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Improving the Socio-Economic Living Standards of the Population in the Regions: Characteristics and Challenges

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Abstract: The article considers the specifics and problematic nature of the process of raising the socio-economic living standards. It deals with Public Policy matters, novel strategies and efficient resource management initiatives focusing on the welfare of social-economy stimulation. Simultaneously, key determinants of the quality of life such as income redistribution, working conditions, education and health care and proposals for improvement were elaborated. The standard of living, socioeconomic level, represents the status of society's development in a nationwide context.

Keywords: Socio-Economic Development, Standard Of Living, Population Welfare, Income Equality, Employment, Quality Of Education, Health, Resource Allocation, Innovative Approaches, Public Policy, International Experience.

1. Introduction

The level of social and economic welfare of the population is one of the necessary conditions for sustainable development and public welfare. Economic and social development processes in the society are interconnected, they closely depend on each other, and directly affect the living standard [1].

In recent years, systematic work has been carried out to strengthen the social protection system, increase funds from the State Budget of the Republic of Uzbekistan in favor of the division for social protection and other additional sources, broaden coverage of beneficiary groups with this type of support, and develop additional mechanisms to help families in difficult life situations [2].

In this respect, the improvement of public welfare is achieved not just through efficient economic resources management but also with the realization of the principles social fairness and justice. The upgrade of living standards has several distinctive aspects [3]. One of the main reasons is the sustainable development of economy, which means long-term and stable economic growth along with sustainable production growth, employment growth and improvement in people's life quality. The growth should not be interspersed by the variations inflicted by the economies [4].

2. Methodology

The research on the improving of socio-economic living standards of the population in the regions of Uzbekistan is carried out applying mixed-typological studies that combines qualitative and quantitative methods to gain a holistic perspective concerning

Citation: Baxtiyor o'g'li A. A. Improving the Socio-Economic Living Standards of the Population in the Regions: Characteristics and Challenges. American Journal of Social and Humanitarian Research 2026, 7(2), 11-16.

Received: 28th Dec 2025

Revised: 15th Jan 2025

Accepted: 30th Jan 2026

Published: 16th Feb 2026



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statistics on quality of public welfare. The approach has three components: data collection, analytical framework, and evaluation criteria.

Primary data were collected from 3 official sources—the State Statistics Committee of the Republic of Uzbekistan, the Ministry of Employment and Labor Relations, the Ministry of Finance, and regional authorities. Key elements are growth of the national product, employment levels, distribution of income, rates of inflation and access to education and health services. The secondary data was collected from the published articles, reports, government decrees and international organization documents (World bank, UNDP, FAO, ADB and GEF). These sources contributed to the knowledge of trends in history, differences among regions, and the success of public policies related with human development.

The analysis makes use of a socio-economic development framework that connects macroeconomic trends with regional and household level effects. The following aspects are analysed based on the framework:

- Economic performance (GDP growth, sectoral contributions, small and medium enterprise development and investment in infrastructure).
- Employment and income generation – total employment, new permanent jobs created, entrepreneurship activities, youth hiring initiatives and distribution of income.
- Human capital development: provision of access to a good quality preschool, secondary and post-secondary education, vocational training and skills upgrading programmes.
- Health and well-being availability of health services and health insurance, the supply of safe drugs also public health program.

Environmental sustainability: implementation of policies targeting water scarcity, air pollution, and waste management as stipulated by the Environmental Code of the Republic of Uzbekistan (2025).

3. Result and Discussion

The Law of the Republic of Uzbekistan “On Ensuring Economic Stability” (2021) identifies economic diversification and job creation as essential drivers of improving living standards. According to the results of 2025, Uzbekistan’s Gross Domestic Product (GDP) increased by 7.7 percent compared to the previous year, reaching 1,849.7 trillion UZS (or more than USD 147 billion). This economic growth was primarily driven by high growth rates in the service sector (8.5%), industry (6.8%), and construction (14%) [5].

Key indicators:

Growth rate: 7.7%

Total GDP volume: 1,849.7 trillion UZS

In US dollar terms: over USD 147 billion

Share of small business: 51.5% (over a 9-month period)

These results represent the highest indicators recorded since 2021 and rank among the highest in Central Asia. The improvement of socio-economic living standards is closely linked to sustainable economic growth [6].

