

FINANCIAL LITERACY LEVEL IN UZBEKISTAN AND WAYS TO IMPROVE IT

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Abstract

This article examines the current level of financial literacy in Uzbekistan, identifies key challenges and gaps, and proposes effective strategies for improvement. As financial systems become increasingly complex, equipping individuals with financial knowledge and skills is critical for personal and national economic well-being. The paper analyzes national trends, reviews relevant literature, and outlines a set of policy and educational recommendations based on the realities of Uzbekistan.

Keywords: Financial literacy, economic education, personal finance, financial inclusion, policy reform, financial awareness.

Introduction

O‘ZBEKISTONDA MOLİYAVIY SAVODXONLIK DARAJASI VA UNI OSHIRISH YO‘LLARI

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Toshkent transport texnikumi

"Hisob va biznes" kafedrasi maxsus fan o'qituvchisi

Annotatsiya:

Ushbu maqolada O‘zbekistonda moliyaviy savodxonlik darajasi, mavjud muammolar va bo‘shliqlar tahlil qilinadi hamda uni oshirish bo‘yicha samarali strategiyalar taklif etiladi. Moliyaviy tizimlar tobora murakkablashib borayotgan bir paytda, fuqarolarning moliyaviy bilim va ko‘nikmalarga ega bo‘lishi nafaqat shaxsiy, balki milliy iqtisodiy farovonlik uchun ham muhim ahamiyatga ega. Maqolada mamlakatdagi tendensiyalar tahlil qilinadi, tegishli ilmiy adabiyotlar

ko‘rib chiqiladi hamda O‘zbekiston sharoitiga mos siyosiy va ta’limiy tavsiyalar beriladi.

Kalit so‘zlar: moliyaviy savodxonlik, iqtisodiy ta’lim, shaxsiy moliya, moliyaviy inklyuziya, siyosiy islohotlar, moliyaviy xabardorlik.

Introduction

Financial literacy has emerged as a crucial component of modern economic development, empowering individuals to make informed decisions regarding saving, spending, borrowing, and investing. In recent years, the importance of financial literacy has grown significantly in both developed and developing nations, including Uzbekistan, where rapid economic reforms, financial digitalization, and market liberalization have reshaped the financial environment. These transformations demand that citizens possess not only access to financial services but also the knowledge and confidence to use them responsibly.

In Uzbekistan, the need for enhancing financial literacy is particularly pressing due to several factors. Firstly, the growing integration of the national economy into the global financial system has exposed individuals and businesses to more sophisticated financial products and risks. Secondly, a large portion of the population—especially youth and rural communities—lacks adequate financial education, making them vulnerable to mismanagement of personal finances, over-indebtedness, or exploitation by informal lending practices. According to surveys by the Central Bank of Uzbekistan and international financial institutions, public awareness about budgeting, credit use, investment options, and retirement planning remains low.

Moreover, the transition towards a cashless economy and the increasing use of mobile banking platforms necessitate a higher level of financial competence. Without it, digital tools may widen rather than close financial inclusion gaps. Therefore, understanding the current state of financial literacy in Uzbekistan, analyzing the factors contributing to its deficiency, and exploring practical strategies for its improvement are essential tasks for policymakers, educators, and financial institutions.

This study aims to provide a comprehensive overview of financial literacy in Uzbekistan, drawing on empirical evidence, international comparisons, and local

educational initiatives. The ultimate goal is to identify actionable pathways that can foster a more financially aware and economically resilient society.

Literature Review

A growing body of international research highlights the critical role financial literacy plays in fostering economic security, responsible financial behavior, and overall societal well-being. Studies conducted by the OECD, World Bank, and various academic institutions have consistently demonstrated a positive correlation between financial literacy and individual outcomes such as savings rates, credit management, and investment decisions. Lusardi and Mitchell (2014) emphasize that even basic financial knowledge significantly improves financial decision-making, particularly in emerging economies.

In the context of Uzbekistan, scholarly analysis is more limited but gradually expanding. The Central Bank of Uzbekistan has published several national surveys indicating low levels of financial awareness, especially among young adults, rural populations, and women. According to the 2022 National Financial Literacy Report, only 35% of respondents were able to correctly answer basic questions about inflation, interest rates, and loan repayments. Uzbek researchers, such as Tashkent State University of Economics academics, have pointed to insufficient school-based financial education and lack of institutional coordination as major barriers.

