

Regulatory And Legal Framework For Poverty Reduction In Uzbekistan

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Abstract: This article covers the regulatory and legal framework for poverty reduction in the Republic of Uzbekistan. It analyzes state policy, the social protection system, taxation, labor relations, entrepreneurship support, development programs in rural areas, and regulatory documents that ensure sustainable growth. It also examines mechanisms for creating equal opportunities in society, strengthening social safety nets, and supporting low-income families. The article offers practical suggestions and ways to further improve the legislation, comparing it with international experience.

Keywords: Uzbekistan, poverty, social protection.

Introduction: Uzbekistan conducts its social policy on the basis of loyalty to national and universal values, social equality, social justice and humanism. In this regard, its regulatory and legal framework plays an important role in the legal establishment of this system. In this regard, the laws, resolutions, decrees and other regulatory and legal documents adopted in the field play a significant role, which undoubtedly serve the development of the system on a legal basis. In elucidating the regulatory and legal framework of the poverty reduction system in Uzbekistan, it is necessary to pay attention to the activities and stages of development of socio-political institutions, NGOs and citizens' self-government bodies, which play an important role in building a civil society.

The new reforms that began in 2017 in the new Uzbekistan have opened a new era in the development of social sectors, including the development of science, education, culture, sports, maternal and child health, rehabilitation of the elderly and disabled, care for single pensioners and the elderly, analysis and development of experience gained in partnership with social partner organizations, and served to develop the institutional base of the sector. In particular, the "Strategy of Actions on Five Priority Areas of Development of the Republic of Uzbekistan in 2017-2021", adopted on February 7, 2017, further strengthened the mechanism of social partnership with

civil society institutions and non-governmental non-profit organizations.

The strategy specifically emphasizes the need to further develop the social sphere, radically improve the quality of social protection for the population, increase the provision of high-quality and qualified medical care to the population, increase the responsibility of state bodies in implementing comprehensive measures to develop science and education, and properly organize cooperation with segments of the population. In this regard, consistent reforms have been implemented on a planned basis.

At this stage, the fact that 2017 was designated as the "Year of Dialogue with the People and Human Interests" in Uzbekistan testified to the consistent implementation of social policy. In particular, the Decree of the President of the Republic "On measures to further improve state policy in the field of employment and radically increase the efficiency of labor bodies" and the Decree of the President of the Republic of Uzbekistan "On measures to encourage the expansion of cooperation between large industrial enterprises and production and services based on the development of home-based labor" were adopted.

In particular, in accordance with the Decree of the President of the Republic of Uzbekistan No. PF-5975 dated March 26, 2020 "On measures to radically renew the state policy for economic development and poverty

reduction”, in order to implement an effective macroeconomic policy, ensure stable economic growth rates, and introduce a system for implementing an appropriate state policy for poverty reduction in the country by improving the business environment, the Ministry of Economy and Industry of the Republic of Uzbekistan was reorganized into the Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan. The following tasks were assigned to this ministry in terms of poverty reduction:

- developing, implementing and coordinating strategies and programs to ensure inclusive economic growth and reduce poverty in cooperation with government agencies, non-governmental non-profit organizations, public organizations, as well as international financial institutions and foreign government financial organizations;

- develop specific tools and mechanisms for poverty reduction, develop and implement criteria and assessment methodologies for determining the level of poverty, minimum standards and regulatory frameworks for social security, taking into account foreign experience; – carry out systematic work on implementing measures to achieve national goals and objectives in the field of sustainable development, develop a methodology for calculating the subsistence minimum and minimum consumer basket, and study the income differentiation of the population, and ensure their consistency with state target programs;

, conduct coordinated work on the qualitative development of the labor market and its structure, analysis and improvement of labor migration processes, and distribution of labor resources.

On March 2, 2020, the Decree of the President of Uzbekistan on approving the State Program for the Implementation of the "Year of Science, Education and the Development of the Digital Economy" was adopted. It provides for the identification of vacant land plots not intended for agriculture in areas with well-developed entrepreneurship and dense population within two months, and the development of project documentation for the organization of small industrial zones and their provision with infrastructure.

The document stipulates that 100 billion soums will be allocated from the State Budget to the Directorates for the Management of Small Industrial Zones to provide all the necessary infrastructure to the newly established small industrial zones; Land plots in the newly established small industrial zones will be privatized to entrepreneurs in accordance with the procedure determined by the Cabinet of Ministers, and the funds received from this will be spent by the Directorates for the Management of Small Industrial

Zones on the construction of new small industrial zones.

