

## DEVELOPMENT OF THE SOCIAL PENSION SYSTEM IN UZBEKISTAN

Aliyev Maruf Komiljon ugli

Independent researcher at the Banking and  
Finance Academy of the Republic of Uzbekistan

### ANNOTATION

The article analyzed the results of the pension reform and the results of its development, which began in the years of independence, and made conclusions based on the analysis. Social payments, allowances and pensions received by the people from the state budget and budget funds are of great importance among citizens. Pensions are being paid in full to working pensioners. In this article, we list these and other major changes that have taken place in the pension system in recent years.

**Keywords:** pension, social payments, allowances, pension system, Off-Budget Pension Fund, single register of "Social Protection"

### АННОТАЦИЯ

В статье проанализированы итоги пенсионной реформы и итоги ее развития, начавшиеся в годы независимости, и на основе анализа сделаны выводы. Большое значение среди граждан имеют социальные выплаты, пособия и пенсии, получаемые населением из государственного бюджета и бюджетных средств. В этой статье мы перечислим эти и другие крупные изменения, произошедшие в пенсионной системе за последние годы.

**Ключевые слова:** пенсия, социальные выплаты, пособия, пенсионная система, Внебюджетный пенсионный фонд, единый реестр «Соцзащиты».

### INTRODUCTION

After the state budget, one of the centralized funds, which ranks second in terms of size, consumer coverage, and social importance, is the off-budget Pension Fund. In the Republic of Uzbekistan, the non-budgetary Pension Fund was initially established in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated December 27, 1996 No. 459 "On the establishment of the Pension Fund under the Ministry of Social Security of the Republic of Uzbekistan" :., founded. As every newly created centralized fund has a specific objective, this fund has also been assigned a necessary objective. among other things, the main goal of the Off-Budget Pension Fund is to improve the management structure in the state-guaranteed pension system, to ensure the full collection of mandatory contributions,

levies and allocations intended for income, as well as to provide the population with a strong social is to achieve timely and complete provision of financing measures for protection.

The draft "Concept of Reform of the State Pension System" developed by the Off-Budget Pension Fund under the Ministry of Finance has been widely discussed since it was brought to the public's attention.

Currently, about 11% of the population of Uzbekistan (3.9 million people) receive pensions and allowances. Five years ago, there were 3 million pensioners.

Recently, the number of pensioners and pensioners is growing by 200-250 thousand per year. With the increase in their number, there was a need to make some changes in the pension system.

## **ANALYSIS OF LITERATURE ON THE SUBJECT**

Economists have conducted a number of studies on social protection of the population, particularly on the reform of the pension system. We will try to deeply study the views of various economists on the social protection of the population, the theoretical foundations of the pension concept.

Vahobov A.V. and Malikov T.S. in their financial textbooks have specifically focused on the concept of pension provision and analyzed its tasks and the role and importance of pension provision in the field of finance based on the study of its development leaders. .[1]

T. Malikov, O. Olimdzhanov conducted their scientific research and research on the importance of the state budget, which is an important factor of pension provision, and pointed out the necessary directions for the development of pensions and social benefits.[2]

## **RESEARCH METHODOLOGY**

The main purpose of the research is to make scientific conclusions for the development of scientific and practical proposals and recommendations based on the results of the analysis of the pension system and current situation of Uzbekistan. As a theoretical and methodological basis of this article, general economic literature and scientific articles, researches of economists on the reform of the pension system, interviews with scientists and industry representatives, analysis of their written and oral opinions, expert evaluation, observation of processes, systematic analysis of economic events and processes conclusions, proposals and recommendations are given based on the approach. Methods such as comparison, compilation of theoretical and practical materials, and systematic analysis were used in the process of studying the topic.



## **ANALYSIS AND RESULTS**

One of the main tasks of the off-budget Pension Fund is aimed at implementing the Law of the Republic of Uzbekistan "On State Pension Provision of Citizens" adopted on September 3, 1993. Article 2 of the mentioned law mentions state pensions in the following form:

- depending on age;
- on disability;
- according to the fact that he lost his breadwinner.

Decree No. 1289 of the President of the Republic of Uzbekistan was announced on November 20, 1995. This Decree provides for the payment of 50 percent of the fixed pension for pensioners who are working, serving and performing work, starting from January 1, 1996. However, veterans of the Second World War or those equivalent to them, disabled persons of the 1st and 2nd groups, pensioners who participated in the elimination of the Chernobyl disaster and are working are excluded from this. It is determined that 100 percent of pensions will be received for them.[4]

We can say the following positive changes in the past 5 years.

The start of paying pensions in cash was a big news. One of the problems that plagued pensioners until 2017 was that money was not given to them in cash. From February 1 of the same year, this problem was solved - pensions and allowances began to be given in any form, in cash or by plastic card. This was the news that many were waiting for.

"In 2015-2016, pensioners did not have the opportunity to receive their pension money in cash. Money was transferred only to a plastic card. Because the issue of cash was an urgent problem," says Gulnara Murodova, head of the Tashkent City Department of the Pension Fund, recalling the past.

