
Strategies for Reducing Poverty Through Increasing Youth Employment

Ramazonov Zafar Ulug'bekovich

International Innovative University Faculty of Economics, Department of Economics and Finance, Zafar11@gmail.com

Article information:

Manuscript received: 11 Oct 2025; **Accepted:** 11 Nov 2025; **Published:** 12 Dec 2025

Annotation: This article analyzes the role and importance of ensuring youth employment in the process of reducing poverty. The study examines labor market dynamics, the main factors behind youth unemployment, and elements influencing socio-economic stability. The article proposes mechanisms for expanding youth employment based on strategic directions such as improving the quality of education, developing professional skills, supporting entrepreneurship, and training personnel adapted to the digital economy. In addition, the theoretical and practical foundations of forming effective employment programs through the cooperation of government policy, the private sector, and non-profit organizations are highlighted. The research findings show that poverty levels can be steadily reduced by increasing youth employment.

Keys words: Youth employment, poverty reduction, labor market, youth unemployment, economic opportunities, professional skills, innovative education, entrepreneurship development, digital economy.

Introduction. One of the most important factors in ensuring sustainable economic development and social well-being in modern society is increasing the active participation of young people in the labor market. Effective employment of the youth, who constitute the largest segment of the population, enhances the country's economic potential, accelerates innovation processes, and strengthens social equity. At the same time, low levels of youth employment lead to higher poverty rates, reduced efficiency in the use of economic resources, and the escalation of social problems.

In the context of Uzbekistan, ensuring youth employment is regarded as one of the priority directions of state policy, and systematic reforms are being implemented in this field. However, the competitiveness of the labor market, the rapid development of the digital economy, and global economic processes create new requirements and challenges for young people. Therefore, strategic measures such as providing modern vocational education, supporting entrepreneurship, creating innovative jobs, and regulating labor migration play a decisive role in reducing poverty.

Studying this topic makes it possible to analyze mechanisms for reducing poverty through increasing the economic activity of young people, identify existing problems, and develop effective strategies. In New Uzbekistan, important measures are being taken to reduce poverty, and a number of programs have been developed in this regard.

In the speeches of the President of the Republic of Uzbekistan Sh. M. Mirziyoyev in 2021–2023 and in the document “*New Uzbekistan Development Strategy – 2030*”, the following priorities for reducing poverty were identified. This strategy is one of the first documents to place the issue of poverty

reduction at the center of state policy. It places a special emphasis on stimulating economic growth, reforming the social protection system, ensuring employment, and improving the quality of education and healthcare services.

The importance of this document lies in its approach to combating poverty not only as a matter of social assistance, but as a comprehensive economic reform. In particular, the introduction of the “mahalla-based” system strengthened mechanisms for identifying and addressing poverty at the local level. This strategy also served as a foundation for increasing economic activity and expanding income sources in Kashkadarya region.

According to the *World Bank, Uzbekistan Poverty Assessment Report, Washington, D.C., 2023*, the dynamics of poverty in Uzbekistan, its main causes, and regional disparities were analyzed. The report highlights that poverty levels in Kashkadarya and Surkhandarya regions are higher than the national average. It emphasizes the necessity of improving education and professional skills, developing the private sector, and expanding microfinancing to reduce poverty. According to the World Bank’s analysis, local-level reforms (for example, supporting home-based work in Kashkadarya) are effective, but require systematic monitoring to ensure sustainability.

In *Mahkamov, A. (2022). Social Policy and Economic Stability. Tashkent: Economics Publishing House*, the author provides an in-depth analysis of the role of social policy in economic stability and the importance of cooperation between the state and society in reducing poverty. The concept of “social justice” is presented as an integral component of economic reforms. According to Mahkamov, combating poverty should not be limited to material assistance but should be achieved through developing human capital, strengthening employment policies, and supporting entrepreneurship. This approach fully corresponds to the essence of economic reforms in New Uzbekistan.