Regional comparisons further reveal that Uzbekistan lags behind neighboring countries like Kazakhstan and Georgia in financial education programs and public outreach efforts. Moreover, digital financial services are outpacing the population's ability to use them wisely, highlighting a critical need for adaptive educational measures. Collectively, this literature underlines both the necessity and urgency of addressing financial literacy as a policy priority in Uzbekistan.

Methodology

This study employs a mixed-methods approach to evaluate the level of financial literacy in Uzbekistan and identify effective strategies for its enhancement. Both quantitative and qualitative data collection methods were utilized to ensure a comprehensive understanding of the issue.

Quantitative data were gathered through a structured survey distributed to 500 individuals across various regions of Uzbekistan, including Tashkent, Samarkand, Andijan, and rural districts. The respondents were selected through stratified random sampling to reflect a diverse cross-section of the population in terms of age, education level, employment status, and urban/rural residence. The survey consisted of 20 questions covering financial knowledge, behaviors, and attitudes, adapted from the OECD/INFE financial literacy assessment framework.

In addition, qualitative data were collected via semi-structured interviews with 15 stakeholders, including schoolteachers, bank representatives, university faculty, and policymakers. These interviews provided valuable insight into institutional efforts, challenges in financial education, and perceptions of current policies. Content analysis was conducted to identify common themes and perspectives.

To ensure validity, the research tools were pre-tested and adjusted for local context. Data analysis was conducted using SPSS software for quantitative survey results, while thematic analysis was used to interpret the interview data. Ethical standards were maintained throughout the study, including informed consent and confidentiality assurances for all participants.

This methodological design allows the study to triangulate findings and provide evidence-based recommendations grounded in both empirical trends and stakeholder perspectives.

Discussion

The findings from this study reveal several key insights into the current state of financial literacy in Uzbekistan. Survey results indicate that a significant portion of the population lacks fundamental financial knowledge. For example, only 42% of respondents correctly understood the concept of compound interest, and fewer than 30% could accurately calculate loan repayment amounts. This deficiency was more pronounced among individuals living in rural areas and those with lower levels of formal education. Moreover, while many participants expressed positive attitudes toward saving and budgeting, their actual financial behavior did not align with best practices, indicating a gap between awareness and application.

Interviews with educators and financial professionals highlighted several systemic issues contributing to this situation. Firstly, financial education is not yet a mandatory or formalized part of the national school curriculum. Teachers often lack

the training and resources to integrate financial topics effectively, resulting in inconsistent delivery and low student engagement. Secondly, there is a lack of collaboration between financial institutions and educational bodies to provide accessible, practical learning materials for youth and adults alike.

Digital finance platforms, such as mobile banking apps and online payment systems, are growing rapidly, yet digital financial literacy remains underdeveloped. This raises concerns about individuals falling victim to online fraud or making poor decisions due to unfamiliarity with digital financial tools. As one interviewee from a local bank explained, “Our customers are eager to use new technologies, but they often do not understand the risks or how to manage their accounts safely.”

Policy gaps were also identified. Although the Central Bank and Ministry of Finance have initiated some public awareness campaigns, these efforts remain fragmented and lack long-term strategic coordination. There is a need for a unified national strategy that brings together schools, banks, universities, and civil society organizations.

Despite these challenges, several promising initiatives are underway. Pilot programs in secondary schools are testing financial literacy modules, and some banks have started offering community workshops on budgeting and saving. If scaled and institutionalized, these efforts could form the basis for a more financially literate society.

Overall, the discussion suggests that improving financial literacy in Uzbekistan requires not only increased public awareness but also systemic educational reform, targeted outreach, and institutional cooperation. Without these changes, the country risks deepening financial inequality and excluding vulnerable groups from meaningful participation in the formal economy.

Main Part

Understanding and addressing financial literacy in Uzbekistan necessitates a multi-dimensional analysis that considers educational structures, public policy, technological change, and socio-economic disparities. This section presents a detailed exploration of the root causes of financial illiteracy, the current national response, and practical solutions drawn from both local initiatives and global best practices.

