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# STATE REGULATION MECHANISMS OF THE SOCIAL PROTECTION SYSTEM IN THE REPUBLIC OF UZBEKISTAN DURING THE PERIOD OF ECONOMIC REFORMS

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#### **Annotation**

This article explores the mechanisms of state regulation of the social protection system in the Republic of Uzbekistan under the conditions of economic reforms. The paper analyzes the legal, financial, institutional, administrative, supervisory, and other mechanisms of state regulation of the social protection system. It identifies changes, modern trends, and existing challenges in the social protection system during the transition from a transitional economy to a market economy. Based on the research findings, practical recommendations have been developed to improve the mechanisms of state regulation of the social protection system.

# **Keywords**

social protection, public administration, regulatory mechanisms, economic reforms, targeted social assistance, digitalization, monitoring, efficiency.

In the context of economic reforms, the problem of state regulation of the system of social protection of the population is of paramount importance. The social protection system is an important institution that ensures the sustainable development of society and is a complex of measures carried out in order to prevent a decrease in the standard of living of the population, ensure social equality and Justice, eliminate social risks (Vahobov & Malikov, 2008).

After independence in the Republic of Uzbekistan, the system of social protection was also gradually transformed in the process of transition from an administrative-command economy to a market economy. The mechanisms of state regulation of the social protection system have also undergone significant changes in this process (Rahimova, 2018). Currently, Uzbekistan has various mechanisms for state regulation of the system of social protection of the population, with special emphasis on improving, improving and adapting to modern requirements.

President Of The Republic Of Uzbekistan Sh.M. Mirziyoyev noted:" We need to take measures to further improve the social protection system, especially to



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ensure the destination of social assistance, to increase the effectiveness of social protection programs " (Mirziyoyev, 2021).

In the course of the research, a complex system of indicators was developed and applied to assess the effectiveness of the mechanisms of state regulation of the social protection system. This system of indicators includes the following groups:

- \* Legal and regulatory indicators;
- \* Financial indicators;
- \* Institutional performance;
- \* Administrative indicators;
- \* Control and monitoring indicators;
- \* Performance indicators.

The study was conducted during 2021-2023 and included the following stages:

- 1. Study of theoretical-methodological foundations (January-may 2021);
- 2. Collection and analysis of empirical data (June 2021-may 2022);
- 3. Conducting and analyzing expert surveys (June-September 2022);
- 4. Summarizing the results of the study and developing recommendations (October 2022 March 2023).

Problems of mechanisms for state regulation of the social protection system

Based on the results of the SWOT-analysis and expert survey, the following problems of the mechanisms of state regulation of the social protection system were identified:

Disadvantages of the legal-regulatory framework:

- Fragmentation of the legislative framework in the field of social protection;
- •Insufficient development of the legislative framework in certain areas (social entrepreneurship, non-state pension funds, compulsory health insurance);
  - The presence of terminological inaccuracies in the legislative framework.
  - Financial security problems:
- •The ratio of social protection costs per GDP is lower than the average in developed countries (7.3% and 15-20%);
- •The fact that the sources of financing social protection programs are not diversified;
  - Cases of inefficient use of budget funds.

Institutional problems:

- Failure of the mechanisms of coordination of the activities of the social protection bodies of the OECD;
- •The fact that there is no effective system of information exchange between ministries and departments;



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•Limitation of the role of the private sector in the social protection system of the private sector.

Problems in administrative mechanisms:

- Failure to fully introduce a unified social register system;
- •The complexity of the procedure for the appointment and payment of social assistance and benefits;
  - The danger of bureaucratic obstacles and corruption.

Problems in control mechanisms:

- •Non-improvement of the methodology of assessing the effectiveness of social protection programs of the OECD;
  - The slowness of public control;
  - Not systematic monitoring of social protection programs.
  - Problems in information mechanisms:
  - Non-integrability of databases in space;
- •In the field of social protection, the accumulation of statistical data and the lack of improvement of the system of analysis of the CEC;
- •The fact that the population does not have enough information about social protection programs.