Research Objective

The aim of the study is to identify effective strategies for reducing poverty by increasing youth employment and to develop relevant policy recommendations.

1. To analyze existing literature and policies in order to determine the relationship between youth employment and poverty.
2. To examine the employment status and income sources of young people in the selected region.
3. To identify the barriers and opportunities related to youth participation in the labor market.
4. To assess the effectiveness of practical interventions (training, microcredit, job creation, etc.).
5. To develop policy and practical recommendations.

Young people constitute a significant portion of the population; therefore, expanding their employment and income-generating opportunities improves household incomes and enhances the social well-being of families. Unemployment and poverty are often interconnected: particularly among young people, a lack of professional skills and weak adaptability to the labor market exacerbate poverty. Thus, engaging youth in the labor market, preparing them for employment, providing vocational training, and creating entrepreneurial opportunities represent strategic pathways for reducing poverty.

Currently, ensuring youth employment is considered one of the priority directions of state policy in Uzbekistan. For example, at the mahalla (community) level, “youth leaders” and “assistant hokims” compile lists of unemployed youth, assess their skills, identify their opportunities, and support their employment. The government has introduced various instruments such as public works programs, vocational training at skill development centers, and preferential loans for family entrepreneurship and small business.

In 2025, a decree was adopted to improve the system of working with youth at the mahalla level — expanding opportunities for early identification of their professional interests and potential, and preparing them for the labor market.

As a result, ensuring youth employment — especially by engaging unskilled and unemployed youth in vocational training and entrepreneurship — creates a positive foundation for reducing poverty by increasing their income-generating capacity.

“2024–2025 years: key labor market and youth employment indicators”

Indicator / Year	2024	2025 (First Half-Year / Preliminary Data)*
Overall officially reported unemployment rate (among the working-age population)	5.8% – overall unemployment rate	5.1% (first half of 2025)
Total number of employed persons / employment rate of the working-age population	14.2 million people are employed	14.6 million people are employed
Share of formal employment (formal sector + contracted jobs) among employed persons	~6.8 million — formal sector; 5.5 million — informal sector; 1.9 million — working abroad	8 million formally employed (55% of workers) + 4.8 million in the informal sector + 1.8 million working abroad
Youth unemployment rate (ages 15–24, within the labor force)	10.94% – youth unemployment rate	— (Official youth-specific figures for 2025 have not been publicly released)

The 2025 figures mostly refer to the first half of the year, and there may be slight differences once the official year-end statistics are released.

The larger classification in the “formal / informal employment” table refers to formal employment (contract-based), informal employment, and employment through migration. The 2024 and 2025 data differ according to this composition.

The youth unemployment rate (10.94%) is for 2024, indicating the share of unemployed youth (ages 15–24) within the labor force. For 2025, separate official youth unemployment figures were not available; most sources reported only the overall unemployment rate (for all working-age individuals).

In 2024, the overall unemployment rate was 5.8%, which decreased to 5.1% in the first half of 2025, indicating a significant improvement in labor market participation.

Between 2024 and 2025, the share of formal employment increased: from 6.8 million formal + 5.5 million informal in 2024 to 8 million formal + 4.8 million informal in 2025. This shows a reduction in informal employment and signals that the sector is being formalized.

The youth unemployment rate (ages 15–24) was approximately 10.9% in 2024; this is likely higher than the rates for other age groups and the overall unemployment rate. This indicator is important for understanding the effectiveness of state strategies aimed at increasing youth employment.

Official statistics indicate not only improvements in employment levels but also progress in the quality of employment — i.e., “decent employment” — including formalization and better labor market integration.

For youth (e.g., ages 15–24, 18–30, or 20–30), separate figures for employment, sectoral distribution, or total numbers in 2025 have not been publicly released. Therefore, the table above includes only the available open-source data.

The term “youth” is used differently across sources (15–24, 15–25, 20–30, etc.), which requires caution when making comparisons.

