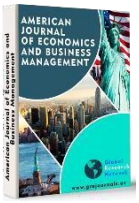

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Article

The Role of Labor Exchanges in Ensuring Employment and Social Protection of the Unemployed in Uzbekistan

Mo'ydinov Khurshidbek Abdullayevich[*1]

1. Associate Professor, Department of Economics and Finance, Andijan Branch of Kokand University
* Correspondence: xurshidbekabdullayevich80@gmail.com

Abstract: This article provides a comprehensive analysis of the role and significance of labor exchanges in ensuring employment in Uzbekistan. The study examines the unemployment problem in the labor market, its causes, and its impact on the living standards of the population from a scientific perspective. Mechanisms for social protection of the unemployed, including pensions, retraining programs, and services provided by labor exchanges, are analyzed for their effectiveness. Additionally, the role of the state in implementing labor policies and the possibilities of utilizing international experience in the labor market are explored. Based on the research findings, scientific and practical recommendations are proposed to reduce unemployment, ensure effective employment, and further improve the functioning of labor exchanges. The role of labor exchanges in ensuring employment and social protection of the unemployed in Uzbekistan is of particular importance in the context of ongoing socio-economic reforms and the modernization of the labor market. Labor exchanges serve as an institutional mechanism that connects job seekers with employers, thus reducing unemployment and fostering efficient use of the country's human resources. This article explores how labor exchanges contribute not only to the process of employment but also to the broader system of social protection, especially for vulnerable groups such as youth, women, and persons with disabilities. The research highlights that labor exchanges provide a wide range of services including vocational guidance, professional retraining, job placement, and temporary employment schemes, all of which enhance labor market flexibility and adaptability. Moreover, the digitalization of labor exchanges in Uzbekistan has created new opportunities for transparency, accessibility, and efficiency in employment services, allowing job seekers to gain access to vacancies nationwide.

Keywords: Labor Market, Employment, Labor Exchange, Unemployment, Social Protection, State Policy, Economic Security, Labor Resources

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1. Introduction

In a market economy, employment is considered one of the priority directions in the socio-economic policy of any country. Ensuring that the population has access to work not only guarantees a source of income but also serves as a key factor for social stability, well-being, and economic growth [1]. In the Republic of Uzbekistan, employment issues have consistently received attention, and since independence, comprehensive reforms have been implemented in this area.

In recent years, significant changes have been observed in the labor market due to the modernization of the national economy, the development of small businesses and private entrepreneurship, and the implementation of new investment projects [2]. At the same time, rapid population growth, the annual increase in labor resources, and regional

disparities in employment opportunities have brought the issue of unemployment to the forefront. This necessitates the further improvement of labor exchange activities and their modernization based on contemporary technologies [3].

Labor exchanges play a key role in the implementation of employment policies. They act as an effective bridge between job seekers and employers, facilitating the rapid filling of vacancies, retraining the unemployed, and temporary employment [4]. Additionally, labor exchanges are crucial in providing material support to the unemployed, ensuring social protection, and distributing pensions and other payments [5].

The decree of the President of the Republic of Uzbekistan "On Measures to Improve the System of Assisting the Population in Employment" (May 24, 2018, PF-5446) and other regulatory documents serve to regulate the labor market and organize the activities of labor exchanges on a new basis [6]. This includes the electronic registration of job seekers through state service centers, the establishment of "Ishga Marhamat" mono-centers, and systematic reforms aimed at regulating labor migration.

International experience shows that in developed countries, labor exchanges are not limited to job placement; they also provide comprehensive counseling services, professional development courses, and career guidance programs [7]. For Uzbekistan, this experience is highly relevant, as the implementation of employment policies based on digital technologies, professional retraining of the unemployed, and adaptation to the new demands of the labor market are becoming increasingly necessary.

Thus, labor exchanges in Uzbekistan play a critical role in ensuring employment and social protection of the unemployed. This study examines the current state of labor exchanges, their challenges, best practices from international experience, and provides scientific and practical recommendations for improving the system in the future.

