

## CAUSES, CONSEQUENCES AND WAYS TO REDUCE POVERTY IN UZBEKISTAN

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**Annotation:** *This article examines the causes and factors of poverty in Uzbekistan and explores effective ways to reduce it. Poverty remains one of the most pressing socio-economic issues that hinders sustainable development and social stability. The study identifies key reasons such as unemployment, low income levels, limited access to quality education and healthcare, and regional inequality between urban and rural areas. In addition, the paper discusses the influence of global economic changes and migration on poverty levels. The article emphasizes that solving poverty requires comprehensive state policies, the creation of new jobs, the development of entrepreneurship, and the implementation of social protection programs. Finally, it highlights the importance of education and innovation as the main drivers for improving the welfare of the population and ensuring inclusive economic growth in Uzbekistan.*

Poverty is a complex phenomenon that leaves a deep mark on the socio-economic life of society. It not only affects people's material conditions but also limits their access to education, healthcare, and social protection systems. The existence of poverty negatively influences the country's economic stability, social justice, and overall quality of life. In Uzbekistan, combating poverty has become one of the main priorities of state policy since independence. In recent years, a number of reforms have been implemented to enhance social support, increase employment, develop entrepreneurship, and strengthen human capital. This article analyzes the main causes and factors of poverty in Uzbekistan and proposes effective ways to reduce it. Through this, attention is given to ensuring sustainable economic growth and improving the welfare of the population.

In Uzbekistan, the formation of poverty is influenced by multiple interrelated factors, including economic, social, regional, demographic, and external causes. The main economic reasons for poverty include a high unemployment rate, insufficiently developed labor markets, low wages, and limited industrial production. In rural areas, where a large portion of the population depends on agriculture, income levels are unstable and often seasonal. As a result, many families lack a permanent and sustainable source of income. Low financial literacy, limited access to investment opportunities, and insufficient development of entrepreneurship also contribute to the persistence of poverty among certain groups of the population.

Social factors further deepen poverty. A significant part of the population has limited access to quality education, which reduces their competitiveness in the labor market. The lack of vocational and professional skills, as well as a low level of technological literacy, forces many young people to work in low-paid or informal jobs. Moreover, problems in the healthcare system, the limited availability of medical services, and the underdeveloped infrastructure in rural regions negatively affect people's well-being and contribute to poverty.

Regional disparities also play a major role. A large share of Uzbekistan's population lives in rural areas, where infrastructure, transportation, communication, and industrial networks are still underdeveloped. The economic gap between urban and rural territories continues to grow, leading to social inequality and uneven regional development. In some provinces, investment opportunities are limited, and the local economy depends heavily on agriculture, which makes the population more vulnerable to external shocks such as droughts and market fluctuations.

External factors have a direct impact on poverty as well. Global economic crises, pandemics, energy price fluctuations, and unstable migration processes all influence Uzbekistan's economy. A significant part of household income comes from remittances sent by migrant workers abroad; when these remittances decline, the poverty level inside the country rises. Therefore, maintaining external economic balance and diversifying domestic production are essential for poverty reduction.

To effectively reduce poverty, a comprehensive approach by the state is needed. First of all, ensuring stable employment and promoting the development of small business and entrepreneurship are of crucial importance. Expanding access to credit and grant programs for youth and women, modernizing the vocational education system, and providing skill development programs will help create a more competitive workforce. Strengthening the social protection system, increasing support for low-income families, and improving access to public services are also necessary measures.

In addition, it is vital to improve rural infrastructure by expanding access to clean water, roads, electricity, and digital technologies. Creating new workplaces through technological innovation and introducing modern agricultural methods will stimulate local economies. The development of a "green economy," the use of renewable energy sources, and the promotion of environmentally sustainable production can also play an important role in reducing poverty. Cooperation between the government, the private sector, and international organizations will ensure the long-term success of these efforts.

The fight against poverty should not be limited only to economic reforms. It must also include ensuring social justice, improving access to quality education and healthcare, increasing legal awareness among citizens, and encouraging innovation.

Investing in human capital remains the most effective and sustainable way to reduce poverty. Through consistent reforms and targeted policies, Uzbekistan can strengthen economic stability, improve the standard of living, and gradually eliminate poverty in the coming years.

