



ENHANCING PENSION SYSTEMS FOR SOCIO-ECONOMIC DEVELOPMENT: A COMPARATIVE STUDY OF INTERNATIONAL STANDARDS AND PRACTICES WITH A FOCUS ON UZBEKISTAN

Shamansurova Zilola Abduvakhitovna

Tashkent State University of Economics

Associate professor of Finance Department, PhD

z.shamansurova@tsue.uz

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ABSTRACT

The reform of the pension system is one of the priority tasks in the process of ensuring the socio-economic development of every country. Therefore, in the process of improving the operation of this system, it is appropriate to pay attention to the general standards and criteria of the international level. Therefore, within the framework of this research, we have carried out a comprehensive research search.

During the research, the practice of the pension system in developed countries, the current state of the pension system in the Republic of Uzbekistan and its trends were analyzed, and the mechanism for setting the pension level in accordance with the social payments paid to the extra-budgetary Pension Fund was based.

Based on the recommendations of the International Monetary Fund, we have developed conclusions, proposals and practical recommendations on social protection and material support of the population by improving the pension system in Uzbekistan.

KEYWORDS

Demopictreic trends, pension reform, international comparisons, pension financing, economic analysis

Introduction (Kirish/Vvedeniye).

Currently, the improvement of pension provision is one of the most global problems in the world. Discussions on the improvement of pension systems at the international level began with the report published by the World Bank in 1994, which was devoted to the pension crisis related to the aging of the population. In the report, it was noted that in connection with the increase in the expected life expectancy of pensioners, as a result of the deficit in pension systems based on the principles of "solidarity of generations" in most countries, special attention is being paid to the positive solution of this problem. The goal of reforming pension systems is to introduce a minimum pension that can ensure the minimum standard of living of a pensioner, to ensure a direct connection between the contributions paid during work and the amount of pension, and to diversify the sources of financing pension payments.

The aggravation of the demopictreic situation in the countries of the world, including a serious change in the age structure of the population, that is, an increase in the share of elderly citizens in the age structure of the population, an increase in the average life

Literature review (Adabiyotlar tahlili/Literaturnyy obzor).

This research work was carried out in accordance with the priority direction of the development of science and technology of the republic "Spiritual-ethical and cultural development of a democratic and legal society, formation of an innovative economy".

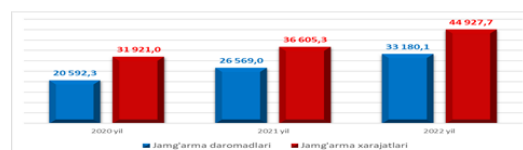
The current state of the pension system in the Republic of Uzbekistan and the analysis of its trends have been studied by a number of foreign economists. In particular, foreign scientists Smith A., Kaplan RS, Knight F.X, Feroz Ye. H., McConnell K.R., Robert W, expressed in his scientific research. Russian scientists Gavrilova A.N., Kuznetsova O.A., Stoyanova Ye.S., Shulyak P.N., Brysaev A. S. Babich V Novikov A. A., Mileeva

M.N., Garafiev I., reviewed in their scientific works. Khamidullin M.B., Kurbanov K.A., Elmiraev S.E., Sherko'zieva N.A., Khamroev M.S. are among a number of economists in the Republic of Uzbekistan. theoretical and practical foundations of financing the innovative activities of enterprises were studied in the scientific works of

Research methodology (Tadqiqot usullari/Metody issledovaniya). The article uses methods of scientific abstraction, descriptive statistics, expert evaluation, grouping, and dynamic analysis.

Analysis and results (Tahlil va natijalar/ Анализ и результаты). Forecast indicators of the fund's income in 2022 33,180.1 billion soums or 106.7% were fulfilled, of which the amount of income excluding taxes is 40.6 billion soums. As a result, as of January 1, 2023, 3,023.6 billion soums or enough free balance funds were kept for 23 days of payment.

The financial indicators of the non-budgetary Pension Fund under the Ministry of Finance of the Republic of Uzbekistan show that over the last 3 years, its income has increased by 1.681 times and its expenses by 1.41 times. In 2020, the income of the off-budget Pension Fund under the Ministry of Finance is 20.6 trillion. soums, and expenses 31.9 trillion. organized soums.