Literature Review

Issues of the labor market, employment, and unemployment have long been the subject of research by economists, sociologists, and public policy experts worldwide. Notably, classical economic theorists such as Adam Smith and David Ricardo emphasized the role of labor in the economy, highlighting it as a primary source of value creation [8]. Later, John Maynard Keynes, in his work The General Theory, linked employment and unemployment problems directly to state policy, scientifically justifying the necessity of active government intervention in economic cycles [9]. These perspectives continue to serve as an important methodological foundation for reducing unemployment and managing the labor market today.

Since gaining independence, employment has been a priority area of state policy in Uzbekistan. The 2017–2021 Action Strategy of the President of the Republic of Uzbekistan, along with decrees "On Improving the System of Assisting the Population in Employment," marked a significant turning point in this direction. These documents have facilitated the broader application of market mechanisms in the labor market, the creation of new jobs, regulation of labor migration, and enhancement of the social protection system through a series of practical measures.

Scholarly literature emphasizes that labor exchanges should not only place job seekers in available positions but also provide retraining, skills development, and career guidance services. For instance, experiences from the World Bank, International Labour Organization (ILO), and the European Union demonstrate that well-functioning labor exchanges can significantly reduce unemployment, particularly by increasing employment among youth and women.

Uzbek researchers have also conducted extensive studies on this topic. Economists such as I. Abdurahmonov, N. Tolaganov, and M. Qosimova have examined the theoretical and practical aspects of labor market development, unemployment reduction, and employment policy improvement. Their studies stress the importance of effective use of

labor resources, designing regional employment programs, and strengthening social protection mechanisms.

Summarizing international experience, it can be concluded that digitizing labor exchanges, expanding their service offerings, and introducing electronic platforms can further enhance their efficiency. This approach provides a strong theoretical and practical basis for improving employment policies and social protection for the unemployed in Uzbekistan[10].

2. Materials and Methods

This study applied a scientific approach to examine the role of labor exchanges in ensuring employment and providing social protection for the unemployed in Uzbekistan. The research employed methods including economic analysis, comparative assessment, statistical data processing, and logical generalization. Data sources included reports from the Ministry of Employment and Labor Relations of the Republic of Uzbekistan, the State Statistics Committee, as well as international organizations such as the International Labour Organization (ILO) and the World Bank.

During the study, the current state of the labor market, unemployment rates, and regional employment opportunities were analyzed using statistical methods. The comparative method was applied to contrast Uzbekistan's experience with labor exchange practices in developed countries. Theoretical approaches were examined based on classical economic views and contemporary labor market concepts. The analysis identified both the strengths and weaknesses of labor exchange activities, forming the basis for scientific conclusions. Generalization methods were used to develop recommendations for improving employment policies. The research outcomes allowed for the formulation of practical, evidence-based recommendations applicable in real-world policy implementation[11].

3. Results and Discussion

The analysis focused on key labor market indicators in Uzbekistan, including the number of employable population, employed individuals, unemployed individuals, and the unemployment rate. These indicators provide insight into the effectiveness of employment policies, the utilization of labor resources, and the practical implementation of social protection mechanisms.

The findings indicate that in recent years, the Uzbek economy has taken significant measures to create new jobs and expand existing employment opportunities. However, global economic fluctuations, the COVID-19 pandemic, and labor migration processes have posed challenges to labor market stability[12].

The data presented in the table allow visualization of the main trends in the labor market from 2019 to 2023. This enables assessment not only of employment and unemployment rates but also the effectiveness of labor exchange operations, regional employment opportunities, and the real impact of social protection measures.

From this perspective, the following Table 1. provides a clear overview of the main labor market indicators in Uzbekistan, facilitating an understanding of trends and supporting a detailed evaluation of policy outcomes and labor exchange efficiency.

Table 1. Key labor market indicators in Uzbekistan (2019–2023)

Year	Labor Force (mln)	Employed (mln)	Unemployed (mln)	Unemployment Rate (%)
2019	19.5	17.2	2.3	11.8
2020	20.0	17.3	2.7	13.4
2021	20.5	17.9	2.6	12.7
2022	21.0	18.5	2.5	11.9
2023	21.4	19.0	2.4	11.2

The development of the labor market and changes in the unemployment rate in Uzbekistan have been closely analyzed in recent years. As seen from the table, the number of employable population increased steadily between 2019 and 2023, from 19.5 million in 2019 to 21.4 million in 2023, implying an average annual growth of 400–500 thousand people. This underscores the need for continuous improvement of employment policies.

