

INCREASING FINANCIAL INCLUSION: FACTORS, OPPORTUNITIES AND PROSPECTS

*Tashkent State University of Economics
DSc, Professor at the department of
“Macroeconomic Policy and Forecasting”
Askarova Mavluda Turabovna*

Abstract: Financial inclusion plays a crucial role in promoting sustainable and inclusive economic growth by ensuring access to financial services for all segments of the population. This paper examines the key factors influencing financial inclusion, including income levels, financial literacy, digital infrastructure, and regulatory frameworks. Particular attention is given to the role of digital financial services and fintech innovations in expanding access to banking, credit, savings, and insurance products. The study also explores the opportunities arising from increased financial inclusion, such as poverty reduction, employment generation, and enhanced economic resilience. Furthermore, the prospects for strengthening financial inclusion are assessed in the context of developing economies, with an emphasis on policy measures, institutional reforms, and technological advancement. The findings highlight that a comprehensive and coordinated approach is essential to achieve long-term financial inclusion and inclusive economic development.

Keywords: financial inclusion, digital finance, fintech, financial literacy, inclusive growth, access to finance.

Аннотация: Финансовая инклюзия является важным фактором обеспечения устойчивого и инклюзивного экономического роста за счёт расширения доступа населения к финансовым услугам. В данной статье анализируются основные факторы, влияющие на уровень финансовой инклюзии, включая уровень доходов, финансовую грамотность, развитие цифровой инфраструктуры и регуляторную среду. Особое внимание уделяется роли цифровых финансовых услуг и финтех-инноваций в расширении доступа к банковским, кредитным, сберегательным и страховым продуктам. Также рассматриваются возможности, возникающие в результате повышения финансовой инклюзии, такие как сокращение бедности, рост занятости и повышение экономической устойчивости. Оцениваются перспективы развития финансовой инклюзии в развивающихся странах с акцентом на государственную политику, институциональные реформы и технологическое развитие. Сделан вывод о необходимости комплексного и согласованного подхода для достижения долгосрочной финансовой инклюзии и инклюзивного экономического роста.

Ключевые слова: финансовая инклюзия, цифровые финансы, финтех, финансовая грамотность, инклюзивный рост, доступ к финансам.

The concept of Islamic finance, characterized by economic uniqueness and financial innovation, has developed as a system of ethical values and global significance. Islamic Islamic finance, based on Sharia principles, has developed as a system of ethical values and global significance, characterized by economic uniqueness and financial innovation. This financial system, based on Sharia principles, requires improvements based on Islamic finance, behavioral finance, partnership finance and other advanced approaches to solve the problems that emerged

in the global financial crisis. The Islamic finance system has attracted the attention of the world community by emerging from the 2008 financial crisis with minimal impact and maintaining its development indicators. Studies show that Islamic finance is resilient to financial crises.

Although Islamic finance is considered a new direction in world science, there are enough studies on its content and effectiveness. The resilience of Islamic finance to financial crises is one of its most important aspects. Muhammad Umar Chapra emphasized in his research that excessive lending and high leverage levels, in the absence of sufficient market discipline, ultimately lead to a crisis. At the same time, he noted the need for risk sharing, mainly lending for the purchase of real goods and services, and limiting debt sales, as well as factors ensuring the stability of Islamic finance. Islamic finance provides alternative financial systems aimed at ensuring moral values, social justice and stability. Having begun in countries where Muslims live, this process has crossed cultural, religious and geographical boundaries and has become a global and multifaceted industry. Islamic finance is based on Sharia law, ethics, justice and social responsibility. This system requires the avoidance of practices such as *riba*, *gharar* and *maysir*, and contracts must be backed by tangible assets. Islamic finance is not only different from conventional finance, but also aims to improve economic balance and social welfare. The goal of Islamic finance is to implement financial instruments and regulations that are fully compliant with Sharia. In the 21st century, interest in Islamic finance has increased and scientific research has expanded. According to Deloitte, the Islamic financial system is a unique economic system in which financial transactions are carried out in accordance with ethical standards and Sharia. The Islamic capital market is also an important part of this system, and all its components are based on the principles of Sharia. The concept of Sharia-based finance is based on the basic principles of Islam, such as property rights, economic justice, and income distribution.

