

# Mahallabay system and its main features in poverty reduction in Uzbekistan

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#### **Abstract**

From the first years of independence, Uzbekistan has paid great attention to social protection. Poverty reduction has been at the center of social policy since 2020 and has been identified as an important area of economic reform. In this regard, the Mahallabay system has begun to emerge as a national model of poverty reduction that is not found in any other country in the world. This article examines the specifics of the Mahallabay system in social protection and poverty reduction.

**Keywords**: Social protection, poverty, social policy, neighborhood, neighborhood system, family income, "iron book", "women's book", "youth book", model house, middle house, needy house, social contract.

#### Introduction

Today, the problem of poverty as a universal phenomenon occurs in all countries of the world. According to the data, COVID-19 could lead to a return of 88 million to 115 million people in poverty by 2020. In 2021, the number of poor people will increase from 23 million to 35 million, the number of people living in extreme poverty will increase from 110 million to 150 million, and inequality will increase and there is a risk of losing human capital [1]. 9.2 percent of the world's population lives below the poverty line (less than \$ 1.9 a day). This shows the level of the economy of some countries. The above figures and the short- and long-term complications of COVID-19 are of additional concern to us [2].

Preventing a sharp rise in poverty in our country, ensuring social protection and employment, stimulating their entrepreneurial aspirations are important keys to economic reforms, which will ultimately improve the welfare of the population. While income inequality is a sign of a market system, the presence of the poor in this system is an objective phenomenon. Therefore, poverty cannot be eradicated, but its scale can be reduced. Because poverty undermines the health, ability to work and scientific potential of a nation. It will also result in a reduction in the state budget and a sharpening of political processes.

Poverty in Uzbekistan has halved since 2000, from 28% in 2000 to 11% in 2019. The COVID-19 pandemic has had a negative impact on the economy, especially on the poor. The growth of per capita income remained stable, with an estimated 1.3 percent of the population (or 448 thousand people caught up in poverty due to the crisis), following the rise in the poverty rate is 12-15% in 2020 [3]. The issue of poverty reduction and welfare improvement was first identified by the President as one of the most important priorities of the country.

On January 25, 2020, the President of the Republic of Uzbekistan Sh.M. Mirziyoyev for the first time in his Address to the Oliy Majlis. In particular, the petition noted that in the regions, especially in rural areas, the majority of the population does not have a sufficient source of income, which, according to estimates, makes up about 12 - 15 percent. We are not talking about small numbers, but about 4-5 million people. Preliminary estimates, the amount of money and material support given to 1 trillion. 724thousand soums. These costs are becoming a huge burden on the state and non-state budgets.

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According to the world experience, poverty cannot be reduced by increasing the amount of monthly or pension, lending. These strategic goals will be achieved through high economic growth that creates equal opportunities for all, the elimination of dependency, and the development of small business and private entrepreneurship. The strategic plans of the Republic of Uzbekistan for the future reduction of poverty include: to pay an initial fee and subsidies for the purchase of an apartment in a multi-stored house at a reduced price per capita. And, above all high quality and timely implementation of the measures through 2030 to double the level of poverty reduction "[4] functions effective method of poverty reduction and the development of new approaches to pressing issues.

In order to reduce poverty in the current conditions of the pandemic and its complications, social protection of low-income families in the mahallas, to solve the socio-economic problems accumulated in the mahallas, a system of community work has been introduced in our country. The "Mahallabay" system is a fist of all officials, a new mechanism for joint solution of problems in the community, important issues in the lives of the population, a national model.

Despite the fact that the "Mahallabay" system is a complex process, it has such criteria as listening to everyone's pain, radically changing their fate, measuring the development of society not by economic growth, but by the satisfaction of the population with their own lives. According to him, socio-economic reforms, projects implemented at the expense of internal and external resources, "activity corridors" of various agencies and organizations are organized in the mahallas [5].

