

THE STRATEGY OF NEW UZBEKISTAN: SOCIAL ISSUES AND METHODS FOR THEIR RESOLUTION

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Annotation: This thesis analyzes the existing social problems within the framework of the New Uzbekistan Strategy, identifies their root causes, and examines the reforms aimed at addressing them. It also highlights the measures being implemented to improve education, healthcare, employment, social protection, and the development of the *mahalla* institution. According to the research findings, ensuring social stability requires a comprehensive approach and strengthening cooperation between the state and society, which are evaluated as key factors.

Introduction

Currently, Uzbekistan has embarked on a new stage of development through profound reforms under the concept of the New Uzbekistan. This strategy is aimed at the comprehensive modernization of the country's political, economic, social, and spiritual spheres. In particular, addressing social issues, improving the well-being of the population, and consolidating the principles of social justice constitute one of the strategy's priority directions.

Transformations in the social sector form the foundation of the country's development, encompassing objectives such as enhancing living standards, supporting youth and women, reducing poverty, and establishing modern education and healthcare systems. This thesis provides a scientific analysis of the main social challenges within the New Uzbekistan Strategy and the methods for their resolution.

In accordance with Decree No. PF-158 of the President of the Republic of Uzbekistan dated September 11, 2023, the “Uzbekistan — 2030” Strategy was approved. This document serves as a critical guideline defining Uzbekistan's main development directions for the next seven years, aiming to achieve 100 objectives across five priority areas. Its goals and performance indicators are presented in a clear and accessible manner, ensuring ease of understanding and public acceptance.

The “Uzbekistan — 2030” Strategy was developed to ensure the country's sustainable and inclusive development and to outline Uzbekistan's long-term development trajectory. It encompasses objectives such as reforms across various sectors, economic growth, enhancement of education, healthcare, and social protection systems, ensuring environmental sustainability, and modernizing state governance.

Furthermore, the Strategy is designed to realize the nation's aspiration to build a free, prosperous, and strong New Uzbekistan, provide every citizen with opportunities to develop their potential, cultivate a healthy, knowledgeable, and morally sound generation, establish a robust economy integrated into global production chains, and guarantee justice, the rule of law, security, and stability.

The “Uzbekistan — 2030” Strategy, developed based on the experiences gained from implementing the New Uzbekistan development strategy and the results of public consultations, reflects the following key ideas:

- Securing a position among countries with upper-middle incomes through sustainable economic growth;



- Establishing education, healthcare, and social protection systems that fully meet the needs of the population and international standards;
- Creating favorable environmental conditions for the population;
- Building a fair and modern state that serves the people;
- Ensuring the guaranteed sovereignty and security of the country.

The “Uzbekistan — 2030” Strategy is structured around five priority areas:

1. Creating adequate conditions for every individual to realize their potential;
2. Ensuring the well-being of the population through sustainable economic growth;
3. Conserving water resources and protecting the environment;
4. Upholding the rule of law and establishing state governance in service of the people;
5. Consistently pursuing policies based on the principle of a “safe and peaceful state.”

By presidential decree, the implementation of the “Uzbekistan — 2030” Strategy and the achievement of its target indicators have been designated as a top priority in the activities of all state bodies and organizations.

Accordingly, within the framework of the “Uzbekistan — 2030” Strategy, all objectives established in the New Uzbekistan development strategy—which remain relevant and are currently being implemented—will be achieved, and pressing tasks will be addressed.

The “Uzbekistan — 2030” Strategy is implemented based on State programs, which are adopted annually in accordance with the thematic designations assigned to each year in Uzbekistan. Ensuring the full, timely, and high-quality implementation of the Strategy, as well as preparing the relevant annual programs for its execution and coordinating their implementation, has been entrusted to the Republican Commission responsible for the execution of the “Uzbekistan — 2030” Strategy.

Consciousness and unconsciousness constitute two inseparable layers of the human psyche, complementing one another. While consciousness governs an individual’s social activity, goal-setting, and deliberate decision-making processes, unconsciousness determines the hidden, automatic, and instinctive aspects of human behavior. Although philosophical, psychological, and neurobiological approaches analyze these two concepts from different perspectives, all viewpoints acknowledge the dialectical interconnection between consciousness and unconsciousness.

