

Prospects for reducing social need in Uzbekistan

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Abstract

This paper makes analyses of the prospects for reducing social need in Uzbekistan. On this case, medium term of the prospects of the reduction of social need. Finally, theoretical and statistical analyses were concluded and pointed out both outcomes and shortcomings of the research

Keywords

Prospects, reducing, social need, middle class, term, social need, Uzbekistan

The urgency and need of the subject.

Identifying socially vulnerable segments of the world and enhancing the targeting of their social protection is a priority of the national social policy of the United Nations (UN), International Economic Organizations and States. According to the International Labor Organization (ILO), in 2017, 45% of the world's population (4 billion people) will be covered by one social assistance, with 29% of the population having full access to social services (27% in 2014-2015). . In particular, the level of coverage of the working age population with the system of social protection of mothers remains low. Mothers with 41.1% of children in the world receive maternity leave, 83 million. young mothers are covered by social security. Only 21.8% of unemployed people of working age receive unemployment benefits, of which 152 million are unemployed. the person is missing this opportunity. 27.8% of able-bodied persons with disabilities have the opportunity to get disability benefits. According to the World Bank Group, in 2015, 10% of the world's population lived below the poverty line. This international organization plans to reduce poverty by 3% by 1530 by achieving sustainable economic growth in developing countries by 2030, by investing in education and healthcare, by implementing social security programs and social security programs.

In Uzbekistan, a new social protection system is being developed, aimed at developing a methodology for assessing the social status of the population, inherent in the market economy, gradually improving the quality and standard of living of the population, and enhancing the targeted social protection of the poor. At the stage of deepening economic reforms, the possibilities for the effective use of budget funds for social support of the population in the social protection system are expanding. President of the Republic of Uzbekistan As Mirziyoev noted in his address to the Oliy Majlis, "It is necessary to further improve the system of efficient use of budgetary funds. Any program or project that is funded from the budget should include indicators of quality and quantity that should be outcome-oriented. "

The level of coverage of social protection, the quality of social services, social assistance, social insurance, health care, education, social work with social groups, systematization of social reforms and poverty protection, as an integral part of improving the social protection system. Increase is a problem of scientific and practical importance.

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Decree of the President of the Republic of Uzbekistan dated February 7, 2017 № UP-4947 "On the strategy of further development of the Republic of Uzbekistan", № PP-3268 "On additional measures to support the poor" Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated October 20, 2018 No 2030 "On Organizational Measures to Promote Employment of Socially Vulnerable Groups" national goals and objectives in the field of sustainable development in the period No. 841 "On measures to implement the decisions and other legal documents related to the industry, the implementation of the tasks of this research service, and to a certain extent determines the relevance of the theme

The extent of the problem studied. Methodology for identifying socially vulnerable segments of the population were faced on works of scholars G.Basso, R.Bettie, M. Dolls, S. Behrendt, J. Berg, R. Merkle, B. Babajanyan,

Formation and development stages of the system of social protection of the population in the CIS countries, features of the social state Sharokov, G.A. In the works of Akhinov, theoretical and methodological bases of social protection of the population, general and distinctive features of functioning of systems and models of social protection of the population abroad. Volgin, V.V. Studied by Antropov, Kalashnikov and other scientists

A.V. Vakhobov, T.M. Akhmedov, K.Kh. Abdurakhmanov, X.P. Abulkasimov, N.M. Majidov, B.H. Umurzakov, R.R. Khasanov, M.K. Abdullaeva, R.F. Djumanova, N. Zakirova, M.A. Khakimova, B.Sh. Khusanov and other economists have studied the methodology of identifying socially vulnerable segments of the population in the context of economic liberalization, trends in the assessment of living standards and quality of life in the country, and the possibility of using the best international experience of social protection for socially vulnerable groups. At the same time, theoretical and practical issues related to improving the economic mechanism of implementing the social protection system are not analyzed as a systematic, specialized research object.