1-picture. Income and expenses of the pension fund¹, trillion soums

Actual expenses in 2022 will be 44,927.7 billion from the Fund. 6,275.0 billion soums and from the budget of the Republic. amounted to

soum. In order to make payments on time, transfers of 11,092.0 billion soums were allocated from the state budget.



2-picture. Amount of transfer funds allocated from the state budget², trillion soums

As of January 1, 2023 in the Republic of Uzbekistan, the total number of recipients of pensions and benefits from the Pension Fund has reached 4,346,300, and their share in the population is 12.1%. This indicator has increased by 1,205.1 thousand people or by 138.4% compared to January 1, 2017.

Out of a total of 4,346,300 pensioners, 3,765,700 are pensioners and 580,600 are pensioners.



3-picture. As of January 1³, 2017-2023, the total number of pensioners and allowance recipients and their ratio to the total population

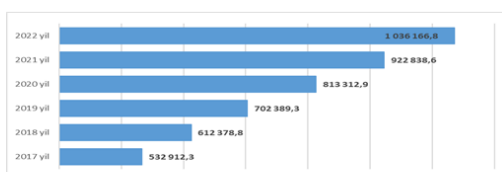
In 2022, pensions and benefits were assigned to 459,100 citizens (including pensions to 299,700 people and benefits to 159,400 people), this indicator compared to 2017 to 161,100 citizens or 154.0% increase.



4-picture. The number of newly appointed pensioners and pensioners in 2017-2023

Out of a total of 3,765,700 pensioners, 3,124,000 (83.0%) are old-age pensioners, 419,800 (11.1%) are disabled, and 221,900 (5.9%) are dependents. The number of pensioners is made up.

In December 2022, the average amount of pensions amounted to 1,036,200 soums, which increased by 113,300 soums or 1.12 times compared to the beginning of the year. The monthly average amount of pensions is 651.7 thousand soums, which has increased by 75.0 thousand soums or 1.13 times compared to the beginning of the year.



5-picture. Dynamics of changes in the average pension amount in 2017-2023, soums

Analyzing the pension amounts of pensioners, the number of pensioners with the minimum pension amount of 698,000 soums and less is 1,663,800, which is 44.2% of the total number of pensioners.

Table 1.

About average monthly wages of pensioners⁴

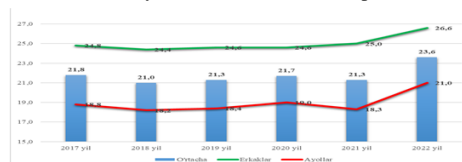
Average monthly salary	amount	%
0 soums	1 030 919	27,4%
500 000 up to soums	221 111	5,9%
500 001-1 000 000 soums	536 889	14,3%
1 000 001-1 600 000 soums	601 076	16,0%
1 600 001-2 000 000 soums	350 294	9,3%
2 000 001-2 500 000 soums	331 872	8,8%
2 500 001-3 200 000 soums	296 732	7,9%
3 200 001-3 500 000 soums	85 917	2,3%
3 500 001-4 000 000 soums	97 064	2,6%
4 000 000 soums and above	213 818	5,7%

Table 2.

About pension amounts of pensioners⁴

Amount of pension	Age related		Disability		Loss of a breadwinner		Total	
	soni	%	soni	%	soni	%	soni	%
500 000 soums	544 809	17,4%	0	0,0%	0	0,0%	544 809	14,5%
500 001 - 697 999 soums	469 610	15,0%	0	0,0%	110 837	50,0%	580 447	15,4%
698 000 soums	349 795	11,2%	188 745	45,0%	0	0,0%	538 540	14,3%
698 001 - 700 000 soums	7 325	0,2%	816	0,2%	173	0,1%	8 314	0,2%
700 001 - 800 000 soums	274 665	8,8%	28 606	6,8%	7 410	3,3%	310 681	8,3%
800 001 - 900 000 soums	169 939	5,4%	35 883	8,5%	7 457	3,4%	213 279	5,7%
900 001 - 1 000 000 soums	130 239	4,2%	26 440	6,3%	33 983	15,3%	190 662	5,1%
1 000 001 - 1 100 000 soums	118 380	3,8%	15 838	3,8%	8 428	3,8%	142 646	3,8%
1 100 001 - 1 200 000 soums	105 388	3,4%	14 765	3,5%	8 370	3,8%	128 523	3,4%
1 200 001 - 1 300 000 soums	94 965	3,0%	13 725	3,3%	8 224	3,7%	116 914	3,1%
1 300 001 - 1 400 000 soums	86 228	2,8%	11 237	2,7%	17 443	7,9%	114 908	3,1%
1 400 001 - 1 500 000 soums	78 819	2,5%	10 157	2,4%	3 187	1,4%	92 163	2,4%
1 500 000 soums and higher	693 861	22,2%	73 613	17,5%	16 332	7,4%	783 806	20,8%
Total	3 124 023		419 825		221 844		3 765 692	

