Improving Uzbekistan's Pension System Through Digitalization in A Green Economy

F.Sh.Khamraeva

Associate Professor of TSEU, Department of "Insurance business", Uzbekistan

A R T I C L E   I N f O

A B S T R A C T

This article examines the state and prospects of digitalization of the state pension system of modern Uzbekistan. The scale and speed of changes in all spheres of public relations caused by digital technologies are unprecedented. These changes also affect the processes of public administration, at the same time, there are differences in this area from the commercial sector, where such a phenomenon as "Digital Uzbekistan" has emerged and is developing. The task of the modern state is to create digital services and platforms focused on more prompt and high — quality satisfaction of the needs of citizens and businesses, i.e., in fact, to generate a new type of public goods in the form of digital state pension services. The article discusses the prospects for the development of such processes.

Keywords: -government, digital transformation, digital services portal, Digital Uzbekistan, pension bot, digitalization of industries, digital marketplaces, unified contact center.

INTRODUCTION

The modern world is changing under the influence of new technological trends related to informatization and networking, which are carried out in the format of digitalization of socio-economic processes, which leads to the formation of a new model of the information economy and information society.

In this regard, the study of the phenomenon of digitalization has gained great popularity in modern conditions. At the same time, digitalization affects not only the business sector of the economy and the livelihoods of households, but also actively penetrates into the processes of social protection of the country.

Since the beginning of the global pandemic, the role of digital technologies has grown significantly, which have also demonstrated the importance of digital transformation, especially for developing countries, including Uzbekistan.

Indeed, digital transformation has the potential to further modernize society and integrate the national economy into global processes. In this context, as part of the ongoing reforms, as well as the Development Strategy of the New Uzbekistan for the next five years, special attention is being paid to digitalization of the main areas of activity and building a genuine information society in the country.

Uzbekistan began to prioritize the development of information and communication technologies (ICT) and digitalization back in the early 2000s. For example, the country has initiated the "Comprehensive Program for the development of the National Information and Communication System of the Republic of Uzbekistan for the period

2013-2020", the National Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021, the Strategy "Digital Uzbekistan 2030" and the "Strategy for the Development of New Uzbekistan for 2022-2026". aimed at implementing digital transformation in the national economy, industry and society as a whole.

In particular, with the launch of the country's Central e–Government Service, the Unified Portal for Interactive Public Services, significant progress has been made in this area, as well as in the introduction of new technologies in the public sector.

THE ANALYTICAL PART

As of January 2024, in Uzbekistan, as a result of the reform and digitalization of public administration, 56% of public services began to be provided through the interactive public services portal. The number of public services on the country's e-government platform (my.gov.uz) has reached 307 and 1.3 million citizens actively use such electronic public services. At the same time, the total number of Internet users in Uzbekistan reached 27.2 million people.

The Digital Uzbekistan 2030 strategy provides for the approval of two programs: digitalization of regions and digitalization of industries, as well as a roadmap for its implementation in 2020-2022. Thus, two approaches are considered: territorial and sectoral. Undoubtedly, this will ensure the most comprehensive coverage and effective implementation of the document, which includes such priority areas as the development of digital infrastructure, e-government, the national digital technology market, education and advanced training in the field of information technology.

The development Strategy of the New Uzbekistan for 2022-2026, adopted on January 28, 2024, covers seven priority areas for further reforms related to public administration, the rule of law, economic development, social policy, spiritual education, security, as well as a pragmatic and active foreign policy. In turn, the seven priority areas include one hundred strategic goals that must be achieved by 2026.

The new Development Strategy identified the digitalization of a number of important areas, such as public services; the judicial system; law enforcement agencies; traffic management system; healthcare system; social services; banking and agricultural sectors and other key areas of the national economy.

Since 2023, a special pension bot has been developed in the telegram messenger in Uzbekistan together with the Information Technology Center of the Ministry of Finance of the Republic of Uzbekistan and the Extrabudgetary Pension Fund under the Ministry of Finance of the Republic of Uzbekistan, and a special pension bot (@pensiyauzbot) has been created jointly with the Information Technology Center of the Ministry of Finance of the Republic of Uzbekistan and the Extrabudgetary Pension Fund under the Ministry of Finance of the Republic of Uzbekistan, providing information in the field of state pension provision for individuals, receiving pensions and benefits through the telegram messenger, in order to create additional amenities and save time for citizens.

Individuals receiving pensions and benefits can receive the following information individually using a special telegram bot:
- information about the appointment of a pension;
- information about pension payment;
- necessary documents for the appointment of pensions and allowances:

It is also possible to send an appeal to the Pension Fund through a special telegram bot. In addition, it is planned to receive information about a personal funded retirement account in the future.

Only those citizens who are on the Pension Fund's list and are connected to the SMS Pension interactive service can fully use the special telegram bot.

The global direction of digitalization of the pension system involves the integration of all information systems of the Pension Fund of Uzbekistan into a single digital platform. A fundamentally new direction of this platform is the introduction of smart contracts.