Analysis of the research in this issue in the economic literature reveals the need to improve the methodology for identifying socially vulnerable segments of the population in the context of economic modernization, and the economic mechanism for implementing targeted social protection and social protection. The relevance of the problem, insufficient study of the economic literature, the scientific and practical significance of the expected scientific results have served as the basis for the selection of the subject.

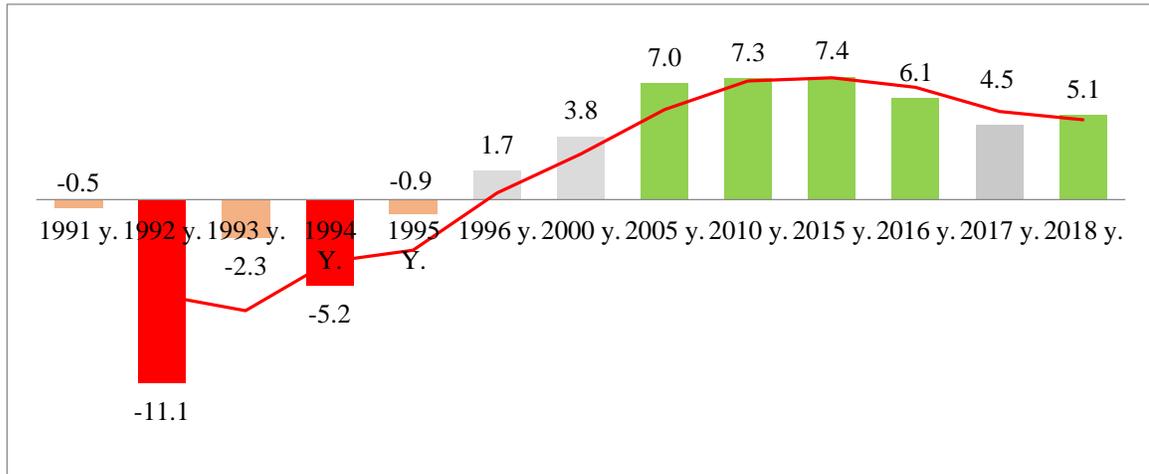
The purpose of the research is to develop systematic scientific proposals and practical recommendations aimed at improving the economic mechanism of implementing the targeted social protection system for socially vulnerable segments of the population in the context of economic modernization.

The aim of the study is to develop alternative scenarios for improving the well-being of socially vulnerable segments of the population in the country over the medium term.

Research methods. Systematic analysis, historical and logic, induction and deduction, analysis and synthesis, comparative and selective sampling, monograph analysis and grouping, econometric analysis and forecasting were used in the research.

During the years of independence, the priority in forming the income of the population was the implementation of social protection programs in the country. Negative consequences of the collapse of the Soviet Union had a negative impact on the economy of our country in 1991-1995. In particular, in 1992, the economy of our country was in a critical state, with GDP growth declining by 11.1% compared to the previous year, while the standard of living of the population was in a critical condition. As a result of socio-economic reforms undertaken in 1996, the economy collapsed and macroeconomic stability was ensured in the national economy (Figure 1).

Deepening and liberalizing economic reforms in the country's economy in 1996-2003 laid the foundation for wider use of national economic development opportunities. Issues related to the implementation of structural changes have become a major issue in the country's economy.



Note: The data for 2010-2018 is given by the State Statistics Committee of Uzbekistan

Figure 1. GDP Growth Rate in Uzbekistan (in% to the previous year)

Since 2004, priority has been given to reforms aimed at creating a favorable investment climate in the country, modernization of the economy, diversification of industrial sectors, and technological renewal of production processes. Sustainable economic growth rates in the country in 2004-2018 allowed to strengthen the social orientation of the economy and gradually increase the standard of living of the population.

