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MACROECONOMIC MECHANISMS FOR ENSURING EMPLOYMENT IN STIMULATING SUSTAINABLE ECONOMIC GROWTH

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Abstract: Employment generation is a fundamental prerequisite for achieving sustainable economic growth and improving social welfare. Effective macroeconomic mechanisms play a crucial role in creating productive jobs, reducing unemployment, and ensuring inclusive economic development. This study examines the macroeconomic mechanisms that contribute to employment growth while supporting long-term economic sustainability. The research focuses on key policy instruments, including fiscal policy, monetary policy, investment promotion, industrial development strategies, labor market reforms, and human capital enhancement. Special attention is given to the interaction between economic growth and employment, emphasizing the importance of job-rich growth models that balance economic efficiency with social inclusion.

Key words: sustainable economic growth, employment, macroeconomic policy, fiscal policy, monetary policy, labor market, investment, human capital, inclusive growth, economic development.

In today's globalization environment, the issue of ensuring sustainable economic growth has become one of the most important tasks facing the countries of the world. According to modern economic views, economic growth is not limited to an increase in the volume of gross domestic product, but is a complex process closely related to the employment of the population, the availability of stable sources of income, and the provision of social stability in society. Therefore, the quality of economic growth is reflected, first of all, through the level of employment of the population and the state of the labor market. The concept of "decent work" put forward by the International Labor Organization places special emphasis on this aspect. According to this approach, if economic growth does not ensure that members of society have decent jobs, such growth cannot be sustainable in the long term. ILO reports note that many countries are experiencing "employment economic growth", which is explained by imbalances in the labor market, high levels of informal employment, and insufficient social protection. Population employment is not only a social issue, but also an important macroeconomic factor . An increase in the employment rate contributes to the expansion of domestic demand, the stabilization of population incomes, and the strengthening of economic activity. On the contrary, the increase in unemployment, especially the aggravation of employment problems among young people and women, becomes a factor slowing down economic growth. Therefore, the International Labor Organization recognizes employment as one of the main mechanisms stimulating economic growth. This issue is especially relevant for the Republic of Uzbekistan. The high rates of demographic growth in the country, the annual entry of thousands of young people into the labor market, and the acceleration of structural reforms in the economy put ensuring population employment on the agenda as a strategic task. At the same time, a significant share of informal employment,

differences in employment levels between regions, and low labor productivity limit the sustainability of economic growth. According to the recommendations of the International Labor Organization, increasing employment should be carried out not only through separate programs, but also on the basis of the coordination of all areas of macroeconomic policy - fiscal, monetary and structural policies. Increasing public investment, supporting economic activity, developing sectors that create high added value, and investing in human capital are important conditions for ensuring sustainable employment. From this point of view, in-depth scientific analysis of macroeconomic mechanisms for ensuring employment of the population in stimulating sustainable economic growth, determining their impact on economic growth, and adapting the approaches of the International Labor Organization to the conditions of the national economy are of great scientific and practical importance today. The results of this study will serve to improve employment policy, form a sustainable and inclusive model of economic growth, and increase the well-being of the population.

In recent years, economic reforms in the Republic of Uzbekistan have reached a new level, and the issue of ensuring employment is considered one of the central factors of sustainable economic growth. Stimulating employment in the country is being implemented in a comprehensive manner through fiscal, monetary and structural policy instruments. These mechanisms are aimed at activating the labor market, creating new jobs and ensuring income stability. Fiscal policy plays a leading role in ensuring employment in Uzbekistan. Jobs are being created through the implementation of large infrastructure projects at the expense of state budget funds, expanding investments in social sectors and financing regional development programs. In particular, the construction of road and transport infrastructure, energy, housing construction, irrigation and social facilities within the framework of state investment programs is creating thousands of temporary and permanent jobs. At the same time, supporting small businesses and private entrepreneurship through tax incentives and preferences is an important fiscal mechanism for increasing employment. In the field of social protection and employment of the population, state subsidies and grants are of great importance in the development of entrepreneurship, especially for youth, women and low-income groups. These mechanisms are coordinated by the Ministry of Economy and Finance of the Republic of Uzbekistan and the Ministry of Employment and Labor Relations of the Republic of Uzbekistan. One of the mechanisms that has an indirect, but not direct, strong impact on employment is monetary policy. The monetary policy pursued by the Central Bank of the Republic of Uzbekistan is aimed at curbing inflation, ensuring financial stability and stimulating economic activity. The availability and cheapness of credit resources expands investment opportunities for small and medium-sized businesses, which creates the basis for the creation of new jobs. In particular, preferential loans , state guarantees and Targeted credit lines are helping to increase employment in the manufacturing and services sectors. Structural policy is of particular importance in ensuring employment in Uzbekistan.

Sustainable economic growth, mechanisms for stimulating employment differ depending on the level of economic development of the countries, the institutional environment and the characteristics of macroeconomic policy. In the Republic of Uzbekistan, mechanisms aimed at ensuring employment are mainly implemented through active state policy, while in developed countries this process is more institutionalized and formed on the basis of automatic mechanisms. In developed countries, support for employment is carried out through automatic stabilizers of fiscal policy. In particular, unemployment benefits, a progressive tax system and social insurance mechanisms soften the impact of economic cycles and prevent a sharp decline in the employment rate. In OECD countries, fiscal policy is aimed at ensuring long-term employment stability , and a

significant part of state spending is spent on developing human capital and supporting the labor market. In Uzbekistan, fiscal policy is mainly targeted state programs to ensure employment and investment projects. Jobs are created through state investment programs, infrastructure construction, and regional development projects . Although this mechanism is effective in the short and medium

term, the system of automatic stabilizers has not yet been fully formed. In developed countries, monetary policy is directly related to ensuring employment. For example, in the United States, the Federal Reserve has set as an official goal the maintenance of maximum employment along with price stability . Low interest rates and developed financial markets stimulate private sector investment and contribute to the creation of new jobs. The main priority of monetary policy in Uzbekistan is to curb inflation and ensure financial stability. The impact on employment is mainly indirect and occurs through the availability of credit resources, preferential lending, and entrepreneurial activity. This situation indicates the need to strengthen the orientation of monetary policy towards employment. In developed countries, employment mechanisms are inextricably linked with industrial, innovation and educational policies. In Germany, Japan and Scandinavian countries, the priority is the training of a qualified workforce, technological innovation and the creation of jobs based on high productivity. As a result, employment is provided not only quantitatively, but also qualitatively.

