



## EMPLOYMENT IN THE MANUFACTURING SECTOR IN THE REPUBLIC OF UZBEKISTAN

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**Abstract:** This article highlights the general state, challenges, and prospects of employment in Uzbekistan. As one of the leading countries in Central Asia, Uzbekistan prioritizes employment as a key area of state policy. Demographic growth rates, economic development, and employment policies play a decisive role in this matter.

**Keywords:** Employment, labor resources, labor relations, employment contracts, strategies.

**Introduction.** The steady population growth in Uzbekistan leads to an increase in labor resources. As of January 1, 2025, the permanent population of Uzbekistan reached 37.5432 million, with a significant portion of the labor force consisting of youth. According to the Ministry of Employment and Labor Relations of the Republic of Uzbekistan, hundreds of thousands of new jobs are created annually; however, employment-related issues remain relevant.

Ensuring employment is a crucial indicator of social and economic stability for any country. In recent years, Uzbekistan has witnessed notable progress in raising employment levels, creating new jobs, and improving the population's living standards. Simultaneously, efforts to address existing challenges and explore new solutions for economic diversification continue.

As of 2024, approximately 60% of Uzbekistan's population is of working age. However, most employed individuals work in agriculture and the service sector. Due to the high share of informal employment, official statistics may not fully reflect the actual state of employment.

According to the Agency for Labor and Employment, the unemployment rate in 2024 was 8-9%, but it was significantly higher among youth and women. Moreover, a large number of Uzbek citizens migrate abroad for work, mainly to Russia and Kazakhstan.

### Labor Migration Challenges

Labor migration has resulted in both economic and social challenges. Many citizens working abroad without official labor contracts face difficulties in safeguarding their rights.

### Education Initiatives:

Vocational training centers focused on practical education have been established, preparing youth for in-demand professions. Special attention is given to training skilled workers in IT technologies, construction, and agriculture.

### Attracting Foreign Investments:

Creating new jobs through foreign investments is a vital state policy. For instance, new enterprises established in industrial zones are providing thousands of jobs.

### Regional Development and Economic Growth

Efforts are being made to ensure employment and improve incomes through comprehensive regional development, high economic growth, better business environments, and the implementation of green principles and approaches. Local authorities are held accountable and encouraged to take ownership of reforms and changes.

Digital technologies are expanding labor market opportunities, particularly in remote work, freelancing, and IT-related employment.

#### Strategic Directions

Developing industries, services, and high-tech sectors to create new jobs is essential. Modernizing agriculture is also critical in this process.

Higher and secondary specialized educational institutions need to implement programs aimed at preparing specialists aligned with labor market demands.

#### Target Indicators for 2025 (Appendix 1)

1. In accordance with the Decree of the President of the Republic of Uzbekistan No. PF-223 dated December 20, 2024:

T/r	Religion	GPD/Gross Regiona Product Growth Rete	Unempl oyment Rate	Proverty Rate
	<b>O'zbekiston Respublic</b>	<b>6.0</b>	<b>5.0</b>	<b>6.0</b>
1	Republic of Karakalpakstan	6.0	5,4	7,6
2	Andijan Region	5.5	5,0	6,6
3	Bukhara Region	6.1	4,7	5,4
4	Jizzakh Region	5.8	5,4	7,2
5	Kashkadarya Region	6.1	5,3	6,4
6	Navoi Region	6.1	2,5	3,4
7	Namangan Region	6,4	4,7	5,3
8	Samarkand Region	6,3	4,8	5,4
9	Surkhandarya Region	6,1	5,6	4,9
10	Syrdarya Region	5,8	5,4	7,4
11	Tashkent Region	6,8	5,1	4,5
12	Fergana Region	6,3	4,5	5,0
13	Khorezm Region	6,0	4,9	5,9
14	Tashkent City	8,1	4,2	4,4

2. A procedure shall be established whereby the annual program for the comprehensive socio-economic development of regions (hereinafter referred to as the Program) is approved by the Jokargy Kenes of the Republic of Karakalpakstan, the councils of people's deputies of regions, Tashkent city, and districts and cities, together with the parameters of local budgets within the prescribed deadlines. For 2025, the programs, as an exception, shall be approved by February 1, 2025.

Based on the Program, and within the framework of the “Uzbekistan — 2030” Strategy, sub-programs in sectors such as industry, agriculture, export, investments, construction, services, and others shall be developed. These will aim to ensure a 6-7% increase in the gross regional product, taking into account the natural geographical location, specialization, labor resources, and infrastructural capabilities of the region.

3. To gradually ensure that the expenditures of district (city) local budgets are fully covered by their own revenues and internal resources, it is agreed to the proposal of the Senate of the Oliy Majlis and the Cabinet of Ministers to provide the following financial opportunities and powers to local state authorities:

a) From January 1, 2025, to allocate:

The entirety of revenues from turnover tax, property tax on legal entities, land tax from legal entities, and proceeds from leasing state assets;

At least 50% of revenues from personal income tax to district (city) budgets (excluding taxes paid by major taxpayers and districts (cities) where revenues exceed expenditures).

b) To allocate 90% of the funds received from the sale of shares (stakes) owned by local government bodies (after deducting costs in accordance with legislation) equally to the Republican budget of Karakalpakstan, regional budgets, Tashkent city budget, and the budget of the district (city) where the object is located.

c) To increase the motivation of local government bodies to identify and collect additional budget revenue reserves by granting the following powers from 2025:

Introducing a coefficient of up to 2 times for the minimum rental rates of real estate per square meter, with zoning-based application in Tashkent city similar to land tax;

Applying reduction or increase coefficients from 0.7 to 1.5 times for water resource usage tax rates (excluding agriculture, power plants, utility service companies, and major taxpayers listed by a decision of the President of Uzbekistan);

Setting an increase coefficient of up to 1.3 times for fixed tax rates on subsoil use for non-metallic construction materials (excluding limestone intended for cement production).

4. The Council of Ministers of the Republic of Karakalpakstan, regional, and Tashkent city administrations shall be granted the following powers to create favorable conditions for entrepreneurship and engage the population in entrepreneurial activities:

a) From March 1, 2025, to directly lease out to entrepreneurial entities, for 10 years, real estate objects owned by local state authorities that:

Cover an area of over 10,000 square meters,

Have an appraised value not exceeding 5,000 BHM,

Have remained unsold for six months, on the condition that a new project is launched within two years and jobs are created. After four consecutive years of uninterrupted lease payments and fulfilling lease agreement terms, the property may be privatized or sold directly at the appraised value.

b) To lease, without charging rent for the first year, real estate to local and foreign specialists or organizations providing training for internationally recognized foreign language and qualification certificates, for a period of five years, with the possibility of extension.

The Council of Ministers of the Republic of Karakalpakstan, regional, and Tashkent city administrations shall, within one month, approve a targeted list of at least five driver projects for each district and city for 2025, focusing on industry, agriculture, and services to stimulate economic growth. This approval shall be coordinated with the Ministry of Economy and

Finance. The costs associated with the implementation and support of these programs and driver projects will be reflected in a separate line in the State Budget parameters and used based on the decisions of district (city) councils.

#### Conclusion

Addressing employment issues in Uzbekistan remains a top economic priority. Ongoing reforms and programs aim to create new jobs, stabilize the labor market, and improve living standards. Additionally, efforts in education, innovation, and economic diversification are expected to yield effective results in the future, laying a solid foundation for long-term development.

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