During the recent financial crises, behavioral finance has emerged as an alternative system based on Islamic finance, aiming to understand investor behavior. The uniqueness of behavioral finance is to study how investors make decisions, market behavior and how cognitive factors influence it. With the help of these processes, financial markets can become efficient and sustainable systems. Alternative financial systems, in particular, increase the importance of behavioral finance. It introduces important factors such as analyzing investor behavior, eliminating information asymmetries and mitigating market anomalies. Behavioral finance helps to identify, explain and resolve market anomalies, while increasing the stability of systems. Alternative systems can further develop by promoting financial inclusion, improving risk management and strengthening political influence. The importance of behavioral finance has also been shown in ensuring informed decision-making for investors by improving financial education.

The development of the economy, aimed at increasing the share of highly processed, high-value-added products in the structure of the national economy and exports, is an important factor in ensuring long-term sustainable economic growth. The significant share of raw materials in the structure of the country's production volume and exports has a negative impact on sustainable economic development, and, in turn, on the well-being of the population, and increases the dependence of the national economy on changes in the global market for raw materials.

The process of developing a long-term strategy for structural changes in the economy of Uzbekistan requires a comprehensive approach and is based on a thorough analysis of internal and external factors and global problems. In this regard, the transition to an innovative economy and the efficient use of resources are one of the important strategic directions for creating a sustainable model of economic development.

Ensuring sustainable economic growth, the introduction of advanced technologies, and the formation of the concept of a "green economy" are constantly being discussed as important

issues at international economic, environmental, and investment forums. To ensure the long-term development of the national economy, it is important to implement measures aimed at increasing the share of highly processed, high-value-added products in the production and export structure.

The high share of raw materials in the country's economy negatively affects the process of sustainable economic development and limits the possibilities for increasing the well-being of the population. At the same time, this situation can weaken the economy to changes in the global raw materials market and lead to increased economic risks. Therefore, it is of strategic importance to diversify the economy of Uzbekistan, expand production sectors and increase the share of products with high added value.

From this perspective, it is necessary to take into account local and global trends when developing a long-term economic development strategy. The transition to an innovative economy based on the efficient use of resources is considered one of the most effective ways to implement consistent structural changes.

Sustainable economic development, the introduction of environmentally friendly technologies and the formation of a "green economy" remain urgent issues on a global scale. In this regard, 26 principles have been developed in the country for the development of a "green economy" that combine socio-economic development and environmental protection.

"Green economy" is an economic model that aims to increase human well-being and ensure social equality, while reducing environmental risks and rationally using natural resources. Currently, this concept is not yet fully formed, and there is no single approach to clarifying its essence. This indicates that the concept of "green economy" is still in its development stage.

The main goal of this concept is to ensure sustainable economic growth, increase investment activity, as well as environmental protection and improve the quality of social integration. To achieve these goals, it is necessary to direct investments by the state and private sectors towards ensuring environmental and social sustainability.

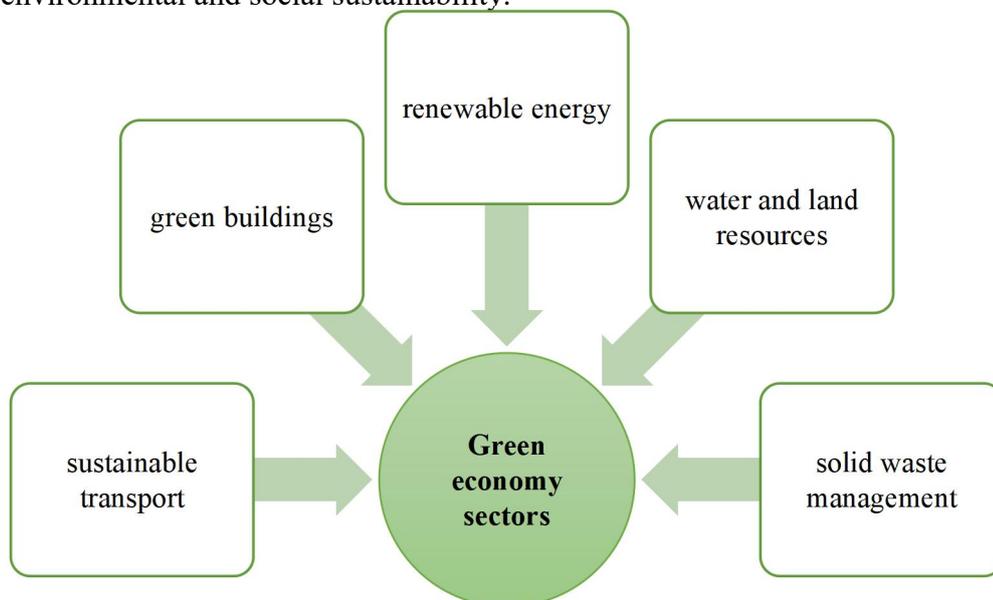


Figure 1. Green economy sectors .

