

Exploring Labor Market Trends in Uzbekistan

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Abstract:

This study examines the employment landscape in Uzbekistan, focusing on the distribution between formal and informal employment, as well as labor migration. Additionally, this paper aims to provide a comprehensive analysis of the employment structure in Uzbekistan, highlighting the distribution of formal and informal employment and the extent of labor migration. Furthermore, it explores the economic activity status among men and women, shedding light on gender disparities in workforce participation. By examining these factors, the study seeks to offer insights into the economic dynamics and challenges faced by Uzbekistan's labor market.

Keywords: employment structure, formal employment, informal employment, labor migration, economic activity, gender disparities.

Introduction

Employment is a fundamental aspect of any economy, influencing socioeconomic stability and growth. In Uzbekistan, the labor market is characterized by a significant division between formal and informal employment, as well as a notable proportion of labor migration. Formal employment, which includes jobs that are officially registered and provide various benefits, constitutes a substantial portion of the workforce. However, a significant segment of the population is engaged in informal employment, which lacks regulatory oversight and benefits. Additionally, labor migration plays a crucial role, with many individuals seeking employment opportunities abroad.

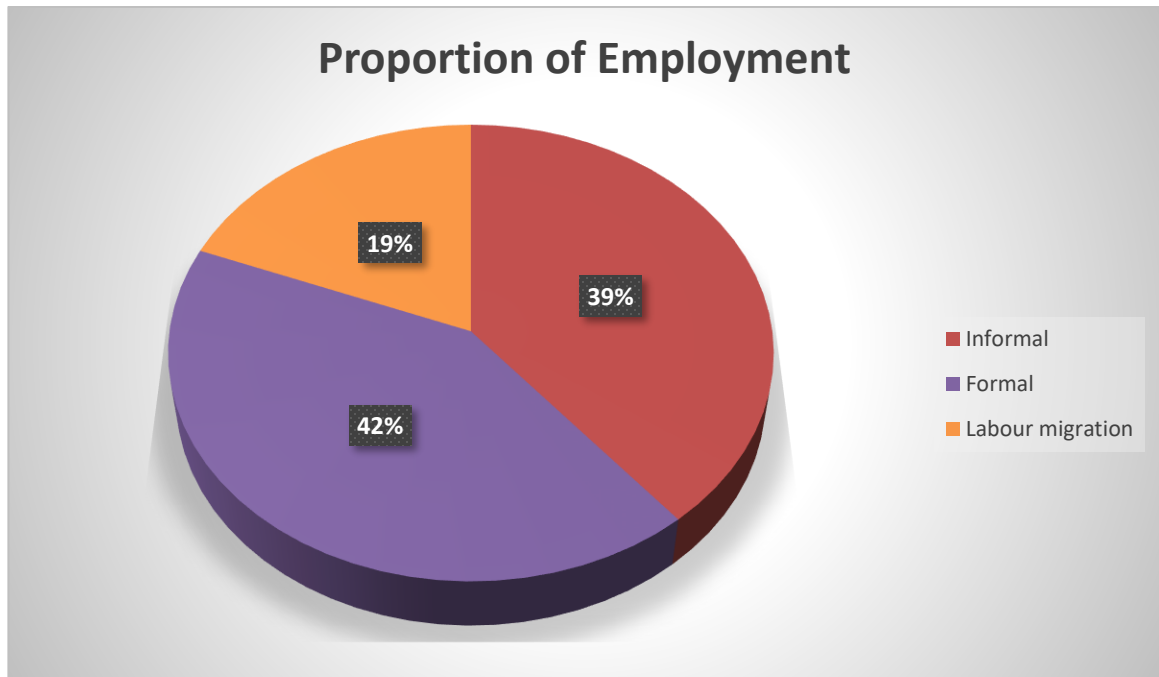


Figure 1: Proportion of employment

Source: made by the authors based on data provided by Development Strategy of the Ministry

The figure provided illustrates the proportion of employment in Uzbekistan, categorized into three distinct segments: informal employment, formal employment, and labor migration. Formal employment category represents the proportion of individuals employed in the formal sector. Formal employment typically involves jobs that are officially registered with government authorities, offering benefits such as social security, health insurance, and adherence to labor laws. In Uzbekistan, formal employment constitutes 42% of the total employment, indicating that a significant portion of the workforce is engaged in structured, regulated occupations.

