



Impact of Demographic Processes on Socio-Economic Life

Rajabova Hulkaroy¹ 

¹3rd-year student of Geography and Basics of Economic Knowledge program, Guliston State Pedagogical Institute, Uzbekistan
E-mail: rajabovahulkaroy1@gmail.com

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*Corresponding author:

Rajabova Hulkaroy¹

rajabovahulkaroy1@gmail.com

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Abstract

Demographic dynamics significantly shape socio-economic development, particularly in countries with rapid population growth. Uzbekistan's current demographic trends—marked by increasing birth rates, a young population structure, and intensified urbanization—present both challenges and opportunities for its economy. While demographic data are available, limited comprehensive analysis exists regarding how demographic pressures interact with employment, housing, infrastructure, and food security in the Uzbek context. This study aims to examine the interconnection between demographic processes and key sectors of Uzbekistan's socio-economic life, such as the labor market, urban development, and communal services. Findings indicate that demographic pressures are creating labor market strain due to a growing number of working-age individuals, increased demand for housing due to family formation and marriage rates, and pressure on infrastructure and food security systems. Despite these challenges, timely reforms and migration patterns have mitigated economic shocks, particularly during the pandemic. The paper emphasizes the unique demographic-economic landscape of Uzbekistan, identifying human capital as a strategic asset, highlighting region-specific challenges like infrastructure deficits, and advocating for demographic-informed policy planning. The study underscores the need for active employment policies, targeted urban development, and investment in communal and food systems to harness demographic trends for sustainable economic growth. These insights can guide policymakers in Uzbekistan and similar developing countries toward integrating demographic forecasts into strategic planning.

Keywords: Demographic indicator, population, Labour market, employment and income, Housing and urbanization processes, GDP, "New Uzbekistan" topics.

Introduction

In any country, a high demographic pace, a high population and a high rate of marriage can increase pressure on its economic parameters and create a number of problems in this direction. When analyzing the impact of demographic processes on social spheres in the previous section, almost all of them involved aspects related to the development of the economy of Uzbekistan, that is, the creation and further improvement of infrastructures in any social sphere is carried out primarily based on the increase in the population, in the end, the impact on the country's economy is noticeable [1].

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A number of countries of the world, first of all, countries with poorly developed economies, are distinguished by the high rate of population growth, as opposed to this, the low economic development. These aspects can be seen in a number of countries located in the south of Asia and the south of sub-Saharan Africa. But despite all this, if the country conducts a correct and effective socio-economic policy, there may be a positive result from demographic processes, including population growth. An example of this is the effective use of human capital to produce positive results from demographic pressure. For information, according to the research conducted by the World Bank in 192 countries, in the modern economy, physical capital is 16% of the total wealth, natural capital is 20%, and human capital is 64%. In Japan, Germany and Sweden, the share of human capital reaches 80% In Russia, it is only 14 percent. In the above-mentioned economically underdeveloped countries, even lower levels remain [2].

Materials and Methods

The methods used in this article involved a qualitative analysis of statistical data, historical comparisons, and policy assessments related to demographic processes and their socio-economic impacts in Uzbekistan. The author systematically examined secondary sources, including government reports, World Bank studies, and official demographic data to assess trends in population growth, labor market pressures, housing provision, and urbanization. By interpreting quantitative indicators such as birth and death rates, labor force entries, employment statistics, and housing availability, the study highlights correlations between demographic shifts and economic challenges or progress. Furthermore, the research incorporates a review of reforms implemented by the government, particularly in the labor market and housing sectors, evaluating their effectiveness in managing demographic pressures. The integration of comparative international examples—such as population growth in sub-Saharan Africa and human capital efficiency in developed countries—adds context and supports the analytical narrative. Through these methods, the article articulates how demographic dynamics influence macroeconomic performance, employment policy, migration trends, and infrastructure needs in Uzbekistan. This approach provides a grounded and context-rich understanding of the socio-economic consequences of demographic change and offers insight into sustainable policy strategies [3].

