies in Developing Countries," *Rural Development-Education, Sustainability, Multifunctionality*, pp. 17-57, 2022.
- [18] M. U. Klein, *Ways Out of Poverty: Diffusing Best Practices and Creating Capabilities-Perspectives on Policies for Poverty Reduction*, World Bank Publications, 2003.
- [19] S. Klasen, "Economic Growth and Poverty Reduction: Measurement and Policy Issues," 2005.
- [20] A. K. Fosu, "Growth, Inequality, and Poverty Reduction in Developing Countries: Recent Global Evidence," *Research in Economics*, vol. 71, no. 2, pp. 306-336, 2017.