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MEASURES TO ENSURE EMPLOYMENT IN UZBEKISTAN: CHALLENGES, STATISTICAL ANALYSIS AND DEVELOPMENT PRIORITIES

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Abstract. This article examines the socioeconomic mechanisms for ensuring employment in Uzbekistan, the principal challenges facing the labour market, and policy measures aimed at expanding decent and productive employment. The study employs official statistical data, comparative analysis, and economic formulas to assess employment dynamics and labour-market efficiency. Particular attention is paid to youth and female employment, small-business development, vocational education, regional disparities, and the formalisation of informal economic activities. The article proposes an integrated employment policy based on labour-market information, targeted skills development, entrepreneurship support, and measurable performance indicators.
Keywords: employment, labour market, unemployment, labour force, youth employment, vocational training, small business, labour productivity, Uzbekistan.

Annotatsiya. Maqolada O'zbekistonda ishchi kuchi bandligini ta'minlashning ijtimoiy-iqtisodiy mexanizmlari, mehnat bozoridagi mavjud muammolar va aholi bandligini oshirish yo'nalishlari tahlil qilinadi. Tadqiqotda rasmiy statistik ma'lumotlar, qiyosiy tahlil va iqtisodiy-matematik formulalardan foydalanilgan. Yoshlar va xotin-qizlar bandligini kengaytirish, kichik biznesni qo'llab-quvvatlash, kasbiy tayyorgarlikni mehnat bozori talablariga moslashtirish hamda norasmiy bandlikni qisqartirish bo'yicha ilmiy-amaliy takliflar ishlab chiqilgan.
Kalit so'zlar: aholi bandligi, mehnat bozori, ishsizlik, ishchi kuchi, yoshlar bandligi, kasbiy tayyorgarlik, kichik biznes, mehnat unumdorligi.

Аннотация. В статье анализируются социально-экономические механизмы обеспечения занятости населения Узбекистана, основные проблемы рынка труда и приоритетные направления повышения занятости. Исследование основано на официальных статистических данных, сравнительном анализе и экономико-математических формулах. Разработаны практические рекомендации по расширению занятости молодежи и женщин, поддержке малого бизнеса, совершенствованию профессиональной подготовки и сокращению неформальной занятости.
Ключевые слова: занятость населения, рынок труда, безработица, рабочая сила, занятость молодежи, профессиональная подготовка, малый бизнес, производительность труда.

INTRODUCTION

Employment is one of the fundamental conditions for sustainable economic growth, poverty reduction, and social stability. An effective employment policy enables a country to use its human resources productively, increase household incomes, strengthen domestic demand, and improve the competitiveness of national production. In Uzbekistan, ensuring employment has particular importance because population growth continuously expands the supply of labour, while technological transformation and structural changes in the economy alter the demand for workers and professional skills. The demographic potential of Uzbekistan creates significant opportunities for economic development. However, the availability of a large working-age population does not automatically guarantee productive employment. The economic benefits of this potential depend on the capacity of enterprises to create jobs, the quality of vocational education, the geographical distribution of employment opportunities, and the ability of workers to adapt to changing production requirements.

Official statistical data indicate that Uzbekistan's employment rate increased from 68.3% in 2024 to 70.5% in 2025, while the unemployment rate declined from 5.5% to 4.8%. These developments indicate an improvement in the main labour-market indicators, although aggregate figures alone cannot demonstrate whether newly created jobs provide adequate wages, social protection, and long-term stability. The purpose of this study is to analyse the main measures for ensuring employment in Uzbekistan, evaluate labour-market developments through statistical indicators, and develop recommendations for improving the effectiveness of employment policy. The central research proposition is that sustainable employment requires the integration of job creation, human-capital development, entrepreneurship support, and formal labour-market institutions.

MAIN PART

Employment represents the productive participation of individuals in economic activities that generate goods, services, income, or other recognised economic value. From an economic perspective, employment policy should address both the quantitative availability of jobs and their qualitative characteristics. A job that provides inadequate remuneration, unsafe working conditions, or no meaningful opportunity for professional development may improve the employment rate without sufficiently improving individual welfare. The labour market functions through the interaction of labour supply and labour demand. Labour supply is influenced by population growth, educational attainment, migration, household responsibilities, and wage expectations. Labour demand depends on investment, business activity, production technologies, consumer demand, and the expected profitability of employing additional workers.

