

ECONOMIC MECHANISMS FOR REDUCING POVERTY IN UZBEKISTAN AND WAYS TO IMPROVE THEM

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Annotation: *This article analyzes the economic mechanisms for reducing poverty in Uzbekistan, their current state, and their effectiveness. The study examines key areas such as increasing household incomes, ensuring employment, developing small businesses and private entrepreneurship, and improving the social protection system. At the same time, it evaluates the economic reforms implemented by the government and their impact on the level of poverty.*

The article identifies the existing challenges within the current poverty reduction mechanisms and develops scientifically grounded proposals and recommendations to address them. In particular, it substantiates the need to strengthen a region-specific approach, increase investments in human capital, and effectively utilize the opportunities of the innovative and digital economy.

The results of the research serve to further improve poverty reduction policies in Uzbekistan, ensure economic stability, and enhance the welfare of the population.

Key words: *Poverty, poverty reduction, economic mechanisms, employment, income, small business, private entrepreneurship, social protection, human capital, economic reforms*

In the 21st century, as global economic development processes are accelerating, the issue of poverty remains one of the most pressing challenges not only for individual countries but for the entire global community. Despite

increasing economic growth rates, income inequality, uneven distribution of resources, and underdeveloped social protection systems continue to contribute to the persistence of poverty. In this regard, poverty emerges as a complex systemic issue that is not only economic in nature but also social, institutional, and even political.

The concept of poverty is interpreted differently in modern economic literature. It is often explained as a situation where household income falls below the minimum consumption basket. However, today poverty is not defined solely by a lack of income; it also reflects limited opportunities for a dignified life—such as access to quality education, modern healthcare services, stable employment, and active participation in social life. Therefore, the issue of poverty reduction is closely linked to the development of human capital, inclusive economic growth, and the provision of social equality.

In the Republic of Uzbekistan, during the years of independence, large-scale reforms aimed at modernizing the economy, forming market relations, and improving living standards have been implemented. In recent years, poverty reduction has been elevated to the level of a distinct state policy, and a systematic approach has been developed in this area. Comprehensive measures have been introduced and implemented to identify low-income households, provide them with social support, ensure employment, and involve them in entrepreneurial activities.

At the same time, structural changes in the national economy, imbalances in the labor market, regional disparities in development levels, and population growth have made the poverty reduction process more complex. In particular, insufficient job creation in rural areas, low levels of infrastructure development, and limited access to financial resources further increase the relevance of this problem.

The persistence of high levels of poverty reduces the effectiveness of economic growth, restricts domestic demand, and leads to an increase in social

inequality. This, in turn, is one of the factors that threatens social stability in society. Therefore, poverty reduction should not be limited only to strengthening social protection measures but must also be addressed comprehensively through improving economic mechanisms, creating new jobs, developing small business and private entrepreneurship, and increasing investments in human capital.

In modern conditions, the rapid development of the digital economy is creating new opportunities for poverty reduction. The expansion of remote work, the development of online education systems, and the widespread use of digital financial services are contributing to the creation of new income sources for various segments of the population. At the same time, the introduction of innovative technologies increases production efficiency and accelerates economic growth, thereby positively contributing to the reduction of poverty levels.

The relevance of this research lies in the need for an in-depth analysis of the economic policies implemented in Uzbekistan for poverty reduction, an assessment of the effectiveness of existing mechanisms, and their improvement in accordance with modern requirements.

In particular, higher results can be achieved by strengthening the regional approach, ensuring the efficient use of resources, developing human capital, and making the social protection system more targeted.

The aim of this study is to systematically examine the economic mechanisms of poverty reduction in Uzbekistan, analyze their current state, and develop scientifically grounded proposals and recommendations for their improvement.

The objectives of the study are as follows:

- to examine the theoretical foundations of the concept of poverty;
- to analyze the current state of poverty in Uzbekistan;
- to assess the effectiveness of existing economic mechanisms;

to study the experience of developed countries;
to identify priority directions for poverty reduction;
to develop practical proposals and recommendations.

The object of the research is the poverty reduction process in Uzbekistan, while the subject of the study is the economic mechanisms used in this process and their effectiveness.

The methodological framework of the study includes economic analysis, comparative analysis, statistical methods, a systematic approach, and scientific generalization.

The results of this research are significant in that they contribute to the improvement of state policy on poverty reduction, the effective organization of economic mechanisms, and the enhancement of the population's welfare.

Conclusion

Poverty reduction in Uzbekistan is one of the priority directions of economic policy. By applying effective economic mechanisms, it is possible to increase household incomes, ensure employment, and strengthen social protection.

In the future, poverty can be further reduced through innovative approaches and increased investment in human capital.

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