In 2022, the average length of service of newly appointed old-age pensioners will be 23.6 years (therefore, men - 26.6 years and women - 21.0 years), which is 1.8 years more than in 2017. paid.



6-picture. About the average length of service of age pensions appointed in 2017 - 2022

In order to automate the system and improve the quality of services provided to the population, the Pension Fund will spend 1.6 million during 2022. interactive and remote services were provided to citizens. Including

- 922,400 citizens are entitled to water benefits for the birth of a child and 154,900 citizens are entitled to funeral allowances directly by going to any branch of the People's Bank without contacting the Fund. provided;
- 403,200 citizens were provided with information about the appointment of a pension (relief), its registration and its amount in electronic form.

PF-113 of the President of the Republic of Uzbekistan dated April 20, 2022 "On additional measures to simplify the provision of public services, reduce bureaucratic obstacles and develop the national system of public services" Based on the decree, the transfer of the pension certificate to the mobile application and its identification through the QR-code was launched on the basis of the principle of "Documents on the phone".

Based on the recommendations of the International Monetary Fund on the improvement of the pension system in Uzbekistan, further strengthening of social support for pensioners in our country, comprehensive care of the elderly and the elderly, improvement of the state pension system of citizens and in 2022 to eliminate existing problems in the field, to reduce bureaucratic obstacles in this regard

4 Laws of the Republic of Uzbekistan, 3 Decrees and 4 decisions of the President of the Republic of Uzbekistan, 2 decisions of the Cabinet of Ministers of the Republic of Uzbekistan and 3 departmental normative legal documents were adopted.

Discussion (Muhokama/Обсуждение).

The necessity of predicting the state pension system of the Republic of Uzbekistan for 2020-2050, that is, forecasting the long-term development of the pension system, modeling and evaluating the impact of the most likely scenarios of pension reforms was conducted.

Conclusions (Xulosa/Zaklyucheniya).

Calculations, analysis and forecasts were carried out using the PROST (Pension Reform Options Simulation Toolkit) model, which has been developed and used since the 1990s as a tool for analyzing pension policy in client countries of the World Bank.

The results of the forecast were studied conditionally in several basic directions. Specifically: Demographic changes and their impact on the pension system. Over the past 55 years, the population of the planet has more than doubled, and according to UN estimates, a new wave of population growth will occur in the next 11-12 years, and the world's population will increase to 2 billion in 2050. It is expected to make 9.8 billion.

The population of Uzbekistan will not stop growing for at least 40 years, and the number of Uzbeks is expected to reach 40 million within 20 years. Such information is mentioned in the demopicture report published by the UN.

31.7% of the permanent population of the republic is under working age, 57.0% is working age and 11.3% is older than working age. The

aggravation of the demopictureic situation in the countries of the world, including a serious change in the age structure of the population, that is, an increase in the share of elderly citizens in the age structure of the population, an increase in the average life expectancy of the population, etc., leads to an increase in the costs of the pension system.

As a result of equalization and homogenization of the pension system for all, the majority of the working population is not covered by the state social insurance system. The analysis showed that the following factors may have a negative impact on ensuring the balance of the pension system in the medium and long-term future:

firstly, the sharp decrease in the level of insurance payers compared to pensioners affects the stability criterion of the pension system. As a result, more than 60 percent of the working-age population is not covered by the social insurance system, which is considered an unstable pension system according to international standards;

secondly, the lack of incentives and transparent mechanisms led to a weakening of the relationship between the amount of pension and paid social insurance, as a result of which, in recent years, the number of pensions awarded with incomplete work experience has increased. doubled;

thirdly, the percentage of people of retirement age among the population of the republic is increasing, the number of old-age pensions in one year has increased by 200 thousand, which is 2.5 times higher than in 2011.

fourthly, the retirement age established during the former union remains the lowest compared to other countries due to stability in society and increased longevity.

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