UZBEKISTAN	DEVELOPED COUNTRIES (OECD/EU/US benchmark)
FISCAL: public investment programs, infrastructure projects, subsidies/grants (job creation is more programmatic) ↓	FISCAL: automatic stabilizers (unemployment insurance/pensions, progressive tax) + targeted spending (stable demand) ↓
MONETARY: inflation targeting, credit conditions, preferential financing (the impact on employment is mainly indirect) ↓	MONETARY: private investment activity through stable inflation and financial markets (in some countries the employment target is integrated) ↓
COMPOSITION: industrial zones, clusters, import substitution, services and digital economy (new jobs) ↓	COMPOSITION: innovation and industrial policy, high-performance sectors, dual education/skills system (quality jobs) ↓
LABOR MARKET INSTITUTIONS: employment services, vocational training/retraining, electronic platforms (matching) ↓	ACTIVE LABOUR MARKET POLICY (ALMP): training, retraining, hiring subsidies, strong employment services (PES) ↓
RESULTING PROBLEM: share of informal employment, employment quality and productivity differences, territorial imbalances	OUTCOME ADVANTAGE: high formal employment, broad social protection coverage, stable productivity and job quality
IMPROVED INTEGRATED MODEL (for Uzbekistan) ILO: 'Decent Work' (jobs + labor rights + social protection + social dialogue) | World Bank: Jobs/JET (private sector leadership, productivity, market linkages) | IMF: effective public investment | OECD: ALMP/PES packagesManagement: single KPI system (formal employment, productivity, employment after training, social protection coverage) and 'feedback loop'.	

Figure 1. Employment support mechanisms in Uzbekistan: comparison with the current model and the experience of developed countries (OECD) [1].

This figure reflects a conceptual comparison of macroeconomic mechanisms aimed at ensuring employment of the population in stimulating sustainable economic growth. The model of developed countries presented in the figure summarizes the institutionalized mechanisms of employment policy formed in the practice of the OECD, the European Union and the USA. Based on the integrated implementation of fiscal, monetary, structural and labor market policies, this model interprets employment not only as a result of economic growth, but also as an important

[1] **Source:** Developed by the author (based on OECD, EU, US and International Labor Organization approaches).

factor ensuring its sustainability. The left part of the figure depicts the mechanisms for stimulating employment of the population currently used in the Republic of Uzbekistan, which are mainly manifested through state investment programs, implementation of infrastructure projects, targeted subsidies and grants, preferential lending and institutional measures aimed at supporting the labor market. Although these mechanisms play an important role in creating new jobs in the short and medium term, their mutual coordination and integration with the quality of employment (labor productivity, formal employment and stable incomes) are not sufficiently institutionalized. In the practice of developed countries, employment policy is strengthened by automatic stabilizers, active labor market policies, continuous investments in human capital and developed social protection systems, and macroeconomic policy instruments are implemented in a coordinated manner as a single system. As a result, along with quantitative indicators of employment, its quality, labor productivity and the share of formal employment are ensured at a high level, and the stability of economic growth is strengthened. The **"**improved model**"** reflected in the central part of the figure was developed based on the author's research and is aimed at harmonizing the mechanisms for stimulating employment in the conditions of Uzbekistan with the experience of developed countries. In this model, fiscal, monetary and structural policy instruments are inextricably linked to labor market institutions, and employment outcomes are assessed through clear and measurable indicators - the share of formal employment, labor productivity and stable incomes. Also, the introduction of a "feedback" mechanism in the model allows for the adjustment of macroeconomic policy based on labor market indicators. Thus, the conceptual comparison presented in the figure scientifically substantiates the need for a gradual transformation of the mechanisms for ensuring employment in the Republic of Uzbekistan into an institutionalized, systematic and sustainable model and forms the conceptual foundation of this dissertation research.

Sustainable economic growth and employment creation are closely interconnected objectives that require the implementation of effective macroeconomic policies. The analysis shows that employment is not only a result of economic growth but also a key factor that contributes to long-term economic stability, higher productivity, and improved living standards. Macroeconomic mechanisms such as fiscal and monetary policies, investment promotion, industrial development programs, and labor market reforms play a significant role in stimulating job creation and supporting sustainable development.

The study concludes that achieving sustainable economic growth requires a comprehensive policy approach that encourages productive investment, strengthens human capital, fosters innovation, and creates a favorable business environment. Governments should prioritize employment-oriented growth strategies that promote both economic efficiency and social inclusion. In addition, maintaining macroeconomic stability, improving access to finance, and enhancing workforce skills are essential for increasing employment opportunities and ensuring resilience against economic shocks.

Overall, the successful integration of employment objectives into macroeconomic policymaking can contribute to inclusive and sustainable economic development, reduce poverty and income inequality, and improve the overall well-being of society. Therefore, policymakers should continue to develop and implement coordinated strategies that support both economic growth and productive employment in the long run.

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