Modern science demonstrates that a significant portion of human behavior is regulated by unconscious processes. At the same time, the development of consciousness, the strengthening of reasoning, and the enhancement of reflective abilities play an invaluable role in personal growth. Thus, a deep study of consciousness and unconsciousness provides broad opportunities for comprehensively understanding the individual and for grasping their creative, intellectual, and spiritual development.

In the address of the President of the Republic of Uzbekistan to the Oliy Majlis on January 24, 2020, the fight against poverty was identified as a priority within the country’s economic development policy. The address emphasized that “reducing poverty means implementing a comprehensive economic and social policy aimed at stimulating entrepreneurial spirit among the population, fully realizing human internal potential and capabilities, and creating new employment opportunities.”

According to the laws of economics, “poverty begets poverty.” This process occurs for several reasons.

Firstly, in low-income countries, insufficient funds are allocated to quality education and healthcare, and the poor cannot afford high-quality paid educational and medical services. As a result, human potential diminishes, and the population remains trapped in poverty.



Secondly, as the incomes of the poor decline, the capacity of the consumer market correspondingly contracts, leading to a decrease in demand for industrial goods, agricultural products, and especially services. This, in turn, hinders economic development, reduces budget revenues, and limits the ability to provide social support to the poor, creating a closed cyclical process.

Thirdly, in many cases, the worldview of the poor differs from that of higher-income individuals. Due to the reasons mentioned above, the likelihood of emerging creative and entrepreneurial talent from among them is lower. Additionally, crime rates tend to be relatively higher among members of low-income families.

In other words, the factors that generate poverty impede the development of human potential, hinder the growth of productive forces, and restrict the economic activity of the population.

Over the past three years in Uzbekistan, measures aimed at reducing poverty have led to a 43.9% increase in real per capita income, while the average nominal monthly wage rose by 79.7%, from 1,293,800 soums in 2016 to 2,324,500 soums in 2019.

According to a survey conducted among households under the World Bank's "Listening to Citizens of Uzbekistan" project, the average monthly income of a poor household for January–March 2020 was approximately 1.5 million soums, representing a 12% increase compared to the same period of the previous year in comparable prices.

It is noteworthy that President Shavkat Mirziyoyev of the Republic of Uzbekistan has prioritized the elimination of poverty as a strategic national objective.

Significant government efforts have been directed toward addressing this issue. In particular, essential institutions for combating poverty have been established. This includes the creation of the Ministry of Economic Development and Poverty Reduction, which defines the state policy on poverty alleviation.

Additionally, to support socially vulnerable and low-income families, the Ministry of Mahalla and Family Support was recently established. This ministry functions as a responsible state body coordinating the activities of local self-governing institutions and aims to enhance efficiency in identifying socially vulnerable and disadvantaged groups and providing them with targeted assistance.

In addition, programs aimed at improving living conditions and developing rural areas are being implemented. Notably, the "Obod Qishloq" (Prosperous Village) program has enhanced the living conditions of 1.7 million rural residents. In 2019 alone, a total of 6.1 trillion soums (equivalent to 600 million USD) was allocated for the implementation of the "Obod Qishloq" and "Obod Mahalla" (Prosperous Neighborhood) programs.

However, despite these achievements, more than 400,000 families in Uzbekistan still require improvements in their living conditions (according to World Bank criteria, since October 2015, individuals earning less than USD 1.9 per day are classified as living in extreme poverty under the Global Poverty standard). The informal sector accounts for 40–50% of the labor market, yet only 23% of poor households receive social benefits.

The COVID-19 pandemic further highlighted the need to reform institutions providing social and financial support to the poor and most vulnerable segments of the population. Consequently, measures to address these issues are being implemented with urgency. To ensure proper control, transparency, and targeting in the distribution of financial assistance, systematic solutions based on digital technologies are being introduced, replacing previously insufficiently targeted and ineffective systems with a new, more efficient framework.

