



THEORETICAL AND METHODOLOGICAL FRAMEWORK FOR ENSURING PERSONAL ECONOMIC SECURITY

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ABSTRACT

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In the context of the transition to a market economy, individuals orient themselves toward the future, expecting an increase in the level and quality of life, improved working and living conditions, and the provision of a peaceful and safe environment. In this regard, the concept of human security acquires particular significance, reflecting the degree of protection of the individual from socio-economic, political, and other risks.

KEYWORDS: *personal economic security; human security; poverty reduction; unemployment; socio-economic stability; internal and external threats; human capital; social protection policy; labor market security; sustainable socio-economic development.*

INTRODUCTION

In the contemporary era of economic globalization, digital transformation, and increasing socio-economic uncertainty, ensuring personal economic security has become one of the key priorities of public policy and sustainable development. The growing complexity of labor markets, technological changes, financial instability, demographic shifts, and global crises has significantly increased the vulnerability of individuals to various economic risks. As a result, the concept of economic security is no longer limited to the national level but increasingly encompasses the protection of individuals and households from socio-economic threats. The theoretical foundations of human security were first systematically articulated in the United Nations Development Programme (UNDP) Human Development Report (1994), which emphasized the principles of "freedom from want" and "freedom from fear." Within this framework, personal economic security is understood as the protection of individuals from poverty, unemployment, social exclusion, and other factors that threaten their well-being and quality of life. In modern economic systems, the level of personal economic security directly influences social stability, labor productivity, human capital development, and overall economic growth.

The concept of human security was first formulated by the renowned Pakistani economist Mahbub ul Haq and gained international recognition in the 1994 UNDP Human Development Report. In this document, human security is defined through the categories of "Freedom from want" and "Freedom from fear". It is interpreted as the protection of the individual from hunger, disease, poverty, and social depression, as well as from sudden and destructive events in daily life—

within the family, at work, and in society as a whole. In scientific literature, the economic security of the individual is examined from various positions:

- **Socio-Economic Development Approach:** Authors such as A.R. Gaidar and E.I. Mikhailik define the economic security of the individual as a state of protection of their vital conditions, guaranteed by sustainable socio-economic development and an effective system of social protection.

- **Western Research Perspective:** Western studies interpret the economic security of the individual as the absence of serious threats to the minimum acceptable level of vital values accepted in a specific society. Such threats usually arise from sharp changes in external economic conditions capable of undermining the stability of the existing socio-economic and political system.

In our view, the economic security of the individual represents a state of protection of their vital interests, including the right to life and personal integrity, the freedom to work and engage in entrepreneurial activity, the ownership of property, the satisfaction of basic needs, the preservation of health, the acquisition of education and a profession, as well as guaranteed social security in old age.

In this regard, we define Economic Security of the Individual as a socio-economic category characterizing the state of protection of a person's vital interests and the system of relationships between economic agents aimed at ensuring their social stability, providing conditions for the expanded reproduction of their capabilities, free self-realization, and guaranteed access to material and spiritual goods at all stages of the life cycle.

For every individual, personal economic security serves as a critical indicator of social stability, individual well-being, and the overall level of socio-economic development of society.

A more comprehensive classification of the structural elements (components) of economic security and their

• Basic Needs -	Food and housing security.
• Human Capital -	Safety in healthcare, ecology, culture, and education.
• Economic Activity -	Safety in labor relations and financial security.
• Social & Legal -	Protection from legal offenses and security related to population reproduction.
• Systemic Factors -	Information security and risks associated with income differentiation.

In our view, it is advisable to further expand the classification of threats to the economic security of the individual by distinguishing external threats. These are driven by macroeconomic, institutional, and natural factors that do not depend directly on an individual's personal behavior.

In the economic sphere, aggression toward the individual manifests in forms such as racketeering, extortion, fraud, and other economic crimes. Criminal threats to personal security intensify in conditions of growing organized crime, corruption, and the shadow economy, which undermines citizens' trust in state institutions and negatively impacts social stability (Table 7.1.).