An important practical aspect of the "mahalla" system in the regions is that "heavy" mahallas are identified by sector leaders based on the study of households. To do this, it is necessary to enter the homes one by one and study the economic opportunities of families. The apartments will be divided into 3 categories in the first stage:

- a) a model house with one or more high-income families who do not need the help of others;
- b) medium-sized household an apartment where the per capita income is higher than the minimum consumption expenditures, but the family is unemployed or wants to expand their business;
- c) needy household an apartment with one or more unemployed able-bodied members of the family whose per capita income is less than the minimum consumption expenditure;

**The second stage**: based on the results of the housing survey, neighborhoods are divided into 3 categories:

- a) exemplary mahalla a mahalla in which the share of exemplary households is more than 60% of the total number of households and the share of needy households is less than 25%;
- b) middle mahalla a mahalla in which the share of medium-sized households is more than 60% of the total number of households and the share of needy households is less than 25%;
- c) "heavy" mahalla a mahalla in which the share of needy households is more than 25% of the total number of households [6] .

In the process of studying the apartments, "growth points" for the development of entrepreneurship in the neighborhood will be identified, and based on this, potential "leading" entrepreneurs will be attached to each line of business. People who want to start a business in the neighborhood are attached to "leading" entrepreneurs or help them to start their own business (entrepreneurship training, loans under family business programs, and other issues) based on the ancient traditions of the mahalla, attracts households to engage in family business, handicrafts, home-based work and other types of entrepreneurial activities. In this way, it will be possible to reduce poverty.

The introduction of the "Iron Notebook" in July 2020 to increase the efficiency of the mahalla system plays an important role in providing targeted assistance to poor families. "Iron" - is aimed at families because of poverty, "Saxovat.argos.uz" program, this program marital status and living conditions were poor, by the leaders of the financial sector, with limited control from the families enter. In the context of the coronavirus pandemic, local authorities will focus on needy family members listed in the Iron Book to create a source of income for families with poor social conditions and living conditions, and measures will be taken to help them earn a steady income.

The Iron Book includes all those who have lost their jobs and lost their sources of income, as well as families with disabilities, the elderly living alone, and the poor, and the following five categories of families are eligible for assistance:

For poor families, the "Iron Book", "Women's Book" and "Youth Book" - a new innovative way of dialogue between the state and society, should be considered as a national model of poverty alleviation. Its uniqueness lies in the fact that it reflects the needs of poor families, women and youth in all regions of the country, including large cities to the remotest and smallest villages, in an open, secure, sincere, open and transparent manner. is Those who have their own income and jobs are excluded from this document. In turn, these notebooks can be considered as roadmaps that determine the future strategy of every unemployed, poor or sick woman and every unemployed youth.

Working groups on the systematic solution of women's problems and their social support, established at the initiative of the head of our state under the chairmanship of the Federation of Trade Unions, visited more than six and a half million households, interviewed women and studied women's issues. As a result, in collaboration with trade unions, relevant ministries and sector leaders, 432,781 women in 9 categories, ie those who should be supported in the first place, were included in the "Women's Book" [7].

The most important directions of active programs in the labor market in ensuring the employment of women included in the "Women's Book" were identified, first of all, employment services were provided to 68.5 thousand out of 432,781 women who need assistance. In particular, 13,782 women were permanently employed in quota vacancies in enterprises and organizations. 9371 women were involved in temporary paid public works and were paid 9.6 billion soums from the Public Works Fund. In the context of the pandemic, the country has developed programs for the protection of roads and youth social protection and entrepreneurship, and created special databases. Thus, the "Youth Book" and the "Women's Book" were established in each neighborhood, district, city and region. However, in practice, the following problems are common:

- 1. There are cases of unjustified increase in the number of women receiving assistance under the "Women's Book", the formation of false information about the provision of assistance to women in need. In particular, 3,556 of the women reported to have received "no assistance" received virtually no assistance. In particular, women in need of financial and medical assistance are excluded from the "Women's Book" in all regions by providing ordinary drugs to patients in need of major surgery.
- 2. There are also some shortcomings in the work of the Women's Advisory Board. Some "Women's Advisory Boards" do not have adequate facilities and are not equipped. The Provisional Rules are not fully followed in the process of including and excluding women in need from the Women's Book.
- 3. The work on employment is not systematically organized. The level of public awareness about the vacancies offered for the unemployed is low. Unemployed people in the neighborhoods are not

informed about vacancies. In this regard, cooperation between the Ministry of Mahalla and Family Support and the Ministries of Employment and Labor Relations has not been established at the required level.