Foreign Experience A social protection system constitutes a set of measures and programs within state policy aimed at reducing poverty and inequality, as well as improving the well-being of socially vulnerable population groups.



In Western countries, centralized social protection systems began to take shape in the early 20th century with the establishment of social security systems in Germany and the United Kingdom, and slightly later in the United States during the Great Depression. While, a century ago, social protection systems officially existed in only a few countries, today such systems are implemented in almost all nations. Countries design their social protection systems based on their resources, national conditions, and priorities.

A social support system plays a crucial role not only in providing financial assistance but also in helping vulnerable populations escape poverty. Since the 1990s, developed countries have introduced mandatory requirements to involve social assistance recipients in formal entrepreneurship. In countries where this practice has been implemented, including South Korea, the United States, New Zealand, and the United Kingdom, an increase in employment among the population has been observed.

Research indicates that assessing the well-being of individuals in poverty solely based on income is insufficient; using a multi-criteria system significantly enhances the effectiveness of poverty reduction efforts. Poverty encompasses more than income—it reflects multiple dimensions of life quality, including access to clean drinking water, healthcare, sanitation, and other essential services. Changes in targeted social assistance systems have contributed to reducing official poverty levels in countries such as Austria, Belgium, Australia, Canada, the Czech Republic, and Denmark by the mid-2000s.

Different countries employ various models to reduce poverty. For example, the Swedish model focuses on two main objectives: achieving full employment and reducing income inequality. In Sweden, policies prioritize training and retraining the unemployed and restoring work capacity in high-demand sectors.

In China, broad measures are implemented to develop agriculture, rural areas, and land reform.

In the Czech Republic, in addition to basic social benefits, the poor receive supplementary assistance in the form of goods and cash to provide additional material support.

In the United States, assistance to the poor is distributed through specialized programs covering approximately 15–20% of the population. The most common types of aid include food stamps, affordable housing programs, medical and social assistance for the elderly, child care benefits, and other forms of support.

In the context of Uzbekistan, a comprehensive approach to poverty reduction, similar to that of developed countries, is considered the most effective solution. This policy is designed to provide employment opportunities for the able-bodied population while simultaneously lifting vulnerable individuals above the poverty line through state-provided social support.

At the same time, in situations where immediate eradication of poverty is not feasible, the approach envisages social protection for low-income groups and the creation of additional opportunities for income generation and human capital development.

Social Model Uzbekistan belongs to the category of socially oriented countries. In such nations, the state's participation in societal life is significant, encompassing the broad fulfillment of its social obligations toward citizens. This necessitates the provision of support by the state to socially vulnerable groups.

Strong social policy implies the distribution of social goods by state institutions in favor of the least protected and most vulnerable members of society. Unlike many other countries, Uzbekistan has long been recognized for implementing a robust social policy. In other words, Uzbekistan has adopted a state policy model that aligns closely with the principles of social justice. But why has this been the case?

Over millennia, a traditional worldview developed in the land where the Uzbek people have lived, emphasizing mutual assistance: neighbors, the *mahalla* (local community), and society



were expected to support poor and vulnerable individuals in difficult life circumstances. In Uzbekistan, the social contract is based on long-standing principles of social morality. Nevertheless, for a long period, poverty was largely unacknowledged at the official level for political reasons, and there were no legally established criteria for identifying poverty. Under these conditions, implementing an effective social policy was extremely challenging. However, the problem of poverty persisted, and in 2007 efforts were made to develop a corresponding strategy. In collaboration with UNDP, the World Bank, and the Asian Development Bank, the “Strategy for Improving the Welfare of the Population of the Republic of Uzbekistan for 2008–2010” was developed. Still, it must be acknowledged that until recently, no fundamental changes were made in the real social support of the poor through *mahalla* committees.

Identified Shortcomings

Following the establishment of the public reception offices by the President of the Republic of Uzbekistan in 2017, citizens’ appeals began to be received and carefully analyzed, revealing that this sector was not operating sufficiently effectively and was in need of deep reforms.