"Green" economy renewable energy, green buildings, sustainable transportation, water and land resources and solid waste management consists of sectors such as.

In our opinion, the "Green Economy" cannot replace sustainable development, but rather it is considered an important factor serving this process. The essence of sustainable development is that the current generation should organize its economic activities in such a way that future generations will also have the same economic opportunities and comfortable living conditions.

Sustainable development requires the need to develop economic, social and environmental aspects in harmony with each other.

Proponents of the "green economy" believe that although the current economic model has had a certain positive impact on improving the standard of living of the population, it cannot be called perfect. Because environmental problems (climate change, desertification, loss of biodiversity), limited and depleted natural resources, increasing poverty, shortages of fresh water, food and energy, as well as economic disparities between countries and social classes indicate that the current economic system is not perfect enough.

The development of a "green economy" on a global scale is based on the following principles:

- Analyze environmental problems at the national and international levels and make them a pressing issue;
- Increasing employment levels by creating new "green" jobs and developing relevant strategies;
- Effective use of market mechanisms in achieving sustainable development goals.

According to international experts, rational and efficient use of natural resources could bring economic benefits of \$2 trillion annually to future generations by 2050. By this time, the world population is projected to increase by 28%, and per capita resource consumption is projected to increase by 71%. If necessary measures are not taken to conserve and efficiently use natural resources, the annual consumption of raw materials, including metals, biofuels, minerals and other resources, could increase from 85 billion tons to 186 billion tons.

Investments to combat climate change could lead to a 3.7% loss in gross domestic product (GDP) per capita. However, the introduction of best practices and measures to ensure resource efficiency can offset these losses.

"The process of transition to a "green economy" in each country has its own characteristics, which depend on the level of natural and human capital and economic development. Therefore, it is important to create a favorable environment for the successful implementation of this process. If incentive mechanisms at the national level, including investments and public procurement, are directed towards the development of a "green economy", the process of adapting the economic system to environmental principles will accelerate.

World experience shows that the formation and development of a "green economy" is a long-term process and requires large investments. The main focus is on the use of renewable energy sources, the development of technologies that increase energy efficiency, and the improvement of mechanisms for the rational use of resources.

International rating indicators such as the Global Green Economy Index (GGEI) and the Green Growth Index (GGI) are widely used to assess the effectiveness of the green economy worldwide . The GGEI rating index has been published since 2010 , and the last time it was published in 2018 was in 130 countries. This index assesses countries in four categories : leadership & climate change ; efficiency sectors ; market & investment ; and environment . The latest widely used indicator is the Green Growth Index (GGI). This index assesses the progress of countries in achieving the Sustainable Development Goals (SDGs), the Paris Climate Agreement commitments, the Aichi Biodiversity Targets , as well as green growth indicators such as efficient and sustainable use of resources, protection of natural assets, green economic opportunities, and social inclusion . Green Growth Index It consists of 4 target areas , 16 categories and 36 indicators, and is constantly being developed and covers all countries. According to the Green Growth Index , countries such as Sweden, Denmark, the Czech Republic and Germany have the highest green growth indicators . The lowest are African countries such as Zimbabwe, Algeria, Nigeria and Niger . Among the CIS countries , Georgia , Central Asia Kyrgyzstan has achieved high scores in this ranking. Uzbekistan It is ranked 33rd among Asian

countries . While the country's indicators in this index are relatively high in the areas of "Social inclusion" and " Natural capital protection ", there is room for improvement in the areas of "Efficient and sustainable resource use" and " Green economic opportunities " . It should be noted that the Resolution of the President of the Republic of Uzbekistan No. PQ-4477 of October 4, 2019 approved the Strategy of the Republic of Uzbekistan for the transition to a "green" economy in 2019-2030 . The Ministry of Economic Development and Poverty Reduction has been designated as 'the authorized body for the promotion and implementation of the "green" economy in the Republic of Uzbekistan .

