

Directions of State Policy in Increasing Population Employment

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Abstract: *This article studies the state policy for increasing population employment, its main directions, as well as the types of active and passive policies implemented by the state and their mechanisms of influence. The measures undertaken by the government to regulate the labor market are analyzed, particularly methods of promoting employment through labor legislation, economic, and institutional programs. Based on the study of existing problems in the labor market, directions for necessary measures to be implemented are recommended.*

Keywords: *population employment, state policy, labor market, job creation, economic reforms, labor legislation, role of the state.*

Introduction

The issue of ensuring employment for the population is considered one of the priority directions of the socio-economic policy of every state. In societies with high unemployment rates, poverty, social discontent, ideological problems, and an increase in migration are observed. Therefore, states have been implementing a number of strategic measures to solve this problem. Each country's employment policy differs and can be influenced by various factors. Among these factors, the most significant is the social policy pursued in that country. In particular, in recent years, systematic reforms have been launched in Uzbekistan in the field of employment. For example, the Law "On Employment of the Population" adopted on October 20, 2020, is the main document that guarantees the implementation of the state employment policy, and Chapter 2, Article 6 of this law clearly defines the main directions of the state policy in the field of employment as promoting the creation of jobs and assisting employment, providing material support and social protection to unemployed persons, taking measures to reduce unemployment, implementing measures to ensure the employment of youth, especially those in rural areas, as well as graduates of general secondary and secondary specialized educational institutions, vocational schools, vocational colleges, technical schools, and higher educational institutions, introducing modern professional standards in the field of employment, improving labor standardization and remuneration mechanisms, ensuring equal rights and opportunities for men and women in the field of employment, introducing advanced information technologies into employment processes, and assisting citizens of the Republic of Uzbekistan in finding employment outside the Republic of Uzbekistan [1].

Literature Review

Ensuring employment of the population has always been among the most pressing issues. To date, many scholars have conducted scientific research on this topic, including foreign scholars such as B.D. Breev [3], who studied solutions to existing problems in ensuring population employment, E.V. Maslova [4], who examined modern approaches to state regulation of non-standard employment, K.G. Kyazimov [5], who explored issues of regulating the labor market and employment of the population, P. Ge, W. Sun, and Z. Zhao [6], who researched the impact of demographic changes on employment, and J. Grashuis [7], who analyzed the sustainability and competitiveness of self-employment during the COVID-19 pandemic.

Among local scholars, academician Kh.Kh. Abdurakhmanov [8] has carried out theoretical and practical research on the role of the state in regulating modern labor relations and has thoroughly presented results in his scientific works; D.A. Nasimov [9] focused on improving the methodological and methodological foundations for introducing modern forms of employment in the digital economy; S.A. Bozorova [10] studied the condition of the service sector in increasing employment; A.B. Irmatova [11] researched the problems of women's involvement in intellectual labor; and I.A. Bakieva [12] analyzed the issues of vocational training of the population in entrepreneurship to reduce unemployment. Moreover, the International Labour Organization report emphasizes that "by 2025, within the framework of projects launched in Uzbekistan aimed at formalization and strengthening social protection, 300,000 informal workers will be granted full rights and social guarantees in society. This indicates the state's path towards solving structural problems" [13].

Methodology

In this scientific article, various research methods for studying economic realities and processes were applied, including the dialectical approach to the analysis of economic systems, comparative and systematic analysis, basic calculations, and statistical grouping methods. The information base of the research consists of data from the Ministry of Poverty Reduction and Employment of the Republic of Uzbekistan as well as materials from various mass media internet websites.

Results

The theoretical foundations of employment policy are closely linked to labor economics, public administration, macroeconomic stability, and the principles of social justice. This policy aims to engage the population in effective labor activity by combining social protection with economic growth.

Employment policy is a set of complex measures implemented by the state to promote employment, ensure the effective allocation of labor resources, and reduce the unemployment rate.

Its main objectives include:

- Forming a stable and efficient labor market;
- Involving different population groups (youth, women, persons with disabilities) in the employment system;
- Increasing labor productivity and improving job quality;
- Ensuring social justice through combating poverty.

Employment policy is conventionally divided into active and passive types:

- **Active employment policy** – measures aimed at encouraging the population's entry into the labor market: vocational training, retraining, creation of subsidized jobs, and support for entrepreneurship.
- **Passive employment policy** – ensuring social protection through material assistance to the unemployed: unemployment benefits, and state support for persons temporarily deprived of income (Figure 1).

