BG Pulse Journal USA
ISSN:1947-2536 http://www.bgpulseusa.com/index.php/bg

UZBEKISTAN'S JOBLESS RATE: A TEN-YEAR OUTLOOK AND WAYS TO BRING IT DOWN

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Doi: https://doi.org/10.5281/zenodo.22141375

Abstract: Uzbekistan's unemployment rate looks very different depending on which number you read. International agencies report a rate near 4.5–4.6 percent, while the country's own broader statistics put it closer to 5–7 percent in recent years, and it was above 9 percent as recently as 2022. Either way, the harder problem sits underneath the headline figure: about 57 percent of Uzbekistan's population is under 30, roughly 600,000–700,000 new people enter the labor market every year, and many current jobs are informal, seasonal, or low-paid. This article explains what the data actually show, in plain terms, builds three simple ten-year scenarios (2026–2035) for where the jobless rate could go, and lays out concrete, evidence-based ways to bring it down. The scenarios are not official forecasts — they are transparent, author-built projections that stretch the country's recent trend forward under three different assumptions about how much reform succeeds. Under a reform-accelerated scenario, the modeled unemployment rate could fall to around 3.2 percent by 2035; under a status-quo scenario it drifts up slightly to about 5.1 percent; and under a scenario where demographic pressure and automation outpace job creation, it could climb toward 6.9 percent. The article argues that the deciding factor is not any single program but whether skills training, private-sector job creation (textiles, agro-processing, IT, green energy), and support for youth and women keep pace with the number of people entering the workforce each year.

1. Introduction

1.1 Why this matters

Uzbekistan is Central Asia's most populous country, with roughly 38 million people, and it is also one of the youngest: about three in ten people are under 15, and well over half are under 30 (Demographics of Uzbekistan, Wikipedia, sourced from national statistics, 2026). That youth wave is often called a "demographic dividend" — a large, young workforce that can drive growth — but only if enough decent jobs are created for it. If job creation falls behind, the same demographic wave becomes a source of frustration, informal work, and outward labor migration.

Uzbekistan has, in fact, made real progress. Since sweeping economic reforms began in 2017 — opening the currency market, easing state control over cotton and land, and inviting private investment — several job-heavy sectors have expanded quickly. The textile industry alone grew from about 188,000 workers in 2018 to roughly 600,000 in 2024 (World Bank, 2025). At the same time, structural problems remain: informal employment is widespread, women's labor-force

participation is much lower than men's, and youth unemployment, while down from its 1998 peak, has not fallen in a straight line.

1.2 The problem with the numbers

A reader trying to understand Uzbekistan's jobless rate quickly runs into a puzzle: different sources report very different numbers for the same years. This is not necessarily an error — it usually reflects different definitions (registered job-seekers vs. a full labor-force survey; narrow unemployment vs. broader "underemployment," which includes people working far fewer hours than they want). Before proposing any solution, it is important to be honest about this measurement gap, because policies designed around the wrong number can miss the real problem.

1.3 Objectives of this article

This article has three goals:

1. **Explain clearly** what the available data say about Uzbekistan's jobless rate today, and why different sources disagree.

2. **Project** three plausible ten-year paths (2026–2035) for the unemployment rate, built transparently from historical data and stated policy targets — not presented as an official forecast.

3. **Identify practical, evidence-based ways** to reduce unemployment over the next decade, drawing on what has already worked (and not worked) inside Uzbekistan and in comparable countries.

2. Methods

2.1 Data sources

Three types of sources were used:

- **Internationally harmonized statistics** — World Bank / International Labour Organization (ILO) "modeled estimates," which adjust national data so that Uzbekistan can be compared with other countries on a like-for-like basis. These are the numbers behind Charts 1 and 2 below.

- **National and program-level statistics** — figures reported by Uzbekistan's Ministry of Employment and Labor Relations, the State Statistics Committee, and government press releases, which sometimes use broader or narrower definitions than the international series.

- **Program and project evaluations** — reports from the World Bank, Asian Development Bank (ADB), and the ILO on specific job-creation initiatives (e.g., the textile sector, horticulture, IT Park, youth programs), used to identify what has demonstrably created jobs.

2.2 How the ten-year projection was built

This is the part readers should treat with appropriate caution: **there is no single official ten-year unemployment forecast for Uzbekistan**, so this article builds one, openly and simply, using three steps:

1. Start from the most recent internationally comparable figure (4.62 percent in 2025).

2. Extend it forward year by year under three different assumptions:

- **Baseline scenario** — recent trends continue roughly as they have (mild upward drift due to population growth in the workforce).

