



EXPANDING THE FINANCIAL OPPORTUNITIES OF THE POPULATION THROUGH THE SOCIAL INSURANCE SYSTEM

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ABSTRACT

The article studies the financial analysis of the directions of financing the population in need of social protection through the social insurance system. The results of economic and statistical analyses of each type of social insurance, the application of pensions and benefits, and the targeted and targeted delivery of software for their payment are studied. The growth in the number of social benefit recipients in our country and the amount of material assistance provided to low-income families, as well as their financial sources are cited. The implementation of the social insurance system necessarily requires a certain level of financial resources. Therefore, social funds are an integral part of any economic mechanism. As is known, in order to protect the most vulnerable segments of the population, there is a need for a certain redistribution of income.

KEYWORDS

Social insurance, pensions and benefits, social benefits, financial assistance to low-income families, compulsory health insurance, unemployment benefit, one-time benefits, types of social services, social protection system.

Introduction

Today, extensive research is being conducted in the world to effectively organize the financing of the social protection system of the population based on the harmonization of various models of the social insurance system. In particular, the further development of voluntary and compulsory medical insurance, taking into account the possibilities and limitations and effectiveness of its impact, improving the procedure for assigning unemployment benefits based on ensuring the living standards of the population, increasing the stability of the pension system based on the transition to multi-level pension provision, coordinating the activities of pension and social funds, further improving the social protection system of the population taking into account the maximum provision of social guarantees, strengthening the insurance mechanism for financing pension programs based on the implementation of best practices, and ensuring the stability of their financial activities through the introduction of new financial sources and effective mechanisms are important research areas.

In recent years, Uzbekistan has paid special attention to the development of the social protection and social insurance system of the population. In this regard, important measures are being developed, such as "revising the procedure for assigning and paying pensions and benefits, radically reforming the pension system", "developing all organizational measures for the adoption of laws on compulsory medical insurance and their implementation", and developing the law "On Social Insurance". In scientific research, it is of urgent importance to expand the scope of scientific research in such areas as strengthening the social protection of pregnant women and women in childcare through the social insurance system, improving financial relations for the social protection of people with disabilities and temporarily incapacitated for work, and introducing a state medical insurance system, and to conduct in-depth scientific research into existing theoretical and practical problems in the social insurance system.

The fourth direction of the development strategy, "Implementing a fair social policy, developing human capital," approved by the Decree of the President of the Republic of Uzbekistan "On the Development Strategy of New Uzbekistan for 2022-2026," sets out "54 goals dedicated to improving the pension system, with the task of ensuring that citizens' pensions consistently increase in line with the country's economic indicators"[8]. The pension system is an important lever in the social protection of the population of each country. This mainly refers to the material provision of pensions to persons who have paid pension contributions within the established periods, who have completely or temporarily lost their working capacity, and who have lost their breadwinners, i.e. pensions are one of the most important social guarantees of the state for certain categories of persons.

"All countries in the world are going through different stages of formation and development of social insurance systems for social protection of their population"[9], however, while the requirements for the development of this system are the same, they differ in the degree of their emerging problems and approaches to their solution. The social insurance system remains an integral part of the social policy of these countries. "The development of the social insurance system provides targeted protection mechanisms for the population of the country and, on this basis, serves to ensure socio-economic and financial stability, and ensures social harmony and solidarity among society"[10]. In the current rapidly developing world, social insurance systems are operating, differing from each other in their components and various types of financing.

Several social funds operate in our country to provide financial support to the population in need of social protection. In particular, the cost of financing social programs has increased by 2 times compared to GDP, the coverage of low-income families receiving benefits has increased by 5 times, and new types of benefits have been introduced for people with disabilities and those caring for children with disabilities.

In recent years, a number of positive changes have been implemented in the social insurance system in our country. The pandemic that has begun in the world has shown the need to further improve the social insurance system. The social protection system of Uzbekistan includes many key features related to international social security standards: including; elements of social assistance and social insurance. One of the most optimal ways to provide social assistance to the population is the social insurance system. In our country, the level of coverage of the population through the social insurance system is 44 percent, and various social assistance (through social benefits) is provided to the population.

In order to identify low-income families and provide them with targeted assistance throughout the republic, the "Unified Register of Social Protection" information system was introduced. The number

of families receiving pensions has increased fourfold over the past three years, reaching 1.9 million. The scope of benefits paid for child care in low-income families has been expanded, and the age of children taken into account in determining benefits has been set at 14 to 18 years. The payment period has been increased from 6 to 12 months, and the amount of benefits has been increased by an average of 1.5 times. The minimum amounts of unemployment benefits have been increased by 3.2 times, and more than 20 new instruments aimed at ensuring employment of the population have been introduced. From the data presented below, we can see that the largest number of families in our republic is in Fergana region (1,124,208 people), and the smallest number of families is in Syrdarya region (237,352 people). In general, we can see that the average number of families in our republic is 694,997 people. Of these, Fergana region (592,188 people) is also leading in terms of the number of families under the age of 18, and we can see that the lowest indicator in terms of the number of families under the age of 18 is in Syrdarya region (102,688 people).

In 2024, 18.6 trillion soums are planned for total social protection expenditures (in the form of pensions, material assistance, funeral payments, maternity benefits and other compensation payments), of which 10.3 trillion soums will be allocated to child benefit payments to low-income families.

