



## **ANALYSIS OF THE LABOR MARKET AND ITS INDICATORS**

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### **Abstract**

This article analyzes the current state of the labor market in Uzbekistan, the dynamics of employment and unemployment, as well as the share of employment in the informal economy. The article studies statistical indicators for 2024-2025, youth unemployment, migration, and labor market trends. Additionally, the structure of the labor market, the distribution of employment across economic sectors, and the impact of government policy are discussed.

**Keywords:** Labor market, employment, unemployment, informal employment, labor migration, statistical analysis.

### **Introduction**

The labor market is an important macroeconomic indicator of the economy, serving as a basis for assessing economic stability, social policy, and the effectiveness of targeted employment strategies. Analyzing the labor market against the backdrop of Uzbekistan's economic growth and demographic changes is a current necessity.

In Uzbekistan, the labor market reflects not only the dynamics of economic development but also the structural transformations associated with modernization, industrial diversification, and the transition to a knowledge-based economy. Rapid demographic growth, particularly the increase in the working-age population, creates both opportunities and challenges: on the one hand, it provides a large labor force, while on the other hand, it requires the creation of sufficient jobs to prevent unemployment and underemployment.

The labor market also plays a crucial role in shaping social stability. Employment levels directly influence household incomes, poverty reduction, and the overall quality of life. Effective labor market policies ensure that economic growth



translates into inclusive development, reducing inequality and supporting vulnerable groups such as youth, women, and rural populations.

Furthermore, the labor market serves as a key mechanism for evaluating the success of educational and vocational training systems. The alignment between labor demand and the skills supplied by the education system determines the competitiveness of the workforce. In Uzbekistan, ongoing reforms in higher education and vocational training aim to better match graduates' qualifications with the needs of modern industries, including IT, renewable energy, and advanced manufacturing.

From a macroeconomic perspective, labor market indicators such as employment rates, wage dynamics, labor productivity, and migration flows provide essential information for policymakers. They help design targeted employment strategies, improve social protection systems, and support sustainable economic growth.

The number of labor resources is determined as the sum of the working-age population able to work and the number of working adolescents and pensioners, according to the following formula:

$$\text{LR} = \text{WAPM} + \text{WTP} \quad (1)$$

where, LR – number of labor resources;

WAPM – working-age population able to work;

WTP – working adolescents and pensioners.[3]

**Table 1. Number of Labor Resources (thousand people).**

Years / Region	Yillar				
	2020	2021	2022	2023	2024
Republic of Uzbekistan	19158,2	19334,9	19517,5	19739,6	20085,2
Republic of Karakalpakistan	1074,7	1066,1	1067,6	1072,6	1098,6
Andijan Region	1754,8	1745,3	1780,8	1799,6	1807,4
Bukhara Region	1067,1	1072,3	1074,7	1089,2	1085,3
Jizzakh Region	773,8	782,6	791	799,4	802
Kashkadarya Region	1809,8	1811	1813,4	1826,7	1888,5
Navoi Region	555,2	564,5	570,6	584,5	597,4
Namangan Region	1580,4	1586,1	1588,3	1603,9	1632,4
Samarkand Region	2125,2	2122	2164,8	2167,6	2190,9
Surkhandarya Region	1452,2	1464,6	1465,4	1486	1515,8
Syrdarya Region	485	489,4	487,4	492,2	503,2
Tashkent Region	1615,4	1622,5	1619,2	1640,7	1671,6
Fergana Region	2069,3	2083,9	2097,8	2121,7	2143,3
Khorezm Region	1044,8	1047,1	1050,9	1064,3	1080,3
Tashkent City	1750,5	1877,5	1945,6	1991,2	2068,5

Source: Data from Stat.uz. (As of 2025-06-26)



In Uzbekistan, labor resources - the share of the workforce and the economically active population - are increasing. According to data, as of June 26, 2025, the number of labor resources amounted to 20.085 million people. Accordingly, the number of the economically active population has also increased, indicating a group with a high probability of employment.

The growth in labor resources and the economically active population may indicate the effectiveness of employment policies and measures to attract labor in Uzbekistan's economy.

The unemployment rate in Uzbekistan shows a gradual decline. It was reported that in the third quarter of 2025, the unemployment rate dropped to 4.9 percent. Furthermore, semi-annual data shows that in the first half of 2025, the unemployment rate was 5.1 percent.

A decrease compared to previous years is noticeable: in 2024, the unemployment rate was 5.8 percent.[3]

**Table 2. Number of Unemployed (thousand people).**

<b>Classifier</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Republic of Uzbekistan</b>	1561	1441,8	1332,7	1024,1	836
<b>Republic of Karakalpakstan</b>	82,6	78,9	71,9	56,3	46,4

Source: Data from Stat.uz. (As of 2025-06-26)

The decline in the unemployment rate demonstrates the effectiveness of the labor policy and employment reforms being implemented by the Government of Uzbekistan. Furthermore, the continuity of the downward trend indicates increasing stability and economic activity in the labor market.

According to data from open online sources where job vacancies and applications are published, a significant increase in the number of vacant job positions offered in the labor market was observed during the second quarter of 2025. In particular, during this period, business entities advertised 28.7% more vacancies compared to the first quarter, with a significant portion falling to the trade (19.4%), catering (17.5%), and manufacturing (16.8%) sectors. In the second quarter, the number of active job applications (resumes) on sources primarily used by job seekers with specific skills and qualifications also continued to grow. According to data [4],



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the number of resumes significantly increased in the fields of trade, services, marketing, and advertising.[2]

Working in the informal sector remains a significant problem in Uzbekistan. According to 2025 data:

- Formal sector employment — 8.58 million people.
- Informal sector employment — 4.38 million people.
- Labor migrants abroad (Uzbekistanis) — 1.86 million people.[3]

The high level of employment in the informal sector complicates issues of tax revenues and social protection. Furthermore, the large volume of labor migration can put pressure on Uzbekistan's domestic labor market, although, on the other hand, it also benefits the economy through remittances from work abroad. By the end of 2024, a shortage of vacant positions was felt in Uzbekistan's labor market. According to the analysis, in Q4 2024 (Oct-Dec), there were a number of vacancies in the private sector and in retail trade, manufacturing, and food service sectors.

At the same time, the number of self-employed persons increased, reaching 4.5 million people by the end of 2024, often working in personal services, agriculture, and social services. Labor migration in Uzbekistan is also significant: in 2024, the number of Uzbekistanis who were labor migrants increased, and the funds received from workers abroad were an important economic factor.[3]

The job search phase and migration trends represent two important directions of Uzbekistan's labor market: the need to increase domestic employment and manage the flow of labor working abroad. The increase in self-employed persons indicates the growing potential of small business and entrepreneurship in the economy.

Currently, Uzbekistan's labor market has positive trends: the unemployment rate is decreasing, labor resources are growing, and the number of self-employed persons is increasing. However, the high share in the informal sector, youth employment, and ongoing migration remain the main problems of the labor market. In the long term, it is necessary to develop strategies in partnership between the state and the private sector to create a stable and inclusive labor market.



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