Since the launch of these reception offices, more than 3.6 million appeals from citizens have been submitted to the President, addressing numerous issues related to living standards, employment, housing, access to quality public services, healthcare, and education.

The majority of the raised issues pertain to shortcomings in the social support system and the provision of assistance to low-income and vulnerable groups, with numerous complaints submitted by citizens in this regard.

It should be noted that the mechanism for providing financial assistance is still governed by the Regulation “On the Procedure for Assigning and Paying Social Benefits and Financial Assistance to Low-Income Families,” approved by the Cabinet of Ministers on February 15, 2013. According to this regulation, decisions on assigning and paying benefits and financial assistance to families with children, as well as child care allowances, fall within the authority of the *mahalla* citizens’ assembly or a designated commission.

The commission, headed by the chairman of the citizens’ assembly, is elected by the assembly and serves a two-year term, while the chairman serves for the entire term of office. The commission must consist of at least 15 members.

This mechanism is designed to allow commission members, who are familiar with the residents in their own *mahallas*, to make objective decisions regarding those in need of support. However, on the other hand, such a collective decision-making mechanism is highly complex, lacks sufficient transparency, and does not entirely prevent the potential abuse of granted powers—particularly since many processes require the submission of excessive documents and certificates. Perhaps for this reason, difficulties and shortcomings in the social assistance allocation mechanism have contributed to an increase in appeals to the Presidential reception offices regarding inefficient or even unjust practices of material support distribution.

Manual Management Regime

Given these challenges, there arose an objective need to assess the real situation on the ground both in the allocation of financial assistance and in other areas of social support.

In the Presidential Decree of the Republic of Uzbekistan dated January 17, 2019, “On Measures to Further Improve the System for Addressing Citizens’ Problems,” a system was introduced in which the public reception offices, together with sectors, state bodies, and other organizations involved in comprehensive socio-economic development of the regions, conduct door-to-door visits and study social and other facilities to identify problems and find solutions.

As part of creating the registry of poor families, known among the population as the “Temir Daftar” (Iron Register), impoverished households were studied individually, and the problems of



socially vulnerable groups were also taken into account. This registry became the basis for targeted programs aimed at reducing poverty and improving the well-being of the population across sectors. Unresolved issues of vital importance to citizens at the local level were escalated to the regional or national levels.

In 2019, field studies were conducted by working groups established across more than 6.1 million households nationwide to examine the population's problems. As a result of surveys conducted with citizens, 935,600 issues requiring resolution were identified, most of which were addressed. The most pressing problems for the population included: diluted gas supply (18.9% of respondents), employment (11%), healthcare (8.5%), electricity supply (8.1%), bank loans (7%), financial assistance (5.7%), drinking water (5.5%), cadastral issues (5.3%), housing (4.4%), natural gas (3.4%), coal supply (2.3%), passport control (2.1%), and pre-school education (1.5%). This year, due to various restrictions related to the pandemic, the situation regarding living standards has become more complicated. Consequently, the identification of social issues has gained even greater importance and continues actively. As of August 1, the number of appeals related to social protection doubled compared to the same period last year. Additionally, applications for financial assistance and social benefits accounted for 48% of all social protection requests, representing a 1.9-fold increase compared to the previous year.

At the same time, it should be noted that citizens' requests to cancel pensions or allowances decreased by 4%. Appeals related to the inadequacy of benefit levels fell by 52%. Applications for financial assistance for medical needs declined by 19%, while requests for disability-related benefits decreased by 14%.

In the field of free medical services, the number of appeals decreased by 37%, requests to rehabilitation centers declined by 29%, and appeals for providing prosthetic-orthopedic devices and rehabilitation equipment to persons with disabilities fell by 64%.

Conversely, requests for medical assistance and medications from elderly and disabled individuals sharply increased by 20%. Considering that these individuals were in home isolation during quarantine restrictions, this rise is logical.

New categories of pandemic-related requests were also introduced. Appeals regarding the provision of financial assistance, food, and protective equipment during quarantine accounted for 16% of all requests, while appeals concerning the price and shortage of food and basic necessities accounted for 8%. The fact that the majority of these requests were successfully resolved indicates a significant improvement in the effectiveness of social assistance provision.

