



 Research Article

SOCIAL SECURITY REFORMS IN THE NEW UZBEKISTAN: PROBLEMS AND SUGGESTIONS

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ABSTRACT

This article examines pension provision as University of Public Safety independent researcher, one of the most important and urgent functions of each state, and also defines the concept of pension and gives an idea of the importance of pension.

Proposals were also developed on the reforms being carried out in Uzbekistan, including in the pension sector, on the procedure for increasing the size of pensions starting from January 2023.

KEYWORDS

Pension, social security, social protection, Pension fund, accumulative pension system, minimum pension.

INTRODUCTION

In different countries of the world with different demographic situations, namely, a sharp decrease in the birth rate, an increase in the level of poverty, an aggravation of the problem of

unemployment and an increase in the life expectancy of the population, the frequency of pension provision of the population increases proportionally to it.

According to research, the world's population is aging every year. Today there are 1 billion people in the world. an elderly person (60 years and older). more than a person, which is 13% of the total population of the Earth. According to the United Nations, in 2050, 22% of the world's population will be retired, and the average life expectancy of the world's population will reach 76 years.

According to the World Bank, the world's population over the age of 65 was 7.7% of the total population in 1950, 19% in 2019 and is expected to exceed 27% by 2050.

Also , the population of the earth in 1804 was 1 billion man, 2 billion in 1927, today it is 8 billion. According to the analysis of the International Labor Organization, as of January 1, 2022, there are 207 million (6.5%) people unemployed in relation to people of working age in the world.

While the total fertility rate was 4.97 in 1950, by 2020 it had fallen to 2.47. The saddest thing is that only 68% of the elderly population of the Earth has a pension.

From the above very important statistics, it is also clear that today the further improvement of pension provision is one of the most pressing issues facing every state.

In particular, creation of a favorable pension system, further improvement of private and non-state pension systems, retirement age, protection from poverty in old age, improvement of guarantees of decent pension provision for citizens and revision of the pension legislation of

states in accordance with international standards, achievement of priority application of the principles of social justice and legality in pension provision, in different states reforms in such areas are being implemented in different ways, as a search for a scientific, theoretical and practical solution to improve the legal foundations of pension provision.

One of the important tasks of the state is to provide a decent pension to the population. State pensions are monetary payments made at the expense of state financial funds, taking into account the labor and other socially significant useful activities of a citizen in previous periods as the main source of livelihood for him throughout his life or until the restoration of working capacity free of charge, no less than the amounts provided by law.

An important aspect of pension provision is a cash payment, which is provided to citizens in case of loss of health, separation from dependents and reaching a certain length of service and age. This payment in most cases serves as a source of livelihood for citizens precisely during those periods when they need help. Pension-basically provides an opportunity to protect from helplessness in old age, not to need someone for disability, to provide material security when separated from the breadwinner.

Therefore, pension provision can be considered as a complex structure - a pension system. The pension system consists of a set of legal, economic and organizational institutions and norms

created by the state aimed at providing material assistance to citizens.

The structural elements of the system under consideration are: financing; management; types of pensions and legality.

Pension provision was introduced in different ways in different states, and while pensions in most states are set by the state for the minimum purchases of citizens for living, the rest is compensated through non-state pension funds, depending on their work experience.

Article 39 of the Constitution of the Republic of Uzbekistan also states that the amount of pensions, allowances, and other types of social assistance may not be less than the officially established subsistence minimum[1].

As it is known, for the first time in the history of Uzbekistan, the issue of poverty was highlighted on January 24, 2020 in the Message of the President of the Republic of Uzbekistan to the Oliy Majlis, and it was noted that this topic is one of the main priorities of social and economic policy[2].

Based on this, since June 2021, the republic has developed rules for calculating minimum consumer expenses, and based on the monitoring and calculations carried out, it was announced that the minimum consumer expenses amount to 440 thousand soums, and it was established that this amount will be reviewed in stages. To date, the minimum amount of consumer spending in the republic is set at 498 thousand soums per month. Thus, with this in mind, the minimum

amount of state pensions should not be less than 498 thousand soums.

Evidence of this can also be seen below. Article 29 of the Law on State Pension Provision of Citizens establishes the procedure for calculating pensions in case of incomplete work experience of a citizen. If a citizen has less than the length of service required by law, he is assigned an old-age pension in the amount of at least 50 percent of the minimum old-age pension. If you look at the figures, today the minimum age pension is 633 thousand soums, and 50% of them are 316,500 soums. This means that if a citizen has incomplete seniority, he can be assigned a pension in the amount of 316.5 thousand.

But taking into account the fact that the minimum amount of consumer spending is set at 458,000 soums, by Decree of the President of the Republic of Uzbekistan dated April 29, 2022 No. PF-128 "on additional measures for material support of socially unprotected segments of the population", the minimum age pension for incomplete work experience is set taking into account the surcharge. installed at 500,000 soums per month. It will not be an exaggeration that in recent years the country has undergone drastic changes, including one of the targeted reforms aimed at further improving the standard of living of pensioners.

President of the Republic of Uzbekistan Sh. Mirziyoyev, noted, "support for people with disabilities, people who have lost a breadwinner, lonely elderly people, in general, those who need support, will certainly be our priority. In the

coming year, a lot of work needs to be done to create a more favorable environment for entrepreneurship, business, create new jobs, increase household incomes, and improve pension provision”.

Indeed, the ongoing reforms in the pension sector are considered very important, since pensioners make up almost 12% of the population of the republic.

In particular, the Decree of the President of the Republic of Uzbekistan dated January 28, 2022 No. 60 “on the new development strategy of Uzbekistan for 2022-2026” states that from January 1, 2023, the maximum salary for pension accrual will be increased from 10 to 12 times compared to the basic amount of pension accrual. Based on this, which pensioner has an average salary received for pension accrual from January 1 exceeds the basic pension accrual amount by 10 times, the amount of pensions of these citizens are subject to recalculation.

Also, from 1 January 2023, the pension for disabled people of groups I and II is recalculated every 2 years, based on the length of service of at least 1 year and the amount of salary after the appointment of the pension.

It is known that a similar procedure of the law on state pensions of the former Union of 1956 13, 33, 34, 101, 125- it is also provided in the articles. Only he could recalculate all types of pensions every 2 years, based on the length of service of at least one year and the amount of salary after the appointment of a pension by law.

In conclusion, from 1 January 2023, the size of pensions for disabled people of groups I and II will be reviewed if they have continued their work after retiring on disability. The pension amount increases if the pension amount exceeds the current amount. If the increase in seniority is not profitable, the pension amount is left unchanged.

In article 37 of the Law of the Republic of Uzbekistan "On state pension provision of citizens". The types of work activity that are counted in the work experience are determined. This article states that the time worked after the appointment of an old-age pension is not counted in the length of service for pension accrual.

Proposal: it is known that there are no calculations on pension social taxes and contributions paid by citizens from their work after the appointment of a pension. With this in mind, in order to stimulate the labor activity of citizens, it is advisable to recalculate the pensions of persons who continued their work after retirement by age.

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