In the context of globalization and enhanced competition in modern day world, the question of bettering socio-economic policy is up to date again. The new strategies which imply higher living standards through partnership between government and private sector, investment in human capital and the use of advanced technologies become increasingly significant. Meanwhile, a series of internal and external factors affecting the people’s living standards such as economic gap, demographic changes and resource restriction also pose a demand on study in this field [7].

Employment also plays a significant role in determining living standards, as it directly influences individuals' income-generating opportunities. The Law of the Republic of Uzbekistan "On Employment of the Population" (1998) identifies employment promotion as one of the state's priority responsibilities. In recent years, measures have been implemented to expand vocational training programs and encourage youth entrepreneurship [8].

During January-September 2025, a total of 2,048.4 thousand people in Uzbekistan were engaged in income-generating employment. Of these, 528 thousand were placed in permanent jobs, 1,498.3 thousand were involved in entrepreneurial activities, and the launch of 47.3 thousand new trade and service facilities resulted in the creation of more than 97.4 thousand new jobs [9].

Key Employment Indicators (January-September 2025):

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New permanent jobs: 528 thousand

New entrepreneurial entities (self-employment and business involvement): 1,498.3 thousand persons

Trade and service facilities: more than 97.4 thousand new jobs created

It is noteworthy that in 2025, it was planned to provide employment for a total of 1.5 million people through the creation of new jobs. In addition, more than 414 thousand citizens were provided with additional employment through the "Youth Register" program aimed at increasing youth employment [10].

For comparison, in 2022, approximately 1.6 million new jobs were created nationwide. Improving the socio-economic living standards of the population is also closely linked to education and skills development. Education constitutes a fundamental factor in raising living standards. In particular, the Law of the Republic of Uzbekistan "On Education" introduced a system of free general education aimed at enhancing the population's level of knowledge and human capital development [11].

Within the framework of the 2025 State Budget of the Republic of Uzbekistan, a total of 84.3 trillion UZS has been allocated to the education sector. This funding is intended to improve the quality of education and expand infrastructure. These allocations account for approximately 25 percent of total state budget expenditures and are distributed across sectors as follows:

General secondary education: 54 trillion UZS

Preschool education: financed within the overall 60 trillion UZS allocated to the Ministry of Preschool and School Education

Higher education: 6.3 trillion UZS allocated to the Ministry of Higher Education, Science and Innovations

In addition, in 2025, supplementary funds are planned through dedicated investment programs for the construction, reconstruction, and equipment of educational institutions [12].

It should also be noted that in 2023, 6.5 trillion UZS from the state budget was allocated for the development of the education sector. Furthermore, the Constitution of the Republic of Uzbekistan guarantees all citizens the right to receive free basic education.

An individual's way of life, access to education, and capacity to work fundamentally depend on their health status. Therefore, particular attention must be given to healthcare services. Ensuring a healthy lifestyle is of crucial importance for improving living standards. The Law of the Republic of Uzbekistan "On Healthcare" (2009) is aimed at guaranteeing the provision of quality medical services to the population [13].

In 2025, a total of 43 trillion UZS (according to some sources, 40.5 trillion UZS) was allocated from the state budget to Uzbekistan's healthcare system. The key information regarding beneficiaries of free medical services is as follows:

Guaranteed package: All citizens are covered by state-guaranteed free primary healthcare services (provided through outpatient clinics).

Special categories: In 2025 hundreds of thousands of socially vulnerable citizens, patients with disabilities and recipients of OFU were given the right to be treated free of charge in specialized medical institutions on the basis of referrals.

The scope of services: In the first nine months, more than a half of all types of healthcare delivery to the population (both paid and free) was estimated at 14.6 trillion soums, largely in the form of socially oriented care funded by the state.

Pharmaceutical provision: More than 1.6 trillion UZS was allocated from the budget to supply essential medicines free of charge to vulnerable population groups.

It should be emphasized that in 2025, mechanisms of the State Medical Insurance system were expanded, and a phased implementation of free outpatient and planned inpatient services for the population has been introduced [14].