Threats originating from the individual themselves are classified as internal threats to the economic security of the individual. This type of threat is formed under the influence of

corresponding threats has been proposed by O.A. Stepicheva, V.V. Chernov, and M.A. Kotelnikov. The authors distinguish the following forms of economic security for the individual:

personal socio-economic, professional, and psychological factors. A distinct group of threats possesses a criminal nature and manifests in the following forms:

Targeted Violence: Murders, threats, intimidation, and physical violence committed for hire or material reward, including the attempted use of weapons, explosives, and hazardous substances. **Organized Crime Involvement:** The enticement or coercion of an individual into organized economic criminal activities for the purpose of illicit enrichment.

In economic literature, poverty is defined as a state of an individual's or social group's economic position that does not allow for the satisfaction of the minimum needs required to maintain life, working capacity, and the reproduction of the population.

Table 7.1.

Internal and External Threats to the Economic Security of the Individual¹

External Threats (Systemic/Macro)	Internal Threats (Personal/Micro)
Socio-economic development lagging behind the growing needs of society	Setting incorrect life and professional goals
Market fluctuations, business cycles, and economic crises	Low level or lack of knowledge and professional qualifications
Low employment levels, uncontrolled growth of unemployment and inflation	Employment in low-paying jobs
—	Risk of job loss (unemployment)
Low development of the social sphere, including education and healthcare	Low labor potential and lack of workforce competitiveness
Deterioration of the socio-political situation in the country	Loss of competitive positioning or downturn in the labor market
Environmental degradation, natural disasters, and emergencies	A large number of dependents combined with low income levels
Insufficient natural, labor, and capital resources	Congenital disability, limited physical or mental capabilities
Growth of criminalization, organized crime, and corruption	Loss of the breadwinner
Excessive growth of the country's external debt	Temporary or permanent loss of working capacity due to aging, illness, or injury
Crisis phenomena in the global economy	Negative personality traits (indecisiveness, intolerance, passivity, laziness)
Escalation of interstate conflicts and contradictions	Propensity for antisocial behavior and harmful habits (alcoholism, gambling, unhealthy lifestyle)
—	Accidental adverse circumstances (misfortune/bad luck)

Key characteristics of poverty in this context include:

1.Inability to Secure Basic Consumption: It reflects a failure to reach a baseline level of essential goods and services.

2.Relativity: Poverty is a relative concept, directly dependent on the overall level of socio-economic development and the living standards established within a specific society.

¹ Author's Development

Methodological Note: While internal threats often stem from personal choices or traits, they are inextricably linked to systemic poverty. A lack of economic security frequently acts as a catalyst, pushing individuals toward high-risk professional environments or making them more vulnerable to the criminal threats outlined above.

As of the end of 2025, data on the poverty level in the Republic of Uzbekistan indicates a significant reduction in the share of the population living below the poverty line, reflecting the results of comprehensive social policies and economic reforms.

According to official estimates from the National Committee on Statistics of the Republic of Uzbekistan, in collaboration with World Bank experts, the poverty rate in the country fell to approximately **5.8%** by the end of 2025. This follows a downward trend from over **11%** in 2023 and approximately **8.9%** in 2024. A decrease of 3.1 percentage points in a single year represents one of the most significant indicators in recent years, highlighting the positive dynamics of socio-economic development.

The implementation of these reforms has led to substantial outcomes for the population:

- Over 300,000 families (estimated at approximately 302,000) have been lifted out of poverty.
- 1.4–1.5 million citizens have transitioned out of poverty, significantly improving the incomes and living standards of the most vulnerable groups.

The reduction in poverty levels was observed across all regions of the country, with several notable examples of territorial progress:

- Jizzakh Region: The poverty rate was nearly halved.
- Khorezm and Syrdarya Regions: Poverty decreased by more than 5 percentage points.

• Republic of Karakalpakstan and Tashkent City: Significant reductions in the proportion of impoverished citizens were recorded.

These results validate the strategy emphasized by the President of the Republic of Uzbekistan regarding the necessity of acknowledging the scale of poverty and developing effective mechanisms to overcome it. The data through the end of 2025 demonstrates the tangible impact of the social policies currently in place.