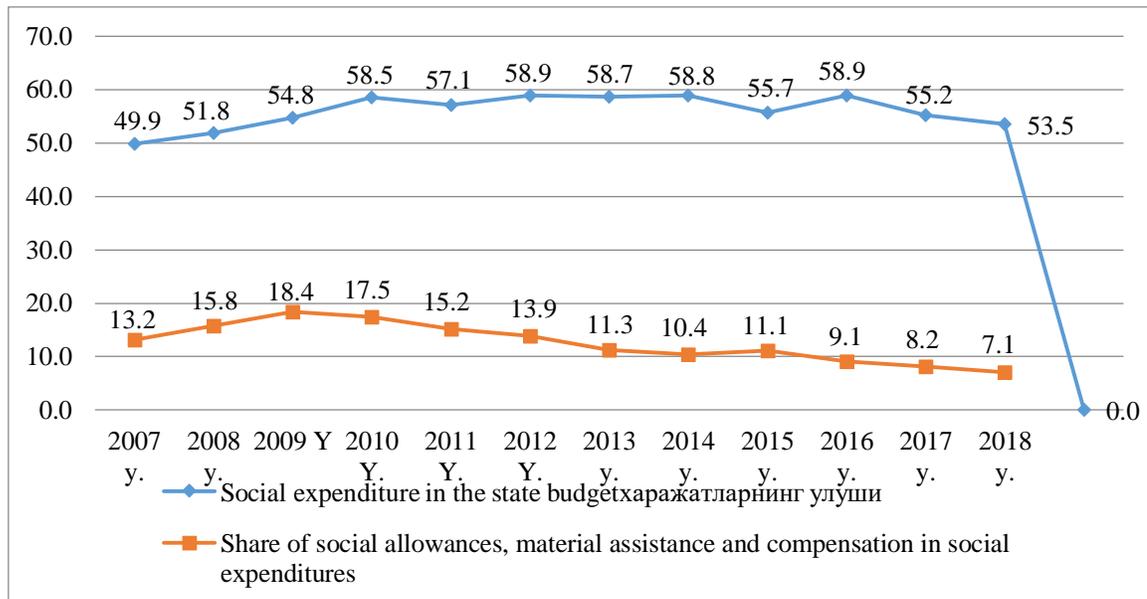


Figure 2. Percentage of social expenditures in state budget expenditures

Along with the increase in expenditures on financing social and economic reforms in the country in 2007-2018, the share of social expenditures in the structure of budget expenditures increased from 49.9% to 53.5%. Their share of social allowances, material assistance and compensation decreased from 13.2% to 7.1% (Figure 2). This is one of the peculiarities of the market economy in the social protection of the population, with a particular emphasis on improving the quality of labor resources. That is, active programs in the system of social protection of population will play an important role in reducing social dependence. As a result, employment will be increased.

In addition to the laws and regulations adopted in Uzbekistan in the field of social protection, the implementation of the national program for the development of various sectors and industries (banking, finance and credit, service, health care), health care system reform, and training. Improving the coverage and quality of educational services, the provision of rural populations with clean drinking water and natural gas for decent living standards plays an important role in the creation of the necessary conditions. In particular, the improvement of the social protection programs being implemented in the country, contributes to improving the targeted social protection system and efficient use of budget funds. At the same time, the most important task of a democratic state in the context of market reforms is to reduce social tensions, mitigate the complexities of this period, and to facilitate the adaptation of the population to new living conditions.:

- functions of state governance in social protection of the population;
- Gradual implementation of social reforms in the country and increasing the targeting of the social protection system;
- Stable improvement of the welfare of the population;
- wide use of the activities of citizens' self-government bodies (makhallyas) in increasing the social security of the population;
- Improving the legal framework and economic mechanisms of the social protection system.

