



ISSUES OF PROVIDING EMPLOYMENT IN THE REPUBLIC OF UZBEKISTAN

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DOI No: 10.36713/epra24974

Article DOI: <https://doi.org/10.36713/epra24974>

INTRODUCTION

Employment is one of the important indicators that reflects the inextricable link between economic growth, social stability and the standard of living of citizens. The effective use of labor resources is a prerequisite not only for ensuring macroeconomic stability, but also for social equality, reducing poverty and increasing the well-being of the population. Therefore, in all countries, and in particular in the Republic of Uzbekistan, the issue of ensuring employment is considered one of the priorities of state policy. The annual increase in the population of Uzbekistan, especially the high share of the working-age population, is increasing pressure on the labor market. As of 2023, the number of people of working age exceeded 20 million, but the number of those employed is less than this. The employment rate remains low, especially among young people and women. The reasons for this are their low level of qualifications, lack of adaptability to modern professions, interregional inequality and lack of infrastructure.

At the same time, the number of people employed in the formal sector does not even make up half of the total employed population. The informal labor market carries risks such as low wages, lack of social protection, and exclusion from the pension system. Labor migration, although considered a temporary solution, means that the country's internal potential is not being fully utilized. Problems related to employment issues are not only economic, but also social and demographic in nature. They can lead to social discontent, social inequality, and an increase in social risks among young people. Therefore, it is important to approach this issue systematically, scientifically based, based on statistical analysis. This article examines the state policy, existing problems, international experiences and advanced approaches to ensuring employment in the Republic of Uzbekistan. The main goal of the article is to analyze the effectiveness of reforms in the employment sector, develop mechanisms for the transition from the informal to the formal

sector, and provide practical proposals for increasing youth and women's employment.

LITERATURE REVIEW

Theoretical views on ensuring employment of the population are interpreted by various schools of economics and social sciences with many approaches. While in classical economic theory, employment and unemployment are associated with the imbalance between supply and demand in the market, the Keynesian approach is based on the need to stimulate employment through state intervention and investment. For Central Asia, and Uzbekistan in particular, these approaches need to be reinterpreted based on socio-economic specifics. The World Bank's 2022 "Uzbekistan Jobs Diagnostic Report" identifies the limited participation of the private sector in job creation in Uzbekistan, the high share of the informal sector, and the low level of female participation as key problems. The report proposes institutional reforms, liberalization of labor legislation, and strengthening regional employment programs to fully utilize the potential of the working-age population.

The report "Global Employment Trends" (2023) published by the International Labor Organization (ILO) notes a sharp increase in unemployment and informal employment in the post-pandemic period. Existing assessments for Uzbekistan emphasize the weakness of labor market institutions, problems of professional compatibility, and the complexity of youth employment. Studies conducted by local authors also examine regional differences in employment, social inequality, gender imbalance, and migration flows as factors affecting employment. For example, Tursunov M.Q. (2022) in his article explains the low employment rate in the southern regions of Uzbekistan by the underdevelopment of infrastructure. Karimova D. (2023) raises the issue of women's employment and emphasizes the need to expand suitable working conditions and remote employment opportunities for women with children. Also, the New Uzbekistan Strategy, designed by the

President of the Republic of Uzbekistan for 2022–2026, sets the following priority areas in the employment sector: liberalization of the labor market, expansion of social employment programs, formalization of informal labor, and creation of new jobs. At the same time, the digitization of state employment services and the expansion of the activities of vocational training centers for the population are also urgent issues. In general, an analysis of the existing literature shows that, despite the implementation of a number of reforms to ensure employment in Uzbekistan, a balanced labor market, stable jobs, and a system for attracting the population to active labor have not yet been fully formed. International experience, statistical assessments, and local policy documents formed the analytical basis of this article.

RESEARCH METHODOLOGY

This study used complex methodological approaches to comprehensively study the issues of ensuring employment, identify existing problems and develop proposals. In the research process, qualitative and quantitative methods were applied together, and statistical analyses, international comparative approaches, legal documents and expert opinions were combined.

Statistical Analysis

The study analyzed the employment rate, unemployment indicators, the share of employment in the informal sector, youth and women's employment, and the scale of labor migration based on official statistical data from organizations such as the Agency for Statistics of the Republic of Uzbekistan, the Ministry of Employment and Labor Relations, the World Bank, and the International Labor Organization (ILO) for 2018–2023.

Comparative Approach

The employment situation in Uzbekistan was analyzed in comparison with the experience of developing countries, in particular, Kazakhstan, Georgia, Turkey, and Indonesia. This revealed the mechanisms by which international labor policy was formed and which experiences could be adapted to the conditions of Uzbekistan.

SWOT Analysis

The following four components of the labor market were identified and analyzed - Strengths, Weaknesses, Opportunities and Threats. This approach allowed for an in-depth assessment of the main internal and external factors influencing the formation of employment policy in Uzbekistan.

Analysis of regulatory and Legal Documents

The study examined presidential decrees, government resolutions, the Development Strategy for 2022–2026, the Law "On Employment", and regulatory and legal documents related to employment policy in state programs. These documents served to assess the legal basis of labor market reforms and their practical effectiveness.