One of the key threats to the economic security of the individual is unemployment, which leads directly to a deterioration of a person's material well-being and increases the risk of their transition into the category of the poor.

Unemployment undermines the foundations of individual security in several ways:

Income Depletion: The loss of a primary source of income forces individuals to rely on savings or social transfers, which are often insufficient to maintain a previous standard of living.

Devaluation of Human Capital: Long-term unemployment leads to a loss of professional skills and qualifications, making future re-entry into the labor market more difficult.

Psychological and Social Instability: Beyond financial loss, unemployment often results in social exclusion, increased stress, and a loss of social status, further destabilizing the individual's overall security.

Economic Link: In the context of the methodological foundations of security, unemployment acts as a "bridge" threat—starting as an external macroeconomic factor (market fluctuation) and transforming into a profound internal threat to an individual's life cycle and development.

Table 7.2.

Dynamics of the Unemployment Rate in Uzbekistan (%)²

Indicators	2017	2019	2021	2023	2025
Unemployment Rate (%)	5.8	9.0	9.3	6.8	5.1
Unemployed (in need of work), thousand people	837.0	1,335.3	1,368.6	1,024.1	760–781

Subsequently, the dynamics were largely driven by post-pandemic adjustments and active labor market policies. According to national statistics, the unemployment rate reached 10.5% in 2020, then decreased to 9.6% in 2021, 8.9% in 2022, and 6.8% in 2023.

The downward trend continued through 2024–2025: reports indicate a decrease to 5.8% by mid-2024 and down to 4.9% by the end of 2025.

When interpreting the figures for 2024–2025, it is advisable to distinguish between specific calculation methodologies:

National Assessment: Often focuses on the "able-bodied population" or registered unemployment.

International Comparable Estimates: For instance, World Bank data (modeled ILO estimates) indicates "total unemployment" for Uzbekistan at 5.1% for 2025.

These variations arise from differing definitions of the labor force and the inclusion (or exclusion) of specific segments of the informal economy.

The escalation of unemployment, compounded by a rise in the proportion of low-income and impoverished demographics, serves as a primary catalyst for systemic social instability. Consequently, the state must implement a multi-faceted strategic framework designed to mitigate labor market volatility.

Within the framework of a market economy, phenomena such as unemployment, poverty, and income differentiation are recognized as objective and structurally inevitable. Economic agents are naturally stratified into social cohorts defined by high, middle, and low income levels.

Socio-economic risk emerges when the magnitude of the wealth gap—specifically the disparity between the highest and lowest deciles of the population—reaches a critical threshold. Such excessive polarization erodes social cohesion, heightens systemic tension, and precipitates conflictual scenarios that threaten the state's institutional integrity.

² Compiled by the author based on data from the Statistics Agency under the President of the Republic of Uzbekistan (formerly the National Committee on Statistics).

To neutralize these threats to the economic security of the individual, state authorities adopt a dual-track policy:

1. Productivity Incentivization: Cultivating an environment that promotes labor participation and entrepreneurial initiative, thereby fostering individual self-reliance and reducing state dependency.

2. Targeted Social Assistance: The deployment of precise, means-tested social protection mechanisms designed specifically for the most vulnerable and marginalized socio-economic strata.

Methodological Synthesis: The objective of state economic policy is not the absolute eradication of inequality—an unattainable goal within a market paradigm—but rather the maintenance of a "security corridor." This ensures that income disparities remain within manageable limits, preserving the foundational stability of the social and economic order.

CONCLUSION

The study demonstrates that personal economic security represents a multidimensional socio-economic category that reflects the degree of protection of an individual's vital interests and opportunities for sustainable development throughout the life cycle. The research confirms that personal economic security is influenced by a complex interaction of internal and external factors, including labor market conditions, poverty, unemployment, social protection systems, human capital development, and macroeconomic stability.

An expanded classification of threats to personal economic security was proposed, distinguishing between systemic external threats and individual-level internal threats. The findings indicate that poverty and unemployment remain among the most significant challenges affecting individual well-being and social stability. At the same time, recent socio-economic reforms implemented in Uzbekistan have contributed to a substantial reduction in poverty and unemployment rates, thereby strengthening the foundations of personal economic security.

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