In Uzbekistan, government policies and ongoing reforms play a crucial role in combating poverty. In recent years, several nationwide programs such as “Poverty Reduction Program,” “Every Family – an Entrepreneur,” “Youth Notebook,” and “Women’s Notebook” have been implemented to increase the social and economic activity of the population. As a result of these initiatives, thousands of citizens have been able to start their own businesses, learn new professions, and secure stable sources of income. These programs represent one of the most effective ways to reduce poverty by promoting economic independence among the population.

Furthermore, international cooperation also plays an important role in poverty reduction efforts in Uzbekistan. In collaboration with international organizations such as the World Bank, the Asian Development Bank, and the United Nations Development Programme (UNDP), a number of projects have been launched to improve employment, enhance the quality of education, and develop social infrastructure. Within the framework of the “National Strategy for Poverty Reduction,” efforts are being made to expand economic opportunities in the regions, provide subsidies and benefits to low-income families, and financially support youth start-ups.

In addition, the introduction of digital technologies, the development of e-government systems, and the promotion of transparency in economic processes are essential tools in the fight against poverty. Through the use of information technologies, it is possible to improve the efficiency of social assistance mechanisms, ensure fair distribution of resources, and simplify the identification of vulnerable segments of the population.

Moreover, adapting the education system to modern requirements and developing entrepreneurial and innovative thinking among young people are critical steps. Education is the key to overcoming poverty, as it expands income opportunities by improving people’s knowledge and skills. Therefore, the development of quality education, vocational training centers, and professional development programs should remain one of the top priorities of Uzbekistan’s state policy.

The effectiveness of poverty reduction depends not only on government initiatives but also on civic engagement, community solidarity, and the participation of non-governmental organizations. If every citizen contributes to the development of society through their work, knowledge, and creativity, the national goals of reducing poverty can be achieved more quickly and effectively.

The causes of poverty in Uzbekistan and foreign countries have both similarities and differences depending on the level of economic development, availability of

natural resources, state policies, and the structure of society. In Uzbekistan, the main causes of poverty include unemployment, the lack of skilled jobs in the labor market, low productivity in certain sectors, excessive dependence on agriculture, weak infrastructure, and low financial literacy among the population. These problems are typical of developing countries, where structural issues in the economy keep poverty rates relatively high.

In developed countries, however, the causes of poverty are more complex and are often associated with social inequality, disparities in education and healthcare, migration, demographic changes, and the impact of technological progress that has displaced certain groups from the labor market. For instance, in the United States and European countries, poverty is largely driven by unequal income distribution, social stratification, and the rising cost of living. Additionally, some people are unable to fully benefit from social protection systems or lack the skills required by modern economies, which leads to their economic marginalization.

In some less-developed African and Asian countries, the causes of poverty are even more severe and are mainly linked to political instability, corruption, natural disasters, and weak education and healthcare systems. For example, in sub-Saharan Africa, poverty is often connected with food shortages and internal conflicts.

From this perspective, the causes of poverty in Uzbekistan are mainly explained by transitional economic characteristics and the inefficient allocation of labor resources. In contrast, in developed countries, poverty is more related to social inequality and the effects of global technological changes.

However, in general, the root cause of poverty in both cases lies in the unequal distribution of economic opportunities and the limited access to education and labor markets. Therefore, comparing Uzbekistan's and foreign countries' experiences shows that achieving effective results in the fight against poverty requires not only economic growth but also a strong focus on social justice and investment in human capital.

| <b>Kuchli tomonlar</b>                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Zaif tomonlar</b>                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• The government's strong commitment to reducing poverty through social and economic reforms</li> <li>• Active implementation of employment and entrepreneurship programs, especially for youth and women</li> <li>• Availability of natural and human resources that can support sustainable development</li> <li>• Ongoing digitalization and modernization efforts in public services and education</li> </ul> | <ul style="list-style-type: none"> <li>• High unemployment and underemployment rates, especially in rural areas</li> <li>• Limited diversification of economy and heavy dependence on agriculture</li> <li>• Some tendency to quality education and modern training</li> <li>• Low financial literacy and limited access to credit resources</li> <li>• Inefficient social protection mechanisms and bureaucracy in aid</li> </ul>             |
| <b>Imkoniyatlar</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Xavf-xatarlar</b>                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <ul style="list-style-type: none"> <li>• Development of small and medium-sized enterprises (SMEs) to create</li> <li>• new jobs, opportunities and markets</li> <li>• Attraction of foreign investment and technological innovation to modernize programs</li> <li>• Strengthening of women's and youth schemes</li> <li>• International cooperation with organizations such as multilateral</li> </ul>                                                  | <ul style="list-style-type: none"> <li>• Global economic instability and inflation affecting household incomes</li> <li>• Climate change and environmental degradation</li> <li>• Impacts of demographic transition - 'brain drain'</li> <li>• Unequal regional development creating disparities in living standards</li> <li>• Possible slowdown in economic implementation</li> <li>• Possible negative impact on the environment</li> </ul> |

