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The Socio-Economic Essence of the Pension Provision System and its Role in the System of Social Protection of the Population

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Abstract: This article examines the socio-economic essence of pension provision system and its role in social protection system and analyzes in detail the definitions given to pension provision by local scientists and foreign scientists. It is considered that a number of factors that influence the amount of the insured pension depend.

Keywords: pension provision, social security, the amount of the insured pension, retirement age, pension, financial mechanism, types of pension, work experience, salary, pension model, inflation rate

“The attention and care of older people, representatives of the older generation, the increase of their pensions, the improvement of medical services and social-household supply will continue to be one of the most important priorities for the president, our government and all the authorities. To this end, a comprehensive set of measures on state support for pensioners, elderly and disabled people alone has been developed, which are carried out without words.[1] Of course, these views of our compatriots are directly related to the issues of ensuring the well-being of the elderly population in our country, further improvement of their social security. The economic aspect of such attention is expressed in the system of pension provision i, which is formed in the country. Today, the role and importance of the state pension system in the

implementation of the social policy of the state is gradually increasing. Through pension schemes, a material basis is being created for decent living of members of the society who are old and who have lost their working capacity.

“Today, the number of people over the age of 60 in our country is more than 2 million 873 thousand people. In the years of independence, the average age of our people reached 73.5 years from the age of 67 in 1990, and among women 75.8 years. At the same time, our country lives 225 thousand 80 years old, 44 thousand 90 years old, 8 thousand 700 - 100 years old tabarruk. Among them are 3 thousand 109 participants of the second world war, 69 thousand 994 people who worked behind the frontline.” [2] In this regard, the tasks defined in the state program “year of care for the elderly” in connection with “further improvement of the legislative and regulatory framework aimed at providing care and attention to the elderly, creating favorable organizational and legal conditions for increasing their standard of living and quality of life, improvement of the pension provision and social support system, formation of the

The so-called “pension” is derived from the latin word “pension”, which means a paid payment, which is intended to be paid regularly for the provision of material assistance in old age, disability or loss of a

breadwinner, in case of loss of work capacity and hence, the source of income in the form of wages. In the legislation of Uzbekistan [4] "pension - the right to receive it is defined as the monthly monetary payment, which is determined in accordance with the conditions and norms established by the law and which is given to persons in connection with the payment of retirement age, disability or loss of a breadwinner".

In many economic literature, the term pension is given different definitions. Including:

From economist scientists A.V.Vahobov and T.S.Malikov gave such a definitions:

"Pension is a guaranteed monthly payment of sums of money for old age, disability, years of service and for the material provision of citizens when they lose their breadwinner." [5]

Sh.Allayarov, D.Tashmukhamedova described the retirement as follows:

"The payments of workers to the pension fund, from an economic point of view, are part of their wages. It is included in the value of the labor force, but the institutional is carried out at a certain delayed respite, this is the specific target share, deposit, which the workers put in the pension fund and which must be returned. [6]

According to B.X.Umurzakov's definition, "pension is the compensation of the level of the insured person, which determines the specific amount of income he lost." [7]

B.S.Mamatov, however, described them as "monthly payments made on the basis of the conditions and norms established by the legislation when citizens reach the age of old age established by the law, when they lose their labor activity due to disability, as well as when they are deprived of their breadwinner and in other cases stipulated by the law." [8]

According to the definition of US economist scientist Jun Peng, "retirement is the most important source of income that ensures the financial stability of citizens in old age." [9]

Proceeding from the above, the pension can be described as follows: monthly payments that are

made on the basis of the conditions and norms established by the legislation due to the fact that citizens have reached retirement age, are disabled and are deprived of their breadwinner are called pensions.

It follows from this that the pension system is understood as the sum of legal, financial, organizational relations, as well as special specialized organizational structures related to the material provision of citizens of the country at a certain age, disability, loss of breadwinner.

In the formation of national pension systems of different countries, the following two approaches served as the basis: according to the first approach, if the minimum size of the pension income for all citizens involved in the pension system is guaranteed, then according to the second approach, the pension is a reserve part of the salary, which is calculated and guarantees the insured

In the process of the development of pension provision, both goals were harmonized, universal pension systems were complemented by insurance systems, while insurance systems began to include minimum guarantees. Thus, the dual nature of pensions was not only universally accepted, but also served as the basis for the formation of almost all developed pension systems.

The dual nature of pensions is manifested in such a way that, firstly, the pension is protected from poverty and guarantees the minimum level of pension income, on the other hand, when certain specified insurance cases occur, it replaces the salary, that is, it compensates for the lost income or most of it.

Most of them form the basis of pension systems, pension programs built on the principles of social pension insurance, regardless of their institutional structure or the financial implications of their application.

In its social essence, pension insurance consists in the management of a part of its current income by the workers individually and collectively and in the backup of the control with the help of insurance and state entities (legal, organizational and financial).

It should be noted that the amount of the future insurance pension depends on a number of factors, these are:

- duration of insurance internship;
- the amount of the salary to be insured;
- large size of the insurance tariff;
- the duration of the period of future payments.

Therefore, in the development of the financial framework of pension insurance, such a system of calculations is used, which should ensure that the obligations that arise before the groups of citizens who are insured and who are going to retirement are sufficient for the regular execution (payment of pensions) during the period of future payments. It should be recognized that this task is much more difficult to perform, since it is difficult to determine in advance the immortality of a number of factors: the duration of periods of payment of insurance contributions (30-50 years) and the receipt of a pension (20-30 years), serious changes in the level of Labor and inflation in this period, both the absolute.

A number of indicators are used to measure and assess the impact of the terms and norms for the provision of pension payments, the demographic and economic situation in the country on the financial situation of pension systems, which, in turn, will help to understand the financial implications of the pension system and assess the future income and expenses of the system.

In each country it is formed national pension systems on the basis of this or that pension model. The model of the pension system expresses its financial organization, as well as social relations associated with the material provision of citizens of the country in old age.

The system of pension provision arose as a whole of social protection. Although initially the pension provision was fully guaranteed by the state, later, as a result of the transformation of the economy, this sphere again served as a means of generating income among generations. Meanwhile, further improvement of "earnings over time" has become an important function. In general, the level of pension provision of population in the country depends on two factors as a priority: the extent to which the social protection

system is developed and the level of economic development of the country. Both factors, as well as the level of pension provision are determined by historical, cultural, economic and social conditions in the country.

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