Table 1 Number of people in need of social protection in the republic (2024)*

District (city) name	of which: number of families with children under 18 years old		Number of families with many children (4 children or more)		Number of single-parent families (families without a father or mother)		Number of families with people with disabilities	
	total	in rural areas	total	in rural areas	total	in rural areas	total	in rural areas
Total by republic	4 718 680	2 631 349	546 723	367 462	211 354	109 115	444 256	243 405
Q.Q Respublikasi	238 632	111 989	23 304	12 515	10 720	5 083	28 479	13 802
Andijon	361 949	242 999	36 523	27 023	14 744	8 297	35 605	22 767
Buxoro	298 373	215 002	20 762	15 962	10 931	7 042	34 692	23 425
Jizzax	136 316	76 543	22 419	12 855	9 214	4 260	13 089	6 829
Qashqadaryo	429 014	312 459	91 681	68 234	20 189	14 115	35 852	24 452
Navoiy	157 680	86 094	5 721	3 867	6 771	3 527	22 516	14 111
Namangan	402 882	182 228	39 464	19 884	16 686	6 673	41 288	19 948
Samarqand	527 511	364 067	82 044	64 866	23 273	17 508	42 448	29 107
Surxondaryo	376 309	229 345	65 052	42 594	17 710	10 754	32 325	21 116
Sirdaryo	102 688	64 101	16 642	11 516	7 341	4 229	17 313	9 930
Toshkent	377 023	194 188	24 651	15 632	17 485	8 445	36 381	17 116
Farg'ona	592 188	319 835	75 337	51 240	24 424	12 107	41 970	22 709
Xorazm	325 628	232 499	25 908	21 274	11 316	7 075	27 137	18 093
Toshkent sh.	392 487	0	17 215	0	20 549	0	35 161	0

* Compiled by the author based on data from the Off-Budget Pension Fund under the Ministry of Economy and Finance of the Republic of Uzbekistan.

Old-age benefits provided through the social insurance system cover about 38 percent of the population and 85 percent of those over 65. The coverage rate of poor families with financial assistance is 29 percent. According to our research, one in three people considered poor receives some kind of social assistance.

In order to cover additional costs in the healthcare system and combat the growth of unemployment, the government is developing a number of social protection measures, including tax incentives for small and micro-enterprises, and state programs such as refunds of social tax amounts when employing citizens in need of social protection. The social protection system was mainly focused on providing social insurance, pensions, and benefits to low-income families to a certain extent. Thus, less attention was paid to labor market interventions, including unemployment benefits, skills and temporary work. The ongoing structural reforms, in particular, the restructuring of state-owned enterprises, require additional resources to train and retrain these newly unemployed. The fact that social security remains inaccessible to the majority of the population is a matter of great concern. Approximately 50 percent of the working-age population is employed in the informal sector, meaning that they are not covered by social insurance schemes. Expanding social insurance coverage is essential. This can be achieved by expanding social insurance programs to cover those employed in the informal sector, regardless of their status, while simultaneously taking parallel and coordinated policy actions to formalize employment.

In conclusion, it is worth noting that the most optimal way to financially protect the population through social insurance benefits is to provide the following proposals and recommendations for further development of the social insurance system in the social protection of the country's population:

1. Based on a comparative analysis of the definitions presented in the economic literature that serve to express the economic essence of social insurance, in our opinion, the following definition fully serves to reveal its essence: protection from various social risks by providing material protection to the strata of the population in need of socio-material protection is called social insurance.
2. The main characteristics of the social insurance system; firstly, it means providing social security to the population affected by various socio-economic problems; secondly, it means creating a targeted protection system against social risks, that is, wider coverage with social services, a health care system, an education system, etc.; thirdly, it should be directed to improving the well-being of families struggling with poverty through models typical of developing countries, using funds from the state budget and funds remaining from meeting the needs of the population. It is necessary to consider ways to ensure their well-being by involving the part of the population struggling with poverty in paid seasonal work.
3. The study of the institutional framework for improving the social insurance system, pension and unemployment benefits, and state benefits in the social insurance system serve as an important guarantee of improving the social insurance system. The need to improve and reform the pension system in the development of the social protection system has been recognized at the state level, and a number of measures have been implemented in the system, in particular, the full payment of pensions to working pensioners, an increase in the upper limit of the average monthly salary taken into account for determining the amount of pensions, etc. However, it should be noted that it is necessary to improve the national pension system, reform the social insurance system, as well as increase the competitiveness of pension provision by transitioning to a three-tier pension provision system and introducing a pension system.

4. In the country, mothers working in state organizations (budgetary organizations) are provided with maternity and childbearing benefits when they have children, but a system should be introduced to pay this benefit to women working in the private sector (private enterprises, firms, micro-firms, and business) when they have children.
5. The system for calculating the basic pension amount for old-age, disability and survivor pensions is not calculated in accordance with the monthly earnings of citizens. That is, the results of the study show that the maximum amount of average monthly earnings accepted for calculating pensions according to the current procedure in the country should be increased from twelve times the basic amount for calculating pensions to at least 15-16 times.
6. According to the current procedure, work is being carried out to include the period of care for a disabled child or disabled parent in the length of service for calculating a pension for persons caring for a disabled child or disabled parent. In our opinion, it would be appropriate to provide financial support to those caring for a disabled child or disabled child. Based on this, we consider it necessary to introduce a benefit for caring for a disabled person (care).

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