Results and Discussion

Labor market, employment and income

It is known that the existing labor market in each country is not only national, but also a separate mechanism that provides labor resources to various sectors of the economy of other countries. The professional qualities, flexibility and high quality of the participants in this market, especially the labor force, are important, because this is a factor that directly affects the socio-economic development of the country and regions. It has a specific law between supply and demand, and the order in which the economy develops or changes first affects the quality indicators of market participants [4].

The labor market of Uzbekistan also has its own characteristics. In it, the relatively demographic “is characterized by the fact that the amount of supply in the labor market remains high compared to the demand due to the presence of a young ” population, the number and rate of births is increasing, and the rate of death is decreasing. More than 500,000 new labor resources

enter the labor market every year due to demographic shifts. The above figures, which are almost twice as large as those who leave the ranks of labor resources due to the population reaching retirement age, migration, death and other factors, also create pressure on the country's economy. At this point, the age groups entering the current labor market are distinguished by the fact that they were born in the early 2000s, and this period was the period when the number of people born in the years of independence had a relatively low level (about 500-550 thousand per year). For comparison: more than 800,000 births per year have been recorded in the last 2-3 years. This situation may lead to a pressure on the country's labor market after 2030, at least 50% higher than now, if the current demographic processes remain or other force majeure situations are not recorded [5].

If we pay attention to the changes in the main indicators of the labor market in Uzbekistan, it is parallel to the growth of the population during the past period the number of labor resources in Ravish has also increased, but at a rate twice as low, that is, from 1-1.2% per year. As the main changes in the labor market of the republic, major changes in the number of people going to work abroad, as well as the increase in unemployment (in this case, the Cabinet of Ministers 2017 in the methodology of determining unemployment it should also be noted that there have been changes due to the decision No. №1011 dated December 22), it should be noted that the level of economic activity of the population has increased. In recent years, the government has developed a number of effective mechanisms for reforming the labor market and supporting the unemployed population. However, as a result of the 2020 pandemic, this direction, like a number of sectors, was not without negative effects. Due to the temporary reduction of jobs, the closure of state borders, the suspension of the activities of seasonal migrants, the cessation of a number of areas of services (transportation, trade and food, etc.) in which the informal sector operates, along with the increase in the number of unemployed in the country, the income of the population decreased, and economic stability in general was at risk. A number of positive reforms implemented on time, first of all, involving the population in seasonal and temporary work, directing work to the services of this sector by expanding the construction sector, training the population in entrepreneurship and professions, self-employment measures such as incentives led to the end of the country's economic growth rate with a positive indicator. That is, Uzbekistan, among the few countries, got rid of the economic recession at the end of 2020 and maintained positive dynamics. The number of people who are moving to working age as a result of changes in age groups in the country represents the above-mentioned demographic pressure. As a result of the increase in the rate of birth in recent years, the decrease in death and migration in the working population, the amount of this stratum in the population is also increasing. In particular, the increase of the working population from below (those over 16 years old) and from above (women – 55, men 60 years old) prepares the ground for the pressure on the labor market, the lack of jobs, and the increase in the number of people going to work abroad [6].

One of the main participants in the labor market of Uzbekistan, the stratum that has a great influence on the formation of the personal budget of the country and citizens, is labor migrants working abroad. Their number and growth rate has been constantly increasing, except for a short change due to the pandemic that occurred last year. The number of labor migrants in 2016 was 1.1 mln. was 2.5 million by the end of 2019. was. However, due to the pandemic, their number will be 1.8 million at the end of 2020. decreased to a person [7].