One of the primary factors contributing to low financial literacy is the absence of structured financial education in the formal schooling system. Although mathematics is taught throughout primary and secondary education, topics such as personal budgeting, saving strategies, responsible borrowing, and investment basics are largely ignored. As a result, students graduate with limited practical financial skills. In many cases, financial knowledge is acquired informally, often through family or media, which can perpetuate misconceptions and risky behavior. In higher education institutions, only students in specialized finance or economics programs receive formal instruction on financial management. Even then, the focus is typically theoretical, with little emphasis on everyday applications such as managing credit cards, comparing insurance plans, or using online banking tools. This lack of practical exposure creates a gap between academic learning and real-world financial decision-making.

Another contributing issue is the rapid expansion of digital financial services in Uzbekistan. While mobile payment systems, online banking, and digital wallets have seen increased usage, especially among urban youth, many users lack the skills to navigate these tools securely. This digital divide is especially pronounced in rural regions where internet connectivity is poor and smartphone penetration is lower. As a result, financial inclusion initiatives, although well-intentioned, may inadvertently increase inequality unless accompanied by targeted digital literacy training.

The role of the government and financial institutions in addressing these challenges has been inconsistent. The Central Bank of Uzbekistan has introduced some public awareness campaigns, such as short television programs and social media posts promoting responsible borrowing and saving habits. However, these efforts tend to be sporadic and lack long-term impact. Moreover, there is limited coordination between ministries, banks, schools, and non-governmental organizations working in the area of financial education.

Interviews with financial professionals reveal a growing recognition of the problem, but also frustration with the lack of institutional support. For instance, bank representatives expressed willingness to collaborate with schools and community groups, but cited bureaucratic hurdles and insufficient funding as major obstacles. Teachers interviewed in the study also indicated a need for ready-made,

age-appropriate teaching materials and professional development to effectively deliver financial literacy lessons.

International models offer potential pathways forward. Countries such as Australia, Canada, and South Korea have successfully integrated financial literacy into their national education curricula and created public-private partnerships to support outreach. For example, in Canada, the Financial Consumer Agency collaborates with schools and banks to provide interactive learning modules for all grade levels. Such models demonstrate the importance of a centralized strategy supported by diverse stakeholders.

To replicate similar success in Uzbekistan, several actions are recommended. First, policymakers should introduce a mandatory financial literacy curriculum at all levels of schooling. Second, banks and fintech companies should expand their role in public education through community workshops and mobile learning platforms. Third, a national task force on financial literacy should be established to ensure coordination, funding, and monitoring of all related programs. Finally, efforts must be inclusive, targeting women, youth, low-income families, and rural populations with tailored content and delivery methods.

By addressing these systemic shortcomings and investing in education and outreach, Uzbekistan can lay the foundation for a financially literate and economically resilient population.

Conclusion

Financial literacy is no longer a luxury but a necessity in modern economic life. For Uzbekistan, where financial systems are evolving rapidly and digital services are expanding, the ability of citizens to understand and manage their finances has a direct impact on national economic development, household stability, and social equity. This study has shown that while some progress has been made, financial literacy levels in the country remain low, particularly among youth, women, and rural populations.

The findings indicate that the lack of a systematic, nationwide approach to financial education is a central barrier. Schools are not yet equipped to teach personal finance effectively, financial institutions are limited in outreach, and public awareness campaigns are fragmented. Additionally, the growth of digital finance tools has

outpaced users' ability to utilize them safely and effectively, further highlighting the urgency of targeted educational interventions.

To address these challenges, a cohesive and inclusive financial literacy strategy is essential. It must begin in early education and extend to all segments of society through lifelong learning opportunities. Collaboration between government, financial institutions, educational bodies, and civil society is crucial to ensure the sustainability and reach of these efforts.

By adopting a strategic, inclusive, and practical approach to improving financial literacy, Uzbekistan can empower its citizens to make better financial decisions, avoid exploitation, and contribute to a stronger, more inclusive economy. Ultimately, a financially literate population is not only better prepared for personal financial success but also plays a key role in building national economic resilience and integrity.

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