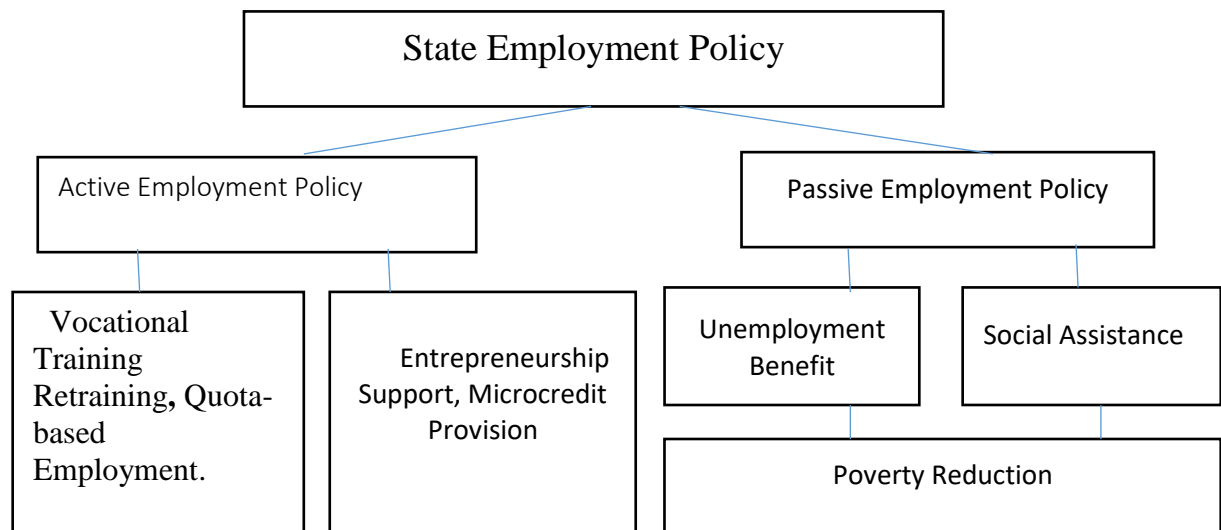


Figure 1. Types of State Employment Policy

Source: compiled by the author

These two approaches complement each other and must remain balanced; otherwise, an imbalance may arise in the labor market. At the same time, the state also has certain functions in the labor market. For instance, its organizational function involves forming institutional relations among labor market actors; its social function includes ensuring social protection of the population, reducing poverty and social inequality; its economic function is implemented by achieving economic growth through full mobilization of production potential; and its educational function ensures the preparation of workforce that meets labor market demands by developing systems of vocational training and retraining (Figure 2).

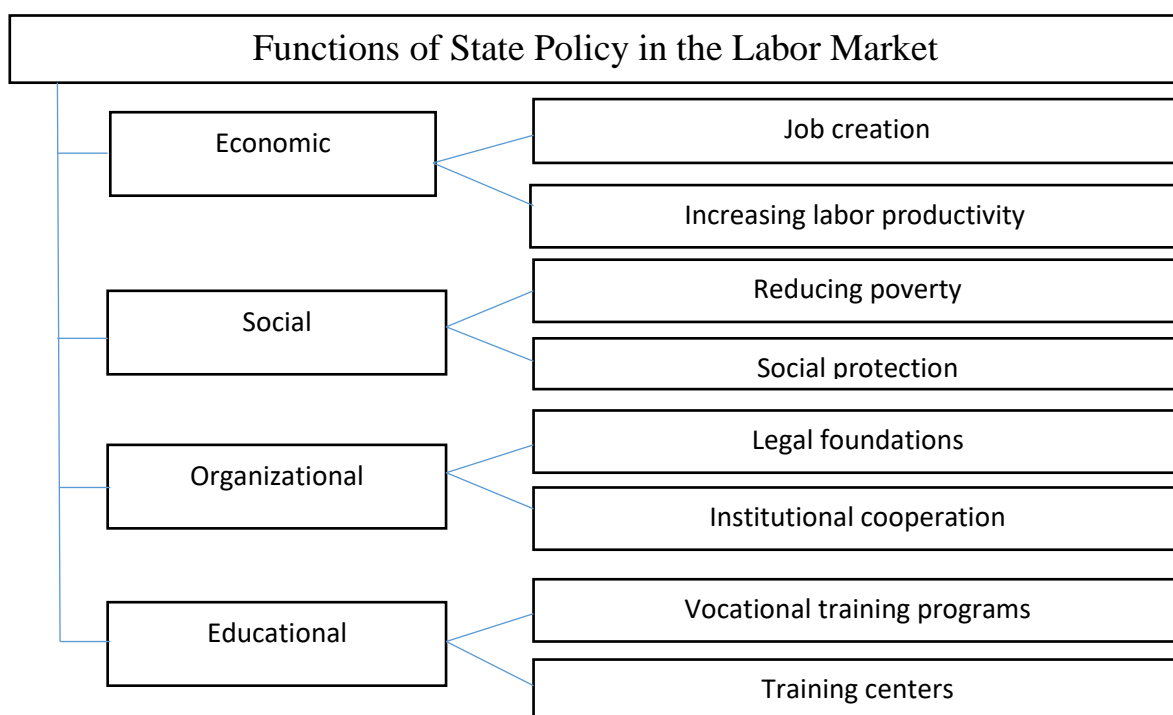


Figure 2. Guarantees of the Main Functions of State Policy in the Labor Market

Source: Compiled by the author

Currently, ensuring employment of the population has become one of the priority directions of state policy in Uzbekistan. Systematic reforms are being implemented under the leadership of the country in this regard. Updated labor policies, introduction of the digital economy, and development of small business are creating new opportunities in the employment sector.