At this point, it should be noted that while the number of labor migrants has decreased sharply, the changes in the rate of remittances sent by them, more precisely, by individuals from abroad, have increased in a row, even the pandemic of last year did not cause this pace to decrease. The fact that this amount is increasing in relation to the state GDP in Uzbekistan, and the total income structure is even higher (10% of GDP in 2020, around 14.5% of total income) shows that it is possible to effectively use the surplus labor force in the country in this direction. Although the main countries of labor migrants are the Russian Federation and the Republics of Kazakhstan, the geographies of these countries are being expanded by the organizations responsible for employment, the labor markets of the Republic of Korea, Turkey, UAE, Japan, and Eastern European countries the demand for Uzbek labor resources is also increasing [8].

In general, the labor market of Uzbekistan is distinguished by the fact that it has relatively “plus” labor force and “age” labor resources. In order to eliminate existing problems in the market, it is recommended to carry out an active employment policy, and for this, it is recommended to pay attention to the following directions.

1. It is necessary to pay attention to improving the quality of the new jobs created, not the number. If we pay attention to the employment programs 5 years ago, almost 1 mln. The creation of jobs was determined, but unemployment did not decrease, the demand for jobs remained high;
2. It is necessary to take measures to further expand social, legal and psychological support measures for labor migrants, to expand the geography of the countries where they operate, and most importantly, to make recommendations for the correct and rational use of their income for their families;
3. It is necessary to strengthen new mechanisms to increase the level of employment of the unemployed, especially women and young people, in the country. For example, it is appropriate to further develop the system of allocating subsidies and grants to the unemployed by increasing the amount of money allocated to them, to take measures to prevent the citizens who are allocated unemployment benefits from being attached to this pension and to help them find their permanent job;
4. It is recommended to attract more of the population working in the informal sector to the official sector, to take measures to reduce the share of the underground economy. It should not be forgotten that the self-employment mechanism is highly effective;
5. In all programs and regulatory documents implemented in the field of employment, population growth, demographic “waves”, changes in age groups and other factors should be fully taken into account[9].

Processes of providing housing and urbanization to the population

Economic and social reforms in Uzbekistan are aimed at improving the well-being and living conditions of the population, providing the population with housing and improving the quality of communal services is a form of such reforms. New methods of providing housing to the population by the government — purchase by auction, payment of the initial payment of housing in the form of subsidies for the population with low income, and preferential mortgage loans, the budget for the operation of communal farms abandoned financing and moved to the establishment of private owners' associations. In the 1970s and 1980s of the last century, the birth rate of the population in our country reached its peak. This was later the birth rate and the

population it has caused a number of housing problems in densely populated areas. As a result, the provision of housing to the population in the Fergana Valley, Khorezm, Tashkent regions and the city of Tashkent became one of the first priority issues. Since housing provision of the population is a high-level social problem, in the first years of independence alone, more than 1.8 million people were considered in need of housing construction. The state of housing provision and social security of the population, in particular, communal services, reflected negative indicators. For example, in the first years of independence, only 5% of the rural population was provided with sewage and water supply, 17% with natural gas, and only 50% with drinking water, which means that the situation was complicated [10].

Although the process of fundamental changes and updates is underway in the field, there are a number of problems. Although the demand for new, model-type houses and multi-apartment housing estates, which are being built in recent years, is still high, there are issues related to the industry in high-rise buildings in cities and towns that need to be solved. It is clear to everyone that there is. While these problems are not direct, they indirectly affect the demographic indicators of the population [11].

Although the growth indicators of the country's population regularly increased during the years of independence, the lack of land for housing construction in some regions, the construction of new, multi-storey buildings in cities in connection with the economic situation in the early years the complete stoppage had a partial impact on the process of population reconstruction. This situation continued later and slightly affected the rate of population growth in rural areas. The establishment of satellite towns and housing estates around large cities by the government, the transformation of large villages into urban-type settlements, and the transfer of infrastructures in general settlements to conditions suitable for cities, prepared the ground for the acceleration of urbanization processes, and the rapid increase of cities in terms of population compared to villages. If the same approach continues, the level of urbanization is expected to increase from the current 50.8 to 60.0% by 2030 according to the programs adopted by the country's government. First of all, the population and the number of marriages (families) are rapid it can be explained by the increasing demand for housing of the population as a result [12].