In the global economy, as well as in Uzbekistan, digital platforms have already become the mainstream of business development. Service Booking.com It has united hundreds of thousands of hotels around the world, digital taxi aggregators have allowed passengers and drivers to negotiate directly, digital marketplaces (Amazon, Alibaba) have provided online stores and manufacturers of goods with a single platform to promote their services and use common logistics schemes for the delivery of goods - there are many examples. However, the digital social security platform has a more difficult task: to unite not only departments, not only citizens, but also non-governmental organizations providing social services. Moreover, such integration should not be difficult or costly for

the participants. The introduction of a digital platform, which should be open to a large number of participants, will require the use of modern cryptographic protection tools, including blockchain technologies, secure mobile platforms, etc. – everything that is described today as breakthrough technologies in the national project "Digital Economy", but which has not yet found application in the field of informatization of the state.

The digital social security platform will make it possible to realistically assess the quality of life of an elderly person or someone in need of help, taking into account not only his earnings, but also his marital status, whether he has additional health insurance and participation in a non-governmental corporate pension system, whether or not he has benefits, disability, etc. Today, financial support is often provided based on overly simplified, not always verified information, and as a result, its recipients are not always those who really need it – it lacks targeting. Moreover, such support is sometimes not received by needy citizens who are embarrassed to prove their need. Electronic queues at social security or pension services are, of course, progress, but in a good way, elderly people should not stand in queues or ask for anything at all. The digital platform should become a tool for targeted assistance.

However, it is important not only to make social services more personalized, taking into account the needs of a particular person, his health, opportunities or problems of his family, but also to involve citizens themselves, businesses and non-governmental organizations in this process. Today, many employers are developing their corporate pension and insurance programs; various leisure centers for retirees are being created at the municipal level. Money is not the only tool for improving the quality of life, sometimes you just need ordinary attention, especially for lonely people. But to do this, everyone who helps the elderly improve their quality of life should have access to a digital platform where information about citizens is available, of course, in compliance with legal requirements.

The digital platform is designed to organize society to create a human-oriented social environment. The service I have already mentioned Booking.com It is popular not because it provides convenient data about almost all hotels, but because people use it to share information about hotel services with each other: it is user ratings that create the value of the service.

CONCLUSIONS

The digital social security platform should make it possible to make the social sphere a common cause of the entire population, and not just an expense item of the state.

Apply for a pension or benefit in one click, without leaving home. In the coming years, the process of assigning and receiving benefits and social benefits for citizens will be significantly simplified. This will happen thanks to the emergence of a single digital platform that will combine all social support measures. The strategy "Digital Uzbekistan – 2030" is designed until 2030.

The strategy is an important strategic plan that talks about creating a single digital platform that unites the information systems of the Ministry of Labor and Social Protection of the Republic of Uzbekistan, the Pension Fund of Uzbekistan, as well as republican, regional and municipal executive authorities providing social support measures. The unified digital platform will include a register of recipients of social services, formed from the Unified State Social Security Information System and the Unified Population Register.

Gradually, all processes for assigning and providing social support measures will be transferred to this platform. With its help, citizens, including residents of our region, will be able, for example, to receive pensions and benefits without applications and supporting documents.

In 2021, the department implemented projects in the field of information technology within the framework of the services provided by the Pension Fund.:

- maintaining information about the employment of citizens in electronic form;
- non-explicit issuance of a state certificate for maternal (family) capital;
- electronic information interaction of the Pension Fund with banks to manage the funds of the parent capital for the payment of the initial mortgage payment and for repayment of the existing mortgage loan without contacting the Pension Fund;
- undeclared registration of a monthly cash payment (EDV) to citizens with disabilities;
- informing parents about the assignment of the insurance number of an individual SNILS personal account to a newborn child.

The difficult situation related to the coronavirus has led to an accelerated transition to digital technologies and online services. Thanks to them, the Pension Fund authorities made payments to families with children as quickly as possible.

The Digital Uzbekistan 2030 Digital Transformation Strategy talks about a Single Contact Center.

The only contact center is that the bot answers simple questions, but if necessary, it redirects the call to an employee of the relevant department. A bot is an artificial intelligence, with the help of which it is planned to provide citizens with about 20% of the total number of consultations. The quality of his answers is currently being evaluated in a test mode.

The created Unified Contact Center for interaction with citizens will become a single structure for the Pension Fund of the Republic of Uzbekistan. This is a one-stop shop principle, only for telephone consultations.

To date, a number of PFU services are provided in real time thanks to the system of interdepartmental electronic interaction (IMEM). These are:

- informing about the status of an individual personal account in the compulsory pension insurance system;

- issuance of a certificate on the amount of pension and other social benefits;

- informing citizens about the classification of citizens of pre-retirement age;

- providing information about the work activity contained in an individual personal account;

- informing citizens about the provision of a set of social services;

registration in the system of individual (personalized) accounting (assignment of SNILS), including acceptance of applications for changing personal data and issuance of a document confirming registration in the system of individual (personalized) accounting;

- accepting applications for posting information about a vehicle driven by a disabled person or a vehicle carrying a disabled person or a disabled child in the state information system "Register of Disabled People".

Undeclared provision of services means that a person is provided with a service based on information in state registers and information systems, and then informed about its provision through a personal account on the portal of public services and on the PFU website, via e-mail.

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