In total, 2.8 million citizens benefited from free medical services in 2025, and medicines worth 1.6 trillion UZS were provided to the population on a subsidized basis.

Simultaneously, numerous obstacles remain in raising the socio-economic living standard of the people and for each problem exists a barrier to sustainable development. Living standards are reduced due to social inequality among the population and economic and social disparity between regions. For instance, access to job opportunities and healthcare services is less in the countryside than in towns. Projections to 2025 Report rates The following analysis demonstrates how the projected unemployment rate in Uzbekistan will change by the year 2025:

In rural it averaged 7.2-7.5 per cent while in urban area, the percentages were approximately 6.5-6.8 percent respectively. Comparative analysis also reveals that the unemployment is 1.1 times higher in rural compared to urban areas.

This relatively small disparity can be explained by the strengthening of employment measures in rural areas in 2025, particularly through the implementation of the "mahalla-based" employment system and programs allocating leased agricultural land to youth for farming activities.

For comparison, in 2023, the unemployment rate in rural areas stood at 12 percent, which was nearly twice as high as the corresponding indicator in urban areas.

The stability and equitable distribution of household incomes represent an essential criterion of social justice. The expansion of the middle class positively contributes to the country's economic stability [15].

Inflation and the decline in real incomes. A high inflation rate reduces the purchasing power of the population. In this regard, the Resolution "On the Strategy for Ensuring Price Stability," adopted in 2022, plays an important role in maintaining price stability. Nevertheless, by the end of 2025, the annual inflation rate in Uzbekistan amounted to 8.2 percent, compared to 10.2 percent in 2023.

Housing provision. Ensuring access to affordable and quality housing remains a pressing issue for the population. Under the most recent "Housing Provision Program for 2025-2026," the primary focus is on increasing housing supply and liberalizing the mortgage market.

The main directions of the program include:

Scale: Over 100,000 units of apartments in high rise residential buildings are expected to offer for sale under the new model by 2025.

“New Uzbekistan” residential complexes: construction is taking place in 38 residential complexes throughout the country. A feature of these new developments is the construction at the same time of housing, schools (2), kindergartens (3) and clinics.

Subsidies: The state provides subsidies for families with low income or living in poor housing conditions (apart from those suffering from natural disaster) equal to the amount of 30 million UZS from primary payment on mortgage, and also a part of value of concentration.

Terms: Mortgage loans are financed through banks for up to 20 years at market rates. Pursuant to the principle of openness, the applications are accepted only in electronic form; at that, they can be submitted on the Unified portal of the state and municipal interactive services (my.gov.uz).

Private sector: The state is further stepped back in construction, relying more on private constructors and developing preferential credit lines for them.

Environmental challenges. Environmental issues, such as water scarcity and air pollution, have a bad impact on the public health and living environment.

The “Environmental Code of the Republic of Uzbekistan,” approved and published on 12 February, 2025 is the main legislative act to solve these problems.

The following major aspects are regulated in the Code including related legislative acts:

Fight the haze: Factories are obliged to set up automated air quality surveillance posts. In Tashkent and the regional centers have been established “Environmental Zones” limiting traffic of cars, which do not meet environmental efficiency standards.

Tackling water shortages: The Law “On Water and Water Use” is amended to introduce enhanced action to stimulate rational use of water resources and reduce losses. State help for farmers is increasingly being contingent on the use of water-saving technology in agriculture.

Environmental protection: The revised law “On Waste” sets out binding targets to lift the waste recycling rate to 40% by 2025.

4. Conclusion

Improving the socio-economic living standards of the population is a multifaceted and continuous process that relies on sustainable economic policies, high-quality education and healthcare systems, and the maintenance of ecological balance. To achieve these objectives, the following policy recommendations may be proposed: Develop and implement targeted state programs aimed at reducing regional disparities. Expand access to healthcare and educational services in rural areas. Strengthen the social protection system and introduce programs focused on increasing household incomes. Attract additional investment to address environmental challenges and ensure the rational management of natural resources. The implementation of these measures will undoubtedly contribute to improving public welfare and ensuring the country’s sustainable development.

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