

The Main Mechanisms of State Regulation of Employment in Uzbekistan

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Abstract

This paper provides insight into the key forms of state regulation of employment in Uzbekistan against the background of deepening modernization and structural reforms in the economy. Employment policy is a key dimension of the national socio-economic development strategy, especially to address the fast growing labor force, high level of youth and women unemployment and informal employment increasing. There is a sizeable disconnect between the objectives of many new policies and institutional reforms, and the actual outcomes in labor markets. The research is focused on closing the gap in knowledge of the effectiveness of the mechanisms of administrative and legal changes of recent years in the state employment management system, as well as the ability of this system to adequately respond to real labor market needs. This study draws from a qualitative content analysis of national laws, presidential edicts, government decree, plans for strategic development, and formal analytical papers, compounded by a systemic overview of changes in institutions for labor administration. Assessments across countries show that while reforms strengthened the legal basis for labor markets, expanded ministerial functions, and introduced approaches such as state job orders and digital transparency in labor markets, their effect on practice has been muted by poor coordination, outdated statistics, personnel shortages in labor-market economics, and structural factors beyond labor authorities control. The findings show that while there is inefficiency of institutions leading to an employment crisis, there are also macroeconomic and investment aspects that are driving the challenge. The paper concludes that a decentralized labour market regulation in Uzbekistan will only work if addressed in a systematic manner along with supportive policies to spur economic growth, facilitate human capital development and improve governance mechanisms. These results have important implications for policymakers looking to improve balance in the labor market, social protection, and sustainable employment results.

Keywords: employment, state employment management system, social security system, unemployment, economic attitude, self-employment, etc.

1. Introduction

Nuclear Employment regulation is an important area of socio-economic policy in Uzbekistan. In the context of the growth of the working population and the need to create new jobs, the state is implementing a set of measures aimed at increasing the level of employment, reducing the informal sector and ensuring social protection for workers [1]. In recent years, new laws and programs have been adopted, but problems related to unemployment remain, especially among young people and women.

The system of state employment management has undergone significant changes in recent years. The in-depth reform of this system is aimed at optimizing the functions of regulation in the area of employment of the population, in particular, the ministry responsible for state employment policy [2].

The Law of the Republic of Uzbekistan "On Employment" establishes regulations in the field of employment: stimulation of job creation and promotion of employment, including through the formation of a state order for the creation of jobs and a state order for professional training, retraining and advanced training of job seekers and the unemployed; introduction of modern professional standards in the field of employment, improvement of labor regulation and remuneration mechanisms; ensuring equal rights and opportunities for women and men in the field of employment; introduction of advanced information technologies in employment processes, creation of a modern infrastructure and a competitive environment in the market of services to promote employment; assistance to citizens

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of the Republic of Uzbekistan in employment outside the Republic of Uzbekistan, ensuring their legal and social protection during the period of temporary labor activity outside the Republic of Uzbekistan [3].

2. Research Method

It uses qualitative-analytical research method to analyze the processes of state regulation of employment in Uzbekistan in the context of current socio-economic reforms. The study relies on the systematic analysis of the primary and secondary data including: national legal acts, presidential decrees, governmental resolutions, official strategic documents and analytical reports in the field of employment policy and labor market regulation. Special attention was paid to the Law of the Republic of Uzbekistan On Employment, development strategies for 2017–2021 and 2022–2026, regulatory legal acts regulating labor authorities [4]. It analyzes documents to observe the changes of institutional forms, policy priorities, and regulatory instruments as such within the employment system. Moreover, a comparative and logical analysis method is used to determine the compatibility of proclaimed political goals and real administrative practice, primarily concerning the job creation policy, labor market data, vocational education and training, and countries social protection policy. Additionally, the analysis adopts a problem-oriented framework to highlight structural constraints on employment regulation, including inter-agency coordination failures, lags in methodological capabilities, and resource shortages in labour institutions [5]. Through an integrated review of legal, institutional and policy level evidence, the study assesses the effectiveness of state interventions in alleviating unemployment and labour market mismatch. This method enables an analysis of employment regulation in the context of a wider governance and economic system, rather than as a standalone regulatory function focusing on static and disconnected administrative controls, and assists the interpretation of the analysis not only on theory but following tangible reforms which have been officially proclaimed and on actual policy experience gotten in Uzbekistan