Empirical Analysis

Empirical observations were made based on existing trends in the level of employment of the population by region, differences between the formal and informal sectors, low employment among youth and women, and labor migration flows. Based on these analyses, territorial and social

inequalities were identified and recommendations were developed.

Expert assessments and secondary sources

During the study, the opinions of experts (statisticians, employment policy experts, economists) were studied, scientific articles, reports of international organizations, analytical reviews, and policy documents were used.

RESEARCH RESULTS AND DISCUSSIONS

General employment situation by the end of 2023, the number of economically active people in the Republic of Uzbekistan amounted to 15.2 million people. Of these, 14.4 million were employed, and the number of unemployed was recorded at around 800 thousand. Although the unemployment rate is currently set at 8.1 percent in official statistics, the hidden unemployment rate may be higher.

In the distribution of employment by sector, the service sector (36.7%), agriculture (25.9%) and industry (13.4%) accounted for the main share. Small businesses and informal forms of work are especially prevalent in the service sector.

Informal employment is a systemic problem

Almost half of the employed population, that is, up to 48-50 percent, works in the informal sector. This means that labor relations are not formalized on the basis of official documents, and employees are excluded from the rights to use the social insurance system, pension fund, and medical services.

Informal employment is especially high in the following areas:

- Agriculture (especially family farms);
- Construction;
- Market trade, personal services;
- Citizens working abroad through migration.

Such extensive development of the informal sector leads to a reduction in the tax base, uncontrolled labor relations, and uncertainty in statistical calculations.

Employment of youth and women

The population aged 16–30 years makes up 35 percent of the total working-age population. However, the unemployment rate in this group is high, especially among young people with higher education, this figure is around 12–14 percent. The reasons for this are:

- Vocational training does not meet the requirements of the labor market;
- Lack of competitive skills;
- There is a shortage of modern jobs in the regions.

Women's employment is much lower than that of men. The employment rate of women in 2023 was 36.8 percent. They face the following obstacles:

- Family responsibilities, childcare;
- Lack of flexible work schedules;
- Gender stereotypes;
- Lack of kindergartens.

Labor migration is a manifestation of domestic market problems for citizens of Uzbekistan, labor migration is considered a short-term solution to the employment issue. According to official data, the number of Uzbeks working

abroad in 2023 exceeded 2 million. Main destinations: Russia, South Korea, Kazakhstan, Turkey.

As a result of external labor migration:

- Foreign exchange earnings are increasing;
- Family incomes are increasing;
- However, it is becoming a factor that is hindering the sustainable development of the domestic labor market.

Since many migrants work in the informal sector, they are deprived of social protection and their rights at work are not ensured.

• In regions such as Kashkadarya, Surkhandarya, and Jizzakh, despite the availability of labor resources, there is a shortage of modern jobs. This situation indicates the need for an equitable distribution of investments between regions, the expansion of infrastructure projects, and the creation of new jobs through industrial zones and techno parks.

CONCLUSIONS AND RECOMMENDATIONS

The analysis conducted during the study showed that, although certain positive developments have been achieved in the field of employment in the Republic of Uzbekistan, the existing problems are systemic and deep-seated. The issue of employment is not only about creating jobs, but also about preventing unemployment, effectively using labor resources, reducing informal employment, ensuring social equality and fully utilizing human capital.

In conclusion, the following can be noted:

• Although the unemployment rate in the Uzbek labor market is relatively low in official statistics, such phenomena as hidden unemployment, informal employment and labor migration do not fully reflect the real picture.

• The level of employment in the informal sector is high, which leads to social vulnerability of the population, a reduction in the tax base and a weakening of statistical accounting.

• Youth and female employment remains low, which indicates that the potential of human capital is not being fully utilized.

• Labor migration, although playing a positive role in terms of foreign exchange earnings, has a negative impact on the development of the domestic market.

• Employment opportunities differ sharply between regions. Regions with a dense population but insufficient jobs can lead to social tension.

Based on the above, the following proposals and recommendations have been developed:

1. Encouraging the transition from the informal to the formal sector:

- Creating preferences for officially registered entities through tax incentives and concessions;
- Simplifying the patent and licensing procedure;
- Expanding microcredit and grant programs for those conducting formal business activities.

2. To increase youth employment:

- Linking vocational colleges with production through the introduction of a dual education system;
- Establish special funds to develop startups and support youth entrepreneurship;
- Facilitate access to the digital economy, freelance and online labor markets.

3. To increase women's employment:

- Promote remote work formats;
- Expand part-time and flexible work schedules for women;

• Encourage mothers to return to work by increasing the number of kindergartens and making them more affordable.

4. Strengthen the internal labor market:

• Increase regional employment by creating industrial zones and technoparks in each region;

• Develop mechanisms for redistributing labor resources between regions (internal relocation programs to replace migration).

5. Develop digital labor market infrastructure:

- Create a "single portal for job seekers";
- Introduce statistical tools that allow real-time monitoring of supply and demand in the labor market;
- Integration of employment services through social networks and online platforms.

6. Improving the regulatory framework:

• Revising the Law "On Employment" in accordance with the requirements of the times;

• Developing separate by-laws regulating informal employment;

• Providing external labor migration with social guarantees.

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