Analysis shows that over the years of independence a specific system of social protection of population has been formed in the country, which covers the following areas:

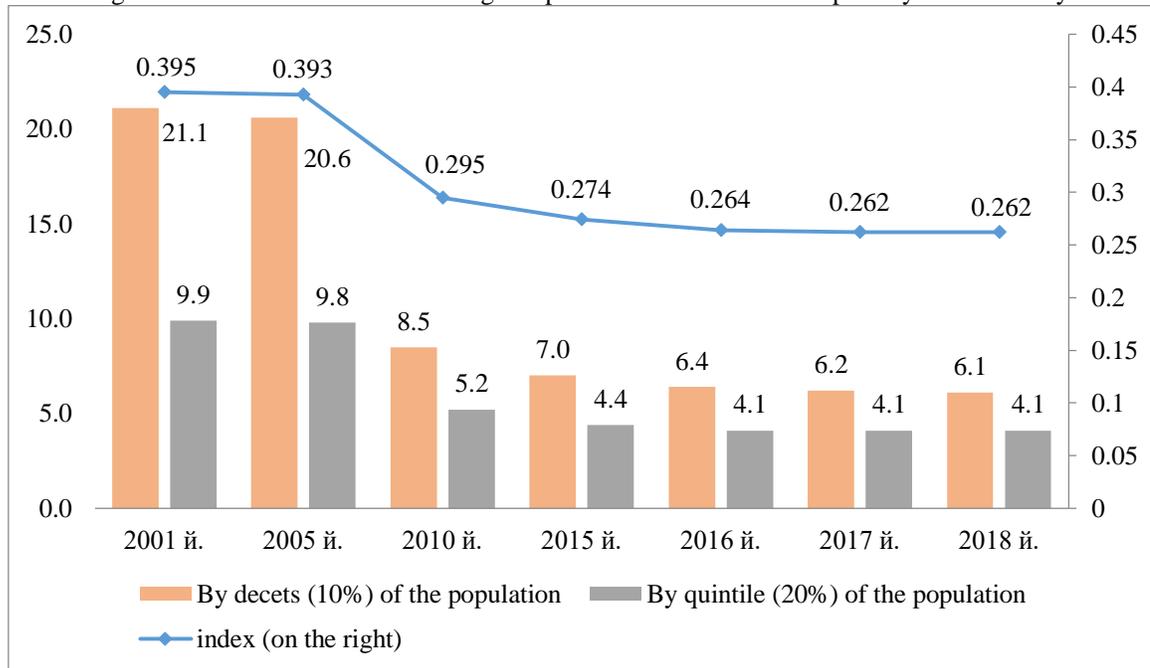
- Development and implementation of laws guaranteeing the establishment of social funds, the establishment of strict control over their activities and the use of these funds by each member of society;
- Establishment and improvement of the state centralized social insurance fund;
- guaranteeing the minimum wage, pensions and social benefits in line with the price liberalization and the state's rate of inflation;
- providing appropriate social services to certain social groups of the population;
- assignment of social benefits to large families;
- providing financial support to socially vulnerable groups of the population;
- social support for persons with disabilities from childhood and who have lost some or all of their ability to work;
- Payment of state scholarships for students;
- Determining the types of consumer goods and services needed by the population for a minimum standard of living and setting their prices;
- providing unemployed with decent jobs, creating new jobs and giving them unemployment benefits until they find a job;
- subsidies and subsidies from the budget to fill in the differences in their prices in order to stimulate the production of socially important goods and services;
- improving and strengthening the material and technical base of the health care, education system, which is an important sector of the social services sector;
- Creation of a favorable psychological climate in society, individual cells and structural units, protection from psychological pressure;
- Creating conditions for citizens to make a living by doing anything illegal;
- Wider use of the activities of citizens' self-government bodies in increasing the vulnerability of the social protection system.

The aforementioned directions of the social protection system in our country provide the population with the following guarantees:

- providing decent working age groups of the working age population;
- Providing adequate social benefits to those temporarily or partially disabled, disabled and other socially disadvantaged groups;
- ensuring normal living of the population on the basis of income or social benefits from labor activity (taking into account primary consumer goods and services, as well as the long-term supply of goods);
- provision of housing and public utilities, health care, education and cultural services;
- Improving the quality of the workforce and the improvement of human resources in the labor market.

According to the current legislation in the country, when the income is defined as the needy family, the total family income is taken into consideration, with the amount of each family member not more than 1.5 times the minimum wage.

