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LEVERAGING REGIONAL ECONOMIC POTENTIAL AND LOCAL RESOURCES FOR SUSTAINABLE POVERTY REDUCTION IN UZBEKISTAN

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Annotatsiya. Mazkur tezisda kambag‘allikni qisqartirishda hududlarning iqtisodiy salohiyati va mahalliy resurslardan samarali foydalanish mexanizmlari tahlil qilinadi. O‘zbekiston va Surxondaryo viloyatining 2021–2025-yillardagi kambag‘allik darajasi rasmiy statistika asosida taqqoslanadi. Hududiy ishlab chiqarish, agrar qiymat zanjirlari, mahalliy xizmatlar, kasbiy ko‘nikmalar va infratuzilma investitsiyalarini o‘zaro bog‘lash taklif etiladi. Natijalar hududiy maqsadli dasturlarni ishlab chiqishda monitoringning ahamiyatini asoslaydi.
Kalit so‘zlar: kambag‘allik, hududiy rivojlanish, mahalliy resurslar, bandlik, iqtisodiy salohiyat, Surxondaryo.
Аннотация. В тезисе рассматриваются механизмы сокращения бедности посредством использования регионального экономического потенциала и местных ресурсов. На основе официальной статистики сопоставляются показатели бедности Узбекистана и Сурхандарьинской области за 2021–2025 годы. Предлагается согласовать развитие аграрных цепочек добавленной стоимости, местных услуг, профессиональных навыков и инфраструктуры. Подчеркивается необходимость оценки фактических результатов региональных программ.
Ключевые слова: бедность, региональное развитие, местные ресурсы, занятость, экономический потенциал, Сурхандарьинская область.
Abstract. This paper examines how region-specific economic assets and local resources can support sustainable poverty reduction in Uzbekistan. Official poverty estimates for 2021–2025 are compared for the country and Surkhandarya Region. The analysis links agricultural value chains, local enterprise development, workforce skills, and infrastructure to income opportunities. It proposes a practical framework for

selecting and monitoring place-based interventions while distinguishing observed poverty trends from the untested effects of individual policies.
Keywords: poverty reduction, regional development, local resources, employment, economic potential, Surkhandarya.

INTRODUCTION

Reducing poverty requires more than aggregate economic growth. The location of new jobs, access to productive assets, transport costs, market connections, and differences in skills shape whether growth reaches low-income households. A uniform policy package can therefore generate uneven outcomes across regions. In Uzbekistan, the policy challenge is to convert locally available resources into stable and productive income rather than temporary employment alone.

Regional economic potential encompasses land and water resources, human capital, business networks, tourism assets, logistical connections, and existing industrial capacities. These assets have economic value only when households and firms can employ them profitably and sustainably. This paper aims to identify mechanisms through which the region-specific use of such assets can contribute to poverty reduction, with particular attention to Surkhandarya Region. The argument is based on descriptive analysis of published data and policy literature; it is not presented as a causal impact evaluation.

MAIN BODY: DATA AND ANALYSIS

The National Statistics Committee publishes annual poverty-rate estimates based on national measurement arrangements. Table 1 summarizes comparable figures for Uzbekistan and Surkhandarya. Absolute changes are expressed in percentage points (pp), which should not be confused with percentage changes in the number of people experiencing poverty.

Table 1. Poverty rates in Uzbekistan and Surkhandarya, 2021–2025 (%)

Territory	2021	2022	2023	2024	2025	2021–25 change
Uzbekistan	17.0	14.1	11.0	8.9	5.8	−11.2 pp
Surkhandarya	13.3	13.7	10.6	9.3	6.1	−7.2 pp
Surkhandarya minus national	−3.7	−0.4	−0.4	+0.4	+0.3	—

Source: National Statistics Committee of Uzbekistan, SIAT “Poverty rate” (2026 access), https://siat.stat.uz/data/3495/?lang=en. Changes calculated by the author from published rates.