House-to-house surveys conducted by various sectors highlighted the importance of developing the social assistance system. Specifically, it was found that most recipients of financial aid were not in dire conditions; they often resided in modern, renovated households equipped with furniture and other amenities, and possessed vehicles and bank accounts. At the same time, many genuinely low-income families were not registered to receive material assistance. This situation underscored the need for a fundamental revision of the social support system for vulnerable and low-income populations, particularly regarding the criteria for determining eligibility.

Systematic Approach As observed, over the past 2–3 years, manual interventions based on data collected by sectors allowed for the prompt resolution of long-standing issues within the social support system, demonstrating effectiveness. However, it must be acknowledged that excessive reliance on the “human factor” in decision-making can sometimes create additional problems.

Experiences from foreign countries and identified shortcomings during research indicate the necessity of implementing social support in a systematic manner. Clear and objective criteria should govern the allocation of different types of assistance, and compliance with these criteria should rely on independent information sources. The rules for allocating aid, as well as data on distributed funds, must be precise and fully transparent. A series of measures have been



undertaken to transition social support management from manual processes to a clear, integrated, and systematic approach.

Specifically, since last year, significant steps have been taken in this area in Uzbekistan. In particular, in accordance with Resolution No. 308 of the Cabinet of Ministers dated April 13, 2019, the “Unified Social Protection Registry” information system has been launched. This system enables the transparent, real-time assessment of family needs and the eligibility of applicants according to established criteria.

The level of need is determined by considering family members’ incomes, property, bank accounts, received loans, and information on vehicles available in the relevant databases of various agencies. Based on these calculations, a unified database of social services, needy populations, and aid recipients is formed. To test this system, a pilot project was conducted in the Sirdaryo region starting from October 1, 2019.

For the system to function effectively, objective data on assistance provided to the population must be continuously entered into the “Unified Social Protection Registry.” This is carried out during household surveys. Using this data, and taking into account the negative impact of quarantine restrictions on the living standards of certain families, the Ministry of *Mahalla* and Family Support, together with agencies responsible for the socio-economic development of regions, compiled a list this year of individuals and families requiring financial assistance and support.

These lists include low-income individuals; persons with disabilities; families in need of social protection; elderly living alone; permanently unemployed citizens; those who lost jobs due to quarantine; and citizens returning from epidemiologically vulnerable areas.

In total, more than 400,000 households, comprising over 1.7 million members, were included in these registries. To provide one-time assistance to these families, the budget of the Republic of Uzbekistan allocated 380 billion UZS under Presidential Decree PF-6038 dated July 30, 2020, “On Additional Measures for Material Support of the Population in Need During the Coronavirus Pandemic.” The amount of financial aid was set at 220,000 UZS per household member.

A subsequent important step was taken on August 4 of this year with the Presidential Decree, “On Additional Measures to Automate the Procedures for Providing State Social Services and Assistance to the Population.” The decree stipulates that, starting from September 1, applications for social benefits will be reviewed and assigned through the “Unified Social Protection Registry” information system, which is an integral part of the *e-Government* platform. The implementation of this automated system is scheduled to cover all regions of the country by the end of the current year.

The primary objectives of implementing this system are to extensively integrate modern information and communication technologies into the social protection system and to establish a unified mechanism for providing state social services and assistance to the population segments in need of social protection.

Starting from January 1, 2021, government agencies and organizations are no longer permitted to request additional documents or information from citizens when providing state social services and assistance. Information regarding recognition as low-income through the “Unified Social Protection Registry” is issued via the single interactive government services portal and remains valid for 12 months. To create electronic databases of documents previously stored in paper archives at the Civil Registry Offices (FHDYo), 30 billion UZS has been allocated.

The implementation of the tasks outlined in this decree is intended to serve as a key tool in Uzbekistan’s poverty alleviation efforts, by creating a modern and transparent system for delivering financial assistance to the poor and socially vulnerable segments of the population.



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