- **Reform-accelerated scenario** — job-creation programs (skills training, private investment, new industrial zones) expand fast enough to outpace the number of new workers entering the labor market each year, similar to what happened in the textile sector after 2017.

- **Structural-headwinds scenario** — job creation does not keep pace with the number of new workers, informality persists, and automation displaces more jobs than it creates.

3. Calibrate the pace of change in each scenario against real precedents already observed in Uzbekistan (e.g., the textile sector more than tripling employment in six years) and against the government's own stated targets (e.g., a goal of 5.2 million new jobs in 2025 alone).

This method is a **scenario projection**, not a statistical or econometric forecast. It is meant to show a plausible range, not to predict a single number.

2.3 Limitations

The projection depends heavily on which starting statistic is used (international vs. national definition), so the charts below show both where the data allow it. The three scenarios are illustrative, not probabilistic — no percentage likelihood is attached to any of them.

3. Results

3.1 Where things stand today

The chart below shows why "what is Uzbekistan's unemployment rate?" does not have one simple answer.

[Figure: Two ways of measuring unemployment in Uzbekistan, 2019-2025]

The internationally modeled estimate has stayed close to 4.5–5.3 percent since 2019 (World Bank/ILO modeled estimate, via Macrotrends and TheGlobalEconomy.com, 2026). Uzbekistan's own broader statistics, reported through CEIC Data and the United Nations in Uzbekistan, showed a much higher rate — over 10 percent in 2020, still 9.6 percent in 2022, easing to 6.8 percent in 2023, and down to about 5.1 percent by mid-2025 (CEIC Data, 2026; UN Uzbekistan, 2023;

government labour-strategy report, 2025). The direction of travel is the same in both series — down — but the levels differ by several percentage points, most likely because the broader national figure captures more of the underemployed and informally attached workforce.

3.2 Youth unemployment: a longer view

Because more than half of Uzbekistan's population is under 30, the youth (ages 15–24) unemployment rate matters as much as the headline number.

[Figure: Uzbekistan youth unemployment rate, 1998-2025]

Youth unemployment fell sharply from a peak of nearly 27 percent in 1999 to about 10 percent by 2007–2008, as the economy recovered from the difficult 1990s (World Bank modeled estimate via FRED, 2026). Since then it has moved in a narrower band, roughly 10–13 percent, without a clear further decline — including through 2017, when the government's flagship "Yoshlar Daftari" (Youth Notebook) program was launched. Government press releases in 2025 state that the program cut youth unemployment "by 50 percent" over its first eight years and tripled the number of young entrepreneurs (Government of Uzbekistan press release via PR Newswire/Yahoo Finance, 2025). That claim is very likely based on a different, narrower measure — such as unemployment among the specific young people registered in the program's own database — rather than the economy-wide labor-force survey shown in the chart, since the broader series shown here does not show a comparable drop. Both things can be true at once: a well-targeted program can dramatically help its own registered participants while the national youth rate, which includes everyone, moves only modestly. This is exactly the kind of measurement gap flagged in Section 2.1, and it is a useful lesson for evaluating any future program.

3.3 What is already working: evidence from real programs

Several concrete, evaluated initiatives point to what does create jobs at scale:

- **Textile and garment clusters.** Following the 2017 reforms that ended forced cotton-picking and opened the sector to private investment, employment in textiles and garments grew from about 188,000 in 2018 to around 600,000 in 2024, with many jobs going to women and young people (World Bank, 2025).

- **Special Economic Zones (SEZs).** Uzbekistan has built a network of free economic zones, industrial zones, and technology parks (including IT Park, which offers tax exemptions to IT and outsourcing companies), attracting investment into export-oriented manufacturing and digital services (Lexminster, 2025).

- **Digital-sector job creation.** A World Bank–backed Digital Inclusion Project is training young people, especially in rural areas, for jobs in IT-enabled services, targeting around 25,000 direct jobs and 15,000 related jobs by 2029 (World Bank, 2023).

- **Automation done right.** An ADB study estimated that if Uzbekistan invests in skills and supportive policy, adopting modern ("Fourth Industrial Revolution") technology in just the textile and construction sectors could create a net 430,000 new jobs by 2025, because productivity gains and new demand outweigh the jobs automation displaces (ADB, 2023).

- **Agriculture and horticulture.** A World Bank–funded horticulture project created over 34,500 permanent jobs and 22,000 seasonal jobs (about 40 percent and 75 percent held by women, respectively), plus 5,000 more jobs in related industries like food packaging, by helping farms modernize (World Bank, 2025).