In each district, a list of residents who have expressed a desire to engage in farming will be formed, and land that has been withdrawn from agricultural turnover will be distributed to applicants and they will be integrated into cooperatives. In this case, these individuals will be provided with benefits stipulated by the legislation and all necessary measures will be taken to return the land to turnover. The Agency for the Development of Small Business under the Ministry of Economy and Industry, the Ministry for the Development of Information Technologies and Communications will announce competitions within two months to create interactive mobile applications that provide services to citizens wishing to start entrepreneurship, those wishing to become self-employed, and businesses, and will establish a system for allocating grants to the best projects. By August 1, 2020,

- development of the methodology and criteria for determining the concept of poverty based on its territorial characteristics;

- implementation of comprehensive measures to develop modern business and entrepreneurship skills among the population, especially among young people and women;

- First of all, introduce effective mechanisms to support entrepreneurial initiatives that will allow solving social problems in the localities;

- it was approved to create conditions to provide business entities with wide opportunities in using financial resources, including microfinancing services and public procurement.

“On further measures to support the population and entrepreneurs during the coronavirus pandemic” dated May 18, 2020, it was determined that all business entities will be exempted from paying property and land taxes until September 1, and the social tax rate will be reduced to 1%. According to it, small business entities; markets and shopping malls; cinemas; public catering establishments; public transport organizations; sports and recreation facilities; legal entities engaged in passenger transportation, household services, rental of indoor spaces, including banquets, as well as small business entities, are exempted from the interest-free deferral (payment in installments) of property and land tax for April-May; penalties and fines calculated on land and property tax for the period from January 1, 2020 to May 15, 2020. Individuals are given the right to choose to pay income tax collected from individuals or pay a fixed amount of tax, which will be reduced by an average of 25 percent from 2020.

On October 20, 2020, the Law of the Republic of Uzbekistan "On Employment of the Population" was adopted. A new edition of the "Labor Code" was also developed. It should be noted that the quality and effectiveness of employment services for the poor and the entire population in general have been improved to a high level based on the "Single Window" principle, and in 2017 274,000 people were served, and by now employment services are provided to 1 million citizens per year. On conclusion of labor contracts between employer and employees, maintenance of electronic labor register "Unified National Labor System" was launched. A new system for training the unemployed population, including youth and women, in modern professional and entrepreneurial skills has been launched. 52 vocational training centers, 555 vocational training facilities, and 28 employment "Monocenters" are operating. It is encouraging that in our country, training has been established based on the recommendations of the international association "World Skills International" and the issuance of certificates recognized by the world community has been introduced. In order to improve the quality of teaching and the qualifications of teachers, 62 specialists from Russia, Turkey, Japan, and Korea have also been involved.

of the President of the Republic of Uzbekistan " On measures to further expand the scope of financial assistance to low-income families and combat poverty" dated August 11, 2021 , aimed at increasing the effectiveness of the support system for families raising children, strengthening the financial support of families in need of social protection and assistance, and introducing generally recognized international standards and automated transparent electronic assessment mechanisms in identifying families in need, thereby developing the benefits payment system and reducing poverty.

In accordance with it, from September 1, 2021: a) instead of the allowance for families with children under 14 years of age and the allowance for raising a child until the child reaches 2 years of age, a child allowance for low-income families (hereinafter referred to as the child allowance) will be introduced. In this case, the age of children taken into account when assigning child allowances will be increased from 14 to 18 years; the payment period will be increased from 6 to 12 months; the procedure for determining its amount based on the number of children in the family will be applied; b) financial assistance will be assigned to single citizens, low-income families with no children or all children over 18 years of age.

Also, according to the Resolution of the President of the Republic of Uzbekistan dated December 3, 2021 "On

measures to organize the activities of assistants of khokims on issues of developing entrepreneurship in the mahalla, ensuring employment of the population and reducing poverty", it was determined that the holders of these positions will primarily work in partnership with successful business entities in the mahalla to provide employment to the unemployed population in the mahalla and help them create a permanent source of income.

UZBEKISTAN " On measures aimed at establishing mutually beneficial cooperation with business entities in poverty reduction", aimed at poverty reduction , with business entities planning to create from 51 to 100 new jobs - by the district (city) khokim and his first deputy for finance, economics and poverty reduction based on the proposals of the assistants of district (city) khokims for entrepreneurship development, employment and poverty reduction (hereinafter referred to as assistants of khokims);

With business entities planning to create from 101 to 200 new jobs - by the Chairman of the Council of Ministers of the Republic of Karakalpakstan, regional and Tashkent city khokims and their first deputies for finance, economics and poverty reduction, based on the proposals of the khokim's assistants;

With businesses planning to create more than 200 new jobs - by the Minister of Poverty Reduction and Employment and the Minister of Economy and Finance, based on the proposal of the Agency for Local Employment and Entrepreneurship Development;

b) It was shown that the drafts of "cooperation agreements" will be subjected to legal examination by the Ministry of Justice and its regional divisions, respectively.

The Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On the Implementation of the Procedure for Calculating the Minimum Consumption Expenses" stipulates that, starting in 2022, the per capita monthly income criterion used in the process of recognizing a family as low-income through the "Unified Register of Social Protection" information system will be equated to the minimum consumption expenses;

The Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan shall calculate the forecast parameters of the minimum consumer spending value based on inflation expectations by August each year;

The Ministry of Finance, together with the Ministry of Economic Development and Poverty Reduction, will take into account the forecast indicators of the value of minimum consumption expenditures when forming the

parameters of the State Budget of the Republic of Uzbekistan for the next year;

The State Statistics Committee shall announce the minimum consumption expenditure and the poverty level in each reporting year, based on the inflation rate, until January 20 of the following year;

It was noted that the Ministry of Economic Development and Poverty Alleviation, the State Statistics Committee, and the Ministry of Finance, involving foreign experts, will review the structure of minimum consumption expenses at least every 5 years, taking into account the development of the republic's economy and changes in the income and expenses of the population.

According to the decision, applying the appropriate coefficients based on the age and composition of the members of each household in the calculation of minimum consumption expenses;

to gradually double the coverage of household observations until 2023;

It is noteworthy that it is planned to develop a program of measures that will implement new tools for poverty reduction.

In accordance with the Decree of the President of the Republic of Uzbekistan No. UF-287 dated December 30, 2022 "On measures to classify the territories of the Republic into categories and introduce a tiered system of entrepreneurship support", 208 cities and districts in the republic are divided into 5 categories, based on their specialization and the existing conditions and potential for small businesses:

1. 26 districts across the republic with comprehensively developed business conditions will be promoted to the highest category.
2. 46 districts with developed infrastructure at the required level are divided into 2 categories.
3. To 76 district categories whose conditions are satisfactory.
4. 40 districts with insufficient attractiveness are in the fourth category.
5. 20 districts with severe conditions will be included in the fifth category.

In particular, the Law of the Republic of Uzbekistan "On the Development of Small and Private Entrepreneurship" has determined the main directions of stimulating this sector of the economy at the state and regional levels. The law defines the following as the powers of local self-government bodies:

- mobilizing all opportunities and forces for microfinancing of private entrepreneurship and family business in the neighborhood and opening a wide path

for investments;

- organization of credit union networks in the regions of our country for the development of family business activities of the residents of the neighborhood;

- expanding the allocation of financial resources from commercial banks' credit lines and off-budget funds for the development of family business;

- Allocating production facilities located in the territories of neighborhoods for family entrepreneurship on a lease basis for organizing handicraft workshops, engaging in folk crafts, and providing various services to the population. Providing methodological and practical assistance to entrepreneurs in marketing and management issues.

- important to achieve that newly established and existing entrepreneurs in the mahalla work in harmony with the mahalla chairmen in carrying out their business activities.

It is necessary to take measures to reduce poverty, to reduce it in areas where its level is high, to remove them from the poverty layer as much as possible. In order to fulfill this task, it is necessary to develop entrepreneurship in each region in order to ensure the sustainable socio-economic development of the regions. In our opinion, in order to eliminate poverty, special attention should be paid to the following measures: - development of economic, organizational, and legal mechanisms for poverty reduction, development of minimum standards and regulatory frameworks for the level of social security of the needy strata based on the research of the experiences of developed foreign countries, and the introduction of the method of determining the level of poverty and its territorial assessment, and establishing a wide use in practice; -to carry out systematic work on developing a methodology for calculating the subsistence minimum and minimum consumer basket and studying the income stratification of the population, and ensuring their consistency with state target programs, based on studying the living standards, living conditions and social status of families through local government bodies in the mahallas; -to develop specific systematic and targeted directions for poverty eradication based on studying the economic opportunities of each of the socially disadvantaged population groups identified in each mahalla; -to take measures to develop self-employment in the regions based on conducting systematic work on qualitatively developing the formation and structure of the labor market, analyzing and improving the processes of internal and external migration of the workforce, and distributing labor resources.

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