Based on the decrees and resolutions of the President of the Republic of Uzbekistan, large-scale efforts are being carried out to create jobs for various segments of the population through programs such as **“Every Family is an Entrepreneur”**, the **“Youth – Our Future”** state program, the **“Ishga Marhamat”** (Welcome to Work) complex, and social registers such as the **“Women’s Notebook”**, **“Youth Notebook”**, and **“Iron Notebook.”** For example, through the Ishga Marhamat complexes, the system of vocational training, retraining, and professional development is being expanded. In addition, to create new jobs and stimulate economic activity, the state is taking measures to expand employment through newly established **free economic zones**, **industrial technoparks**, and **microbusiness and cooperation centers in neighborhoods**, as well as to create temporary and permanent jobs through infrastructural projects (roads, water, electricity, construction).

Particular attention is paid to job creation through the development of entrepreneurship and family businesses, with strong state support for small business and private entrepreneurship as a key link in state policy. Through tax incentives, subsidies, microcredits, and grants, entrepreneurs – especially youth and women – are starting their own businesses, thereby forming new jobs in the local labor market. Employment policy in Uzbekistan has a multi-level and complex nature. It is not limited to job creation alone but is also aimed at **improving the quality of human resources**, **ensuring transparency of the labor market**, and **providing social protection for the population**. Each direction is coordinated with the country’s strategic goals and modern global trends.

In the process of transitioning to a digital economy, the IT sector and forms of remote work are developing. This is leading to the emergence of new professions and skills beyond traditional jobs. Within the framework of the **“Digital Uzbekistan – 2030”** strategy, opportunities for youth to gain employment are expanding through the development of their digital skills. Another mechanism for reducing unemployment is the institutional management of labor migration. In Uzbekistan, **special agencies** (such as the “Uzbekistan Agency for External Labor Migration”) have been established to provide legal and economic support to individuals engaged in temporary labor activities abroad. Through these agencies, labor migrants are provided with opportunities to find work, learn languages, and receive legal consultations. Although large-scale reforms are being implemented in this field in Uzbekistan, a number of problems remain in the labor market. In particular, the unemployment rate varies across regions. For example, in rural areas – especially in the Fergana Valley and Karakalpakstan – a certain part of the population does not have permanent jobs. Here, inefficient distribution of labor resources and lack of infrastructure are observed.

The unemployment rate is high among youth, especially among graduates. Young specialists who have graduated from higher education institutions face difficulties in finding jobs due to their qualifications not matching labor market demands. Among women, employment levels are also low due to social and cultural reasons. The vocational training provided in educational institutions often does not correspond to the real needs of the labor market. Therefore, there is a situation in the labor market where, on the one hand, there are many unemployed people, while on the other hand, there is a shortage of workforce. Another existing problem in the labor market is that a large part of the population is engaged in informal sector employment (without patents, contracts, or guarantees). This not only violates labor rights but also negatively affects the tax and social insurance systems.

The demographic, economic, and social situation in Uzbekistan encourages part of the working-age population to engage in migration processes. Due to the lack of sufficient domestic jobs, many citizens are forced to work abroad temporarily. In turn, this situation leads to social problems within families. Overall, while recognizing the state's policy aimed at increasing employment in the labor market, based on existing problems, the following measures should be implemented to eliminate them:

1. **Diversify regional labor markets**, i.e., create jobs by establishing industrial zones, agro-clusters, and microbusiness clusters in rural and underdeveloped areas, and improve the infrastructure of regional labor markets by expanding logistics and production capacities.
2. **Strengthen the integration of vocational education with the labor market** by revising educational programs in line with labor market demands, rapidly developing vocational education institutions, and expanding the dual education system (education + production).
3. **Increase the participation of women and youth in the labor market** by creating special grants, subsidies, and free vocational training courses aimed at job creation for these groups.
4. **Create mechanisms to formalize the informal sector** by introducing convenient registration, patenting, and tax incentives for micro and family business entities. This will allow them to be covered by labor and social rights.
5. **Develop repatriation programs for citizens working abroad** and create opportunities to apply their professional skills in the domestic market. Additionally, it is advisable to establish certified qualification centers for those going to work abroad.

Conclusion

For the fundamental resolution of problems in Uzbekistan's labor market, a **systematic approach**, cooperation between the **education and economic sectors**, and **rational management of labor resources** are required. At the same time, it is of great importance to develop new forms of work and remote employment models by utilizing the opportunities of the digital economy. Viewing the theoretical foundations of employment policy within an integrated model ensures a strategic approach. **Active and passive policies**, functions, theoretical approaches, and practical tools must operate in interconnection. Through a **model-based approach**, state institutions can develop effective and integrated measures. When the state actively participates in the labor market, **social justice is ensured along with economic growth**. This is manifested not only in job creation but also in preparing the population for competitive professions, forming an entrepreneurial environment, and ensuring regional and social equality.

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