Furthermore, informal employment comprises jobs that are not officially registered or regulated by the government. These jobs often lack benefits such as health insurance, retirement plans, and legal protections. Informal employment can include self-employment, casual labor, and other types of work that do not follow formal contractual arrangements. In Uzbekistan, informal employment makes up 39% of the total employment, suggesting a substantial part of the workforce operates outside the formal economic structures.

Moreover, the labor migration category includes individuals who are employed outside their home country. This segment reflects the workforce that has migrated abroad in search of employment opportunities. Labor migration is a significant aspect of Uzbekistan's employment landscape, accounting for 19% of the total employment. These migrant workers often send remittances back to their home country, contributing to the domestic economy.

The data in the pie chart highlights the diverse nature of employment in Uzbekistan. A majority of the workforce is either engaged in informal employment (39%) or has migrated for work (19%), while a slightly higher portion is employed in the formal sector (42%). This distribution underscores the economic dynamics and challenges within the labor market in Uzbekistan, including the reliance on informal work and the impact of labor migration on the national economy. The high percentage of informal employment points to potential issues related to job security and worker rights, whereas the notable proportion of labor migration indicates a reliance on external job markets and the importance of remittances in the country's economic framework.

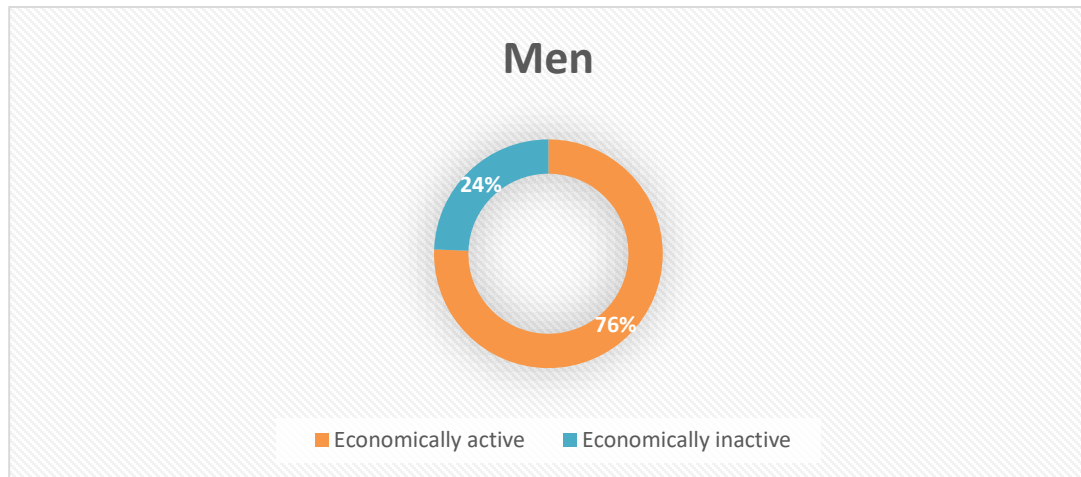


Figure 2: Labor dependency of men

Source: made by the authors based on data provided by <https://gender.stat.uz/>

The figure presented provides a visual representation of the economic activity status among men in Uzbekistan, categorized into economically active and economically inactive segments. The data is depicted in a circular, donut-style chart, with each segment proportionally sized according to its share.

Economically active Men's segment represents men who are part of the labor force, either employed or actively seeking employment. Economically active individuals contribute to the economy through their labor, whether in formal or informal sectors. In Uzbekistan, 76% of men fall under this category, indicating that a substantial majority of the male population is engaged in economic activities. This high percentage underscores the participation of men in the workforce, reflecting their involvement in various sectors of the economy, from agriculture and industry to services and other areas.

On the other hand, economically inactive men's segment includes men who are not part of the labor force. Economically inactive men are those who are neither employed nor actively seeking employment. This category may encompass students, retirees, individuals engaged in unpaid domestic work, and those who are unable to work due to disabilities or other reasons. In Uzbekistan, 24% of men are economically inactive. This proportion highlights a significant portion of the male population that is outside the formal economic activities, potentially due to educational pursuits, retirement, or other non-economic engagements.

