Poverty Reduction in Uzbekistan: Current Problems and Their Solutions

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Abstract: This article analyzes the role of foreign experience in poverty reduction in Uzbekistan, the current state of poverty, the existing problems and the measures taken in the country to address these problems. The authors also provide practical suggestions and recommendations to address the problems of financial support and poverty.

Keywords: Poverty, poverty level, living standards, social assistance, low income, income, entrepreneurship, social guarantees.

Introduction

In the digital economy, one of the main challenges of any country is to improve the living standards of the population, social support for the poor, quality of life and welfare, including income, thereby ensuring economic growth and macroeconomic stability in the country. Since independence, our country has paid great attention to social support.

The President of the Republic of Uzbekistan Shavkat Mirziyoyev in his address to the Oliy Majlis also paid great attention to the issue of social support. Article 2 of the Constitution of the Republic of Uzbekistan states that the state represents the will of the people and serves its interests.[1]Government agencies and officials are accountable to society and citizens. Therefore, there are government agencies and individuals responsible for every citizen of our country. In his address to the Oliy Majlis, President of the Republic of Uzbekistan Shavkat Mirziyoyev announced the development of a program to reduce poverty in the country. For a comprehensive study of poverty in Uzbekistan, on September 29, 2020, the President instructed to conduct a large and extensive study of poverty in Uzbekistan in accordance with international experience.

These studies are based on the research of Esther Duflo and Abhijit Benarji, who received the Nobel Prize in 2019.In this regard, it is necessary to establish a comprehensive thinking of public servants about poverty. For example, giving money to the population is not an effective way out of poverty. A

number of measures are being taken in our country to introduce foreign experience in poverty reduction in accordance with our national traditions.[2]

One of them is the Chinese experience. In the fight against poverty in China, a total of 2.9 million government employees have been mobilized to study the conditions of the poor. As a result, 800 million people have been lifted out of poverty, reducing poverty in China by 94 percent. China's experience in poverty reduction is the most effective way for Uzbekistan to reduce poverty [3]Ismat Begmurodov. According to Ismat Begmurodov, the implementation of the concept of building a prosperous society by 2021 to reduce poverty in China will play an important role. The specific roadmap set out in this document can also be applied in Uzbekistan. The expert spoke about some of the measures being taken in China to reduce poverty. In particular, every leader or party worker should take care of the people and take care of four or five families. Instead of social benefits, the needy are provided with seeds, seedlings, microcredits, information services, technological assistance, bonuses and other incentives. The population will be taught the basics of working in a market economy and financial literacy. In addition, local courses in animal husbandry, agriculture and other areas are conducted. Each family member must have at least one profession. According to the expert, 100,000 yuan will be allocated to needy families to improve their living conditions.[4] With the support of local authorities, a repair shop, a farm or a small production workshop will be set up in low-income families. The low-income segment of the population is provided with social guarantees, education, medical care and housing. Thus, the government has established a trusting relationship with the people, and some progress has been made in this direction. Indeed, it would be much better for our population if we could introduce the above in our country. We would be able to raise the living standards of our people to a much better level. In order to save our people from poverty, we must first of all direct our people to create their own property.

The agricultural sector in our country is also developing better than other sectors. If we could create conditions for our people to use their lands, we would be able to save our people from poverty. In addition, if we could teach our people the secrets of entrepreneurship and run a small business for them, they would have their own property.

Analysis of the relevant literature. A number of our scientists have focused on the reduction of poverty in our country, its ways and the role and importance of foreign experience. In the booklet "Poverty and approaches to its assessment in Uzbekistan" O.A. expressed in[5].It follows that the booklet Poverty and Approaches to its Assessment in Uzbekistan provides recommendations on the methods of poverty assessment and its causes.

Nobel laureate Abhijit Benarji and his wife Esther Duflo in 2019, who have been awarded the Nobel Peace Prize for their research on poverty reduction, have been listening to the people of Uzbekistan since 2018 in partnership with the World Bank's Center for Development Strategy. has been implementing a project called. The project is led by William Zeitz, an expert at the World Bank's Center for Global Practice on Poverty and Equality. The report "Central Asia's Poverty Rate, Average Consumption and the Middle Class in Central Asia" was analyzed as the main literature.

Research methodology. Since the aim of the study was to identify the factors that directly and indirectly affect the reduction of poverty and to develop recommendations for their elimination, the methods of mathematical calculation, logical analysis, induction and deduction were widely used in its coverage.

Analysis and results. In the Address of President Sh.M.Mirziyoyev to the Oliy Majlis, it was noted that according to the results of 2019, the poverty rate in the country was 13-15%[6]. In particular, if

we analyze the level of poverty in the regions, according to estimates in 2020, the highest rates are in Namangan, Surkhandarya, the Republic of Karakalpakstan and Fergana regions [7] .