4. Not enough attention is paid to the involvement of the population, including women, in entrepreneurship. Competent organizations (Mahalla, Employment, Chamber of Commerce and Industry, regional branches of the Association of Craftsmen) to form a list of women who want to start a business, train them, develop and implement business plans, allocate loans to them and control their proper use, crafts ) interaction between) is not sufficient [8].

As mentioned above, the government has introduced a new system of social support - "Iron Book". This book records families whose living standards and well-being have deteriorated. All citizens in need of assistance are included in the "Iron Book" by the local government, the mahalla citizens' assembly, which guarantees the provision of appropriate assistance by the state to the citizens included in this register. We studied the changes in the lives of citizens included in the "Iron Book" in need of assistance by conducting a survey in Pop, Namangan, Yangikurgan and Turakurgan districts of Namangan region. In Namangan region, out of 1,050 respondents included in the "Iron Book" was conducted in March-April 2021.

Respondents asked, "Why is your family included in the Iron Book?" when asked, 598 or 57 percent of the participants stated that they did not have a stable source of income because the main reason was unemployment, while 315 or 30 percent of the participants stated that they had a family disability or a serious health problem in one of the family members. The next places are given for the need for housing or for several families to live in one house - 6 percent, for the absence of a breadwinner in the family and the presence of a minor in their care - 4 percent and other reasons.

"In recent years, the fight against poverty has begun in our country. Do you think that there are happy changes in our lives? That there were changes to the question and that those who had jobs were 420, or 40 per cent. In particular, 388 or 37% of respondents said, "My children did not go abroad to work, but got a job at home."

In addition, poor families are under strict state control, their social protection is improving day by day - 8%, homeless poor families are homeless. Entrepreneurship, self-employment - 12%, no changes - 3% (32 people).

Respondents were asked "What kind of help do you need from the state to get out of poverty?" When asked, 53% of respondents, or 556 participants, said that if they have a job, all family problems will be solved, and if they are given land for farming (0.2-1.0 hectares), they will be able to get out of poverty with family members, — 18% or 189 people, those who want to restore their health if they are given benefits in the "Iron Book" - 11% or 115 people, those who plan to grow and sell their own products on their own land - 13% or 137 people. did. During the study areas "Iron" family financial support or vocational training measures do not go to the end of the year, or 3 - 4 months from the book "Iron", and families have access to the material, and a steady source of income that results. In particular, respondents asked, "What changes have you made since your family was included in the Iron Book?" as applying to 378 people, or 36 percent of the citizens "need some help. Assigned to us by the company (the company) 1 - 2 times of food products, "she replied. Those who thought "there was no change" were 179, or 17 percent. Although the mahalla is included in the "Iron Book" by the citizens' assembly, it is stipulated that the state will provide appropriate assistance to the citizens included in this register.

1. Presence of family members who are disabled and chronically ill.

- 2. Single elderly people, widows and low-income families in need of care.
- 3. Families with five or more children
- 4. Citizens who have lost their jobs and sources of income as a result of quarantine measures, including returning migrants.
- 5. Families below the poverty line who need support and financial assistance.

In accordance with the Decree of the President of the Republic of Uzbekistan dated June 30, 2020 PF-6038, 400,000 families (1728.1 thousand people) included in the "Iron Book" were provided with financial assistance from 220,000 soums to 380 billion soums per person. At the same time, the need to improve the housing conditions of families in 2019, 11 070 women in difficult social situations 1 to 272 [9], in 2020 to improve the housing conditions of vulnerable families in rural areas in urban areas in 1092, 4559, heavy women in social status were provided with 320 affordable housing in urban areas, 636 affordable housing in rural areas, and multi-apartment housing. This process is based on the funds allocated by the Ministry of Finance of the Republic of Uzbekistan to commercial banks under the new procedure. - It is possible to solve their housing problem by providing housing for a period not exceeding 85% of the calculated value for a period of 20 years and not less than 15% of the initial cost of the purchased apartment [10].

In short, in the current context of the pandemic and its complications in our country, poverty reduction is a priority of state socio-economic policy. ensuring the integration of the goals of society, their membership and integrity.

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