The national poverty rate fell by 11.2 pp between 2021 and 2025, while Surkhandarya recorded a decline of 7.2 pp. In 2022 the regional rate temporarily increased from 13.3% to 13.7%, even as the national rate decreased. By 2025, the regional rate (6.1%) was 0.3 pp above the national rate (5.8%). The series illustrates progress but also demonstrates that regional trajectories do not always move in parallel. It does not, by itself, establish which employment, infrastructure, or social-policy measures caused the decline.

Recent World Bank analysis likewise finds substantial improvements in national living standards, alongside persistent geographic differences in economic mobility and access to higher-skilled employment. According to its 2026 Poverty and Equity Assessment, national poverty fell from 17.0% in 2021 to 5.8% in 2025, corresponding to approximately 3.7 million people leaving poverty. This wider assessment supports the need to address job quality and opportunity gaps rather than concentrating exclusively on headline poverty rates (World Bank, 2026).

The economic profile of Surkhandarya makes a place-based strategy particularly relevant. Agricultural activity and agro-processing can generate value locally, but dependence on unprocessed commodity sales exposes producers to seasonal prices and weak bargaining positions. Small enterprises face additional constraints when cold storage, product certification, reliable transport, and credit are inadequate. The appropriate objective is thus not simply to expand output; it is to increase the value captured by workers and local businesses while protecting natural resources.

Table 2 sets out policy mechanisms as analytical proposals rather than measured impacts. Each intervention requires baseline measurement, a defined target population, and an evaluation of costs and unintended consequences.

Table 2. Local-resource-based poverty reduction mechanisms and monitoring indicators

Regional asset	Proposed mechanism	Outcome to monitor
Agricultural production	Storage, sorting and agro-processing cooperatives	Net farm income; post-harvest loss
Labor and skills	Short courses tied to verified local vacancies	Sustained employment after 6–12 months
Microenterprises	Supplier links and access to digital marketplaces	Business survival; real net earnings
Tourism and services	Community-based services and local purchasing	Year-round jobs; local value retained
Transport and utilities	Targeted last-mile infrastructure investment	Delivery costs; service reliability

Source: Author's conceptual synthesis based on World Bank (2026) and OECD (2020). The indicators are proposed monitoring measures, not observed estimates.

A practical intervention sequence begins with a district-level asset inventory and identification of low-income households' actual constraints. A second stage tests commercial demand before financing training, equipment, or infrastructure. A third stage organizes access to finance and markets, while a fourth measures post-intervention earnings, not merely the number of grants, enterprises, or participants. The causal pathway is local asset → market access and productivity → sustained earnings → reduced vulnerability. A program that increases production without creating demand or improving household income may fail despite apparently successful implementation.

For resource-constrained districts, policy choices involve trade-offs. Greenhouse expansion, for instance, may raise output but also increase pressure on water and energy systems. Tourism may create services employment but fluctuate seasonally. Microcredit may accelerate business formation yet create repayment risks where demand is uncertain. These costs indicate why differentiated programs should be selected through feasibility studies and tested on a limited scale before region-wide expansion.

The following four monitoring principles are especially important: (i) track real disposable household income, not nominal sales; (ii) disaggregate findings by rural or urban location, gender, and age where appropriate; (iii) measure employment retention and business survival at least six months after support; and (iv) compare outcomes with a credible nonparticipant group when evaluating program effectiveness. Such design can separate wider economic improvement from the contribution of an individual regional initiative.

CONCLUSION

Uzbekistan's poverty indicators demonstrate substantial progress during 2021–2025, but Surkhandarya's distinct trajectory underscores the relevance of regional policy design. Effective use of local resources requires integrating production with market infrastructure, practical skills, reliable services, and access to finance. The most promising strategy is not a universal list of subsidies: it is a district-specific portfolio of commercially viable interventions with explicit environmental constraints and measurable household-income outcomes.

Future empirical research should combine district-level household information with firm-level data to estimate which combinations of agro-processing, infrastructure, business support, and training create sustained gains for low-income groups. Until such

evaluation is undertaken, the proposed mechanisms should be interpreted as evidence-informed hypotheses rather than proven causal effects.

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