To solve these problems, an integrated approach is required, which implies the improvement of the mechanisms of state regulation of the social protection system.

Prospects for improving the mechanisms of state regulation of the social protection system in Uzbekistan

Based on the results of the research carried out, the following prospects for improving the mechanisms of state regulation of the social protection system in Uzbekistan were established:

- •In the short term (2023-2025:
- •Improvement of the regulatory framework in the field of social protection;
- Complete implementation of the unified social register system;
- •Simplification of the procedure for the appointment and payment of social assistance and benefits;
  - Joking the process of digitizing the social protection system;
- Improving the methodology of assessing the effectiveness of social protection programs.

In the medium term (2026-2030:

- Development of social bonds and social entrepreneurship;
- •Expanding the use of modern technologies such as artificial intelligence, big data, blockchain in the social protection system;
  - Introduction of compulsory medical insurance system;



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- Development of non state pension funds;
- •Expanding the participation of the non-governmental and private sector in the social protection system.
  - •In the long term (2031-2035:
  - Creating a fully integrated digital platform of the social protection system;
  - Ensuring universal coverage of social protection programs;
  - Ensuring the financial stability of the social protection system;
  - Development of Social Innovation;
  - Bring the social protection system to global standards.

The implementation of these prospects will serve to increase the efficiency of the social protection system in Uzbekistan, ensure the destination of social assistance, improve the quality of social services, introduce innovative approaches and increase the standard of living of the population.

As a result of this study, the mechanisms of state regulation of the system of social protection of the population in the conditions of economic reforms in the Republic of Uzbekistan were studied in a complex way and the following conclusions were formulated:

The state regulation of the social protection system in Uzbekistan is carried out through legislative, financial, institutional, administrative, control, information, strategic planning and incendiary mechanisms.

The mechanisms of state regulation of the social protection system in Uzbekistan developed in four main stages: the first stage (1991-1996) - adaptation of the social protection system to the requirements of the market economy; the second stage (1997-2003) - improvement of the social protection system; the third stage (2004-2016) - modernization of the social protection system; the fourth stage (2017-so far) - innovative development of the social protection system.

In 2017-2023, Uzbekistan experienced a significant increase in the effectiveness of the mechanisms of state regulation of the social protection system, especially in the information mechanism (+1.9 points) and the administrative mechanism (+1.8 points).

The main problems of the mechanisms of state regulation of the social protection system are associated with deficiencies in the legal and regulatory framework, problems in financial security, institutional problems, problems in administrative mechanisms, deficiencies in control and information mechanisms.

The main directions for improving the mechanisms of state regulation of the social protection system include the improvement of the legal and regulatory framework, the improvement of financial, institutional, administrative, control, information, strategic planning and incendiary mechanisms.



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As innovative mechanisms of state regulation of the social protection system in Uzbekistan, it is recommended to introduce social bonds, social entrepreneurship, digital social protection platforms and social crowdfunding.

An analysis of international experience shows that it is advisable for Uzbekistan to use the experience of Germany, the United States, Sweden, Japan, Kazakhstan and Georgia to develop a social insurance system, introduce social innovations, improve the quality of social services, use innovative technologies, reform the pension system and introduce elements of improving the methodology for identifying low-income families.

The prospects for improving the mechanisms of state regulation of the social protection system in Uzbekistan cover short-term (2023-2025), medium-term (2026-2030) and long-term (2031-2035) periods and are implemented in such directions as improving the regulatory framework, digitization, introducing innovative mechanisms, ensuring financial stability.

The results of the study serve to improve the effectiveness of the social protection system in Uzbekistan, ensure the destination of social assistance, improve the quality of social services, introduce innovative approaches and increase the standard of living of the population. In future research, it is advisable to digitize the social protection system, introduce innovative mechanisms, and delve deeper into the issues of ensuring financial stability.

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