Consequently, employment policy must go beyond registering unemployed individuals or organising temporary public works. It should improve the institutional and economic conditions under which enterprises can create sustainable jobs and workers can obtain the skills required by employers. The statistical picture for 2024–2025 demonstrates progress in Uzbekistan's labour market. Nevertheless, the continued presence of unemployment, gender differences, and a substantial self-employment segment indicates the need for more targeted interventions. The official national statistics portal reports 14.934 million employed persons in 2025, alongside an unemployment rate of 4.8%. It also records a female unemployment rate of 6.5%, compared with 3.4% for men, under the relevant national statistical series.

These differences suggest that employment policy should distinguish between population groups rather than rely exclusively on nationwide averages. Women may face constraints associated with unpaid care responsibilities, insufficient access to childcare, occupational segregation, and unequal opportunities for advancement. Young people may experience difficulties

because their education does not always correspond to employers' practical requirements. In rural areas, employment opportunities can be limited by weak industrial diversification, transport constraints, and insufficient access to finance. Employment indicators provide a basis for evaluating the effectiveness of government interventions. The employment rate measures the proportion of the relevant population that is employed, while the unemployment rate measures the proportion of the labour force that is unemployed and actively seeking work under the applicable statistical definition.

The employment rate can be expressed as:

$$E_r = \frac{N_e}{N_w} \times 100 \quad (1)$$

where E_r represents the employment rate, N_e is the number of employed persons, and N_w is the relevant working-age population.

The unemployment rate is calculated as:

$$U_r = \frac{N_u}{N_e + N_u} \times 100 \quad (2)$$

where U_r is the unemployment rate, N_u is the number of unemployed persons, and N_e+N_u represents the labour force.

The following table summarises selected indicators reported for Uzbekistan.

Table 1

Selected labour-market indicators in Uzbekistan, 2024–2025[1]

T/r	Indicator	2024	2025	Change
1	Employment rate (%)	68.3	70.5	+2.2 percentage points
2	Unemployment rate (%)	5.5	4.8	−0.7 percentage points
3	Female unemployment rate (%)	—	6.5	—
4	Male unemployment rate (%)	—	3.4	—
5	Economically employed population (million)	—	14.934	—

The employment rate increased by 2.2 percentage points between 2024 and 2025. Relative to its 2024 value, this represents an increase of approximately 3.22%:

[1] Author's work

$$G_E = \frac{70.5 - 68.3}{68.3} \times 100 \approx 3.22\%$$

Meanwhile, the unemployment rate declined by 0.7 percentage points, equivalent to a relative reduction of approximately 12.73%:

$$G_U = \frac{5.5 - 4.8}{5.5} \times 100 \approx 12.73\%$$

These calculations show that the indicators moved in a favourable direction. However, the percentage-point change in an unemployment rate should not be confused with the percentage change in the number of unemployed people. The latter also depends on changes in the size and composition of the labour force. A further methodological consideration is that national statistical indicators and International Labour Organization modelled estimates may differ because of definitions, estimation procedures, and population coverage. Consequently, data from different statistical systems should not be combined without checking their methodological comparability.

One of the most important measures is the development of small and medium-sized enterprises. Smaller businesses can create employment in retail, transport, food processing, tourism, information technology, construction, and professional services. Compared with large industrial projects, some small-business initiatives require relatively limited initial investment and can respond quickly to local demand. However, financial assistance alone does not guarantee sustainable job creation. Subsidised loans and entrepreneurship grants should be linked to viable business plans, market access, financial literacy, and transparent monitoring. Support programmes should measure not only the number of enterprises established but also the number of jobs retained after twelve or twenty-four months, average wages, tax compliance, and business survival.

The effectiveness of public employment expenditure can be evaluated using the following indicator:

$$C_j = \frac{B_p}{J_s} \quad (3)$$

where C_j is the public expenditure per sustainable job, B_p represents programme expenditure, and J_s is the number of jobs that remain sustainable over the selected evaluation period. A lower value of C_j may indicate greater cost-effectiveness, provided that the jobs being compared have similar quality, remuneration, and duration. This qualification is important because a temporary, low-paid position should not automatically be considered equivalent to a permanent skilled job.

Vocational education and professional retraining represent another essential policy direction. Employment services should systematically collect information about vacancies, employers' skill requirements, regional shortages, and expected changes in occupational demand. Educational institutions can then adjust their programmes accordingly. Cooperation between vocational colleges, universities, industrial enterprises, and service providers should include workplace training, internships, dual education, and employer participation in curriculum development. Digital skills, foreign languages, accounting, logistics, equipment maintenance, and customer-service competencies are particularly relevant across a wide range of occupations.