In order to assess the effectiveness of social protection programs on reducing poverty in the country, we performed a correlation-regression analysis of the relationship between the state budget expenditures and the level of poverty. According to the analysis, the correlation coefficient of the state budget in Uzbekistan, which correlates between the amount of social support expenditures and the poverty rate, was 0.63. Based on this, it can be concluded that there is a strong correlation between the state budget expenditures and the level of poverty in the country.



Note: the statistical data presented are based on sample surveys of households

Figure 3. Trends in the development of the income distribution of the population in Uzbekistan

The results of the statistical analysis show steady growth of living standards and quality of life in the country. The jin index, widely used in the evaluation of income differentials in international organizations' surveys, was 0.262, falling 1.5 times in Uzbekistan in 2001-2018. It should be noted that this result is much lower than in many economically developed and developing countries of the world. At the same time, positive changes in the fair distribution of income among the various social groups are reflected in the indicators characterizing the income distribution of the population. In particular, the decile coefficient, which represents the difference between the incomes of 10% of the poor and 10% of the poor, has a steady decline, which is 21.1 times in 2000, 6.1 times in 2018, and 20% in the quintile. and decreased from 9.9 times to 4.1 times (Figure 3).

In 2010-2018, positive changes were observed in the income level of the population. In particular, the disparities in income distribution among the 10% of the population have a tendency to decline year by year. During the period under review, the lowest income of the I-decil group was 2.9 percent in 2010, and increased by 3.9 percent by 2018, while in the X-denominated group the highest income declined from 24.8 percent to 23.7 percent (1 Table).

Table 1.

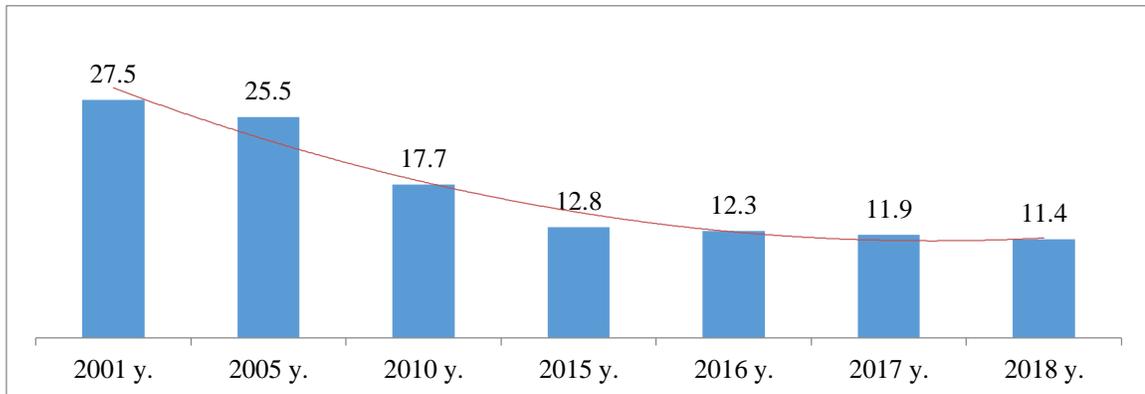
Uneven distribution of population income in Uzbekistan by 10% of the population (based on household sample surveys, as a percentage)

	2010 y.	2011 y.	2012 y.	2013 y.	2014 y.	2015 y.	2016 y.	2017 y.	2018 y.

I decil	2,9	3,0	3,1	3,2	3,4	3,7	3,8	3,9	3,9
II decil	4,8	4,9	5,0	5,0	5,1	5,3	5,4	5,5	5,4
Dec. III	6,0	6,1	6,1	6,0	6,0	6,3	6,4	6,4	6,4
IV decil	6,9	7,0	7,0	7,0	7,0	7,2	7,3	7,2	7,3
V decil	7,9	7,8	7,9	7,9	7,7	8,0	8,1	8,1	8,1
VI Decil	9,1	9,0	8,9	9,0	8,8	9,0	9,1	9,1	9,1
Chapter VII	10,5	10,4	10,2	10,3	10,2	10,0	10,2	10,2	10,3
Chapter VIII	12,2	12,2	12,2	11,9	11,9	11,4	11,5	11,6	11,7
XI decil	14,9	14,9	15,1	14,4	13,8	13,5	13,8	13,9	14,1
X decil	24,8	24,7	24,5	25,3	26,2	25,6	24,4	24,1	23,7
Coefficient of differentiation by 10% of income of the population	8,5	8,2	8,0	7,9	7,8	7,0	6,4	6,2	6,1