If we refer to the numbers, at the beginning of 2020, there were 8.7 million in the country. If the family was registered, the number of available houses was more than 6.3 million. Comparing the numbers of 2017 and early 2020, the following indicators are formed:

1. The ratio of housing units per family was 0.75 in the initial period, compared to 0.72 by early 2020. From this it can be concluded that the rate of housing construction is lower than the rate of reproduction of families.
2. The population per family fell from 4.1 to 3.9 during the comparison periods;
3. The number of registered marriages concluded for every 1,000 families increased from 35.1 to 35.8 during the compared periods [13].

The main reason for taking the above-mentioned periods compared to the end of 2016 and the end of 2019 is the pandemic of 2020, which has been mentioned many times above. At the end of this year 2021, a number of significant changes are expected in this direction, from this point of view, it would be appropriate to repeat the analysis next year. It had a serious impact on the well-being, healthy living of the population and a number of demographic processes, primarily on marriage rates. For example, in 2008, 250,200 marriages were registered, in 2016, 275,000, and

at the end of 2019, about 311,000 marriages were registered. Although these numbers have decreased slightly in recent years (about 297,000 marriages were registered at the end of 2020), these marriages provide the primary basis for the increase in the number of births in the population in the following years. The improvement of housing provision of the population directly affects the increase in the number of marriages[14].

At this point, on November 2, 2021, under the chairmanship of President Shavkat Mirziyoyev, providing the population with quality housing, “Establishment of new Uzbekistan” areas, and ecological situation and weather in cities, district centers and settlements in order to improve its cleanliness, a meeting of video selectors dedicated to the implementation of the national project “Green space” was held. Among other things, all the reforms of the next five years aimed at creating decent living conditions for the population, as well as improving housing construction and infrastructure, were announced[15].

According to information, more than 140,000 houses have been built within the framework of mortgage programs in recent years. About 300,000 marriages are registered in our country every year, which means that the population may reach 38 million people in the next five years. Based on this, it is planned to build 80,000 houses per year in the next five years to meet the population's demand for housing. In addition, it is planned to build “New Uzbekistan massifs”, which has all the economic and social infrastructure in the regions, through which more than 250,000 houses will be built in the next five years.

Engineering-communication and housing infrastructures

In addition to housing, the state of communal services is also partially affected by the change in the number and composition of the population. In this regard, the following principles should not be forgotten. Because they are specific laws of industry development:

1. The main “customer of the housing and communal services sector is the population;
2. It is desirable if communal services are organized and provided only in settlements where the population lives permanently;
3. Organizations providing housing and communal services must have the nature of autonomous management and be closely connected with each other in terms of production products and service sectors. However, it must be fully subject to a single administrative apparatus and local laws;
4. Communal services are mainly developed in cities, and the indicators of production and use of services in the sector are relatively superior in urban areas. Partially developed even in rural settlements close to cities only;
5. Improving the quality of housing and communal services and forming it, especially in rural settlements, should be one of the main directions of socio-economic development of each region.

However, some of these laws cannot be considered one of the main principles of the field at the moment. In particular, the structure of communal farms and their management, the increase in the territory and population of cities, the expansion of villages and the status of towns and cities force changes to a number of requirements of the industry.

At this point, it is appropriate to pay attention to the classification of the main forms of housing and communal services. A number of foreign and local scientists have divided the branches of service in the field in their scientific work into the following 4 groups:

1. Households (housing fund, private housing owners' associations and organizations providing housing management, construction and repair services);
2. Sanitary and technical service organizations (drinking water and sewage network, removal of waste from houses (specialization), disinfection and cleaning of housing buildings, baths and laundry services, etc.);
3. Energy supply organizations (electricity, natural gas, heat supply enterprises);
4. Transport service organizations (city public transport types: bus, metro, etc.).