Another positive change in the pension system took place in 2019. That is, the upper limit set for the salary in calculating the pension was increased from 8 times to 10 times the BHM. As a result, the pension amount of 531,000 citizens increased from 65,000 soums to 265,000 soums.

At first, the applicant, who wanted to receive a pension, was asked to provide information about his income, property, and the place of work of his family members. In addition, a long time was spent on the process of reviewing the appeal.

In the "Social Protection" single register system, the citizen does not need to collect any information. Copies of passports (marriage and birth certificates) of oneself and family members are submitted only with the application.

The application is submitted to the neighborhood. Through the register, it is possible to see electronically who has been assigned or denied benefits, as well as the reasons for denial.

Due to its importance, pension provision occupies a large place in the economic, social and political life of our country and in the state financial and budget system.

This system is closely related to the state of the labor market and the tax sector, as well as the demographic situation in our country. Therefore, the pension system should serve to reduce the burden on the economy, taking into account the current situation. In the conditions of the market economy, it is an important task to support the standard of living of people of retirement age, to strengthen the guarantees of citizens' constitutional right to pension. Its importance is becoming more urgent, especially during the ongoing pandemic around the world.

The law "On amendments and additions to certain legal documents of the Republic of Uzbekistan in connection with the further strengthening of guarantees of the rights of citizens and business entities" signed by the President on February 9, 2022, is aimed at the same goal. The law, among other documents, includes amendments and additions to the law "On state pension provision of citizens".

Most of the changes introduced by the new law are aimed at strengthening the protection of the rights and interests of socially vulnerable sections of society, first of all, women. In particular, now it is planned to add a maximum of 6 years to the length of service when all the time spent on child care leave is combined. Previously, this period was 3 years. In order to coordinate legislative documents, this norm is simultaneously reflected in the Labor Code. This is very important. Because the health and safety of mother and child is not only a family concern, but the whole society.

Developed countries understood the urgency of the issue as early as the 19th century. In particular, Germany was the first country to legalize childcare leave in 1883. Sweden followed in 1891 and France in 1928. In 1919, the International Labor Organization developed and adopted recommendations for the protection of motherhood and childhood. They are based on three fundamental principles: parental leave, cash benefits and job retention.

It is these rules that serve to fully ensure the safety of the mother and child, and thus protect the interests of society. Mothers also need time and money to fully recover their health after childbirth. Therefore, if the above guarantees are provided, they can return to work faster, which is a benefit to the economy. In addition, if families know that they are under the protection of the state, the birth rate will always be at the desired level, demographic problems will be put to an end.

In this regard, the changes introduced by the new law, i.e. adding the 6-year period of child care leave to the length of service in our country, will be an additional incentive and support for women.

## **CONCLUSIONS AND SUGGESTIONS**

In conclusion, it can be said that the implementation of reforms aimed at ensuring the financial stability of the republic's pension system is having an impact on the economy. Today, almost all countries are experiencing demographic aging processes. The increase in the share of elderly people in the population increases the costs of the pension system and reduces its



income. In such conditions, there is a need to carry out reforms in the pension system. In this situation, pension reform models have also been created, and a certain number of countries experiencing demographic aging are implementing reforms through these models.

As mentioned above, there are problems in the pension system of our Republic. Although the demographic aging process has not yet been observed in Uzbekistan, the increase in life expectancy in the near future will create the need for reforms in the pension system. The stages of development of the pension system and the implemented reforms studied in this article are well underway and should not be stopped.

## **REFERENCES USED**

1. "On treasury execution of the state budget". Law of the Republic of Uzbekistan, August 26, 2004..
2. Tax Code of the Republic of Uzbekistan. - T.: Uzbekistan, 2023.
3. Mirziyoev Sh.M. We will build a free and prosperous, democratic country of Uzbekistan together. -Tashkent: "Uzbekistan" NMIU, -2017. -56 pVahobov A.V., Vahobov A.V., Malikov T.S. Finance. Textbook (Tashkent TFI Financial Institute. - Tashkent: "Noshir", 2012. p. 712.
4. Finance: Textbook. T.S. Malikov, O.O. Olimzhanov; / - T.: "Economy-Finance" 2019. - 800 p.
5. Vahabov A., Kasimova G., Jamolov Kh. Integrity of budget and tax policy: Study guide. - T.: Economy and finance. 2005.
6. Zhuravleva L.V. Budgetary policy is a method of governmental regulation. M.: Delo LTD, 2001.
7. Finance: Textbook. T.S. Malikov, O.O. Olimzhanov; / - T.: "Economy-Finance" 2019. - 800 p.

## **INTERNET RESOURCES**

1. <https://daryo.uz/2018/05/11/davlat-pensiya-taminoti-tizimini-isloh-etish-konsepsiyasi-pensiya-yoshi-ozgaradimi-yoki>
2. <https://cyberleninka.ru/article/n/milliy-pensiya-ta-minoti-tizimini-isloh-etishning-xorij-tajribasi-kanada-pensiya-tizimi-misolida>
3. <https://kun.uz/news/2021/08/01/pensiya-tizimi-yangi-davrda-nimalar-ozgardi#!>