Effectiveness of social protection measures implemented in the country is reflected in the reduction of the share of the poor in society. In particular, the poverty rate in the country declined from 27.5% to 11.4% in 2001-2018 (Figure 4).

The real average growth of expenditures on social support of the state budget for the period 2005-2018 was estimated at 1%, with an average annual poverty reduction of 0.15%. Also, over the last year this figure was 0.76%. Based on the results of the correlation-regression analysis, it is appropriate to say that the effective impact of the state budget on sustainable poverty reduction was ensured by the steady growth of the state budget expenditures on social support.



Note: the statistical data presented are based on sample surveys of households

Figure 4. The percentage of the poor in Uzbekistan, as a percentage of the total

Taking into account the trend of changes in the level of poverty in Uzbekistan for the analyzed period, the forecast indicators for the period up to 2025 are determined. According to the scientific forecasts, if the national budget expenditures on social support in 2019-2025 will be increased by an additional 1.7%, the poverty rate in the country will decline to 8.2% by 2025. Given the limits of allowable standard errors, it is possible to predict that the poverty rate will fall to 1.4% by optimistic approach or up to 15.4% by pessimistic approach (Figure 5).

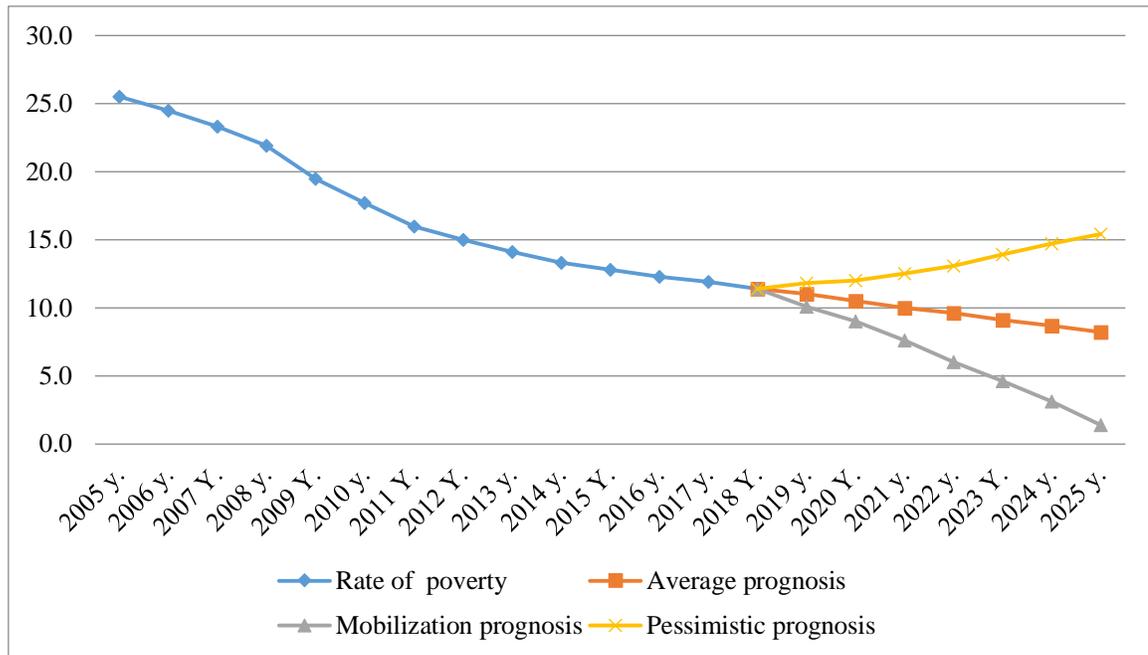


Figure 5. Medium-Term Poverty Indicators in Uzbekistan

Based on the results of our research, it is advisable to draw attention to the following categories of social welfare needs in the country over the last few years and to allocate the benefits for them:

The first is to establish a social need in the country and across regions. At the same time, targeted social protection is possible by stratifying socially vulnerable groups. In other words, it is possible to further improve the system of social protection of socially vulnerable segments of the population. In our opinion, based on the world practice of social protection, it is advisable to divide the socially vulnerable population groups into the following groups: population living in low-intensity households; people in situations where material resources and poverty are at risk.

According to domestic law, households employing 20% or less of the total number of able-bodied family members and 60-65% of all household incomes per capita average monthly income. the population groups are households with low labor intensity. In this case, household members are at a higher risk of falling below the poverty line. Taking into account this situation it is advisable to identify citizens with low labor intensity and assist them in finding decent jobs. At the same time, it is required to implement active social protection programs for families with low labor intensity, such as provision of concessional loans, vocational training or advanced training.

It is advisable to include households that have at least three out of eight of the following categories within a month (30 days), taking into account the socioeconomic characteristics of the population:

1. affordable housing;
2. Payment for utilities, natural gas, electricity;
3. Access to clean drinking water;
4. access to social services;
5. Provision of household appliances (washing machine, vacuum cleaner, color television);
6. cellular or telephone;
7. Consumption of meat and meat substitutes in accordance with the recommendations of the Ministry of Health (1 kg of beef per month per month);
8. reimbursement of at least double accidental costs.

The population groups of households, deprived of at least three of the above eight cases, are groups of people living below the national average, and their social support in turn contributes to the positive effects of encouraging the middle class in society.

According to the international practice of social protection of the population, the groups of people at risk of poverty are groups of the population, which account for 40-59% of the average wage per capita in the household. At the same time, the government requires that social strata of this population be assigned differentiated social benefits to pay 60 per cent of their per capita income to the national average.

In our view, the development and implementation of social protection programs in the country will allow to stimulate the development of middle-income groups within the society and to create the perfect economic mechanism to combat social needs.

Second, it is advisable to form a system of indicators on the average and minimum standard of living of the country through the formation of a working group, which includes representatives of ministries, government agencies and institutions, research and research institutions, scientists and experts operating in the country. This event will further clarify the criteria for identifying and assessing the social needs of the population in our country. At the same time, it helps increase the targeting of social protection programs.

Third, it is desirable to encourage the activities of social insurance funds in the country to improve the financial literacy of the population and to broaden the use of the mass media, to establish and expand private insurance funds.

Fourth, the development of targeted education programs for the able-bodied population. At the same time, it is advisable to develop the requirements for vocational education and training, in cooperation with employers' organizations and institutions.

Improving the fifth, minimum social standards, including accounting practices, taking into account regional characteristics.

Sixth, step-by-step establish a system of targeted subsidies for low-income families, partly offset by increased tariffs for utilities, natural gas and electricity;

Seventh, state support for enterprises founded by public associations of persons with disabilities and persons with disabilities through the provision of tax benefits and credit resources provided for by the legislation;

The eighth, improving the quality of medical services to the population. It should be noted that:

- • Developing medical facilities, hospitals and rehabilitation centers, improving their activities, as well as enhancing their specialization;
- • Development and implementation of modern methods of medical and labor rehabilitation in full compliance with international standards;
- • increasing the complexity of rehabilitation measures and their comprehensiveness by enhancing employment assistance for persons with disabilities.

Conclusion

Implementation of the abovementioned recommendations in the development of social protection programs in the country will contribute to income generation and targeted social protection of socially vulnerable segments of the population and will increase the share of the middle income population. This is an important condition for sustainable socio-economic development of the country.

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