Employment numbers also show a positive trend. In 2019, 17.2 million people were employed, increasing to 19 million by 2023, reflecting the creation of new jobs in the economy. However, given population growth and the expansion of labor resources, this increase is still insufficient[13].

Unemployment dynamics are also important. The number of unemployed individuals rose from 2.3 million in 2019 to 2.7 million in 2020, reflecting the pandemic's impact. Subsequently, it gradually decreased to 2.6 million in 2021, 2.5 million in 2022, and 2.4 million in 2023, indicating a gradual recovery in the labor market.

The unemployment rate followed a similar pattern, increasing from 11.8% in 2019 to 13.4% in 2020 due to the pandemic and then gradually decreasing to 11.2% by 2023. While this trend is positive, maintaining a double-digit unemployment rate indicates persistent challenges.

Labor exchanges played a crucial role during this period by facilitating employment. Public service centers provided information on available jobs, electronic registration systems were implemented, and retraining programs through "Ishga Marhamat" centers enabled thousands of citizens to acquire new skills and re-enter the labor market.

Various state programs were also implemented to create temporary and permanent jobs through infrastructure projects, while support for small businesses in agriculture and services fostered numerous family entrepreneurship initiatives. These measures contributed to a gradual decrease in unemployment[14].

International experience shows that in many developed countries, labor exchanges provide not only employment placement but also comprehensive advisory services, vocational guidance, and professional training. Uzbekistan is gradually adopting similar practices, although full coverage has not yet been achieved. The effectiveness of projects aimed at increasing employment among youth and women varies across regions.

Regional disparities in the labor market are also evident. Large cities offer broader employment opportunities, whereas remote areas experience higher unemployment rates. This calls for mechanisms to redistribute labor resources regionally and regulate labor migration, including legal access to foreign labor markets, to further reduce unemployment.

Overall, Uzbekistan has achieved positive results in ensuring employment, yet challenges remain. The labor market lacks sufficient quality jobs, youth unemployment remains relatively high, and disparities in regional employment opportunities persist.

These findings indicate that labor exchanges must be further modernized, their services expanded using information technology, and digital platforms developed to efficiently connect job seekers and employers. Increasing retraining programs, regulating labor migration legally, and strengthening social protection mechanisms will help reduce unemployment[15].

Thus, labor exchanges play an indispensable role in reducing unemployment and ensuring effective employment in Uzbekistan. Their modernization, adoption of international best practices, and continuous state support are critical for maintaining economic stability.

4. Conclusion

It has been established that ensuring employment and providing social protection for the unemployed in Uzbekistan is directly linked to the effective functioning of the labor

market. The research results indicate that over the past five years, the labor force has increased and the number of employed individuals has grown significantly. However, unemployment remains at a double-digit level, which suggests that although the state employment policy is effective, it is still insufficient for all population groups and regions.

Labor exchanges have proven to be an essential tool in ensuring employment. They should not only facilitate job placement but also provide services for retraining, professional development, and career guidance. At the same time, unemployment among youth and women remains relatively high, necessitating targeted programs that consider regional and demographic characteristics.

Regional disparities hinder stability in the labor market. While large cities offer more job opportunities, peripheral regions experience higher unemployment rates. Therefore, expanding local infrastructure projects, supporting small businesses, and creating new jobs are critical measures to enhance employment across regions.

Expanding the capabilities of digital platforms and electronic labor exchanges to connect job seekers and employers more efficiently can yield effective results. Electronic systems can provide broader access to information about available positions, professional training, and skill development programs.

Furthermore, regulating labor migration and organizing legal access to foreign labor markets can help reduce unemployment. At the same time, it is necessary to increase the effectiveness of social protection mechanisms, such as unemployment benefits, temporary employment programs, and retraining courses.

Overall, while Uzbekistan has achieved positive outcomes in ensuring employment and protecting the unemployed, systematic measures are required to further strengthen and expand these results. Modernizing labor exchanges, developing targeted programs based on regional and demographic characteristics, and utilizing digital technologies and international best practices will enhance the effectiveness of state policy and contribute to social stability.

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