## Explanation of the SWOT Analysis on Poverty in Uzbekistan

### Strengths

Uzbekistan demonstrates strong government commitment to reducing poverty through social and economic reforms. There are various employment and entrepreneurship programs, especially aimed at youth and women, which help create new job opportunities. The country also benefits from the availability of natural and human resources that support sustainable development. In addition, digitalization and modernization in public services and education systems are helping to improve living conditions and access to information.

### Weaknesses

Despite progress, Uzbekistan faces high unemployment and underemployment, particularly in rural areas. The economy remains insufficiently diversified and still heavily depends on agriculture. Many people have limited access to quality education, financial literacy, and credit resources. Moreover, social protection mechanisms are sometimes inefficient, and bureaucratic barriers can delay the delivery of aid and reforms.

### Opportunities

Uzbekistan has many opportunities to reduce poverty further. These include the development of small and medium-sized enterprises (SMEs) to create more jobs, attract foreign investment and technological innovation, and modernize industries. The strengthening of women's and youth participation in the economy also creates new potential for growth. Moreover, international cooperation with global organizations can bring in new knowledge, resources, and financial support for poverty reduction programs.

### Threats

Several external threats could slow progress. Global economic instability and inflation reduce household purchasing power. Climate change and environmental degradation pose risks to agriculture and water resources. Additionally, the migration of skilled workers ("brain drain") and unequal regional development create disparities in living standards. Finally, possible slowdowns in economic growth and delays in reform implementation could threaten poverty reduction achievements.

### Ways to Reduce the Level of Poverty

Today, reducing poverty is one of the most important socio-economic goals of every country. In Uzbekistan, several reforms are being implemented to lower the poverty rate. To accelerate this process and increase its effectiveness, it is necessary to strengthen actions in the following key areas.

First, developing a quality education system is one of the most effective tools in reducing poverty. Providing every young person with access to modern education and vocational training will increase their competitiveness in the labor market. At the same

time, promoting digital skills, foreign languages, and practical professions can expand employment opportunities and improve living standards.

Second, it is important to create new jobs and support small businesses. Small and medium-sized enterprises (SMEs) are the backbone of the economy. Supporting their growth helps generate new jobs and raise incomes. In particular, developing industry and modernizing agriculture in rural areas play a crucial role in reducing poverty.

Third, improving the social protection system is essential. Providing targeted assistance to low-income families, digitizing the welfare system, and ensuring transparency in the distribution of benefits can effectively support the most vulnerable groups of the population.

Fourth, increasing the economic participation of women and youth is vital in combating poverty. Providing women with microloans and grants, developing youth startups, and involving them in entrepreneurship help them gain independent sources of income and financial stability.

Fifth, developing rural infrastructure contributes significantly to poverty reduction. Improving roads, drinking water supply, electricity, and internet access in rural areas will raise the quality of life and create more economic opportunities for residents.

In addition, attracting foreign investment, expanding cooperation with international organizations, and ensuring environmental sustainability are also important in the fight against poverty.

In conclusion, reducing poverty requires a balance between education, employment, social protection, and economic opportunities. Through joint efforts of government policies, civic engagement, and international cooperation, Uzbekistan can achieve a significant decrease in the level of poverty.

## **CONCLUSION**

In conclusion, the factors influencing poverty in Uzbekistan are diverse and complex. The main causes include a lack of sufficient job opportunities, low levels of education and professional skills, unequal access to economic resources, and underdeveloped infrastructure in certain regions. In addition, labor migration, inflation, and weaknesses in the social protection system also contribute to the persistence of poverty levels.

The ongoing economic reforms, employment programs, and social support measures implemented by the government are helping to gradually reduce poverty. However, in order to achieve a sustainable reduction in poverty, it is necessary to continue deep reforms in education, healthcare, the digital economy, and environmental sustainability.

Overall, in the fight against poverty, not only government policy but also citizens' active participation, entrepreneurial initiatives, and international cooperation play a

vital role. Such a comprehensive approach will ensure a steady and long-term decrease in the level of poverty in Uzbekistan.

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