We believe that it is appropriate for the Republic of Uzbekistan to take into account the Europe-2030 Development Strategy adopted by the European Union on June 17, 2010, in forming a green economy in its development, and to apply it taking into account the specifics of the national economy. In this context, it is extremely important to coordinate the concept of ensuring sustainable socio-economic growth, structural changes in the economy, competitiveness and labor productivity, in order to form the "green economy" proposed by this group . In accordance with this strategy, by 2030, the amount of expenditure ²spent on scientific research and experimental design work (R&D&I) in the European Union countries is set to increase to 3% of gross domestic product, reduce the amount of gases emitted into the atmosphere by 80% compared to 1990 levels, and increase the use of renewable energy sources in total energy consumption by 20% (-table).

Table 1.
Key indicators of the Europe 2030 development strategy³

Indicators		2010	2015	2020	2025	2030
Employment	Employment rate, as a percentage of the population aged 20-64	70 , 3	68 , 4	69 , 2	70 , 1	75 .0
Scientific and technical development and design work	Share of scientific and technical development and design work expenditures in the National Budget, %	1 , 84	2 , 03	2 , 04	2 , 03	3,00
Climate change and energy	Greenhouse gases emitted into the atmosphere, 1990=100	90 , 31	80 , 26	77 , 06	...	80
	Share of renewable energy sources in total energy consumption, %	11 , 0	15 , 0	16 , 0	...	20
	Energy consumption, million tons of oil equivalent	1 693 , 1	1 569 , 1	1 507 , 1	...	1 483
	Final energy consumption, million tons of oil equivalent	1 180 , 0	1 106 , 2	1 061 , 2	...	1 086
Education	Secondary and secondary specialized education level, % (relative to the population aged 18-24)	14 , 7	11 , 9	11 , 2	11.0	<10 , 0

¹ <https://teleg.rh/Ua-shil-iqtisodiuotning-globa-l-korsa-tkichi-ri-ta-hlili-03-29>

² <https://namdu.uz/media/Books/pdf/2024/10/17/NamDU-ARM-13529>

³ <http://www.oica.net/categori/rroduction-statistics/2016-statistics/>

	Higher education level, % (relative to population aged 30-34)	31 , 1	37 , 1	37 , 9	38 , 7	≥40 , 0
Poverty	People living below the poverty line, change since 2008, thousand people	...	5506	4753	1696	-20000

China plans to increase the share of electricity generation from renewable energy sources to 15% (currently 9%) and reduce the carbon intensity of the economy by 45% by 2025. Experts say that China's greenhouse gas emissions will increase until 2020 and then decline after 2030.

This situation is likely to be further complicated by the rapid development of China's various industries, including the automotive industry . At the same time, the country's private car ownership rate remains very high.

Although Russia is an ecological creditor country, unlike the United States, the European Union, China, and India, it needs to transition to a "green economy" like other countries due to the rapid use of natural resources. The draft Environmental Strategy of the Russian Federation until 2030 has been adopted. According to this strategy, it is planned to reduce the level of energy consumption in the production of the country's gross domestic product by 40% by 2020, and increase the share of renewable energy to 4.5%.

The concept of transition to a "green economy" in the Republic of Kazakhstan is planned to be implemented in three stages:

- 1) 2013-2020 - optimizing resource use and increasing the effectiveness of nature protection, developing "green" infrastructure;
- 2) 2020-2030 - formation of the national economic structure based on "green" infrastructure, promotion and large-scale introduction of renewable energy technologies, construction of facilities based on high standards of energy efficiency;
- 3) 2030–2050 – transition to the development of the national economy based on the principles of the "third industrial revolution".

According to experts from the McKinsey Global Institute, "due to the effectiveness of programs aimed at developing a "green economy", the energy intensity of the world economy will decrease by 50% by 2050, and in 20 countries, 0.9-1.6 trillion dollars can be saved due to a decrease in the consumption of natural resources."

McKinsey experts have developed scenarios for moderate and accelerated development of technologies. According to the moderate scenario, by 2035, energy efficiency is expected to increase by 43%, and according to the accelerated development scenario, by 70%. Due to the efficient use of energy, the world economy can save 100 million terajoules of energy, or 0.2-1.2 trillion dollars. In the near future, fossil fuels, which have been the leading source of energy production since the 19th century, will be replaced by relatively renewable energy sources. By 2030, 36% of electricity production in the world will be carried out by wind and solar power plants.