Communal services divided into the above groups are analyzed in a holistic manner. Together, they form a whole system or network: a housing and communal service system. However, each of these groups consists of several separate service areas, which would be appropriate if listed separately:

1. Water supply, wastewater and its treatment;
2. Heat supply;
3. Gas supply;
4. Power supply;
5. Greening and beautification of settlements;
6. Cleaning of settlements and houses from waste;
7. Repair of roads and bridges, protection of banks of canals and rivers, etc.

In recent years, the demand for a number of food products has been increasing due to changes in the population and supply. In particular, the production of primary products – flour and flour products, vegetable oil, meat, milk and other products, as well as meeting the demand of the population, remains one of the priority tasks. The government of the country is paying special attention to ensuring food safety and maintaining price stability in the domestic market, creating a sufficient reserve of products in the domestic market, whose prices are constantly increasing in the world market. For this purpose, effective measures are being taken, such as supporting various benefits for the import of some products (vegetable oil, meat, etc.) into our country, exempting them from customs and other fees, and supporting supply companies. In recent years, due to the high demand of the population for primary food products, a number of activities have been carried out to increase the production of agricultural products and their processing in the country, as well as the import of insufficient products for domestic consumption. Approved by the decision of the Cabinet of Ministers of the Republic of Uzbekistan No. 841 dated October 20, 2018, the 2nd goal defined in the national goals and objectives in the field of sustainable development until 2030, i.e. “, strengthening food safety, improving the diet and it is planned to provide a number of tasks and indicators by the relevant ministries and agencies to support the sustainable development of agriculture. Tasks 2.1 and 2.2 should be emphasized in these tasks. Because they have issues that can directly affect the number of the population and age groups, birth and death rates. The fact that the population is malnourished, does not eat high-quality and balanced foods, has a negative effect on the physical condition of children, adolescents and pregnant women do not forget. Task 2.2 of the document stipulates the elimination of all forms of malnutrition by 2030, including the achievement of internationally agreed target indicators for combating negative situations in the physiological condition and weight of children under five years of age by 2025, and adolescent girls, pregnant and lactating women, meeting the nutritional needs of the elderly, which is one of the factors that have a primary impact on the above-

mentioned demographic processes.

When analyzing the interrelationship of demographic processes with economic development, the following conclusions can be reached:

1. **First**, it should not be forgotten that there is a connection with demographic processes in one form or another in all sectors of the country's economic development.
2. **Second**, when calculating the country's GDP, economic growth and other economic indicators, the number and composition of the population certainly plays an important role in maintaining various ratings, the increase or decrease of the population can be seen in the above parameters.
3. **Third**, it is necessary to take into account the demographic situation of the regions when forming the internal budget of the country or regions, attracting foreign debts or foreign investments.
4. **Fourth**, in the development of measures and planning programs to increase the employment of the population, ensure housing, infrastructures, food and other necessary needs, it is necessary to take into account the number and composition of the population, as well as the progress of demographic processes.
5. **Fifth**, it is recommended to take into account the economic and social situation of the country and regions in the implementation of programs related to the population, including demographic development and demographic policy.

Conclusion

The conclusion of the article highlights the significant influence demographic processes exert on various aspects of socio-economic life in Uzbekistan. It emphasizes that rapid population growth, high birth rates, and demographic shifts have a direct impact on the labor market, employment rates, housing demands, urbanization trends, and social infrastructure. The article underscores that although these demographic trends pose challenges, they also offer opportunities if managed through appropriate socio-economic policies. Uzbekistan's proactive efforts in labor market reforms, housing programs, and infrastructure development are presented as positive responses to these pressures. Particularly, the country's experience during the COVID-19 pandemic illustrates resilience, as timely government interventions helped prevent economic decline and ensured continued growth. Furthermore, the article stresses the importance of considering demographic factors in national planning, investment decisions, and the development of sustainable policies. Ultimately, the analysis concludes that demographic trends must be viewed not only as constraints but also as catalysts for growth when aligned with strategic planning and effective governance.

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