Poverty level by region [7]

№	National indicators	2016	2017	2018	2019	2020
	Poverty level (at the regional level)					
1	The Republic of Karakalpakstan	27,6	26,3	25,9	14,8	14,6
2	Andijan	8,7	8,0	7,9	11,9	12,0
3	Bukhara	9,3	9,2	8,9	8,3	8,6
4	Jizzakh	14,8	14,3	14,0	12,7	12,9
5	Kashkadarya	22,6	22,4	20,9	12,0	13,6
6	Navoiy	13,2	12,9	12,2	7,5	8,0
7	Namangan	15,0	14,3	14,0	15,2	15,3
8	Samarkand	9,7	9,1	8,6	9,8	10,6
9	Surkhandarya	19,5	19,2	18,7	14,5	14,7
10	Syrdarya	16,4	16,1	15,3	13,6	12,3
11	Tashkent	7,4	7,0	6,5	8,1	9,1
12	Fergana	7,4	7,3	6,6	13,5	14,5
13	Khorezm	13,3	12,9	12,5	13,0	13,0
14	Tashkent city	0,7	0,6	0,4	1,9	2,6

 According to the table, the level of poverty has shown a downward trend in 2016-2018, while an increase in 2019-2020 (pandemic period). It is natural that this figure will increase during a spontaneous pandemic. Based on the goals and objectives of sustainable development until 2030 approved by the Government of the Republic of Uzbekistan (halving poverty by 2030), the main priorities for poverty reduction are:

➢ Development of the necessary legal and regulatory documents (for example, the law on the subsistence level, the methodology for determining poverty);

➢ implementation of organizational and institutional changes (long-term targeted state program, organizational mechanism for its implementation, formation of the necessary road map, etc.);

➢ Substantiation of target parameters and measures to reduce poverty in 2025-2030;

➢ Ensuring the participation of all governmental and non-governmental organizations in the implementation of the program;

➢ substantiation of socio-economic development programs (measures) for all sectors (enterprises) and regions developed and implemented in the country in direct connection with the poverty reduction program.

Ensuring the transparency and quality of the information base formed by the State Statistics Committee and the Ministry of Health, the process of training and retraining of the necessary specialists. The positive changes taking place in our country show that the work done in 2015-2018 to lift our people out of poverty has been reflected to some extent. For example, we can show that over the years the level of poverty has decreased significantly. According to statistics, between 2015 and 2018, the poverty rate in the country decreased from 28.3% to 25.9%. If we look at this indicator at the regional level, the best indicator is in Kashkadarya region - 3.2%. One of the priorities of the

Action Strategy of the Republic of Uzbekistan for 2017-2021 is the development of the social sphere, aimed at a gradual increase in employment and real incomes. To this end, increasing the efficiency of enterprises in every sector of the economy, stimulating entrepreneurship and investment activity, further development of agriculture and other sectors will lead to a reduction in poverty by several percent. We would have reduced the level of poverty in our country if we employed people of working age to lift the population out of poverty. As of August 3, 2020, the unemployment rate in Uzbekistan is 13.2%. The number of people in need of employment is 1.94 million. According to the Ministry of Labor, the unemployment rate among the economic population of Uzbekistan in January-June 2020 was 13.2%, and in the first half of 2019 this figure was 9.1%. [7] The difference between 2019 and 2020 is self-evident, at 4.1%. The main reason for this is the negative effect of COVID-19.

Conclusions and suggestions. Poverty refers to the number of people in the country who have the lowest income or no income at all and have a difficult standard of living [6]. During the pandemic, the economy of each country went out of its relay. With this in mind, each state must pursue a prudent economic policy and provide social assistance to the poor. This is mainly due to the growing poverty in the country, famine and various conflicts. In these processes, the context of a pandemic, we consider it appropriate to do the following to lift the country's population out of poverty:

➢ The population should be encouraged to use the available resources wisely.

➢ The development of temporary tax restrictions in the country's tax policy, for a certain period of time, will create more favorable conditions for the poor. The population should not be left in a state of dependence.[7] In the practice of some countries, practical measures have been taken, such as the distribution of funds to the population, the distribution of food. These processes increase the mood of dependency in the minds of the population. Even after a pandemic, the effects can be long-lasting. This, in turn, will have an impact on the country's GDP.

In our opinion, the main reasons for the decline in incomes in the context of the pandemic are:

➢ A certain reduction in the number of enterprises engaged in entrepreneurial activities in the country;

➢ Significant reduction in exports;

➢ Inadmissibility of migration in the country, etc.

Preventing this will become one of the country's most pressing tasks. In order to support the population in the event of a pandemic, our country has provided one-time assistance. The lower the unemployment rate in the country, the more proportionate the poverty rate. In our opinion, it is expedient to take the following measures to reduce poverty in our country:

➢ Transformation of small business and private entrepreneurship into a point of economic growth;
➢ Establishment of industrial zones in areas with a population of more than 10,000 and the involvement of low-income groups in these zones;
➢ Building the Internet in the most remote areas of the country and informing them about changes in the world;
➢ Introduction of new types of services;
➢ Allocation of loans from the budget to the poor;
➢ Increasing business activity among the population;
➢ Assistance to the population to learn a new profession, etc.

List of used literature

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