The alternative energy sector is gaining strategic importance in increasing employment in many countries, and the flow of investments and employment levels in this sector are increasing. The need to transition to a "green economy" in Uzbekistan is explained by the fact that most of the energy consumed in the national economy is produced using non-renewable natural resources, the limited reserves of these resources, the rapid development of industry, which leads to the aggravation of environmental problems associated with environmental pollution, water shortages, and the drying up of the Aral Sea.

The majority (87%) of electricity consumed in Uzbekistan is generated at thermal power plants. The core of the energy consumption structure is oil and gas resources. If the current level

of natural gas and oil consumption is maintained, their reserves can meet the demand for natural gas and oil for 20-30 years. If we take into account that the amount of electricity consumed in the national economy will double (to 50 billion kWh) by 2030, it is natural that the expiration date of natural oil and gas reserves will decrease.

Calculations show that Uzbekistan has great potential for alternative energy sources. Solar energy, small rivers, reservoirs and canals, biogas energy produced from organic and inorganic waste are considered promising in this regard. The potential for using solar energy in Uzbekistan is very high. The number of sunny days in our country is more than 320 days per year, and the amount of solar energy exceeds 51 billion tons of oil equivalent. The use of solar power plants in combination with traditional sources in the production of electricity allows saving 1.8 billion cubic meters of natural gas per year.

References

1. Asian Development Bank (2024). *Uzbekistan Country Report: Economic Outlook and Structural Transformation*. Manila: ADB.
2. Raximov, Eshmurod, and Madina Berdivaliyeva. "GREEN ECONOMY IS THE DRIVER OF SUSTAINABLE ECONOMIC GROWTH IN UZBEKISTAN." *Modern Science and Research* 3.6 (2024): 25-31.
3. International Monetary Fund (2024). *Republic of Uzbekistan: Article IV Consultation Report*. Washington, DC: IMF.
4. Raximov, Eshmurod Normuradovich. "METHODOLOGICAL INNOVATIONS FOR STRENGTHENING EXPORT POTENTIAL AS A DRIVER OF SUSTAINABLE ECONOMIC GROWTH." *Integration of Innovative Education and Training* 1.3 (2025): 41-49.
5. Ministry of Investment, Industry and Trade of Uzbekistan (2024). *Annual Export Performance Report*. Tashkent.
6. OECD (2023). *Trade Facilitation and Digitalisation in Developing Countries*. Paris: OECD Publishing.
7. Raximov, Eshmurod. "EKSPORT SALOHIYATINI OSHIRISH ASOSIDA BARQAROR IQTISODIY O 'SISHNI TA'MINLASH METODOLOGIYASINI TAKOMILLASHTIRISH YO 'LLARI." *Muhandislik va iqtisodiyot* 3.10 (2025).
8. State Committee of the Republic of Uzbekistan on Statistics (2017–2025). *Foreign Trade Statistics: Monthly and Annual Bulletins*. Tashkent: UzStat.
9. Normuradovich, Raximov Eshmurod. "O 'ZBEKISTONDA EKSPORT SALOHIYATINI OSHIRISH YO 'LLARI." *TANQIDIY NAZAR, TAHLILY TAFAKKUR VA INNOVATSION G 'OYALAR* 1.5 (2025): 62-67.
10. World Bank (2024). *Uzbekistan Systematic Country Diagnostic Update: Pathways to Export Competitiveness*. Washington, DC: World Bank Group.
11. World Trade Organization (2023). *World Trade Statistical Review 2023*. Geneva: WTO.
12. Avazkhodjaev, Salokhiddin, et al. "Trade War Shocks and Volatility Spillovers between Fossil Fuel Markets and Biofuel Feedstocks: Empirical Evidence from the US–China Trade Dispute." *International Journal of Energy Economics and Policy* 16.1 (2026): 719.
13. Normuradovich, Raximov Eshmurod. "YASHIL IQTISODIYOT O'ZBEKISTONDA BARQAROR IQTISODIY O'SISHNING DRAYVERI." (2024).
14. Rahimov, E. N. "Ensuring The Well-Being of The Population Through Macroeconomic Stability and Economic Development." *International Conference of Economics, Finance and Accounting Studies*. Vol. 2. 2024.