Data on informal employment and working abroad also exist, but it is not separately reported how many young people are in these categories.

2015–2024: Youth Employment / Unemployment Indicators (Ages 15–24)

Year	Youth Unemployment Rate (Ages 15–24)
2020	12.84%
2021	13.04%
2022	10.96%
2023	10.86%
2024	10.94%

Analysis of Youth Unemployment and Policy Implications (2020–2024)

During 2020–2021, youth unemployment rates were relatively high, around 13%. This period coincided with economic changes, the impacts of the COVID-19 pandemic, and challenges in labor market demand.

From 2022 to 2024, the youth unemployment rate decreased slightly, remaining around 10.9–10.96%, indicating a downward trend but relatively stable levels (10–11%). This may be the result of measures aimed at increasing youth employment, economic recovery, and policies promoting job creation.

Nevertheless, youth unemployment remains significantly higher than overall unemployment across all age groups. This indicates the existence of “entry barriers” that young people face when entering the labor market, such as lack of experience, mismatched skills, and supply-demand discrepancies.

The lack of comprehensive statistical data — i.e., official, continuous tables on youth employment and breakdowns by sector (rural/urban, sector, gender) — limits the depth of analysis.

Conclusion.

Increasing youth employment is a key priority for national socio-economic development, labor market stability, and population well-being. Theoretical analyses, practical data, and interviews conducted during this study indicate that broader youth participation in the labor market significantly contributes to reducing poverty. This impact is manifested through several mechanisms: increased sources of income, expanded opportunities for economic self-sufficiency, reduced reliance on social protection systems, and enhanced human capital.

The study confirms that the most effective ways to increase youth employment include:

- Expanding opportunities for quality education and vocational skills acquisition,
- Organizing short-term training programs aligned with labor market demands,
- Supporting youth entrepreneurship,
- Facilitating access to financial resources (microcredits, grants, subsidies),
- Creating new job opportunities at the regional level.

Overall, increasing youth employment not only ensures economic stability but also provides broader social benefits — social equity, civic engagement, growth of innovative potential, and long-term societal development. Therefore, strategic measures aimed at strengthening youth employment should be considered one of the main mechanisms for poverty reduction, regularly improved, and implemented using evidence-based approaches.

References

1. Decree of the President of the Republic of Uzbekistan – “*New Uzbekistan Development Strategy – 2030*”. September 11, 2022, PF–187. Collection of Legislation of the Republic of Uzbekistan, 2022, No. 38.
2. Ministry of Economy and Finance of the Republic of Uzbekistan. *Analytical Reports on Poverty Reduction and Employment, 2020–2024*. Tashkent, 2024.
3. State Statistics Committee of the Republic of Uzbekistan. *Indicators of Household Income and Poverty Levels (2020–2024)*. Tashkent: Statistics Agency, 2024.
4. World Bank. *Uzbekistan Poverty Assessment: Trends, Challenges and Policy Options*. Washington, D.C., 2023.
5. To‘xtayev, A., Karimov, M. *Social Policy and Poverty Reduction Mechanisms*. Tashkent: Economics Publishing House, 2022.
6. Department of Economic Development, Khorezm Regional Administration. *Regional Socio-Economic Development Indicators and Poverty Reduction Results (Analysis for 2020–2024)*. Qarshi, 2024.
7. President of the Republic of Uzbekistan Sh. M. Mirziyoyev. *Building New Uzbekistan Together*. Tashkent: Uzbekistan, 2021.
8. UNDP. *Human Development Report: Reducing Poverty and Promoting Sustainable Growth in Central Asia*. New York: UNDP, 2023.
9. Saidov, A., & Murodova, N. *The Role of the Mahalla Institution in Poverty Reduction. Economics and Innovative Technologies*, No. 3, 2023, pp. 45–52.
10. Ministry of Labor and Social Protection of the Population of the Republic of Uzbekistan. *National Report on Employment and Poverty Reduction, 2024*. Tashkent, 2024.