- **National targets.** For 2025 alone, the government set a goal of creating 5.2 million job opportunities (including for university graduates, returning labor migrants, and underemployed workers), training over 1 million people, and lifting 1.5 million people out of poverty (Government labour-strategy report, 2025).

3.4 Ten-year scenarios (2026–2035)

Putting the historical trend and these program results together produces the following illustrative picture:

[Figure: Uzbekistan unemployment rate: historical trend and scenarios to 2035]

These are not competing predictions of a single "true" future; they are meant to show how much difference sustained policy effort can make — a gap of roughly 3.7 percentage points between the best and worst illustrative paths by 2035.

4. Discussion

4.1 What the scenarios really show

The gap between the three scenarios is the headline finding of this article: Uzbekistan's jobless rate a decade from now depends far more on the pace of job creation than on any change already "baked in." The reform-accelerated path is not a guess — it mirrors what already happened in the textile sector, scaled up. The structural-headwinds path is also realistic: it reflects the plain arithmetic that hundreds of thousands of young Uzbeks enter the labor market every year, and if new decent jobs do not keep pace, either open unemployment or informal, low-paid work absorbs the difference.

4.2 Ways to cut the jobless rate over the next ten years

Based on the evidence reviewed above, five directions stand out:

1. **Keep growing labor-intensive export sectors.** Textiles, garments, and agro-processing have already proven they can create hundreds of thousands of jobs quickly when given investment

and market access. Extending the "cluster" model — grouping farming, processing, and manufacturing together — to more crops and regions would replicate this.

2. **Match training to real vacancies, not paper qualifications.** The government's own 2025 labor strategy explicitly shifted "from jobs to skills," aligning vocational training with actual employer demand and letting employment centers act as matchmakers rather than passive registries (Government labour-strategy report, 2025). This should continue and expand into rural areas, where the mismatch between training and available jobs is largest.

3. **Grow the digital and IT-enabled services sector deliberately, not accidentally.** The Digital Inclusion Project and IT Park model — training people in the specific skills that outsourcing and tech companies need, then connecting them to employers — is a template that can be scaled well beyond the current 25,000–40,000 job target (World Bank, 2023).

4. **Manage automation instead of fearing it.** The ADB's finding that new technology could create more jobs than it destroys depends entirely on pairing it with retraining (ADB, 2023). Without that retraining investment, the same technology could just as easily push the country toward the structural-headwinds scenario.

5. **Close the gender and rural-urban gaps.** Women's labor-force participation remains well below men's, and rural workers are more exposed to seasonal and informal work. The horticulture project shows that targeted rural investment can create large numbers of jobs disproportionately held by women (World Bank, 2025); replicating that model in other sectors would raise overall employment without needing new job categories to be invented.

4.3 Being honest about measurement

Any of these policies will be judged, in the future, against unemployment statistics — so it matters which statistics are used. Section 3.1 and 3.2 showed that Uzbekistan's international and national figures, and government program claims, do not always tell the same story. A practical recommendation that costs nothing is for Uzbekistan's statistical agencies to publish youth and overall unemployment using one clearly defined, internationally comparable methodology, tracked consistently over time, so that future progress (or setbacks) can be judged with confidence.

4.4 Limitations

This article's ten-year projection is a transparent scenario exercise, not a formal economic model — it does not account for external shocks such as a regional recession, a sharp change in remittance flows from labor migrants working abroad, or global energy and commodity price swings, all of which have moved Uzbekistan's labor market before and could again.

4.5 Conclusion

Uzbekistan's jobless rate is already comparatively low by some measures and higher by others, but the more important question is not today's number — it is whether job creation keeps pace with the roughly 600,000–700,000 young people joining the workforce each year for the next decade. The evidence reviewed here suggests that where Uzbekistan has invested deliberately — textiles, horticulture, IT services, special economic zones — jobs have followed at meaningful scale. Extending that same deliberate approach, backed by honest and consistent measurement, is the clearest path toward the reform-accelerated scenario rather than the structural-headwinds one.

Scenario	What it assumes	Modeled rate by 2035
Reform-accelerated	Skills training, SEZs, and private investment keep expanding fast enough to absorb new workers, echoing the 2017–2024 textile-sector experience	**≈3.2%**
Baseline	Recent trends continue with only modest reform gains, roughly matching population growth in the workforce	**≈5.1%**
Structural headwinds	Reform slows, informality persists, and automation/AI displaces more jobs than it creates	**≈6.9%**

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