Training programmes should also be evaluated according to employment outcomes. The proportion of participants who obtain jobs after completing training can be measured as:

$$T_e = \frac{N_t}{N_c} \times 100 \quad (4)$$

where T_e is the employment rate of programme participants, N_t is the number of trained participants who obtain employment within the evaluation period, and N_c is the total number of participants who completed the programme. The indicator should be calculated over a clearly specified period, such as six months after graduation, and should distinguish jobs related to the training from unrelated employment.

Young people entering the labour market require policies that bridge the gap between education and practical experience. Employers may hesitate to recruit inexperienced applicants, while graduates may lack the professional networks needed to find vacancies. Paid internships, apprenticeship programmes, career counselling, graduate employment services, and start-up support can reduce these barriers. The challenge is particularly important given the higher unemployment rate among young people than among the working population as a whole. International Labour Organization modelled data presented in Uzbekistan's statistical information indicate a youth unemployment rate of 11.4% for people aged 15–24 in 2025. This figure should be interpreted according to the relevant international statistical methodology rather than directly substituted for the national unemployment rate.

Female employment requires an integrated approach that addresses both labour demand and household constraints. Expanding affordable childcare, improving transport accessibility, enforcing equal-pay requirements, and promoting flexible working arrangements can make employment more accessible. Digital and home-based work may provide additional opportunities, but these arrangements should include contractual protection, transparent remuneration, and access to social insurance. The gender difference in the reported 2025 unemployment rates—6.5% for women and 3.4% for men—indicates that employment programmes should monitor outcomes separately by gender. Such monitoring would help policymakers identify whether the barriers arise primarily from skills mismatches, limited vacancies, care responsibilities, discrimination, or other structural factors.

Informal employment presents a further challenge because workers may lack stable contracts, social insurance, pension contributions, and effective legal protection. Uzbekistan's Ministry responsible for employment reported that, as of 1 July 2024, 6.8 million people were employed in the formal sector, 5.5 million in the informal sector, and 1.9 million were working abroad. These figures describe the labour-market situation at that date and should not be treated as current estimates for 2025.

Formalisation requires more than stricter inspections. Excessive administrative costs and complicated registration procedures can discourage small enterprises from operating formally. Simplified digital registration, proportionate tax arrangements, accessible accounting support, and affordable social-insurance contributions can encourage businesses to enter the formal economy. Regional employment policy should also reflect local economic structures. Agricultural regions may benefit from food processing, storage, packaging, and agricultural logistics, while urban centres may have stronger potential in information technology, finance, education, tourism, and business services. Investment incentives should therefore be connected to regional skills profiles and the actual availability of infrastructure. Finally, employment policy requires a coordinated monitoring system. Local employment offices, educational institutions, statistical authorities, and private employers should exchange labour-market information through secure digital systems.

Programme performance should be assessed using measurable indicators such as sustainable jobs created, post-training employment, formalisation rates, wage growth, and employment retention.

CONCLUSION

Ensuring employment in Uzbekistan requires a comprehensive policy that combines economic growth with the development of human capital and the expansion of decent work opportunities. The analysis demonstrates that improvements in aggregate employment indicators are encouraging, but they do not eliminate structural challenges related to youth unemployment, gender disparities, informal employment, and the mismatch between professional qualifications and employers' requirements. The increase in the national employment rate from 68.3% in 2024 to 70.5% in 2025, alongside a reduction in the unemployment rate from 5.5% to 4.8%, provides evidence of favourable changes in the labour market. Nevertheless, long-term progress depends on whether these improvements translate into stable jobs, higher productivity, better wages, and stronger social protection.

The most effective approach is to strengthen small and medium-sized enterprises, develop vocational education in cooperation with employers, expand employment opportunities for women and young people, and facilitate the transition from informal to formal economic activity. Regional employment programmes should be designed according to local economic conditions rather than applying identical measures across all territories. Furthermore, public employment programmes should be evaluated using transparent economic indicators, including expenditure per sustainable job, employment rates after vocational training, and job-retention rates. Such an approach would allow policymakers to distinguish between temporary improvements in employment statistics and genuine structural progress.

In conclusion, Uzbekistan's employment strategy should prioritise not merely the quantity of jobs but also their productivity, stability, and social value. An integrated system of targeted investment, relevant professional training, entrepreneurship development, and evidence-based monitoring can strengthen labour-market resilience and contribute to inclusive and sustainable economic development.

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