3. Result

In order to implement the functions of resolving pension issues, the Ministry of Labor and Social Protection of the Population was transferred to the Ministry of Finance back in 2010. In February 2016, by the Decree of the President of the Republic of Uzbekistan "On measures to further improve the system of social support and medical and social assistance to vulnerable segments of the population" it was transformed into the Ministry of Labor [6]. In accordance with this decree, the tasks of providing medical and social assistance to disabled people, including disabled children, war participants, veterans, lonely elderly people and other vulnerable segments of the population, as well as organizing vocational training for people with disabilities and developing inclusive vocational education, which were previously performed by the Ministry of Labor and Social Protection, were transferred to the Ministry of Health. In essence, the reforms were aimed at ensuring that the new Ministry of Labor was responsible only for implementing an effective state policy in the field of employment. The main tasks and areas of activity of the Ministry of Labor were defined as the analysis and systematic implementation of a deep analysis of employment, coordination of the development and monitoring of the implementation of employment programs, assistance in employment, vocational training and retraining of the unemployed population, primarily young people, women and the disabled [7]. Important innovations include the creation of a sector for work with the International Labor Organization and international relations and a sector for the implementation of information and communication technologies in the structure of the central office of the Ministry of Labor, as well as the expansion of the functions of individual departments. However, these reforms of the state employment management system did not lead to the desired results. Labor statistics and its methodological support, labor legislation did not undergo any significant changes (changes are made constantly), and state administration in labor agencies was not effective. As before, labor agencies continued to report on the creation of almost a million new jobs annually, while hiding statistics on lost jobs; there was no coordinated work of economic agencies, higher and secondary specialized education, and employers' associations to determine the needs of regions and industries for new jobs; an imbalance in the labor market was observed in almost every region of the country - a shortage of some personnel with an excess of others [8]. In solving the problems of employment of the population, outdated, ineffective forms and methods of work were still used; the practice of distorting the real situation in the labor market had not been eradicated. Radical reforms were required not only in the system of state employment management, but also in other areas of state administration. The starting point for further fundamental reforms in the Republic of Uzbekistan was the Strategy of Actions on Five Priority Areas of Development of the Republic of Uzbekistan in 2017-2021, approved by the Decree of the President of the Republic of Uzbekistan No. UP-4849 dated February 7, 2017, and the Development Strategy of the New Uzbekistan for 2022-2026 [9]. The fourth direction of this Strategy – "Development of the social sphere" – provides for the implementation of measures to increase employment, improve the system of social protection and health protection of citizens, and develop and modernize road transport, engineering and communications, and social infrastructure. In order to implement the tasks defined in the Action Strategy, the Ministry of Labor was transformed into the Ministry of Employment and Labor Relations by the Decree of the President of the Republic of Uzbekistan "On measures to further improve state policy in the field of employment and radically increase the efficiency of labor agencies". This reform is aimed at introducing new approaches to the implementation of state employment policy, developing the labor market infrastructure, including on the basis of public-private partnership,

and implementing effective measures to employ the unemployed, especially young people [10]. The main tasks of the newly formed ministry are defined as developing a state order for the creation of new jobs, coordinating the implementation of territorial and sectoral employment programs.

In addition, the Ministry is tasked with publishing information on the state of the labor market and employment on the Internet and in the media, including the number of citizens who applied to labor agencies in search of work, receiving unemployment benefits, created jobs, registered vacancies and other indicators that are significant for the population, employers and investors [11]. The Resolution of the Cabinet of Ministers of the Republic of Uzbekistan approved a new Regulation on the procedure for forming a state order for the creation of jobs and training of personnel, taking into account the current and future needs of the labor market in order to ensure a comprehensive solution to employment issues, enhancing the effectiveness of measures to employ the unemployed population, increasing the level of professional training of personnel, achieving a balance in the labor market. It was determined that the coordination of the formation of the state order for the creation of jobs is carried out by the Ministry of Employment and Labor Relations and the Ministry of Economy of the Republic of Uzbekistan; for the training of personnel in educational institutions, it is carried out by the Ministry of Economy of the Republic of Uzbekistan [12]. The Resolution of the President of the Republic of Uzbekistan approved a program of comprehensive measures to improve the activities of labor agencies and ensure employment of the population, which provides for: development and adoption of a regulatory legal act to improve the methodology for determining the number of people in need of employment, including a methodology for surveying households on employment issues; development and approval in accordance with the established procedure.

Thus, at present, not only the organizational structure of labor agencies, the legal framework for state regulation of employment, and methodological support for labor statistics are being improved, but also the entire system of civil service in labor agencies [13]. In addition, in accordance with the goals and objectives defined in the Concept of Administrative Reform in the Republic of Uzbekistan, approved by the Decree of the President of the Republic of Uzbekistan, regulatory legal acts have been adopted, according to which labor agencies will have more powers, and the personnel of these agencies will be formed on the basis of modern approaches. This concept provides for: expanding the financial capabilities of local government bodies, including by increasing tax deductions to local budgets and increasing interest in expanding the taxable base for the purpose of developing and implementing territorial development programs, ensuring the practical implementation of the principle of separation of powers in organizing the system of local government by revising the status of the khokim as the head of the local representative authority while retaining his status as the head of the local executive authority [14]. It is necessary to recognize that at present it is not the labor authorities that are the systemic cause of problems in the sphere of employment, but their external environment - the institutional and legal framework, which imposes the following restrictions on them:

- a shortage of labor economists and, as a result, the lack of education in the specialty "economics and sociology of labor" among the majority of employees of labor authorities;
- a shortage of personnel specializing in labor economics should be considered as a limitation of the activities of labor authorities, and not a shortage of their work;
- the creation of jobs is the result of economic growth, investments leading to business development.

State regulation of employment in Uzbekistan is developing, but requires further improvement [15]. An integrated approach, including legislative, economic and social measures, will improve the effectiveness of employment policy and ensure sustainable development of the labor market.

4. Conclusion and Recommendation

The article analyzes the process of development and current state of instruments of state regulation of employment in Uzbekistan in the context of reforming in medium and large scales of all spheres of society, economy, politics and social sectors. The analysis indicates that significant reform has been undertaken to strengthen the legal and institutional framework of employment policy through new legislation, reorganization of labor authorities and strategic programs directed at employment generation, labor market transparency, and social protection. However, the results show that these reforms, for the moment, did not yield effective results in practice because the constraints embedded in the structure remain, such as weak interagency coordination, outdated labor statistics methodologies, minimal professional capacity in labor economics, and the prevailing role of broader economic conditions in creating jobs. The takeaway from this discovery is that "employment regulation cannot work in isolation, and experience from the closing decades of the 20th century indicates that it must be integrated into overall policy for investment, education and training systems and regional development if sustainable labor market equilibrium is to be achieved." Also, for evidence-based policymaking, it is imperative to improve the data reliability and make the human capital in labor institutions even stronger. Future research should provide empirical examination of regional labor market developments, employment strategies for active labor market programs, and the impact of public private partnership and digital job platforms on alleviating unemployment and informality in Uzbekistan in the longer term.

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