The labor force participation rate for men, which stands at 76%, is a vital indicator of the economic health and workforce availability in the country. This high participation rate can be compared with other demographic groups or countries to contextualize Uzbekistan's economic dynamics.

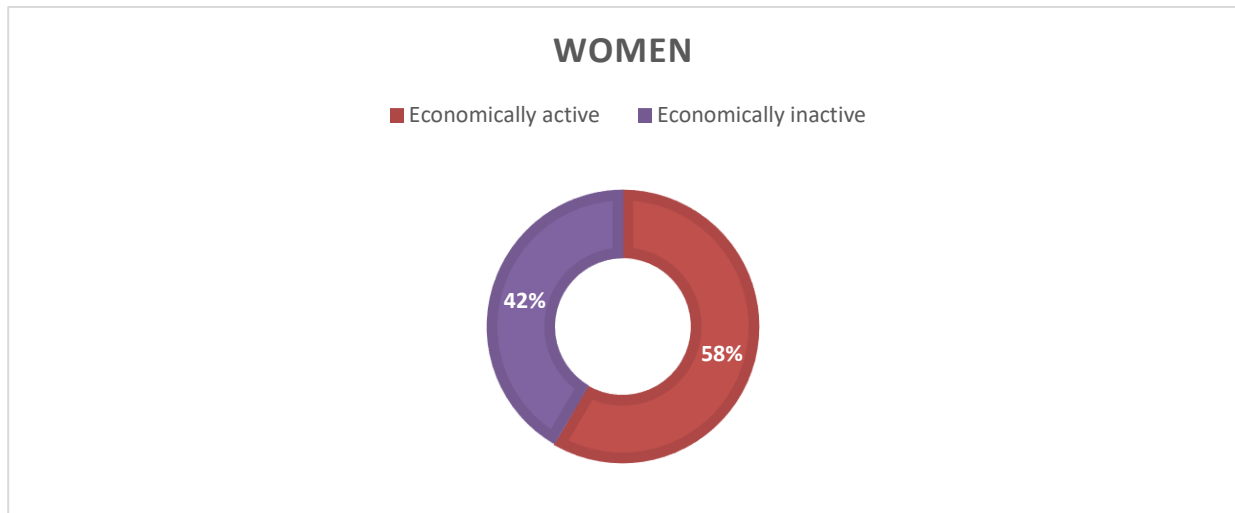


Figure 3: Labor dependency of women

Source: made by the authors based on data provided by <https://gender.stat.uz/>

The figure presented provides a visual representation of the economic activity status among women in Uzbekistan, categorized into economically active and economically inactive segments. The data is depicted in a donut-style chart, with each segment proportionally sized according to its share.

Economically active women's segment represents women who are part of the labor force, either employed or actively seeking employment. Economically active individuals contribute to the economy through their labor, whether in formal or informal sectors. In Uzbekistan, 58% of women fall under this category, indicating that more than half of the female population is engaged in economic activities. This percentage highlights the participation of women in the workforce, reflecting their involvement in various sectors of the economy, from agriculture and industry to services and other areas.

The second segment includes women who are not part of the labor force. Economically inactive women are those who are neither employed nor actively seeking employment. This category may encompass students, homemakers, retirees, individuals engaged in unpaid domestic work, and those who are unable to work due to disabilities or other reasons. In Uzbekistan, 42% of women are economically inactive. This proportion indicates a significant portion of the female population that is outside the formal economic activities, potentially due to cultural, social, or economic factors.

Conclusion

The analysis of Uzbekistan's employment structure reveals a diverse and complex labor market. With 42% of the workforce in formal employment, 39% in informal employment, and 19% involved in labor migration, the data underscores the significant reliance on both informal work and external job markets. The economic activity rates further illustrate gender disparities, with 76% of men and 58% of women participating in the labor force. These findings highlight critical areas for policy intervention, including the need to enhance formal employment opportunities, address the vulnerabilities associated with informal work, and support labor migrants. Understanding these dynamics is essential for developing strategies to improve economic stability and growth in Uzbekistan.

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